

**IWE 2008**  
**Exercise Raffles II**  
**Communiqué 1**  
**Exercise Objectives**  
**and Format**

## **Introduction**

On 9 May, 2006, more than 100 of Singapore's leading financial institutions took part in one of the world's largest business continuity exercises. A further 70 institutions observed the event, with international regulators from across the region and Europe also looking on.

This was the first Industry-wide Business Continuity Exercise to be held in Singapore, and the first in the region, following a similar exercise staged by the London financial authorities. Sponsored by The Association of Banks in Singapore (ABS) and with the full support of the Monetary Authority of Singapore (MAS), it was designed to test the industry's ability to communicate and co-ordinate decision making in a crisis.

The exercise provided useful lessons learned for participants to improve their own crisis management and business continuity plans, as well as provided a better understanding of the need for effective industry-wide communications and coordination in a crisis situation.

Following the successful 2006 exercise, it was decided that the next industry-wide exercise will focus on a pandemic theme. The Industry-wide Exercise 2008 (IWE 2008) will be named Exercise Raffles II after the first one in 2006.

### **Exercise Raffles II has been set from 28 August to 11 September 2008**

The purpose of this document is to give the reader a broad overview of the industry-wide exercise 2008, identify the benefits to institutions and demonstrate how it can help deliver enhanced resilience to the financial industry as a whole.

This is the first in a series of communiqués to participants which will be issued during the course of the project. The provisional timing of subsequent communiqués and an outline of the intended content for each is listed at the end of this document.

## **Exercise objectives**

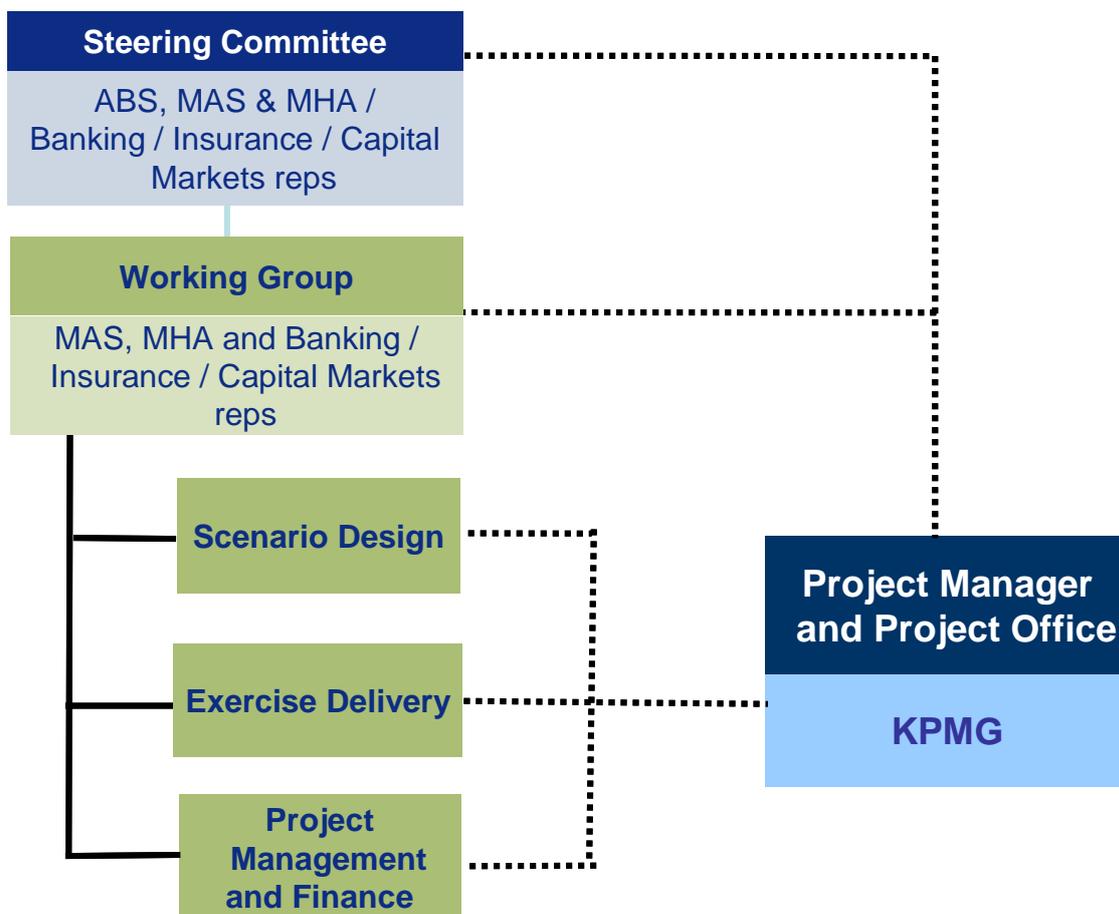
The following are the objectives for Exercise Raffles II:

