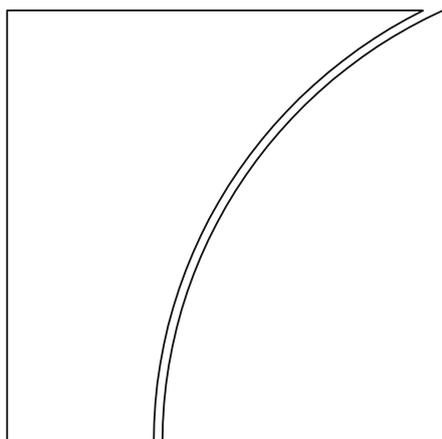


Committee on Payments
and Market Infrastructures

Board of the International
Organization of Securities
Commissions



Implementation
monitoring of PFMI:
Fourth update to
Level 1 assessment
report

July 2017



BANK FOR INTERNATIONAL SETTLEMENTS



OICU-IOSCO

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Implementation monitoring of PFMI: Fourth update to Level 1 assessment report

Participating jurisdictions¹ continue to make progress in completing the process of adopting legislation, regulations and/or policies that will enable them to implement the *Principles for financial market infrastructures* (PFMI). This report is the fourth update to the Level 1 assessments, and reflects the status of jurisdictions' legal, regulatory or policy frameworks as of 6 January 2017.

The remainder of this report is divided into the following sections: (i) background to the PFMI; (ii) a description of the Level 1 assessment methodology; (iii) key observations from the fourth set of updates; (iv) the next steps in the Level 1 process; (v) annexes A-D. Annex A contains a tabular summary of survey results, showing the ratings. Annex B provides a definition of the ratings. Annex C comprises a geographical presentation of survey results. Annex D contains more details on each surveyed jurisdiction's self-assessments, links to public documents implementing the PFMI and, where relevant and available, information on forthcoming initiatives.²

Background to the PFMI and implementation monitoring

In April 2012, the Committee on Payments and Market Infrastructures (CPMI) and the International Organization of Securities Commissions (IOSCO) issued the *Principles for financial market infrastructures* (PFMI). The PFMI are international standards for systemically important payment systems (PSs), central securities depositories (CSDs), securities settlement systems (SSSs), central counterparties (CCPs) and trade repositories (TRs).

CPMI and IOSCO members are making progress in adopting the 24 principles (the Principles) and five responsibilities (the Responsibilities) included in the PFMI into their legal and regulatory frameworks. Implementing the PFMI is a comprehensive and large-scale undertaking that spans several different types of financial market infrastructure (FMI) and, typically, multiple regulators within each jurisdiction.

CPMI-IOSCO established the Implementation Monitoring Standing Group (IMSG) to design, organise and carry out the necessary assessments to monitor the implementation of the PFMI. These involve three phases: (i) Level 1, to assess whether jurisdictions have completed the process of adopting the legislation, regulations and other policies that will enable them to implement the Principles and Responsibilities; (ii) Level 2, to assess whether the content of legislation, regulations and/or policies is complete and consistent with the Principles and the Responsibilities; and (iii) Level 3, to assess whether there is consistency in the outcomes of the implementation of the Principles and Responsibilities.

¹ The assessment covers the following 28 jurisdictions: Argentina, Australia, Belgium, Brazil, Canada, Chile, China, the European Union, France, Germany, Hong Kong SAR, Indonesia, India, Italy, Japan, Korea, Mexico, the Netherlands, Russia, Saudi Arabia, Singapore, South Africa, Spain, Sweden, Switzerland, Turkey, the United Kingdom and the United States.

² Annex D of this report provides details only for jurisdictions that were rated less than "4" for at least one FMI type in the third update and only for those FMI types that were rated "1", "2", "3" or "NA" in that report. For other jurisdictions and FMI types, the detailed information is provided in Annex B of the *Second update to Level 1 assessment report* and the *Third update to Level 1 assessment report*.

Level 1 assessment methodology

For Level 1 assessments, jurisdictions are asked to self-assess their progress in adopting the legislation, regulations and/or policies relevant to the implementation of the PFMI for each of the following FMI types: systemically important PSs, CSDs, SSSs, CCPs and TRs. These self-assessments are reviewed by the IMSG for consistency of ratings across jurisdictions.

