

**Discussion of  
"Systemically important participants within ReGIS  
payment system" by Horatiu Lovin**

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**BoF-PSS2 - unique analysis tool**

**Aim**

Identification of systemically important participants

**Criteria**

Size (value of submitted and received payments)

Interconnectedness (Connectivity)

Substitutability



## Outcome

- Large and highly connected participants are systemically important
- Only large or interconnected payments systemically not so important
- Large participants are associated with lower contagion risks than interconnected ones, but still the impact is stronger for large participants.
- There seem to be very little delaying of payments

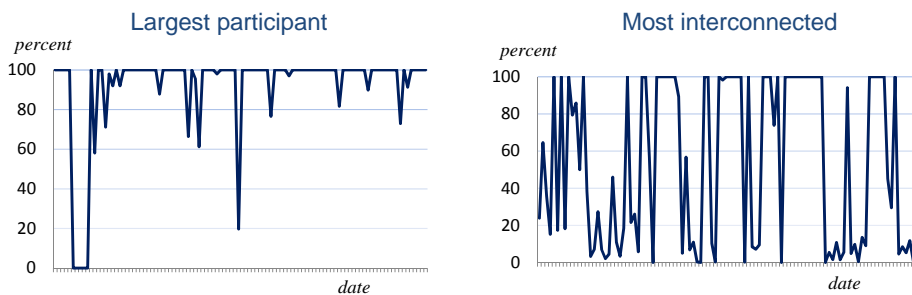


## Remarques

- Is the threshold criteria to distinguish Large and highly interconnected participants adequate? What if the biggest deviation from the cumulative average occurs for participant 35/40?
- It is questionable whether scenarios where individual participant's liquidities are set to 0 scenarios are revealing information on substitutability. Mainly these kind of scenario's negative impacts will depend on:
  - the abundance of liquidity of other participants.  
eg. Account Balance => Net outflow of payments
  - The difference of timing and value between incoming and outgoing payments of the stressed participant.



## Remarques



*100 percent = all queue transactions into the system are his own queued transactions*

- Interesting way
- Averages over participant groups would be useful for a better overview



## Remarques

- What is in the end the criteria for a participant to be systemically important?