- To enhance the understanding of systemic risks to the financial services sector during a possible flu pandemic outbreak impacting Singapore
- To enhance the preparedness of the financial service sector by providing the opportunity for institutions of all sizes within the sector to test their plans
- To enhance the overall flu pandemic readiness by integrating financial sector plans and crisis responses with those of Singapore Government

## **Project Structure**

A Steering Committee (SC), Working Group (WG) and three sub-groups have been established for Exercise Raffles II (see below for diagram of project structure):

- The SC is responsible for setting strategic direction and priorities as well as providing overall control and sponsorship of the IWE project. The SC is co-chaired by ABS and MAS, and comprises senior representatives from the Ministry of Home Affairs (MHA), Singapore Exchange (SGX), Credit Suisse and the insurance sector
- The WG is responsible for steering the overall scenario design process, execution, building blocks and project timeline. The WG is co-chaired by Credit Suisse and MAS, and comprises representatives from ABS, MHA, Barclays Bank, Citibank, DBS Bank, Deutsche Bank, JPMorgan Chase Bank, OCBC, SGX, UBS, UOB and the insurance sector
- The Scenario Design Team (SDT) is responsible for designing and developing the entire exercise scenario and injects that would have an impact to the financial industry, identifying operational and business specific issues to be tested in the IWE, and supervising the scenario deployment and dynamic aspects in the operations of the exercise command centre. The SDT is led by Deutsche Bank and comprises representatives from the MAS, MHA, Barclays Bank, Citibank, DBS Bank, OCBC, SGX and the insurance sector.
- The Exercise Delivery Team (EDT) is responsible for working with SDT and KPMG in the development of exercise scenario delivery resources. The EDT is led by OCBC and comprises representatives from MAS, Citibank and JPMorgan Chase Bank
- The Project Management Team (PMT) is responsible for overseeing KPMG in its management of the project, and advising on all administrative, contractual and budgetary-related matters. The PMT is led by UOB and comprises representatives from MAS and UBS.



## Scenario Building Blocks and Exercise Format

The scenario building blocks have been established along a story line staging from DORSCON<sup>1</sup> alert level Yellow to Black and back to Recovery of the first wave of a flu pandemic cycle. Based on the design, participants can expect a single cohesive exercise targeting on national/social issues like social uncertainties, contact tracing, wide spread social unrest and financial services issues like high level of market volatility and erosion of workforce.

To ensure that the scenario is realistic, relevant and authoritative as possible, the response the participants would experience in a real event, the SDT will be working with the relevant government ministries and agencies and medical experts. In addition, the SDT will consult with the IWE Working Group<sup>2</sup> and other stakeholders throughout

<sup>1</sup> Refer to <http://www.flu.gov.sg>

<sup>2</sup> The IWE Working Group is co-chaired by Credit Suisse and MAS, and comprises bank representatives from ABS, MHA, Barclays Capital, Citibank, DBS Bank, Deutsche Bank, JP Morgan, OCBC, Singapore Exchange and UOB.

