Since 1999, Central Banking Publications has organised annual residential training courses/seminars which have been attended by more than 4,000 central bankers and supervisors from over 140 countries.

Course Chairman:

**Fot Chyi Wong**
Former Executive Director,
Risk and Technology Office,
Monetary Authority of Singapore

Series Adviser:

**Charles Goodhart**
Professor Emeritus,
London School of Economics,
Financial Markets Group

Business Continuity Planning and Operational Risk Management for Central Banks

3-5 December 2013, Kuala Lumpur, Malaysia
Dear Delegate,

“The purpose of the [simulated cyber attack] exercise was to test the preparedness against these new forms of financial crime. The idea was to test the capacity of the individual players to individually and collectively identify the attack in order to circumvent it. It was also to test the processes and policies in place to address the issue and eliminate that threat”

Denis Beau, Director General, Operations, Banque de France, January 2013

In 2013, disasters – both natural and manmade – continue to highlight the need for central banks to be prepared. And to be able to react.

For central banks however, which sit at the apex of the financial structure, operational risk and business continuity planning (BCP) presents a double challenge.

First, they must ensure a high level of robustness in their own critical operations: the central bank cannot be a source or amplifier of risk.

Second, central banks must take an active interest in the operational risk and BCP arrangements within the financial sector, more broadly: systemic risk is a critical policy issue.

In both these however, practitioners increasingly recognise that BCP and operational risk are not just about systems: they are about people and processes.

This course, “Business Continuity Planning and Operational Risk Management for Central Banks” is designed to equip delegates with the tools to address these critical issues both within the central bank and its financial sector more broadly. The course will highlight successful strategies for operational risk management and features a case study on a central bank led industry-wide exercise on cyber security.

Key sessions address:
• How to identify and prioritise the risks facing the institution
• How to design and test effective business continuity plans
• How to measure and report – the key operational tools
• How to design business recovery infrastructure
• How to achieve effective communication, awareness and buy in

We are delighted to welcome back as chairman for the course Fot Chyi Wong, who brings a wealth of experience as a former Executive Director for Risk and Technology Management at the Monetary Authority of Singapore.

All discussions are held in roundtable format to encourage participants to share their experiences and debate the pressing issues in their field. Each session allows participants opportunities to question expert speakers and to benchmark themselves against good practice internationally.

This format, as more than 4,000 central bankers and regulators can attest, encourages delegates to quiz panellists, raise issues and discuss solutions to the specific challenges they face.

We look forward to welcoming you to Kuala Lumpur on 3rd December.

Yours sincerely,

Robert Pringle
Chairman
Central Banking Publications
What operational risks do central banks face?

**Fot Chyi Wong**, Former Executive Director, Risk and Technology Office, Monetary Authority of Singapore

In this introductory session, the chairman will outline the main themes of the seminar and the key challenges central banks face, and will face in the future in the areas of business continuity and operational risk. Drawing on his experience as a senior risk manager, he will invite delegates to share their views regarding these risks and the systems and indicators they use to identify them. In particular he will discuss relations between the BCP and risk functions within a central bank, their resourcing and reporting. The themes and conclusions developed in this session will be used to inform discussions throughout the seminar.

Defining operational risk for central banks

**Rudy Wytenburg** Deputy Chief of Financial Services, Bank of Canada (invited)

In today’s uncertain world central banks find themselves performing an increasing array of new tasks. These tasks not only strain already busy departments but expose central banks to wide array of financial and non-financial risks. Several of the latter, notably those related to reputation, have an importance that is difficult to overstate. This session looks at how one central bank has constructed a framework for identifying, managing and mitigating operational risks.

