



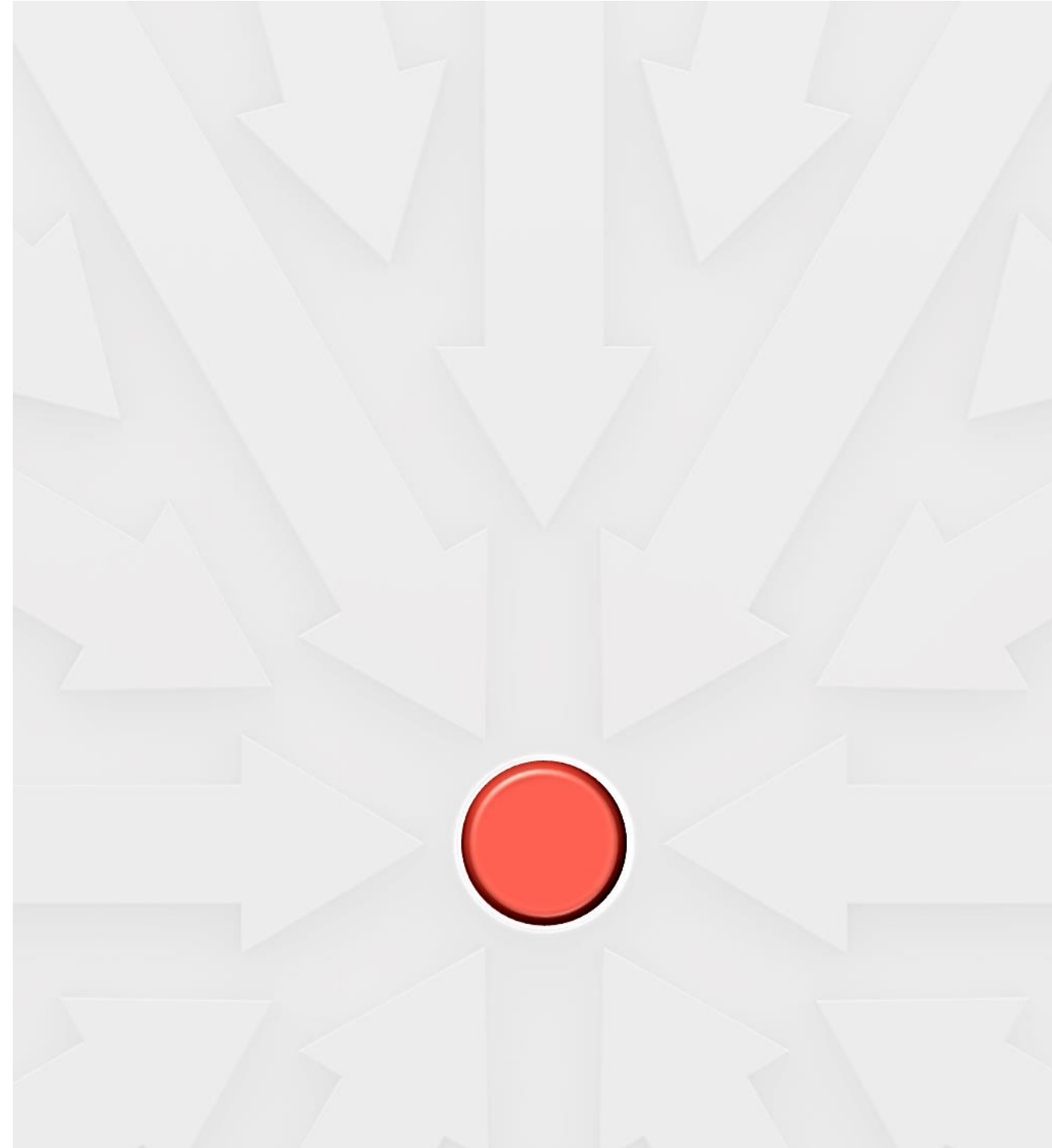
CMORG

CROSS MARKET OPERATIONAL
RESILIENCE GROUP

SECTOR RESPONSE FRAMEWORK SUMMARY

SEPTEMBER 2024

T L P C L E A R



SECTOR RESPONSE FRAMEWORK

SUMMARY



THE PURPOSE (WHAT)