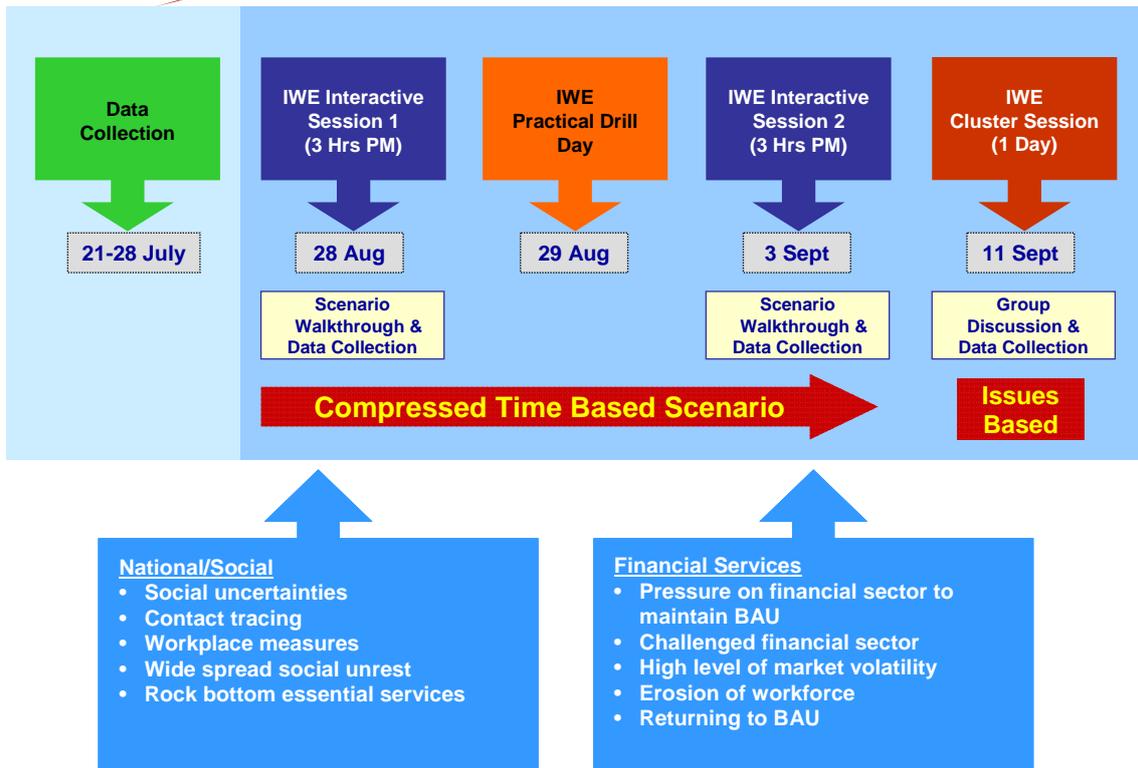
the scenario design process. This ensures that the scenario is aligned to all participants' requirements.

The exercise format will be structured as follows:

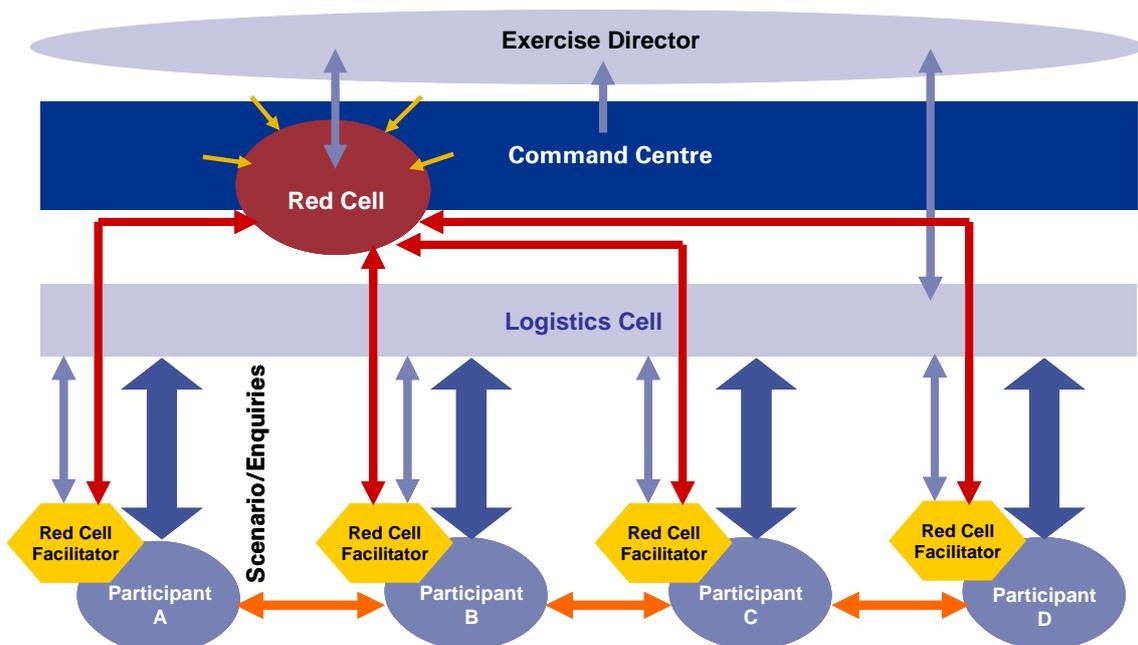
**Data collection (28 Jul 08):** As a lead-up to Exercise Raffles II, an initial data collection exercise will be conducted. Participating institutions will be required to complete an online form five weeks (i.e. 21 Jul 08) before the exercise proper. These responses relating to the scenarios will be collated after a week (i.e. 28 Jul 08) to provide a view of the market reaction and will be used as a basis for injects in the Interactive Sessions and the Practical Drill.