The initial Level 1 assessments (covering 27 jurisdictions) were conducted in mid-2013,³ and the first, second and third updates (covering 28 jurisdictions⁴) were conducted in 2014, 2015 and 2016, respectively.⁵ This fourth update focuses exclusively on those jurisdictions for which the implementation measures were not yet in force for at least one FMI type at the time of the last update, ie where the rating was "1", "2", "3" or "NA" on the third Level 1 update⁶. Those jurisdictions that had already reached the highest rating – ie "4" – for all FMI types in the previous update were not surveyed for this update.

Key observations

Overall, the fourth update to the Level 1 assessments shows that participating jurisdictions have continued to make progress since the previous update in completing the process of adopting legislation, regulations and/or policies that will enable them to implement the PFMI.

The previous updates to the Level 1 assessment report revealed that additional measures were needed primarily with respect to implementation of the Principles. By contrast, many jurisdictions had already achieved the highest rating for the Responsibilities.⁷

Consistent with this, there were no changes in ratings for the Responsibilities, with all jurisdictions being rated "4" for Responsibilities for all FMI types except three jurisdictions (Chile, Korea and South Africa) that are rated "1" or "2" for the Responsibilities for TRs.

With respect to the Principles, 20 of the 28 jurisdictions have now achieved the highest rating, "4", for all FMI types, with one jurisdiction (Turkey) upgraded to rating "4" for all FMI types since the last update. Three jurisdictions (Argentina, Mexico and the United States) also showed progress in implementing the Principles for certain FMI types, as shown in Annex A.

With respect to the FMI types, 27 of the 28 jurisdictions are now rated "4" for PSs, with two jurisdictions (Argentina and Mexico) upgraded to rating "4"; 23 jurisdictions are now rated "4" for CSDs/SSSs, with two jurisdictions (Mexico and Turkey) upgraded to rating "4" and two jurisdictions (Argentina and the United States) showing progress; 22 jurisdictions are now rated "4" for CCPs with one

³ CPSS-IOSCO, *Implementation monitoring of PFMI – Level 1 assessment report*, August 2013, www.bis.org/publ/cpss111.htm.

⁴ Indonesia was added to the initial 27 jurisdictions.

⁵ CPSS-IOSCO, *Implementation monitoring of PFMI – First update to Level 1 assessment report*, May 2014, www.bis.org/cpmi/publ/d117.htm; CPMI-IOSCO, *Implementation monitoring of PFMI – Second update to Level 1 assessment report*, June 2015, www.bis.org/cpmi/publ/d129.htm; and CPMI-IOSCO, *Implementation monitoring of PFMI – Third update to Level 1 assessment report*, June 2016, <http://www.bis.org/cpmi/publ/d145.htm>.

⁶ Ratings range from "1", which indicates that draft implementation measures have not yet been published, to "4", which indicates that final implementation measures are in force. Jurisdictions rated "3" have rules or regulations in place, but they are not yet effective. Jurisdictions with a rating of "2" have at least published draft rules and regulations. Ratings also include a "not applicable" category ("NA", see Annex B). For jurisdictions assigned only ratings "4" or "NA" in the third update, the IMSG checked that the "NA" ratings assigned were still valid.

⁷ This was further confirmed in the CPMI-IOSCO report *Assessment and review of application of Responsibilities by authorities*, November 2015, www.bis.org/cpmi/publ/d139.htm.

