

Business Continuity The UK Experience

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Overview

- UK Context
- Key issues
- International Dimension
- Next Steps

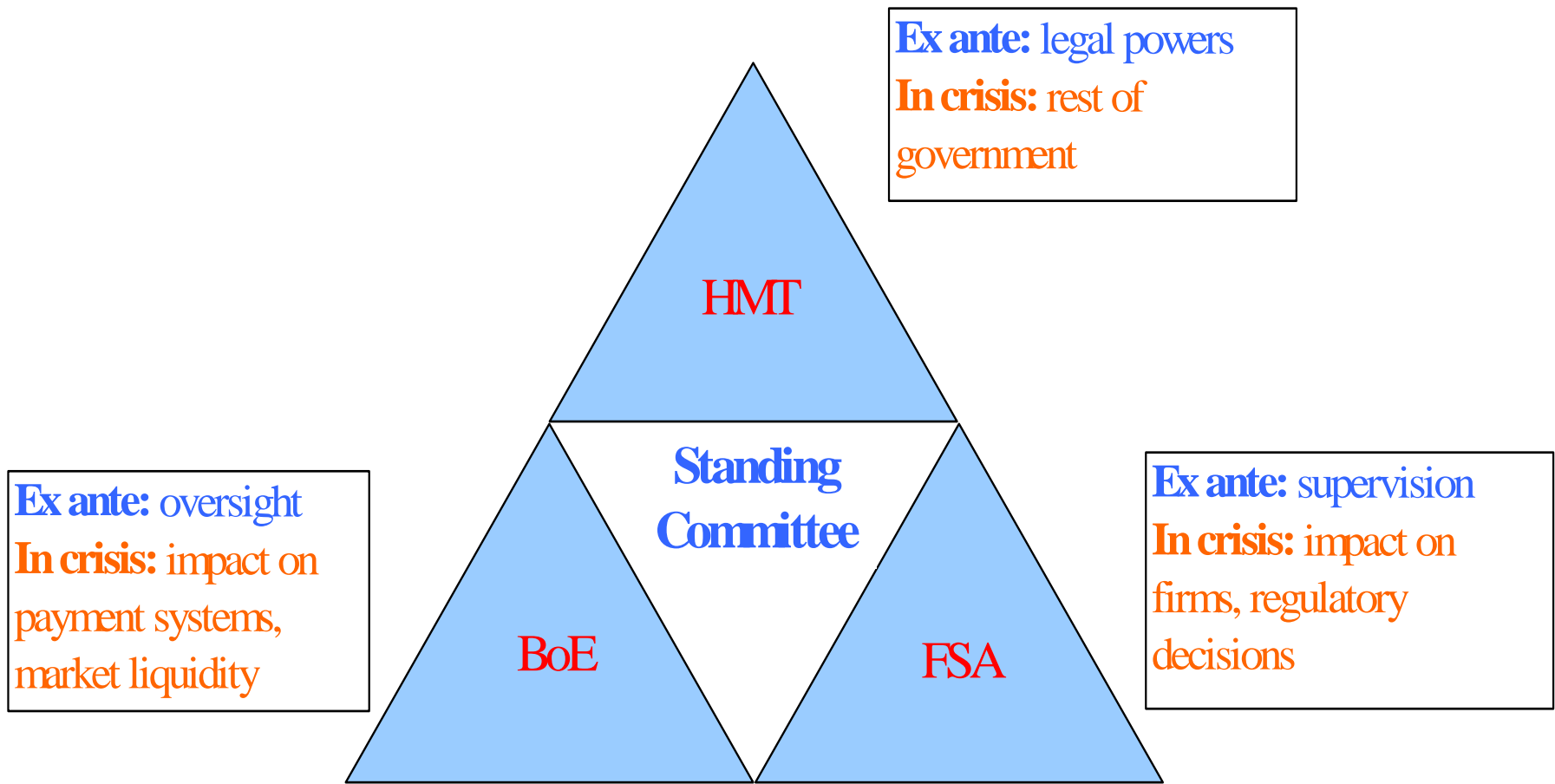
UK Context

Previous Events

- IRA
- 9/11
- 7 July 2005

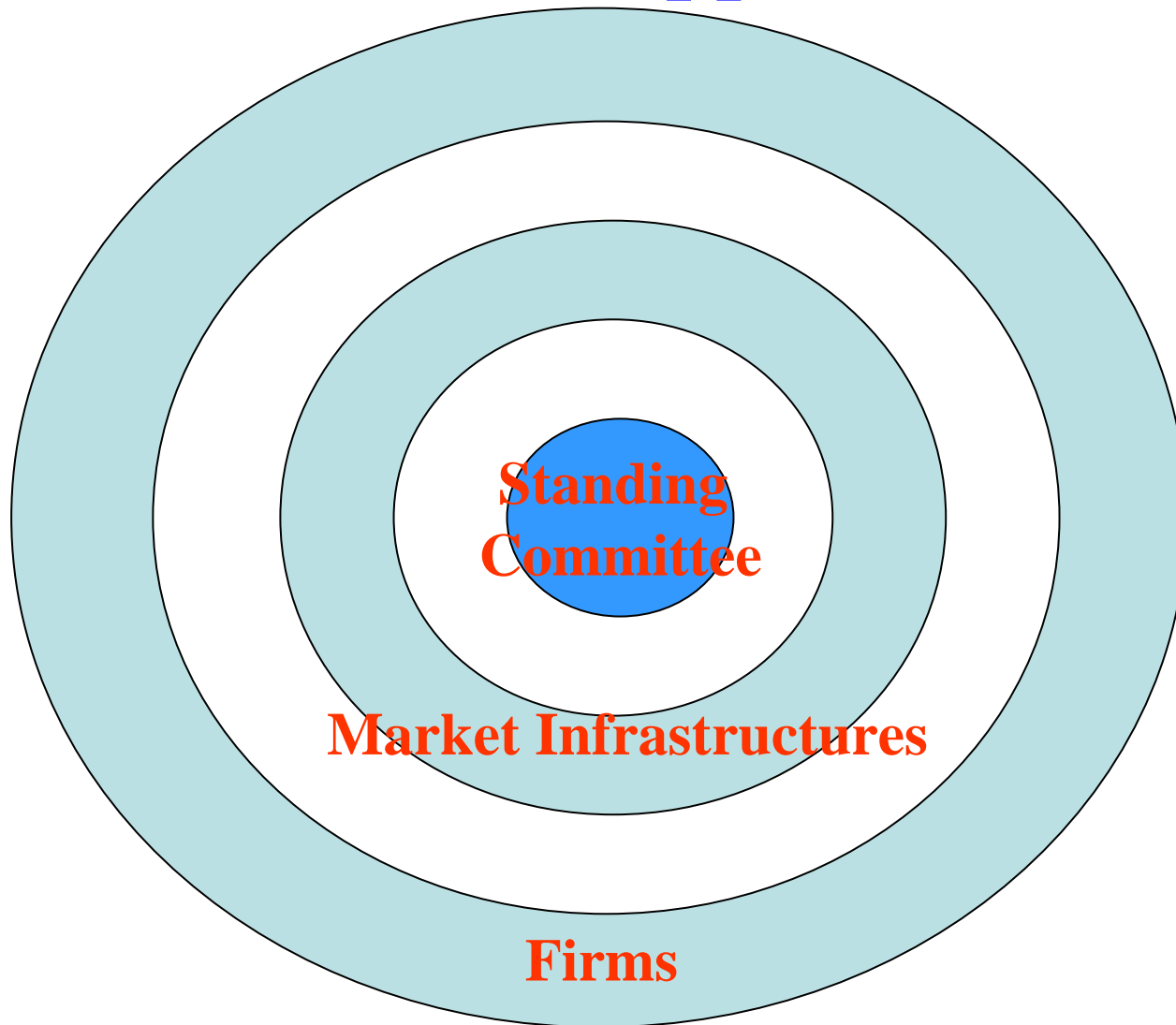
UK Context

Institutional framework



UK Context

Holistic approach



Key Issues

- Communication/Co-ordination
- Legal Powers
- Resilience Standards
- Testing

Communication/Co-ordination

- Public Sector
 - revised MOU, March 2006
- Public to Private
 - FSC Website
 - CMBCG
- Private
 - MIs, FX JSC, MMLG

Communication/Co-ordination FSC Website

- Public
- Secure
- Central point of information about work on continuity planning that is relevant to the UK's financial sector
- Key communication channel in a crisis
- www.fsc.gov.uk

Communication/Co-ordination CMBCG

- Cross Market Business Continuity Group
- Chaired by the Bank
- Brings together key infrastructure providers and firms to discuss possible workarounds

Legal Powers

- Taskforce (2003) led by Sir Andrew Large
- Concluded the authorities did not need new legal powers
- But areas identified where improvements needed (added impetus for revised MOU, CMBCG, market wide exercises etc)

Resilience Standards

- CPSS and CPSS/IOSCO Recommendations
- Payments oversight
