

## Communication on TARGET incident from 23/10/2020

*Update: Sunday 25/10/2020 18:00 CET*

On 23/10/2020, a major incident adversely affected the TARGET2 system, its participants and T2S actors. Due to an internal issue affecting the TARGET2 infrastructure, all settlement services became unavailable from approximately 14:40 CET. As a consequence, no payment, ancillary system instructions or liquidity transfers from/to TIPS and T2S could be processed for several hours. The ICM was also unavailable.

After the necessary investigations, it appeared that neither the failover to the secondary site in the same region nor the opening of the contingency module were possible. To restore normal operations, it was necessary to move the production site from one region to the other. The failover was initiated around 20:30 CET and technically completed around 22:30 CET, after which the ICM was available again. Settlement services were then progressively restarted. The settlement of FIN messages could only be fully resumed around 01:20 CET on Saturday 24/10/2020.

The system closed for value date 23/10/2020 at 3:30 CET on Saturday 24/10/2020 after all pending instructions had been processed. All participants subsequently received the end-of-day statements reflecting all transactions settled for value date 23/10/2020. Participants are invited to complete their reconciliation for value date 23/10/2020 and to report on any mismatch to their national central bank.

TARGET2 reopened for night-time settlement with value date 26/10/2020 at 5:55 CET on Saturday 24/10/2020. The system is now in its technical maintenance window and will normally reopen for ICM and ancillary system settlement on Monday 26/10/2020 at 01:00 CET. The day-trade phase for all other settlement services will normally open on Monday 26/10/2020 at 07:00 CET.

The T2S system was also adversely affected by this TARGET incident. While the settlement of securities transactions remained available, the transfer of liquidity from / to TARGET2 was not available for several hours. As a consequence, the closing of the system had to be postponed until 3:30 CET on Saturday 24/10/2020 and the Night-Time Settlement phase only started at 6:05 CET on Saturday 24/10/2020. The system is now in its technical maintenance window and will normally reopen for the Real-Time Settlement phase at 05:00 CET on Monday 26/10/2020. The test and training environments of TARGET2 and T2S are currently unavailable but will be reopened early next week.

Throughout the incident, TARGET2 participants, T2S actors and competent authorities have been regularly informed about the status of the system via the ECB website.

A thorough analysis of the root cause of the incident has been initiated, also to avoid any repetition in the future. A cyber-related incident can already be excluded. The Eurosystem will provide market participants with more details about the incident shortly.