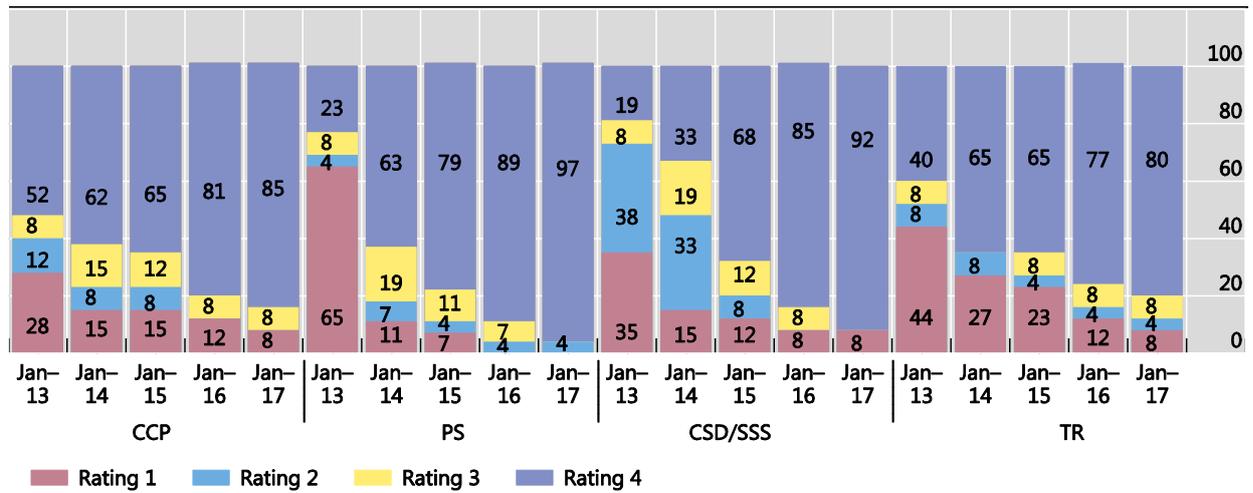
jurisdiction (Turkey) upgraded to rating “4” and one jurisdiction (the United States) showing progress; and 21 jurisdictions are rated “4” for TRs, with one jurisdiction (Turkey) upgraded to rating “4”.

While there is generally a high degree of implementation of the PFMI across jurisdictions, a few jurisdictions are still rated “1” for certain FMI types and have not yet started the implementation process. Implementation of the PFMI is key to fostering the safety, efficiency and resilience of FMIs. To that end, the CPMI and IOSCO urge all jurisdictions not yet rated “4” for all FMI types – and particularly those rated “1” (draft implementation measures not published) for any FMI type – to take the necessary steps to move towards full implementation as quickly as possible.

Progress for Principles by FMI type¹

In per cent

Graph 1



¹ For each FMI type, the percentages have been calculated excluding “NA” ratings and jurisdictions with a split rating.

Next steps

The next update of the Level 1 assessments will be conducted in 2018.

Annex A: Summary table of ratings

Table 1

Jurisdiction	Principles				Responsibilities			
	CCPs	PSs	CSDs & SSSs	TRs	CCPs	PSs	CSDs & SSSs	TRs
Argentina ¹	3	4 [3]	3/4 [3]	3	4	4	4	4
Australia	4	4	4	4	4	4	4	4
Belgium	4,EU ²	4,EUR ³	4	4, EU	NA	4, EUR	4	NA/EU
Brazil	4	4	4	4	4	4	4	4
Canada	4	4	4	4	4	4	4	4
Chile	1	2	1	1	4	4	4	1
China	4	4	4	4	4	4	4	4
European Union (EU) / Eurosystem (EUR) ⁴	4	4	4	4	NA	4	NA	4
France	4, EU	4, EUR	4, EUR	4, EU	4	4, EUR	4	NA/EU
Germany	4, EU	4, EUR	4, EUR	4, EU	4	4, EUR	4	NA/EU
Hong Kong SAR	4	4	4	4	4	4	4	4
India	4	4	4	4	4	4	4	4
Indonesia	1	4	4/1	NA	4	4	4	NA
Italy	4, EU	4, EUR	4	4, EU	4	4, EUR	4	NA/EU
Japan	4	4	4	4	4	4	4	4
Korea	4	4	4	1	4	4	4	1
Mexico	3	4 [3]	4 [3]	3	4	4	4	4
Netherlands	4, EU	4, EUR	4, EUR	4, EU	4	4, EUR	4	NA/EU
Russia	4	4	4	4	4	4	4	4
Saudi Arabia	NA	4	1	4	NA	4	4	4
Singapore	4	4	4	4	4	4	4	4
South Africa	4	4	4	2	4	4	4	2
Spain	4, EU	4, EUR	4, EUR	4, EU	4	4, EUR	4	NA/EU
Sweden	4, EU	4	4	4, EU	4	4	4	NA/EU
Switzerland	4	4	4	4	4	4	4	4
Turkey	4 [1]	4	4 [1/4]	4 [1]	4	4	4	4
United Kingdom	4, EU	4	4	4,EU	4	4	4	NA/EU
United States	3/4 [2/4]	4	3/4 [2/4]	1/3	4	4	4	4

