



## Press release

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### **Implementation monitoring of the PFMI: Assessment and review of application of Responsibilities for authorities**

The Committee on Payments and Market Infrastructures ([CPMI](#)) and the International Organization of Securities Commissions ([IOSCO](#)) have today published the report on [Assessment and review of application of Responsibilities for authorities](#).

This report presents the findings of the CPMI-IOSCO assessment of the completeness and consistency of frameworks and outcomes arising from jurisdictions' implementation of the Responsibilities for authorities in the [Principles for financial market infrastructures \(PFMI\)](#). The assessments covered implementation of the Responsibilities across all financial market infrastructure (FMI) types in 28 participating jurisdictions. The work on the Responsibilities was carried out as a peer review during 2015. Overall, the assessment revealed that a majority of the jurisdictions had achieved a high level of observance of the Responsibilities. Of the 28 jurisdictions assessed, 16 fully observed the five Responsibilities for all FMI types; an additional two jurisdictions either fully or broadly observed each of the five Responsibilities for all FMI types.

With respect to specific FMI types, jurisdictions most frequently fell short of a fully observed rating in the case of trade repositories (TRs). Five of the participating jurisdictions had TR regimes that were still in development and were therefore determined to be "not ready for assessment". In addition, several other jurisdictions lacked clear criteria and/or fully disclosed policies to support their regulation, supervision and oversight of TRs.

With respect to specific Responsibilities, considerable variability was observed in implementation measures for the Responsibility on cooperation with other authorities. This was due partly to the fact that many cooperative arrangements are new, but may in some cases also reflect different interpretations among authorities of the expectations in this area.

CPMI and IOSCO will review the Responsibilities in the light of the findings of this assessment and consider the need for additional guidance. Further, as jurisdictions gain greater experience with cooperative arrangements, particularly cross-border arrangements for central counterparties (CCPs) and TRs, CPMI and



IOSCO expect to consider new developments as part of a follow-up exercise to this report.

Alongside the assessment and review of application of Responsibilities for authorities, CPMI and IOSCO are continuing to advance the broader programme for implementation monitoring of the PFMI. By the end of the year, CPMI and IOSCO expect to publish an assessment of the completeness and consistency of implementation of the Principles in Australia across all FMI types; this exercise began in April 2015. In addition, the first detailed thematic assessment of outcomes achieved by implementation of the Principles began in July 2015, with a focus on CCPs' risk management frameworks. CPMI and IOSCO aim to publish a report on the findings of this exercise by mid-2016.



**Notes:**

1. The Committee on Payment and Settlement Systems (CPSS) changed its name to the Committee on Payments and Market Infrastructures (CPMI) on 1 September 2014. The CPMI promotes the safety and efficiency of payment, clearing, settlement and related arrangements, thereby supporting financial stability and the wider economy. The CPMI secretariat is hosted by the BIS. More information about the CPMI, and all its publications, can be found on the BIS website at <http://www.bis.org/cpmi>.
2. The International Organization of Securities Commissions (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. See [www.iosco.org](http://www.iosco.org).
3. Both committees (CPMI and IOSCO) are recognised as international standard-setting bodies by the Financial Stability Board (FSB) ([www.financialstabilityboard.org](http://www.financialstabilityboard.org)).
4. 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.
5. The April 2012 CPSS-IOSCO *Principles for financial market infrastructures* (PFMI) can be found on the websites of the BIS at <http://www.bis.org/cpmi/publ/d101.htm> and IOSCO at [www.iosco.org/library/pubdocs/pdf/IOSCOPD377.pdf](http://www.iosco.org/library/pubdocs/pdf/IOSCOPD377.pdf). The PFMI comprise a set of 24 Principles that apply to financial market infrastructures (FMIs), and five Responsibilities that apply to central banks, market regulators and other relevant authorities for FMIs.
6. Full, timely and consistent implementation of the PFMI is fundamental to ensuring the safety, soundness and efficiency of FMIs and for supporting the resilience of the global financial system. In addition, the PFMI play an important part in pursuit of the G20's commitment 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 central counterparties in particular. CPMI 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 FSB.
7. CPMI and IOSCO are monitoring PFMI implementation according to a three-level framework: a Level 1 assessment of the status of the implementation process; a Level 2 assessment of the completeness of the implemented framework and its consistency with the PFMI; and a Level 3 assessment of the consistency in outcomes of such frameworks. Further details of the CPMI-IOSCO implementation monitoring of the PFMI, including a list of published Level 1 and Level 2 reports, are available [here](#).