The Sector Response Framework (SRF) is a series of Sector Response Groups, FMI Crisis Committees, and supporting contingencies that enable parts of the sector to respond collectively to a systemic incident. It connects organisations across the Finance Sector and Government, including the Authorities to coordinate and make informed decisions in a timely manner when responding to systemic incidents. This is facilitated by the Cross Market Business Continuity Group (CMBCG) which brings together senior decision-makers to manage the strategic response for the sector.

THE OBJECTIVES (WHY)

The SRF serves two purposes:

- It facilitates cross-sector coordination and collective decision-making amongst strategic decision-makers (via the CMBCG) including the invocation of collective contingencies and workarounds to alleviate pressures on the system.
- It provides a single unified communication 'voice' for the Finance Sector in an incident and coordinates cross-industry messaging through UK Finance's Incident Communications Group (ICG).

INVOCATION AND ESCALATION (WHEN)

Groups in the Sector Response Framework are triggered for responding to incidents and escalating from the Tactical Response Level to the Strategic Response Level. When the impact and consequences of an incident align to the 'Critical Severity' level (as per the Industry Incident Lexicon) and requires a degree of sector-wide coordination and/or collective decision-making that cannot be achieved at a tactical level, the Sector Response Group(s) and FMI Crisis Committees may determine that escalation to the CMBCG is required.

INTEGRATING AND EMBEDDING THE SRF

Membership: Firms should understand which Sector Response Groups and FMI Crisis Committees their firm is a member of and who represents them on these groups. Firms should also agree how these representatives engage back into firms' own crisis and incident response teams, during incidents where the SRF groups are invoked.

Maintenance: Firms should nominate an individual or team to maintain awareness of the SRF and the associated procedures. They should also ensure that the SRF is reflected in their own crisis and incident plans and that colleagues who are involved in the firms' incident and crisis response maintain an understanding of the role of the SRF.

CMORG ASSOCIATED DOCUMENTATION

Core Sector Response Framework, Response Group and FMI Templates and Industry Incident Lexicon.

PARTICIPANTS (WHO) GROUPS AND THEIR ROLES/SCOPE (HOW)