 - extra resilience
 - legal arrangements
 - Payment Systems Oversight Report

Resilience Standards

- Resilience Benchmarking Survey
 - Summer/Autumn 2005
 - over 60 infrastructures and firms participated
 - self assessment on resilience/recovery
- Objectives
 - benchmarking
 - interdependencies

Resilience Standards

- December 2005 Discussion paper
- Main findings
 - generally positive on MIs and firms' expected recovery times
 - in some cases assumptions benign,
 - planning/testing insular
- Follow-up on findings via oversight (Bank) and regular supervision (FSA)

Testing

- Market wide exercises in 2003, 2004 and 2005
- MWE 2005: bombs & CHAPS outage
 - authorities and market participants (over 70 participating firms and infrastructures)
 - afternoon exercise, played from various locations, testing communication, responses
 - international observers
- MWE 2006: Flu pandemic
 - to be played over 6 weeks
 - 60 firms and infrastructures participating

International dimension

- Communication/Co-ordination
 - crisis communication arrangements
- Resilience Standards
 - CPSS-IOSCO standards
 - Joint Forum High Level Principles for Business Continuity
 - co-operative oversight (e.g. CLS, SWIFT, Euroclear)

Next steps

- Much done, more to do
- Resilience standards
 - re-benchmarking 2007
- Testing
 - MWE 2006
 - MI-driven user testing