Legend:

	Jurisdictions surveyed in this update	
	Rating of "4"	
	Rating lower than "4"	 : Ratings modified in this update
	NA	[y]: Ratings in the previous update

¹ When FMIs within an FMI type are under different authorities' jurisdictions and the implementation status varies depending on the jurisdiction, a split rating is assigned. ² Rating is the same as for the EU. ³ Rating is the same as for the Eurosystem. ⁴ "Eurosystem" refers to the member states of the European Union whose currency is the euro. EU rating is given to CCPs and TRs, while EUR rating is given to PSs and CSDs/SSSs.

Annex B: Ratings scale

Rating “1”: Draft implementation measures not published: This status corresponds to cases where some measure is needed but so far no draft has been made public to detail the planned content of the measure. This status includes cases where a jurisdiction has communicated high-level information about its implementation plans but such high-level information is not sufficient to achieve the necessary effect.

Rating “2”: Draft implementation measures published: This status corresponds to cases where the draft implementation measures are already publicly available – for example, for public consultation or legislative deliberations.

Rating “3”: Final implementation measures published: This status corresponds to cases where the required implementation measures have been finalised and approved/adopted so that the relevant authorities have the necessary powers (a) to require relevant FMIs to observe the Principles (when implementation of the Principles is being addressed) or (b) to observe the Responsibilities (when implementation of the Responsibilities is being addressed). However, the FMIs are not yet required to observe the Principles or the authorities are not yet required to observe the Responsibilities.

Rating “4”: Final implementation measures in force: This status corresponds to cases where, in addition to the required implementation measures having been finalised and approved/adopted, FMIs are expected to observe the Principles or authorities to observe the Responsibilities (depending on whether implementation of the Principles or Responsibilities is being addressed). Where that is broadly the case but a further transitional period has been granted for FMIs in respect of full observance with a small number of aspects of the Principles that introduce significantly higher requirements than previously applied (because it is recognised that full observance of those aspects may take some time to achieve, eg for some aspects of operational risk), status “4” may also be granted provided that, in its response, the jurisdiction qualifies the status by clearly stating the relevant aspects and when the transitional period ends. In the description of status rating that is published (see below), any such transitional arrangements are likely to be noted.

Rating “NA”: No implementation measures needed (ie not applicable): This status corresponds to cases where no relevant FMI exists that are within the scope of the PFMI. A rating of “NA” will be indicated only if no relevant regulatory measures are being taken and no such FMI is expected to develop within the jurisdiction.

Additional guidance to achieve a rating of “3” – The required measures to implement the PFMI are finalised and published, BUT:

- PFMI are not yet in effect;⁸ OR
- there is a transition period until the Principles are in effect but the transition period is not specified; OR
- the transition period is specified but applies to all Principles, not just a narrow subset.

Additional guidance to achieve a rating of “4” – The required measures to implement the PFMI are finalised and published; AND

- PFMI are in effect as of 6 January 2017; AND
- if there is a transition period until the Principles are in effect, it is clearly articulated and only for a narrow subset of Principles; AND
- links to public documents are provided for the final report.