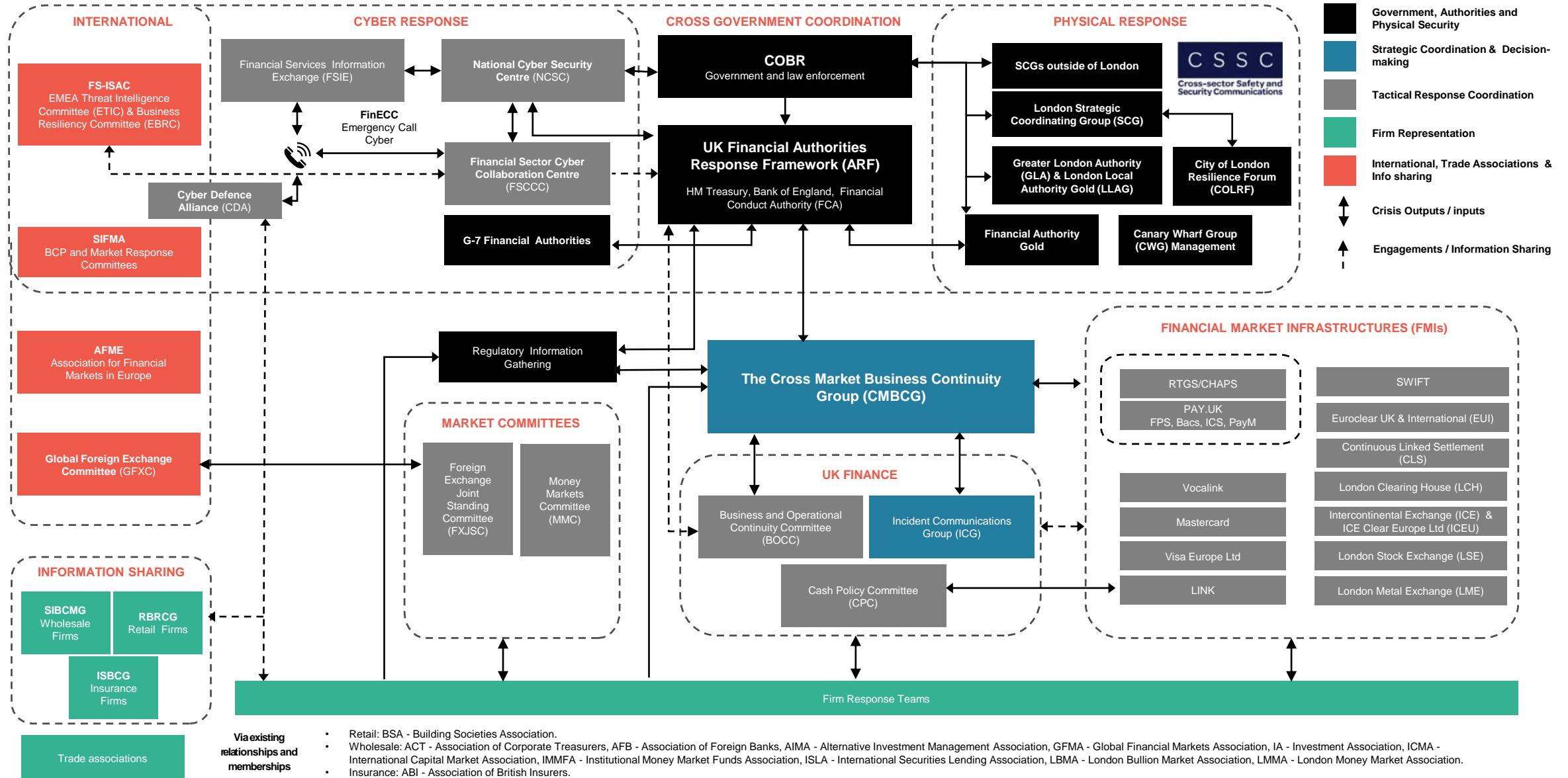
LEAD SECTOR RESPONSE GROUPS

- **MMC:** The Money Markets Committee enables market participants, infrastructure providers, trade associations and authorities to discuss Sterling Money Market stress or dislocation.
- **FXJSC:** The Foreign Exchange Joint Standing Committee enables market participants, infrastructure providers, trade associations and authorities to discuss issues concerning the wholesale foreign exchange market.
- **CPC:** The Cash Policy Committee enables retail firms, cash providers, cash in transit suppliers and authorities to discuss issues in relation to cash supply. Linked with UK Finance.
- **BOCC:** The Business and Operational Continuity Committee acts as convening method for firms and FMIs for disseminating information during systemically important operational disruptions (e.g. COVID19). Linked with UK Finance.
- **FSCCC:** The Financial Sector Cyber Collaboration Centre is responsible for coordinating a cyber response to incidents that have potential systemic consequences for the UK sector. It also is closely linked to UK Finance, CDA, the NCSC and the NCA and FS-ISAC.
- **CDA:** Cyber Defence Alliance is an international non-profit membership organisation in London that operates to identify, target and disrupt cyber threat actors and networks, including support to the supply chain. The CDA supports FSCCC to respond to cyber incidents and co-ordinate a sector wide response.
- **FS-ISAC ETIC & EBRC:** FS-ISAC coordinates information sharing and actions to support intelligence sharing and incident response for the global financial sector.
- **SIFMA/AFME:** Brings together key participants in the securities market to share intelligence and business recovery actions whilst AFME acts as a bridge for the European market.

