

BoF-PSS2

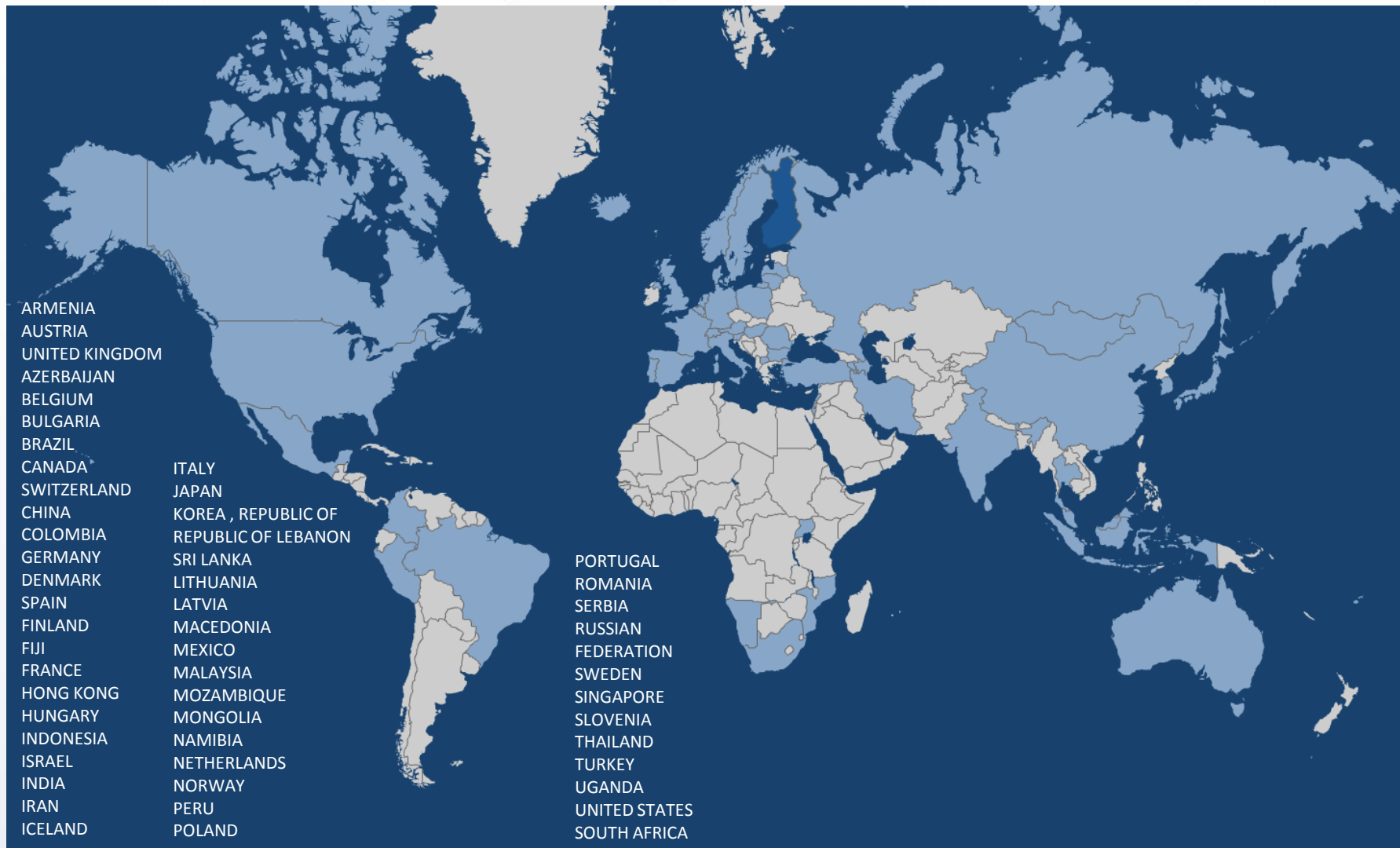
Situation today

30 Aug 2012
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ECB DG-P OVS



Bank of Finland
PAYMENT AND SETTLEMENT SYSTEM SIMULATOR

BoF-PSS2 Distribution (August 2012)



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The 9 years of BoF-PSS2

- 90 granted licenses in August 2012
 - 62% in central banks, 24% in academic institutions, the rest in ACH's, CSD's, ECB, BIS...
- 11 introductory training courses organized since 2009
- 2 training courses with TARGET2 Simulator held in 2012
- 4th proceedings publication from seminars 2009-11 is in press
- 10th simulator seminar for the user community is here today!

