



## INCIDENTS MANAGEMENT

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### KEY RULES AND PROCEDURES OF THE CORE(FR) PAYMENT SYSTEM

- January 2021 -

#### **A. NATURE OF INCIDENTS**

The incidents management includes two parts, depending on the nature of the incident:

- operational,
- financial.

In the first case, the incidents management process is based on an operational crisis process involving the Direct Participants.

In the second case, the incidents management process is based on the CORE(FR) Payment System Security Process defined in the CORE(FR) Payment System Terms and Conditions and in the Guarantee Terms and Conditions signed by each Direct Participant.

#### **B. INCIDENTS OF OPERATIONAL NATURE**

Incidents of operational nature may result from STET or from a Direct Participant. They may impact the exchanges and/or the settlement.

The incidents resulting from STET may be detected by STET or by Direct Participants.

The incidents resulting from Participants may be of bank nature or technically impact the exchanges with CORE.

##### **1. Organisation in the event of an incident resulting from STET**

The monitoring of incidents that may affect the performance of CORE technical processes, the operations exchange and clearing, or that may create an abnormal situation, includes an internal escalation process, integrating the constitution, if needed, of an « Operational Crisis Unit ».

In case of a technical incident, STET may delay the events that define the clearing cycle. Information is given if the delay is less than one hour. An Operational Crisis Unit is initiated if the delay could last more than one hour.

##### **2. Organisation in the event of an incident resulting from Direct Participants**

Banking incidents:

The sending Direct Participant shall inform STET in the event of the sending of erroneous, duplicate, late or wrong Payment Orders, for itself or for its Indirect Participants, in accordance with provisions defined by each Exchange Community.

STET transfers the information to the whole related Exchange Community, and, if needed, initiates the Operational Crisis Unit.



STET may, upon the request of the sending Direct Participant, help the latter to identify the receiving Direct Participants of the related Payment Orders. The provisions of this help are jointly defined.

The procedure followed, in the event of the identification by the issuer or by the receiver, of Payment Orders with an « absurd » amount, is described within each Exchange Community.

### **3. Operational Crisis Unit**

The Operational Crisis Unit aims at managing crisis resulting from technical incidents at the CORE level or bank incidents at the Participants' level, and impacting the process of operations exchanged in CORE.

#### **3.1 Intervention scope of the Operational Crisis Unit**

The Operational Crisis Unit is especially requested in the following cases:

- major incident non solved in the relevant timeframe,
- disagreement on an account statement,
- technical incident resulting from the transfer of Clearing Balances or of fees to the Settlement Agent,
- service unavailability for more than 2 working hours,
- requirement to resynchronize the exchanges,
- start of the Business Continuity Plan of a Direct Participant,
- compromise suspicion of a private key on an A-CORE server or on CORE,
- incident resulting from Participants whose number of operations exceeds the thresholds defined for the related Exchange Community.

#### **3.2 Composition of the Operational Crisis Unit**

The Operational Crisis Unit includes:

- a STET manager,
- STET experts,
- an « Operational Crisis representative » nominated by each Direct Participant.

The role of the Operational Crisis Unit manager is held by the STET Managing Director, who may, if needed, nominate a deputy.

Each Direct Participant nominates an Operational Crisis Representative whose missions are:

- to represent its institution for the definition of the action plan or express an opinion on any subject related to the Operational Crisis Unit functions,
- ensure the proper implementation of the action plan and, if needed, of the conservatory measures decided by the Operational Crisis Unit,
- mobilize relevant internal staff in its institution,

- distribute information within its institution and, if needed, among Indirect Participants of its institution.

The Operational Crisis Representative shall be mobilizable 24/24 and 7/7. The Operational Crisis Representative shall acknowledge within a 30 minute timeframe after the initiation of the crisis by STET and be able to participate to the Operational Crisis Unit within a 1 hour timeframe from the initiation time. In this purpose, each Direct Participant shall nominate:

- A « day » Operational Crisis Representative and at least one deputy (maximum 2 « day » Operational Crisis Representatives and 2 deputies),
- A « night » Operational Crisis Representative and at least one deputy (maximum 2 « night » Operational Crisis Representatives and 2 deputies),

The « day » Operational Crisis Representative shall be mobilizable between 9:00 am and 6:00 pm from Monday to Friday except during days closed to exchanges.

The « Night » Operational Crisis Representative shall be mobilizable:

- between midnight on Sunday and 9:00 am on Monday morning,
- between 6:00 pm and 9:00 am from Monday to Friday,
- and between 6:00 pm on Friday and noon on Saturday morning.

The crisis representatives may be mobilized during the week-end in the context of exceptional operations upon the request of STET.

From an operational standpoint, a list of the Operational Crisis Unit representatives to be contacted, as well as their deputies (phone details, mobile and email) is managed by STET.

### **3.3 Request to the Operational Crisis Unit**

Requests may be addressed to the Operational Crisis Unit:

- • In the event of a serious incident that is not solved in the relevant timeframe. STET keeps in addition the right to request the Operational Crisis Unit at any time, as soon as a severe incident occurs.

### **3.4 Notification of the Operational Crisis Unit**

Any request of the Operational Crisis Unit is subject to information by mail to the Operational Crisis Representative of each Direct Participant.

### **3.5 Communication of the Operational Crisis Unit**

At the end of each session, a report is distributed to all the Direct Participants of the related Exchange Community, within a 2 hour timeframe. This communication indicates the decisions made and any applied conservatory measure.

The concerned Direct Participants shall apply decisions made and the conservatory measures decided by the Operational Crisis Unit.

An assessment is written after the crisis management and distributed to the Operational Crisis Representatives of the Direct Participants of the related Exchange Community.

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## **C. INCIDENTS OF FINANCIAL NATURE**

The proper settlement of the Clearing Balances of the MINOS and the SEPA(FR) communities is ensured by a Security Process.

This Security process includes a Common Guarantee Fund provisioned by all the Direct Participants and an Individual Guarantees process which ensure, through prepayments, the credit of the net debit balances of the Direct Participants exceeding the balance of the Common Guarantee Fund.

It intends to cover the cases of a Direct Participant failure or default of financial nature and is based on specific settlement procedures as well as on the Financial Crisis Unit that aims at managing crisis resulting from incidents of financial nature.

### **1. Financial Crisis Unit**

#### **1.1 Composition of the Financial Crisis Unit**

The Financial Crisis Unit includes:

- The Banque de France, as Supervisor and Direct Participants account manager,
- STET,
- A minimum of four Direct Participants, designated in the Steering Committee, among those who applied for it.

Each member of the Financial Crisis Unit nominates a permanent representant and a deputy.

#### **1.2 Intervention scope and request to the Financial Crisis Unit**

The Financial Crisis Unit is notified by the Supervision Unit:

- in the event of the report of a Direct Participant Default situation during the settlement phase of the debtor Clearing Balances, or during a reconstitution call of the Common Guarantee Fund, or during a Complementary Contribution request,
- exceptionally if the Supervisor Unit is informed of a situation that may result in the Default of a Direct Participant regarding its settlement obligations or its Individual Guarantees constitution obligations.

The Financial Crisis Unit supports STET in the management of the situation and prepares decisions to be submitted to the Steering Committee.

The Financial Crisis Unit reports to the Steering Committee.

#### **1.3 Notification of the Financial Crisis Unit**

The Financial Crisis Unit is notified the same way as the Operational Crisis Unit.