A practical approach to enterprise risk management

**Ma Regina Fajardo**, Director and Chief Risk Officer, Central Bank of the Philippines

An effective ERM system is one that is tailor-made for the organisational structure and culture. As such it provides an ideal way to align operations risk management and business continuity with the business itself. In this session, the speaker will describe how an effective ERM framework, charter and manual was developed and implemented in their central bank around four major pillars (paradigm, roles, methods and templates) to achieve a threefold objective: providing senior management with a comprehensive assessment of risks essential in formulating and prioritising of sound and prudent policy proposals to the board; promoting risk management consciousness in bank operations; and monitoring overall performance of enterprise risk management. Group discussion will then identify practical lessons than can be drawn from this experience.
Developing business continuity plans and private-public partnership for risk management

Urban Örtberg, Business Continuity Manager, Sveriges Riksbank

Central banks need to do their own business continuity planning, but they also typically have a responsibility for the financial sector as a whole. This presents a number of challenges for the central bank, not least how broadly to define “the financial sector”. But the central bank must also ensure that it includes the government and emergency services as well as the key players in the market and stakeholders. In this session, the speaker will outline, in the form of case studies, how plans can be developed and tested to provide robust, inclusive and timely responses to a range of threats facing the financial system.

Measuring and reporting, key operational risk tools

Urban Örtberg

Reporting to senior management and collecting information from across departments and functions are key for any operational risk manager. This session will discuss how best to capture operational risk statistics, convert them into key risk indicators, and then present those indicators in an actionable operational risk report that captures the attention of senior management. The session will also look in depth at how new emerging risks can be identified through the use of control self-assessments, how to measure the severity of operational risk losses and their frequencies through scenario analysis, and how to mitigate the key risks.

Case Study: industry-wide exercises and operational resilience in the financial sector

Terry Goh, Director, Payments and Infrastructure Division, Specialist Risk Supervision Department, Monetary Authority of Singapore

Over the past decade, the Monetary Authority of Singapore (MAS) has organised and supported a number of industry-wide exercises for the financial sector in Singapore. The mainstay of these is the “Exercise Raffles” series, which focused in 2005 on terrorist bombing, in 2008 on pandemics and in 2011 on the dual scenarios of swarm attacks and cyber-attacks. Other exercises have focused on financial infrastructure such as the clearing house and MAS’s own large-value payments system. These exercises are aimed at strengthening the financial institutions’ crisis management, communication and coordination with government agencies. In this case study, the speaker will highlight key lessons from these exercises and facilitate a discussion on the roles and responsibilities of the central bank. He will also discuss how resilience and preparedness can be measured – and enhanced.

Designing business recovery infrastructure

Eckart Koerner, Head of Financial Risk Management Services, KPMG

One back-up site? Two? Three? These are the practical questions facing risk managers charged with ensuring a central bank can maintain the systems and services it provides. Here, cost-benefit analysis can help. However, although the chances of an outage are remote, the potential damage to a national economy and a central bank’s reputation from an extreme event is so great, that arguably, it merits an “uneconomic” spend on BCP. This session will look in-depth at one central bank’s Business Recovery Infrastructure and analyse the decision-making process involved. Lessons will be drawn out on what services, functions and facilities a central bank should prioritise.

Workshop: planning for pandemics

Led by Fot Chyi Wong

This workshop will provide participants with a simulation of a flu-type pandemic with a dynamic scenario-based exercise that tracks the various stages of a pandemic. Throughout the exercise, participants will discuss in small groups what their plan and preparedness for each scenario would be. The workshop will enable participants to enhance their understanding of pandemic planning and response, and to critically assess their institution’s current approach.
Thursday 5 December
Engaging the institution

Role of the audit and risk committee: involvement of internal and IT security
Frank Yam, Governor, Institute of Internal Auditors, Hong Kong
For risk managers developing synergies with those in charge of internal audit and IT security can be highly beneficial. Internal audit is helpful in evaluating and giving assurance in risk management processes and in the reporting of key risks, and challenging management’s decisions on risk in general. However, in same measure, it is important to identify what roles internal auditors should not take on, such as setting the risk appetite of the institution and imposing risk management processes. In this session, the speaker will outline how internal auditors and operational risk managers can work together in order to better manage business and reputational risks.

Communication, awareness and buy-in
Speaker to be confirmed
Crises are unpredictable and fast moving however response rates can be slow. To get the entire institution to adapt to the crisis situation in the desired way is to communicate quickly, clearly and widely. This is difficult because crises by their very nature upset ordered activity breaking existing communication channels, dislocating people and damaging infrastructure. This session will cover how central banks can strategically plan their internal communications, build communications capability, gain senior management buy in and leverage internal communications channels and techniques in order to be able to act as one in the case of a crisis.

