

EUROPEAN CENTRAL BANK

EUROSYSTEM

T2S Recovery

Item 5.2



25 June 2024

AMI-SeCo

ECB-UNRESTRICTED





Recovery process

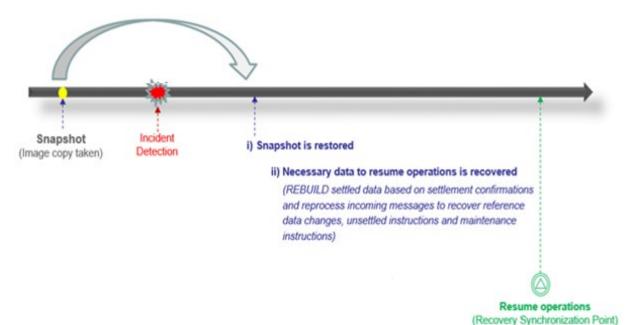
Objectives of T2S Recovery

- In September 2023, **the functional design was approved** by the T2S Steering Level.
- In January 2024, a functional workstream was activated under PMG TF on T2S Recovery, addressing functional questions, which might result in changes to the solution.
- Key objectives:
 - Focus on the recovery of T2S. (*)
 - Resume T2S operations from a disruption caused by **a large-scale incident or a cyber-attack**.
 - Focus on a case of an incident causing a massive data loss in T2S
 - Recover operations within max 12 hours.
 - Minimize the impact on CSDs'/NCBs' participants.

(*) The recovery solution for T2 will be developed via a dedicated task force under the T2 governance, while the interdependencies between the T2 and T2S recovery solutions will need to be factored into their testing strategies.

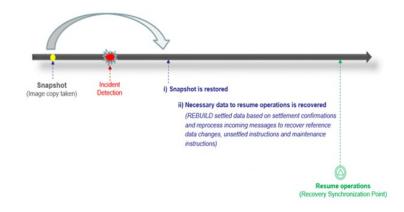
Recovery process

Visualisation



Recovery process Key steps

- Daily automatic snapshot of the TARGET Services production data:
 - The snapshot covers only a single T2S settlement day (not multiple settlement days).
 - The snapshot includes **T2S**, **T2 and Common Components**, except for the Data Warehouse.
 - Due to the consolidated platform, a common timing is needed, when no settlement is running either on T2S or T2 in the EoD/SoD period.
- CSDs and NCBs must be subscribed to a minimum set of messages required for the recovery



Recovery process

Key steps

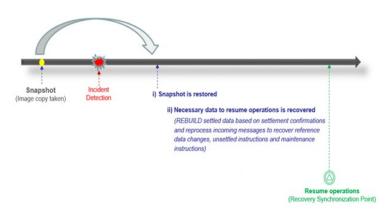
Operator restores the snapshot

Operator, Users and NSPs recover missing data:

- T2S Operator rebuilds the settled data, based on settlement confirmations previously sent by T2S
- T2S Operator reprocesses incoming A2A messages, resent to T2S by NSPs
- T2S Users and connected systems reinstruct U2A messages

Operator resumes operations

- CSDs and NCBs must actively check the result of recovered data against their internal system and, in case of discrepancies, perform repair activities and in case of need interact with their DCPs/ICPs
- The CSDs/NCBs would at EoD perform a full reconciliation (i.e. based on full and not delta reports).



	Recovery process
2	Testing
	Client readiness

Testing *Current planning assumptions*

- The aim of the testing is to gradually build confidence that the T2S Recovery solution would meet its objectives in the case of a real disruption
- Testing is organized in two phases, with Phase 1 covering low-volume functional testing and Phase 2 enabling testing with production volume
- A dedicated testing facility will be established for T2S recovery

		2023								2024										2025									2026										
Workstream	Item	Actor	Jan Feb	Mar	Apr	May Jun	Jul	Aug	Sep	No C	Dec	Jan	Feb	Apr	May	lun I		Sep	Oct	Nov	Dec	Jan	Mar	Apr	May	Inf	Aug	Sep	Nov	Dec	Jan	Mar	Apr	May	Inf	Aug	Sep	Nov Nov	Dec
Development	T2S Recovery solution	4CB																																					
	Connectivity	4CB																																					
Internal testing	Functional	4CB																																					
	Performance	4CB																																					
	Connectivity	CSDs,NCBs																																					
	. ,	4CB, CSDs, NCBs																																					
	Volume (Phase 2, to be planned)	4CB, CSDs, NCBs																																					



Client readiness

Purpose and scope

Purpose:

- ensure CSDs/NCBs are ready to start qualification testing stage of T2S Recovery
- progressing in parallel to development and internal testing activities executed by the
 4CB, as well as testing preparation under the remit of the PMG TF on T2S Recovery

Approach

- Self-assessment by each actor
- Based on **pre-agreed** readiness milestones
- Reported to the PMG as input to assess and respond to project risk
- Provided for information to the CSG



Thank you!