



Discussion of Operational Disruptions: The Impact of System Design

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Key Conclusions

- ◆ Hybrid features generally mitigated the systemic impact of a participant operational disruption
- ◆ The most effective system is the RITS-replica
- ◆ The importance of participant reaction time
- ◆ Liquidity and queue management of the participants, are also important
- ◆ Reservations: Results should be interpreted with care

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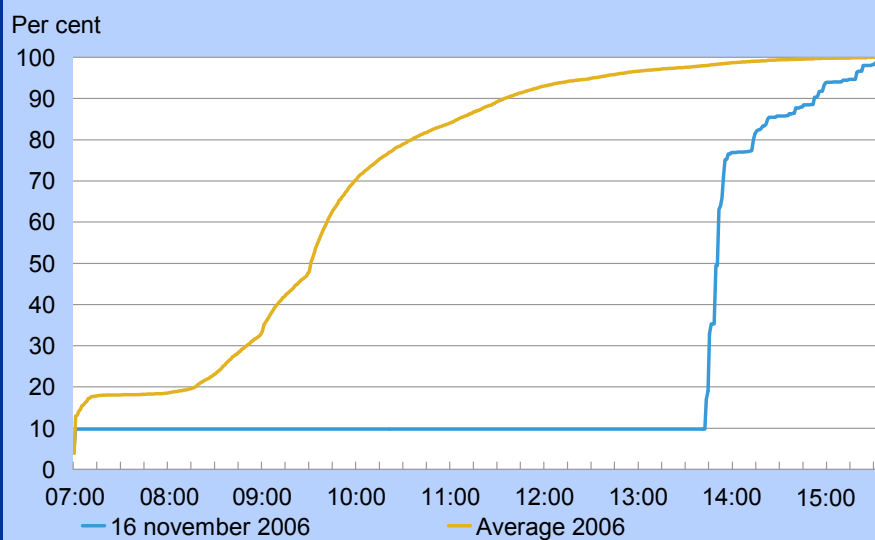
Discussion

- ◆ Liquidity saving features
- ◆ Scaled liquidity, why 30 per cent less in chosen systems?
- ◆ Bilateral offset algorithm, does not exactly mimics that of RITS
- ◆ Time profile of payments – incentives to submit payments early?

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Time Profile of Payments in the Danish RTGS-system, Kronos, accumulated



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Some possible inputs

- ◆ Incorporate behavioural response
- ◆ How do participants react? Try to analyse days with an operational disruption
- ◆ The studied period – relatively calm. Try e.g. to look at data from late September '08
- ◆ Modify the bilateral offset algorithm even more to insure better resembles to that of RITS