

MEDIA RELEASE



International Organization of Securities Commissions
Organisation internationale des commissions de valeurs
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COMMITTEE ON PAYMENT AND SETTLEMENT SYSTEMS

BANK FOR INTERNATIONAL SETTLEMENTS

IOSCO/MR/02/2010

Madrid, 02 February 2010

CPSS - IOSCO review of standards for payment, clearing and settlement systems

The Committee on Payment and Settlement Systems (CPSS) and the Technical Committee of the International Organization of Securities Commissions (IOSCO) have launched a comprehensive review of their existing standards for financial market infrastructures such as payment systems, securities settlement systems and central counterparties.

There are three sets of standards involved, namely:

- the 2001 *Core principles for systemically important payment systems*
- the 2001/2 *Recommendations for securities settlement systems*
- the 2004 *Recommendations for central counterparties*

Financial market infrastructures generally performed well during the recent financial crisis, and did much to help prevent the crisis becoming even more serious than it actually was. Nevertheless, the committees believe that there are lessons to be learned from the crisis and, indeed, from the experience of more normal operation in the years that have passed since the standards were originally issued. It thus seems timely to review the standards with a view to strengthening them where appropriate.

Robust financial market infrastructures make an essential contribution to financial stability by reducing what could otherwise be a major source of systemic risk. Moreover, insofar as they enable settlement to take place without significant counterparty risk, they also help markets to remain liquid even during times of financial stress.

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The review will be led by representatives of the central banks that are members of the CPSS and those of the securities regulators that are members of the IOSCO Technical Committee. The International Monetary Fund and the World Bank are also participating in the review. The review is part of the Financial Stability Board's work to reduce the risks that arise from interconnectedness in the financial system.

The committees will coordinate with other relevant authorities and communicate with the industry, as appropriate, as the work progresses. They aim to issue a draft of all the revised standards for public consultation by early 2011.

Separately, as announced in the [press release on 20 July 2009](#), the CPSS and the Technical Committee of IOSCO are already in the process of providing guidance on how the 2004 *Recommendations for central counterparties* should be applied to CCPs handling OTC derivatives. The guidance will also cover other relevant infrastructures handling OTC derivatives such as trade repositories. This aspect of the work has been put on a fast track because of the new CCPs for OTC derivatives and trade repositories that have recently started, or are about to start, operating. A consultative document on the guidance will be issued within the next few months. This new guidance will not entail amendments to the existing recommendations for CCPs but will of course be incorporated into the general review of the standards that has now begun.

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NOTES FOR EDITORS

1. The CPSS serves as a forum for central banks to monitor and analyse developments in payment and settlement infrastructures and set standards for them. Its members are central banks from 24 countries and regions. The chairman of the CPSS is William C. Dudley, President of the Federal Reserve Bank of New York. The CPSS secretariat is hosted by the BIS. More information about the CPSS, and all its publications, can be found on the BIS website at www.bis.org/cpss.
2. IOSCO is recognized as the leading international policy forum for securities regulators. The organization's membership regulates more than 95% of the world's securities markets in over 100 jurisdictions, and its membership is steadily growing.
3. The Technical Committee, a specialised working group established by IOSCO's Executive Committee, is made up of 18 agencies that regulate some of the world's larger, more developed and internationalized markets. Its objective is to review major regulatory issues related to international securities and futures transactions and to coordinate practical responses to these concerns. Ms Kathleen Casey, a Commissioner of the US Securities and Exchange Commission, is the Chairman of the Technical Committee. The members of the Technical Committee are Australia, Brazil, China, France, Germany, Hong Kong SAR, India, Italy, Japan, Mexico, the Netherlands, Ontario, Quebec, Spain, Switzerland, the United Kingdom and the United States.
4. The review will be co-chaired by the chair of the IOSCO Technical Committee, Kathleen Casey, and the chair of the CPSS, William C. Dudley.

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