

Welcome to the 12th Payment and Settlement System Simulation Seminar and Workshop



BoF-PSS2 Situation today

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Simulator Team



Bank of Finland
PAYMENT AND SETTLEMENT SYSTEM SIMULATOR

BoF-PSS2 Distribution (August 2014)



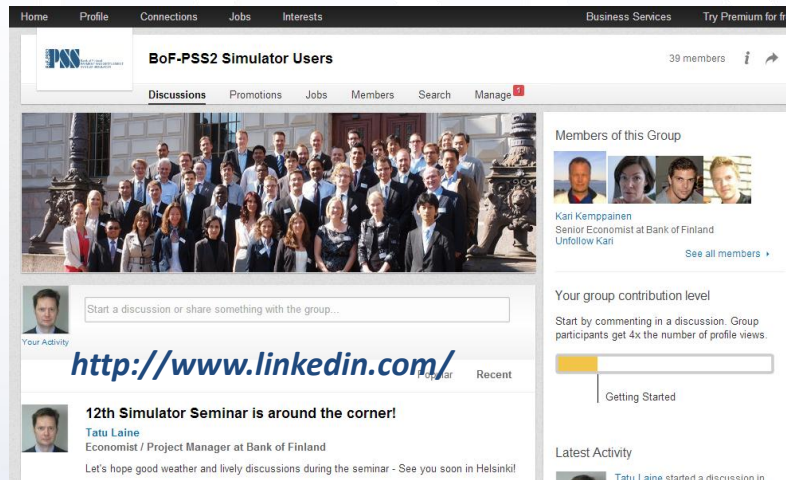
BoF-PSS2 Simulator

- BoF-PSS2 simulator has a history of more than 10 years
- 99 granted licenses in August 2014
 - 56% in central banks, 23% in academic institutions, the rest in ACH's, CSD's, ECB, BIS...
- User network has been wide, but dispersed
- Idea to create a contact point:
 - **BoF-PSS2 Simulator User** group in LinkedIn

***All the BoF-PSS2 Simulator Users
are invited to join this group!***



BoF-PSS2 Simulator Users - group



BoF-PSS2 Simulator Users

- Informal contact point between the users
- Simulator team has some incentives
 - To have easy to maintain CRM (Customer Relationship Management) tool
 - To have a channel to inform the users on new versions, seminars
 - To have a channel to collect feedback from users and projects
- Existing tools remain for confidential business
 - Extranet service for confidential data projects
 - Regular email for confidential communication



Services for BoF-PSS2 users

- Training courses
 - General Training course
 - TARGET2 Simulator course
 - Tailored on site trainings
- User Support
 - Help desk service
 - Extranet workspace for larger projects (confidential area)
 - Consultation and advisory services
- Feature Development
 - Project estimation
 - Change implementation



Team behind the services

- 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



Tatu



Kasperi



Harri



Maarit



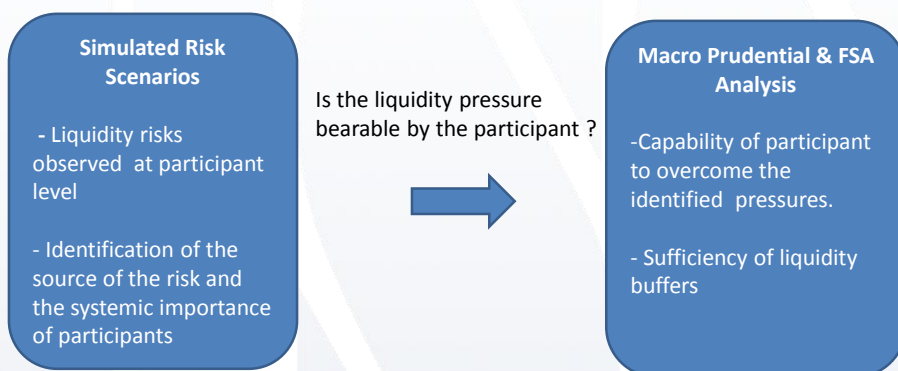
*Ongoing co-operation with original
developers of BoF-PSS2*

BOF-PSS2, What For?

- Research
- Liquidity risk identification and quantification
- Complying with CPSS-IOSCO principles and BCBS Monitoring indicators for intraday liquidity management
- System development



Simulation based liquidity risk monitoring



Basel III: International framework for liquidity risk measurement, standards and monitoring
Monitoring indicators for intraday liquidity management



Global cooperation



- Sponsorships from BOE, BOC, FED
- Development of TARGET2 Simulator jointly provided by Deutsche Bundesbank, Banque de France, Banca d'Italia, and Bank of Finland for overseers and operators.
- Participation to ESCB working groups
- EURO1 simulator. Joint project with EBA Clearing 2011



New features of version 4.1.0

(available since June 2014)

Faster simulations

New concept: Business day. A business day can take place on several calendar days. The day may end on different day than it started.

Possibility to define start of day and end of day for each business day separately.

Enhanced cross-check functionality



Future development

- Parallel processing, benefits already visible with a 4CPU desktop computer
- Automatisation of scenarios



Availability

Software available for research or operative monitoring for governmental bodies free of charge

- Visit: www.bof.fi/sc/bof-pss



Overall agenda of the 12th simulator seminar

Day 1	Day 2
Simulator team overview	Presentations 6 - 9
Presentations 1 – 3	BoF-PSS2 simul. example
Lunch	Lunch
Presentations 4 – 5	Presentations 10 - 11
Evening at BoF Villa	Farewell cocktails

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

- Payment system features, liquidity studies, network studies, new indicators, performance improvem.
- 11 interesting presentations
- 5 with simulator



Seminar participants

- Areas of interest match the seminar themes
- Diversified global participation:
 - 25 nationalities
 - 5 continents
 - 43 from CB's, 2 from private side and 1 with research affiliation.
- Users of the BoF-PSS2 simulator
 - 50% are already familiar

Topic	Number of votes (max 46)
Indicators based on Payment system data	35
Stress testing	31
Contagion, cross-system analysis, networks	29
Liquidity saving mechanism	25
Agent Based modelling	16
System design	13

Welcome!