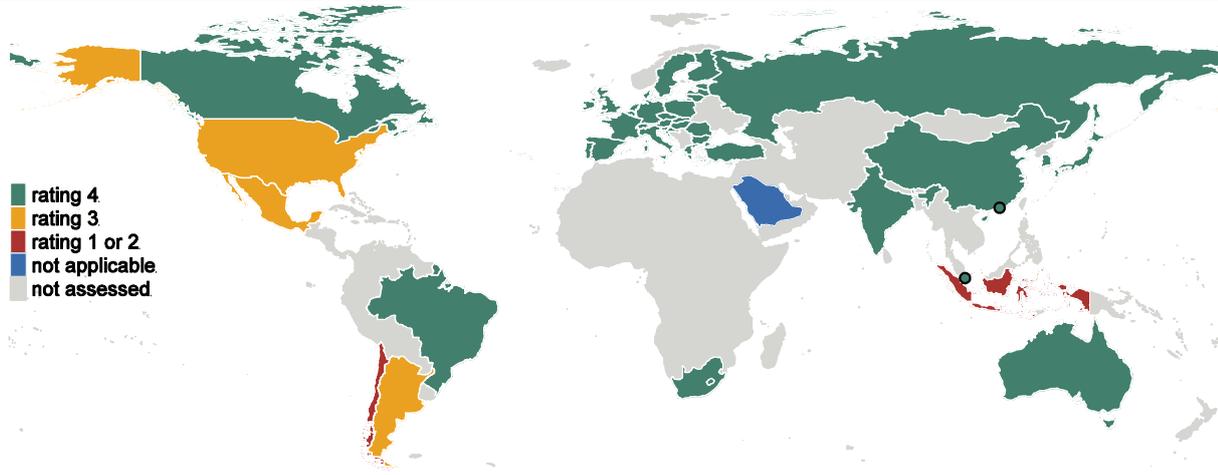
⁸ “In effect” means that authorities are able to take actions to compel FMIs’ observance. This does not necessarily mean that the relevant FMIs are in observance of all applicable Principles.

Annex C: Ratings per FMI types

PFMI implementation rating¹

Central counterparties

Graph 2



¹ The black circles represent Hong Kong SAR and Singapore, respectively. In case of split ratings across different authorities within a jurisdiction, the minimum rating is used.

PFMI implementation rating¹

Payment systems

Graph 3

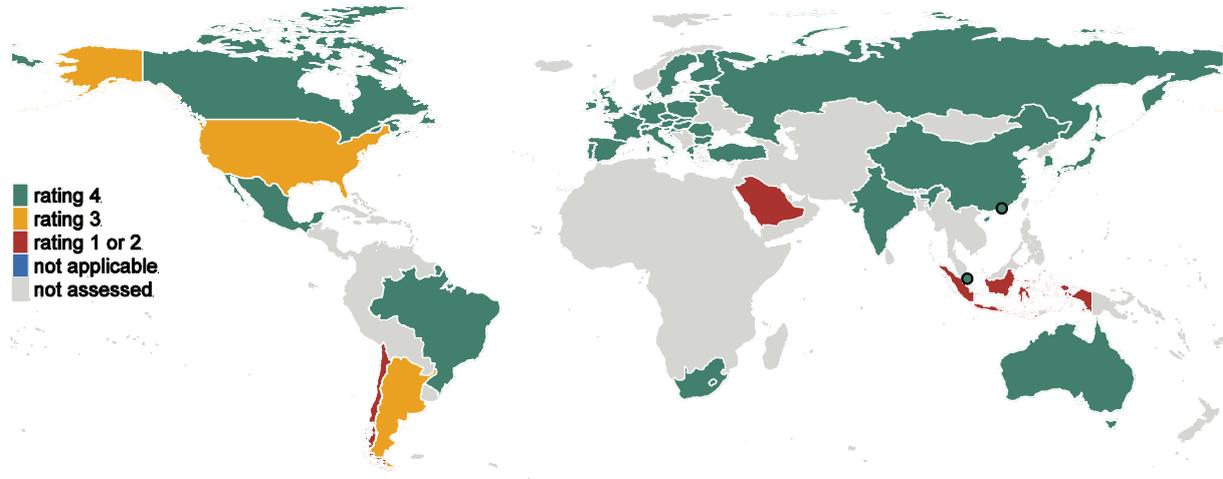


¹ The black circles represent Hong Kong SAR and Singapore, respectively. In case of split ratings across different authorities within a jurisdiction, the minimum rating is used.