**Exercise Proper (28 Aug to 11 Sep 08):** The exercise proper will be executed in four components over a period of two weeks:

- **IWE Interactive Sessions (28 Aug 08 and 3 Sep 08):** Two interactive sessions lasting three hours each will be conducted. Institutions will participate from their own facilities, providing the opportunity to engage many individuals and play out the scenario in a realistic environment. The institution will nominate a lead facilitator who will attend a workshop and receive guidance from the KPMG project team so that they can effectively monitor progress and report to the command and control centre. Participants will respond to a questionnaire at the end of each session.
- **IWE Practical Drill (29 Aug 08):** A practical drill that will be focused on the social distancing and absenteeism theme will be conducted. Institutions will participate from their own facilities and be expected to execute and simulate actual recovery procedures from their own facilities, providing the opportunity to exercise and test actual business continuity measures. More details of the Practical Drill will be presented in the 3<sup>rd</sup> IWE08 briefing.
- **IWE Cluster Session (11 Sep 08):** Issues-based facilitated group sessions involving the various industries will be held. Institutions will nominate representatives to share in focus groups on issues related to their industry that were encountered during the IWE Interactive Sessions and IWE Practical Drill. Representatives are expected to be of a reasonably senior position and possess a good knowledge of the industry issues. Open and informal sharing of views is encouraged during the sessions, without fear of recrimination for lack of/inadequate responses by participants. This session will close the exercise with an industry consensus on issues and broad action plans to be taken.



### Communication Flows and Reporting



The following key functions detail how communication flows and how control of the exercise is maintained throughout the IWE Interactive Sessions and the Practical Drill:

### ***The Scenario Cell***

The scenario cell will consist of invited representatives of business, the government agencies and simulated media to role play during the exercise. The scenario cell becomes the source of all information (outside the websites) relating to the exercise.

### ***The Red Cell***

The "Red Cell" consists of two teams – those embedded in the command and control team, and those embedded in the participant institution. Participant institutions will be asked to nominate a "Red Cell Facilitator" team member who will be embedded within the institution for the duration of the exercise. The purpose of this individual will be to facilitate the exercise for their organisation to ensure the institution learns as much as possible from the experience.

The Red Cell virtual team embedded within the command and control centre is responsible for generating unplanned, supplementary injects reacting to participants who may require additional challenge during the IWE Interactive Sessions and the Practical Drill to ensure that the momentum of the exercise is maintained.

### ***The Command and Control Centre***

The command and control centre will house the exercise management team. This will include the Exercise Director, the scenario cell manager and the facilitator liaison manager. Being co-located with the scenario cell and red cell, and with direct contact and feedback from the facilitators on the ground, allows the Exercise Director to monitor the progress and momentum of the exercise and instruct the Red Cell to provide injects accordingly.

### ***The Logistics Cell***

The logistics cell is a technical support and administrative function to provide assistance or guidance to the facilitators and exercise participants. The logistics cell is responsible for ensuring that any queries relating to the websites, or exercise provided telephony are quickly and effectively resolved.

## **Exercise Websites**

The incidents that occur and the associated market movements and news will be presented to the exercise participants through the use of various websites and streaming media, including live updates of information and media reports and interviews throughout the exercise.

The exercise scenario will be delivered through three websites: one simulating the mass broadcast media; the second providing specific government agencies information; and the third providing financial news and price updates for the key markets in Singapore.