Active interest in the use and development of the simulator continues

Recent developments

- New version 3.2.0b available 15.08.2012 as a beta release
 - BoF-PSS2 no longer distributed with an integrated commercial MySQL connector and MySQL database.
 - Support for MySQL and MariaDB
 - Interchangeable database connector over JDBC interface
- Strong investment made in quality management process and tools
- Software available as research tool free of charge
 - Visit: www.bof.fi/sc/bof-pss

Forthcoming features to be released soon in version 3.2.1

Facilities implemented to support:

...New network analysis package with drawing tools

...Database independency via JDBC interface

- Supported databases: MySQL, MariaDB and MS SQL-server

...Furfine module for integrated identification of Money market transactions

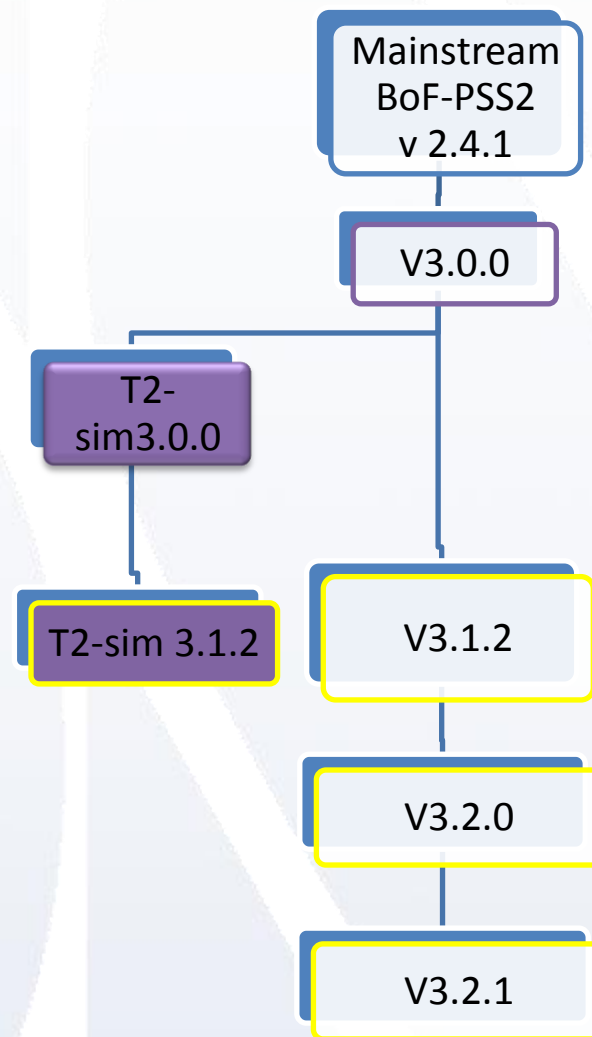
The European focus: TARGET2 Simulator



- Dedicated tool developed for overseers and operators of TARGET2 system
 - Replicates genuine features of TARGET2's settlement process
 - Uses detailed transaction level data set of whole TARGET2 system
 - Used remotely from secure and centralized facility
- Jointly provided by Deutsche Bundesbank, Banque de France, Banca d' Italia and Bank of Finland

BoF-PSS2 in TARGET2 Simulator

- Separate T2-simulator software
 - Specific algorithms and processes
 - Partially closed source code due to IPR
 - Available only in T2-simulator
- ...based on a version of mainstream BoF-PSS2
 - Foundations for the specific features implemented in the generic and non-restricted simulator
- Developments in either version may benefit both



The European focus, part 2: Euro 1 features

- Implementation of credit cap features in BoF-PSS2
 - Allows replication of limit structures of Euro1 system
 - The results have been available for all users of BoF-PSS2 starting from version 3.1.0
- Joint project with EBA Clearing and Bank of Finland in 2011

Looking forward...

- ...to help users of BoF-PSS2 to meet new CPSS-IOSCO requirements
- Possible future avenues:
 - Automation of stress test simulations
 - Harnessing the possibilities of parallel computing

BoF Simulator Development Team

- Development of the simulator, support and analysis work
- Strong working experience on quantitative tools for analysis of payment and settlement systems
- Academic experience in economics, computational analysis, computer science and physics



Eero



Kasper



Tatu

*Ongoing co-operation with original
developers of BoF-PSS2*

Jubilee Seminar 2012 issues



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Overall agenda of the 10th simulator seminar

Day 1	Day 2
Intro	Presentations 6
Keynote C. Kahn	Keynote R. Berndsen
Presentations 1 – 2	Panel on Principles
Lunch	Lunch
Presentations 3 – 5	Presentations 7 – 9
Evening at BoF Villa	Farewell cocktails

- Two highly interesting keynotes
- Panel discussion on Principles, stress testing and simulations
- 9 interesting presentations

- Everyone is invited to the dinner this evening at the Bank of Finland's Villa



Seminar participants

- Areas of interest match the seminar themes
- Diversified global participation:
 - 29 nationalities
 - 5 continents
 - 46 from CB's, 4 from private side and 3 with research affiliation.
- Users of the BoF-PSS2 simulator
 - 44% are already familiar
 - 76% have it available in their institution
- Many of us are not in the BoF seminar for the first time.

Topic	Number of votes (max 54)
Contagion, cross-system analysis, networks	36
Stress testing	30
Indicators based on Payment system data	30
Liquidity saving mechanism	17
Agent Based modelling	17
System design	16

Welcome!