PFMI implementation rating¹

Central securities depositories and security settlement systems

Graph 4

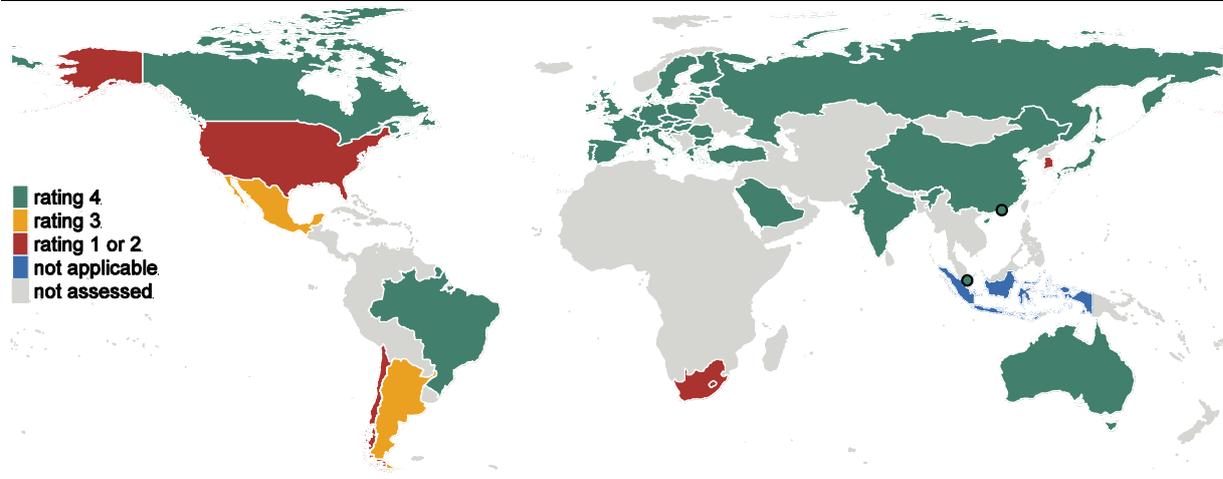


¹ The black circles represent Hong Kong SAR and Singapore, respectively. In case of split ratings across different authorities within a jurisdiction, the minimum rating is used.

PFMI implementation rating¹

Trade repositories

Graph 5



¹ The black circles represent Hong Kong SAR and Singapore, respectively. In case of split ratings across different authorities within a jurisdiction, the minimum rating is used.

Annex D: Summary jurisdiction tables

Argentina

	Principles/ Responsibilities	FMI Type	Rating	Status description / Next steps	Links to the measures
Argentina	Principles	CCPs	3	Comisión Nacional de Valores (CNV) published Rules 2013 on 31 July 2013: Title VI, Chapters I, II, III, IV and V Title XVII, Chapter IV, section 1 RG 685/16 y RG 686/2016. CNV's Rules 2013 are still in process of implementation.	CNV – Rules2013: http://www.cnv.gob.ar/LeyesReg/marco_regulatorio3.asp?Lang=0&item=3
		PSs	4	Banco Central de la República Argentina (BCRA) issued <i>Comunicación "A" 5775</i> and <i>Comunicación "B" 11056</i> on 10 July 2015. <i>Comunicación "A" 5775</i> establishes the obligation to comply with the Principles, requiring observance by 10 January 2016.	BCRA - <i>Comunicación "A" 5775</i> : http://www.bcra.gob.ar/Pdfs/comytexord/A5775.pdf BCRA - <i>Comunicación "B" 11056</i> : http://www.bcra.gob.ar/Pdfs/comytexord/B11056.pdf .
		CSDs and SSSs	3 (CNV)	CNV published Rules 2013 on 31 July 2013: Title VIII Chapter I and II Title XVII, Chapter IV, section 1 Interpretative criteria 48, 52, 59 and 60. CNV Rules 2013 are still in the process of implementation.	CNV – Rules 2013 [see above for link]
			4 (BCRA)	BCRA issued <i>Comunicación "A" 5775</i> and <i>Comunicación "B" 11056</i> on 10 July 2015. <i>Comunicación "A" 5775</i> establishes the obligation to comply with the Principles, requiring observance by 10 January 2016.	BCRA - <i>Comunicación "A" 5775</i> and <i>Comunicación "B" 11056</i> [see above for link]