Sample of 2006 Exercise Website



Key benefits

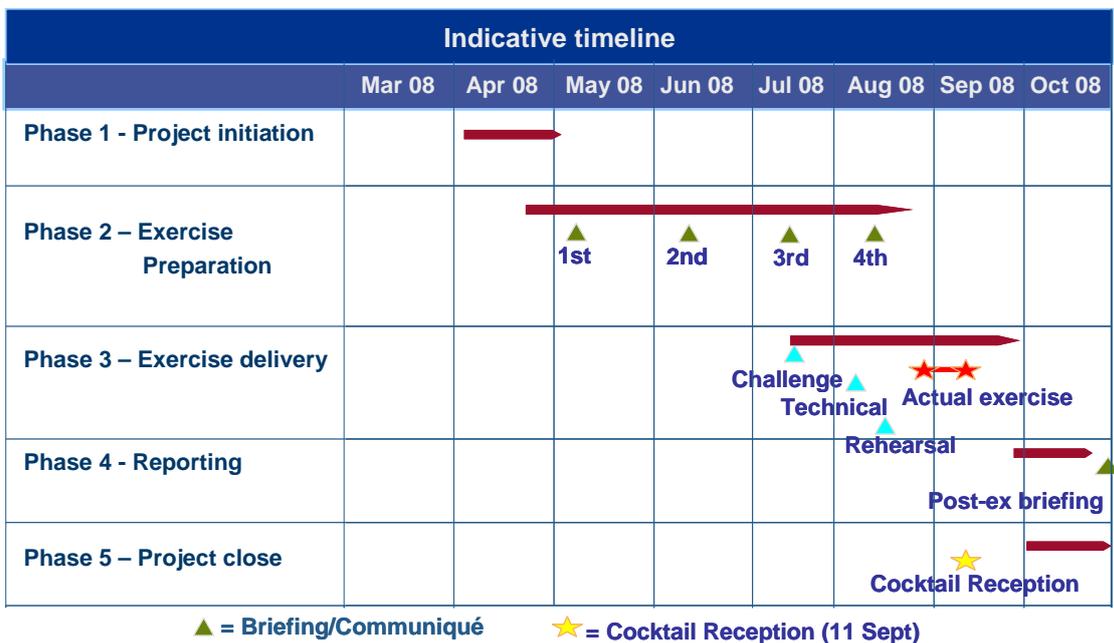
The key benefits of Exercise Raffles II include:

- Improving coordination across the sector
- Integrating financial sector plans and crisis responses with those of Singapore Government
- Reinforcing the resilience of the financial sector
- Enhancing the understanding of impact of flu pandemic to financial sector
- Providing a platform for Institutions to test their plans
- Improving market confidence in Singapore’s capability to respond

## Project Timeline

The key milestones are as follows:

- Four Industry Briefings and Communiqués leading up to the exercise proper and a post-exercise debrief.
- A challenge session, a technical stress testing session and a full dress rehearsal before the exercise proper.
- A cocktail reception after the Cluster Session.



## Schedule of communiqués

The table below shows the schedule of all communiqués to be issued as part of this project:

Communiqué	Issue Date	Objective
<b>Communiqué 1</b>	<b>5 May</b>	Introductory briefing to the Industry-wide Exercise 2008
<b>Communiqué 2</b>	<b>9 Jun</b>	Essential information for Participant, such as guidance on team members to participate, key activities and actions to take in the run up to the exercise.
<b>Communiqué 3</b>	<b>14 Jul</b>	Information relating to the regulatory authorities response, covering mechanisms in place and their responsibilities for dealing with a crisis.
<b>Communiqué 4</b>	<b>11 Aug</b>	Final information relating to the exercise for participants
<b>Communiqué 5</b>	<b>End Oct</b>	Post-exercise debrief.

## Industry briefings

A series of industry briefings will take place in support of each of the communiqués.

These briefings are scheduled as follows:

Industry briefing	Date	Time
<b>Industry Briefing 1</b>	7 May	09:30 - 11:30
<b>Industry Briefing 2</b>	11 June	09:30 - 11:30
<b>Industry Briefing 3</b>	16 July	09:30 – 12:30
<b>Industry Briefing 4</b>	13 August	09:30 – 12:30
<b>Industry Briefing 5</b>	End October	TBC

The purpose of the briefings is to present each of the communiqués and provide attendees with an opportunity to have any questions answered in an informal setting.

## Information portal

An information portal ([www.iwe08.com.sg](http://www.iwe08.com.sg)), containing the link to the exercise website, as well as all exercise-related information (e.g. communiqués, industry briefing dates) will be made available to all participants. KPMG will inform participants of the login and password details in due course. Users will be forced to change their passwords upon first login, and the user account will be disabled if the first login is not performed within one week after the issuance of user ID and password.



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**Background**

ABS will be conducting IWE 08 for Financial Institutions ("FI") in Singapore in September 2008. One of the primary objectives of this exercise which is based on a pandemic crisis is to enable participating organizations to exercise their respective business continuity action plans. Another important objective is to build public awareness on pandemics and identify areas for improvement in response to a pandemic crisis.

## Press enquiries

All participating institutions should refer all press enquiries to the ABS Secretariat.  
Email: [banks@abs.org.sg](mailto:banks@abs.org.sg)

## Project office contacts

Any questions and all communications should be directed through the ABS IWE Project office:

Telephone: 6411-8900/8903  
Email: [absiwe@kpmg.com.sg](mailto:absiwe@kpmg.com.sg)