

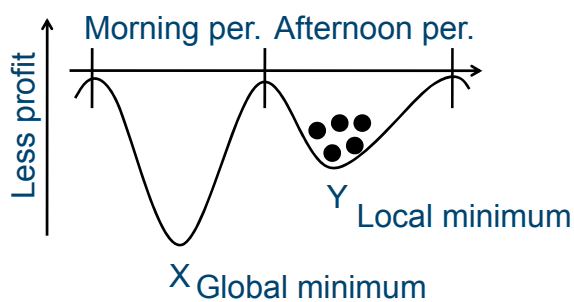
Disruptions in large value payment systems: An experimental approach

Discussion by Tatu Laine



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Conclusion (homogenous market)



Key findings:

Actions from the side of central bank is highly desired

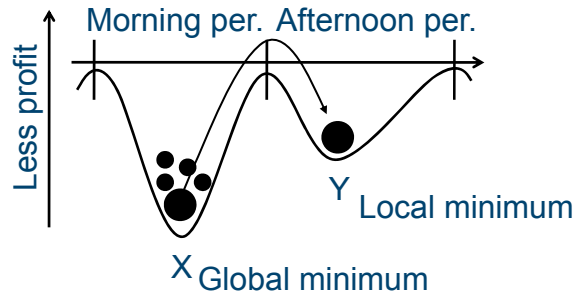
=> banks have access to sufficient liquidity

=> equilibrium moves from Y to X



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Conclusion (heterogeneous market)



Key findings:

When Large Bank chooses Y a few times (forced or deliberate) the small banks rapidly move to Y as well
=> the chance that LB is not able to pay due to technical problems from the banks side should be minimised



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Conclusion

Key findings:

- Small friction in the payment system can be absorbed by the system itself
- It is very important to closely monitor the payment flows of (critical) participants in the system
- If the cause is a technical problem with one participant which cannot be solved quickly, the whole payment system should be informed about the incident



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Questions

- Could you tell something more about the simulation tool itself "*the experimental game*"? Is it developed by de Nederlandsche Bank or by University of Amsterdam?
- 3 parts (example 15-30-15) each of 30 rounds. How did you end up this choice? Why not, for example, 4 parts each of 20 rounds?
- Could you explain the difference between concepts "*plain choice frequency*" and "*full coordination*"?
- Extension of this paper? What could be the next steps?



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