	TRs	3	<p>At present, there are no TRs in Argentina. Nevertheless, there are TR-like entities, as defined by the FSB.</p> <p>CNV published Rules 2013 on 31 July 2013. CNV Rules 2013 are still in the process of implementation.</p> <p>CNV and SAGYP issued rules requiring all participants to register contracts and OTC derivatives on many commodities, in a centralized system developed by Futures Exchanges and Product Associations. The system was launched in December 2014 in www.siogranos.com.ar.</p> <p>RG</p>	<p>CNV – Rules2013 [see above for link]</p> <p>CNV-SAGYP’s JOINT REGULATIONS CNV N° 628 and SAGYP N° 208/14 http://infoleg.mecon.gov.ar/infolegInternet/verNorma.do;jsessionid=68BD049A795D86DCAB32F25B41BB9FFC?id=232154</p> <p>CNV-SAGYP’s JOINT REGULATIONS CNV N° 630 and SAGYP N° 299/14 http://www.infoleg.gob.ar/infolegInternet/verNorma.do?id=233911</p> <p>CNV – SAGYP’s JOINT REGULATIONS CNV N° 657/16 http://www.cnv.gob.ar/LeyesReg/CNV/esp/RGCRGN657.htm</p>
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Chile

	Principles/ Responsibilities	FMI Type	Rating	Status description / Next steps	Links to the measures
Chile	Principles	CCPs	1	<p>Measures are needed but so far no draft has been made public. Nevertheless, significant progress has been made to implement many of the Principles. See below comment box for details.</p> <p>The Ministry of Finance, the Central Bank, the Superintendence of Banks and Financial Institutions, the Superintendence of Securities and Insurance Companies, published a joint policy statement on 9 January 2017 in order to encourage the observance of the PFMI, and declare their strong commitment to apply the PFMI in their oversight, regulation and supervision frameworks.</p>	<p>Joint statement of Authorities on PFMIs adoption: http://www.bcentral.cl/es/DownloadBinaryServlet?nodeId=%2FUCM%2FBCCCH_ANUNCIO_170724_ES&propertyId=%2FUCM%2FBCCCH_ANUNCIO_170724_ES%2Fprimary&fileName=DeclaracionROSC09012017.pdf</p>
		PSSs	2	<p>BCCH published a policy statement in March 2013. Additionally, significant progress has been made to implement many of the Principles. See below comment box for details.</p> <p>The Ministry of Finance, the Central Bank, the Superintendence of Banks and Financial Institutions, the Superintendence of Securities and Insurance Companies, published a joint policy statement on 9 January 2017 in order to encourage the observance of the PFMI, and declare their strong commitment to apply the PFMI in their oversight, regulation and supervision frameworks.</p>	<p>BCCH- Payment Systems Website Section Financial Stability Report- Central Bank of Chile – Second Half 2014 Financial Stability Report. – Central Bank of Chile – Second half 2016 Joint statement of Authorities on PFMIs adoption: [see above for link]</p>
		CSDs and SSSs	1	<p>Measures are needed but so far no draft has been made public. Nevertheless, significant progress has been made to implement many of the Principles. See below comment box for details.</p> <p>The Ministry of Finance, the Central Bank, the Superintendence of Banks and Financial Institutions, the Superintendence of Securities and Insurance Companies, published a joint policy statement on 9 January 2017 in order to encourage the observance of the Principles for Financial Market Infrastructures, and declare their strong commitment to apply the PFMI in their oversight, regulation and supervision frameworks.</p>	<p>Joint statement of Authorities on PFMIs adoption: [see above for link]</p>