Course conclusion:
Led by Fot Chyi Wong
In this final session the chairman will summarise each day and draw together the main themes of the course. Delegates will be encouraged to look at their top challenges and pool thoughts to prepare action points to take back to their home institutions.

Great programme with many enlightening sessions led by experienced central bankers to central bankers. I would highly recommend this course.

Past attendees include:
Central Banking hosts training courses/seminars that have been attended by over 4,000 public sector officials from more than 140 countries. These training courses are exclusively for central banks and financial regulators. They have been specifically designed to equip you with the means to tackle the challenges you face and, allow free debate of sensitive issues in a confidential environment. Every year, the courses are refreshed and updated to cover the topics which matter the most to central bankers and regulators.

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• Corporate Services: Effective Design and Efficient Delivery
• Business Continuity Planning and Operational Risk Management for Central Banks

For more information on these courses visit www.centralbanking.com/asiatraining

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Booking details

Course fee: US$3,800

Course fee includes:
Two nights’ accommodation, meals, refreshments, course documentation and a complimentary copy of the most recent issue of the Central Banking Journal. Substitute delegates can be accepted should the registered delegate be unable to attend; please let us know prior to the event.

How to book
Please use one of the following methods to book your place:
Online: www.centralbanking.com/asiatraining
Call: Carolyn Law on +852 3411 4864
Fax: Attention of Rebecca Angell to +44(0)20 7504 3730
Email: rebecca.angell@centralbanking.com

The venue
Shangri-la Hotel
11 Jalan Sultan Ismail,
Kuala Lumpur,
50250, Malaysia

Nestled amidst lush gardens in the heart of the city, the newly renovated Shangri-La Hotel, Kuala Lumpur sits just moments away from key business areas. The hotel’s guest rooms and suits are appointed with modern amenities to offer only the very best in comfort to all of its guests. The Hotel also offers an impressive selection of cosmopolitan cuisines including the award winning Restaurant Lafite.
www.shangri-la.com
Registration for Business Continuity Planning and Operational Risk Management for Central Banks

1. Delegate details: PLEASE WRITE IN CAPITALS

Mr/Mrs/Ms: Surname/Family name:

First name:

Job title:

Organisation:

Address:

Postcode:

Telephone:

Facsimile:

Email 1: Please provide us with the direct email address of the delegate and an additional email address if possible. This is very important because all correspondence with delegates is by email.

Email 2:

Course fee: US$3,800

2. Payment details:

Invoice: If you select this option an invoice will be sent to you by email and by post. If you would like to provide different details to the above for the invoice please notify us when sending back the booking form.

Credit card: please charge US$3,800 to my [ ] Visa [ ] Mastercard [ ] American Express

Card No: _______________ _______________ _______________ _______________ Security Code: _______________

Cardholder name: ____________________________ Expiry date: _______________

Cardholder address (if different from above):

Signature: ____________________________ Date: _______________

I have read and agree to the terms and conditions below.

Terms & Conditions: A refund (less 10% administration fee) will be made if notice of cancellation is received in writing three weeks before the event. We regret that no refunds can be given after this period. In addition delegates are wholly responsible for obtaining any necessary entry visas and refunds cannot be given as a result of non-attendance arising from a failure to secure such visa. A substitute delegate is always welcome at no extra charge. The programme may change due to unforeseen circumstances, and Incisive Media reserves the right to alter the venue and/or speakers. Incisive Media accepts no responsibility for any loss or damage to property belonging to, nor for any personal injury incurred by, attendees at our conferences, whether within the conference venue or otherwise. Data protection: by registering for a Central Banking training course you will receive further information relating to this event. In addition we will send you information about our other relevant products and services which we believe will be of interest to you. If you do not wish to receive other relevant information from Incisive Media via a particular medium please click the following relevant boxes: mail [ ] phone [ ] fax [ ] email [ ] Incisive Media will also allow carefully selected third parties to contact you about their products and services. If you do not wish to receive information from third parties via any of the following media please tick the relevant boxes: mail [ ] phone [ ] fax [ ] Please tick if you are happy to receive relevant information from carefully selected third parties by email [ ] and fax [ ].

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