



Press release

Press enquiries: +41 61 280 8188
press@bis.org
www.bis.org

Ref no: 31/2014

28 May 2014

Implementation monitoring for the PFMI: first update to Level 1 assessment report

The Committee on Payment and Settlement Systems (CPSS) and the International Organization of Securities Commissions (IOSCO) have today published the first update to the Level 1 assessments of implementation monitoring for the *Principles for financial market infrastructures* (PFMI).

Level 1 assessments are based on self-assessments by individual jurisdictions on how they have adopted the 24 Principles for FMIs and four of the five Responsibilities for authorities within the regulatory and oversight framework that applies to FMIs.

The update report shows that significant progress has been made by the 28 participating jurisdictions since the initial Level 1 report in August 2013. The report also reveals that progress in implementing the PFMI continues to vary according to the type of financial market infrastructure (FMI). Overall there is encouraging progress across all FMI types, with implementation well advanced for central counterparties (CCPs), trade repositories (TRs) and payment systems (PS) but less advanced for central securities depositories (CSDs) and securities settlement systems (SSS). In particular, implementation measures applicable to payment systems have shown the most progress since the initial Level 1 assessment. Additional updates to the Level 1 report are planned on a periodic basis.

In parallel with the Level 1 assessments, CPSS and IOSCO are moving to the second level of the implementation monitoring for the PFMI (Level 2 assessments). In the initial round of the Level 2 assessments, CPSS and IOSCO will conduct a detailed evaluation and a peer-review assessment regarding whether the adopted measures are complete and consistent with the principles for CCPs and TRs in the European Union, Japan and the United States. Other jurisdictions and other categories of FMI will be covered in subsequent rounds. Results from the first round of Level 2 assessments are expected to be published in the fourth quarter of 2014.

Notes:

1. The CPSS serves as a forum for central banks to monitor and analyse developments in payment and settlement arrangements as well as in cross-border and multicurrency settlement schemes. The CPSS secretariat is hosted by the



BIS. More information about the CPSS, and all its publications, can be found on the BIS website.

2. IOSCO is an international policy forum for securities regulators. Its objective is to review major regulatory issues related to international securities and futures transactions and to coordinate practical responses to these concerns.

3. Both committees (CPSS and IOSCO) are recognised as international standard-setting bodies by the Financial Stability Board.

4. The document is available on the websites of the BIS <http://www.bis.org/publ/cpss117.htm> and IOSCO <http://www.iosco.org/library/pubdocs/pdf/IOSCOPD440.pdf>.

5. The CPSS-IOSCO Implementation monitoring of PFMI – Level 1 assessment report can be found on the websites of the BIS, <http://www.bis.org/publ/cpss111.htm>, and IOSCO, <http://www.iosco.org/library/pubdocs/pdf/IOSCOPD419.pdf>.

4. The CPSS-IOSCO *Principles for financial market infrastructures* can be found on the websites of the BIS <http://www.bis.org/publ/cpss101a.pdf> and IOSCO, <http://www.iosco.org/library/pubdocs/pdf/IOSCOPD377.pdf>.

5. The FSB established a coordination framework in October 2011 for monitoring and reporting on the implementation of G20 financial reforms. The framework envisages, inter alia, standard-setting bodies taking on the responsibility for monitoring and reporting on national implementation progress in their respective areas.

6. Full, timely and consistent implementation of the PFMI is fundamental to ensuring the safety, soundness and efficiency of FMI and for supporting the resilience of the global financial system. In addition, the PFMI play an important part in the G20's mandate that all over-the-counter (OTC) derivatives should be reported to trade repositories and all standardised OTC derivatives should be centrally cleared. Global central clearing requirements reinforce the importance of strong safeguards and consistent oversight of derivatives CCPs in particular. CPSS and IOSCO members are committed to adopting the principles and responsibilities contained in the PFMI in line with the expectations of the G20 and the Financial Stability Board (FSB).