LEAD FMI CRISIS COMMITTEES

- **CHAPS:** The CHAPS Participant Engagement Forum brings together Direct Participants to help the BoE and firms understand the impact of an incident affecting CHAPS and to coordinate a response.
- **Pay.UK:** The Operational Forums respond to retail payment incidents in the finance sector affecting either Bacs or FPS.
- **EUI:** The Market Wide Forum, Settlement Banks Committee and Registrar Forum can be used to inform participants about the nature and impact of a significant incident affecting EUI's CREST settlement services and agree contingency procedures to be invoked.
- **CLS:** Is a member organisation with crisis management processes for responding to incidents affecting provision of FX settlement services to the sector.
- **Central Counterparties (CCPs):** Member organisations with crisis management processes for incidents affecting the provision of post trade clearing services.

SECTOR RESPONSE FRAMEWORK SCHEMATIC



SECTOR RESPONSE FRAMEWORK

OPERATIONAL CADENCE AND TRIGGERS

LEVEL	RESPONSE		ROLE	CADENCE
STRATEGIC	Bank of England	Cross Market Business Continuity Group (CMBCG)	Facilitates cross-sector consensus and collective decision-making amongst strategic decision-makers including the invocation of collective contingencies and workarounds to alleviate pressures on the system.	Depending on the nature of the incident and the actions that are required, either CMBCG or the ICG may be convened or both may be convened. Meetings may take place simultaneously or sequentially.
	UK Finance	Incident Communications Group (ICG)	Provides a single unified communication 'voice' for the Finance Sector in an incident and co-ordinates cross-industry messaging.	



Triggers for escalating incidents from the Tactical Response Level to the Strategic Response Level:

When the impact and consequences of an incident align to the 'Critical Severity' level (as per the Industry Incident Lexicon) and there is a degree of sector-wide coordination and/or collective decision-making required that cannot be achieved at a tactical level, the Sector Response Group(s) and FMI Crisis Committees may determine that escalation to the CMBCG is required. **Note:** Any member(s) listed on the CMBCG Contact Card and Chairs of the Sector Response Groups may request invocation of the CMBCG.

TACTICAL Response Groups and FMI Crisis Committees	Market Committees	<ul style="list-style-type: none"> Foreign Exchange Joint Standing Committee (FXJSC) Money Markets Committee (MMC) 	<ul style="list-style-type: none"> Cross-market co-ordination in times of Wholesale FX market stress. Cross-market co-ordination in times of UK Sterling Money Market stress or dislocation. 	<p>The CMBCG may request invocation of one or more Sector Response Groups to support the strategic response to an incident.</p> <p>Multiple Sector Response Groups may convene where the impact of an incident is more widespread (e.g., a cyber-issue impacting Retail and Wholesale Payments and consumers/clients).</p> <p>A Sector Response Group or FMI Committee may convene when the impact of an incident is specific to a particular important business service (e.g., Wholesale or Retail payments)</p>
	UK Finance	<ul style="list-style-type: none"> Business and Operational Continuity Committee (BOCC) Cash Policy Committee (CPC) 	<ul style="list-style-type: none"> Co-ordination of information sharing in relation to operational continuity disruptions and managing a return to BAU post an incident. Co-ordination of the industry response to cash disruption. 	
	Cyber response	<ul style="list-style-type: none"> Financial Sector Cyber Collaboration Centre (FSCCC) 	<ul style="list-style-type: none"> Facilitation of sector information sharing and co-ordination of actions in the event of a potentially systemic cyber threat or incident. 	
	International	<ul style="list-style-type: none"> Cyber Defence Alliance (CDA) FS-ISAC - ETIC & BRC SIFMA BCP and Market Response Committees 	<ul style="list-style-type: none"> Coordinates with members to identify and disrupt cyber threats and supports the FSCCC & UK sector response. Coordinates information sharing to support incident response for the global financial sector. Coordinates sharing of intelligence and business recovery actions between European entities and other regions (APAC and Americas) within the Finance Sector. 	
	FMI Crisis Committees	<ul style="list-style-type: none"> CHAPs Participant Engagement Forum (PEF) Pay.UK FPS and Bacs Operations Committees EUI CREST Settlement Banks Committee Trading/Clearing Houses 	<ul style="list-style-type: none"> Co-ordination of response with direct members in relation to incidents or threats affecting the processing, clearing and settlement of retail and/or wholesale payments and securities. 	



