EUROPEAN CENTRAL BANK

Discussion of Matti Hellqvist, BoF: Stress testing liquidity needs in Finnish retail SSS

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Questions of understanding

- Account operators?
- Trade enrichments?
- Where are RTGS accounts held?
- How does connection via VPC work?
- Optimisation
  - = gridlock resolution?
  - Automatic or manual process?
  - Timing of optimisation batches?

Specific remarks

- Slides 7, 14 and 17: Scenarios covered?
  - One participant out (scenario 1)
  - All VPC participants out (scenario 2) ➔How many?
  - No optimisation (scenario 3)
- Slide 15: Resulting share at system level?
- Slide 16: Seems to suggest that problem in HexClear does not cause a threat for BoF-RTGS, what about vice versa?

General observations

- Relevant subject and stimulating research
- Focus on settlement (clearing not covered)
- Which DvP model? Only model 1?
- What about FoP (43% in terms of value)?
- Realism? In which regard "iterative process"?
- Cautious conclusions: just more time needed or equities settlement too complex to model?
- Contagion from one participant to another?