OPERATIONAL Firms/FMIs*	<p>Triggers for escalating incidents from the Operational Response Level to the Tactical Response Level:</p> <ul style="list-style-type: none"> When the impact and consequences of an incident are broader than a single firm and there is a requirement to coordinate a response at a sub-sector or functional level (payments, clearing, settlements, FX or money markets, cyber response, etc.) to mitigate the impacts and develop collective solutions. <p>Note: Invocation criteria of the Sector Response Groups and FMI Committees are contained within the Response Group Templates of the SRF.</p> <ul style="list-style-type: none"> It remains the responsibility of individual Firms and FMIs to respond to disruption, or the potential for disruption, to their Important Business Services, and to work with others via the SRF, to limit the impact on the operations of the Finance Sector as a whole. Escalation to the tactical response level (above) should occur in line with the defined triggers of the Sector Response Groups and FMI Crisis Committees they are members of. All Firms/FMIs should continue to report incidents to their Regulators as normal and are encouraged to use the Industry Incident Lexicon when communicating incidents externally.
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Firms/FMIs May participate at all levels in the Sector Response based on their membership of Sector Response Groups and FMI Crisis Committees.*

SECTOR RESPONSE FRAMEWORK

SRF GROUP MEMBERSHIP OVERVIEW



Level	Type	Group	Membership Criteria	Representative type
Strategic	Bank of England	Cross Market Business Continuity Group (CMBCG)	Systemically important firm as designated by Government and the Authorities	C-suite level senior decision-makers that can speak for their institution across the full range of relevant activities and commit their firm to action without reference. Usually, CRO/COO or equivalent level.
	UK Finance	Incident Communications Group (ICG)	Member of UK Finance	Heads of Communications or Press. Sometimes Heads of Business Continuity where they have responsibility for external crisis communications
Tactical	Market Committees	Foreign Exchange Joint Standing Committee (FXJSC) – Operations Sub-Committee	Member of the FX Trading and Settlement Market	Senior level FX operations managers with relevant expertise to be able to contribute to discussions.
		Money Markets Committee (MMC)	Active members in the UK Money Markets, Repo and Securities	Senior practitioners with sufficient authority to speak for their organisation.
	UK Finance	Business and Operational Continuity Committee (BOCC)	Member of UK Finance	Business Continuity professionals or Incident Managers who deal with business impacts, response and recovery for their firm.
		Cash Policy Committee (CPC)	Member of UK Finance	Members must have authority to make decisions on behalf of their firm.
	Cyber response	Financial Sector Cyber Collaboration Centre (FSCCC)	Member of FSCCC	Cyber Security professionals who deal with cyber risk mitigation and incident response for their firm. Typically, CISOs or part of the CISO Team.
		Cyber Defence Alliance (CDA)	Member of the CDA	Cyber Security professionals who deal with cyber risk mitigation and incident response for their firm. Typically, CISOs or part of the CISO Team.
	International	FS-ISAC - ETIC & BRC	Member of FS-ISAC	Cyber Threat Intelligence (E-TIC) and Business Continuity / Incident Management (BRC) practitioners.
		SIFMA BCP and Market Response Committees	Member of SIFMA / AFME	Business Continuity and Securities Market Operations.
	FMI Crisis Committees	CHAPs Participant Engagement Forum (PEF)	Direct participant of CHAPS	Senior practitioners with understanding of Wholesale payment services.
		Pay.UK FPS and Bacs Operations Committees	Direct participant of FPS and Bacs and ICS	Senior practitioners with understanding of Retail payment services.
		EUI CREST Settlement Bank Committee; Registrar Forum; and Market Wide Forum	Direct participant of CREST; Registrar Forum; Various	Senior practitioners with understanding of CREST settlement operations
		Trading/Clearing Houses	Direct participants in the Clearing Houses	Senior practitioners with understanding of post trade clearing services