	TRs	1	The Ministry of Finance, the Central Bank, the Superintendence of Banks and Financial Institutions, the Superintendence of Securities and Insurance Companies, published a joint policy statement on 9 January 2017 in order to encourage the observance of the PFMI, and declare their strong commitment to apply the PFMI in their oversight, regulation and supervision frameworks.	<u>Joint statement of Authorities on PFMI's adoption:</u> [see above for link]
Responsibilities	TRs	1	The Ministry of Finance, the Central Bank, the Superintendence of Banks and Financial Institutions, the Superintendence of Securities and Insurance Companies, published a joint policy statement in order to encourage the observance of the PFMI, and declare their strong commitment to apply the PFMI in their oversight, regulation and supervision frameworks and work in order to eliminate any detected gap.	<u>Joint statement of Authorities on PFMI's adoption:</u> [see above for link]
<p>Comments:</p> <ul style="list-style-type: none"> – As for PSs, BCCH has specific regulations that assure fulfilment with the principles 1,2,3,4,5,7,8,9,12, 15, 16, 17 18, 19 21, 22 and 23. – The Central Bank of Chile and the Ministry of Finance required the World Bank and the International Monetary Fund to conduct a Review of Standards and Codes (ROSC) to the Chilean market infrastructures (PS, CCP, CSD, SSS,) in order to evaluate the compliance with PFMI. The assessment was made in August and September 2015 and the final reports were published in December 2016. The reports concluded that Chile has fairly developed payment, clearing, and settlement infrastructures, Also the reports states that authorities' powers are clearly defined with no overlap. The reports were published in the websites of Ministry of Finance and the Central Bank of Chile (http://www.bcentral.cl/es/DownloadBinaryServlet?nodeId=%2FUCM%2FBCCH_NOTA_PREN_170243_ES&propertyId=%2FUCM%2FBCCH_NOTA_PREN_170243_ES%2Fprimary&fileName=npr06122016b.pdf). – As for TRs, the Central Bank operates a database (Base de Datos de Derivados Cambiarios, BDDC) where foreign exchange derivatives transactions are reported by banks, other financial institutions and certain non-financial entities, and publishes aggregate-level data. However, this infrastructure does not currently qualify as a TR. A plan of action to remove the existing barriers – legal and technological – to developing a TR function will enable Chilean authorities to meet international expectations and best practices in the global derivatives markets. 				

Indonesia

	Principles/ Responsibilities	FMI Type	Rating	Status description / Next steps	Links to the measures
Indonesia	Principles	CCPs	1	Measures to implement PFMI for CCP are currently in process by <i>Otoritas Jasa Keuangan</i> (OJK - Indonesian Financial Services Authority). Additionally, significant progress has been made to implement many of the Principles. See below comment box for details.	Press statement on FMI enhancements: http://www.idx.co.id/Home/NewsAnnouncement/PressRelease/ReadPressRelease/tabid/366/ItemID/ef1cacce-3395-4166-a696-a8a279315363/language/en-US/Default.aspx
		CSDs and SSSs	4/1	For CSD/SSS operated by Bank Indonesia, Bank Indonesia Regulation No.17/18/PBI/2015 concerning "Bank Indonesia Operated Systems for Management of Transactions, Administration of Securities, and Real-Time Fund Settlements" was published on 12 November 2015 and came into force on the 16 November 2015. For CSD/SSS under OJK's authority, measures to implement PFMI is currently in process by OJK. See below comment box for details.	Bank Indonesia Regulation No.17/18/PBI/2015: http://www.bi.go.id/en/peraturan/sistem-pembayaran/Documents/PBI_17_18_EN.pdf Press statement on FMI Enhancements [see above for link]
		TRs	NA	Please see note #1 in the comment box.	
	Responsibilities	TRs	NA	Please see note #1 in the comment box.	
<p>Comments:</p> <ol style="list-style-type: none"> Reporting systems for trading in financial markets including for derivatives, commodities, equities, debt instruments are available and have been operating well. These systems are managed by public authorities (BI and OJK, for banking institutions and for entities operating in the capital markets, respectively). BI and OJK maintain the integrity of the reporting systems and review the systems periodically. Contributing banks and some financial institutions have access to general reports in the reporting platforms. Most of the principles contained in the PFMI have been reflected in the regulations made by OJK and SRO (Self-Regulatory Organization), particularly regulations related to clearing and settlement of securities transactions. To further implement the PFMI, OJK is currently in progress to develop a measure in order to adopt the PFMI. In addition, OJK continues to evaluate and improve business processes related to CCPs and CSDs through capital market infrastructure development projects. For the period 2014–2015, the development of infrastructure projects were focused on the development of a new settlement system (C-BEST Next G) and enhancement of clearing system (e-Clears), working towards fund settlement via the central bank, introduction of general clearing membership, enhancement of the guarantee mechanism and pre-emptive action policy, as well as the implementation of an institutional delivery mechanism. In mid July 2015, settlement via central bank money was implemented for custodian banks, while for broker dealers similar arrangements are currently under development. As of 1 January 2016, OJK Regulation No. 27 on a new guarantee mechanism and pre-emptive action has been in effect. 					

Korea

	Principles/ Responsibilities	FMI Type	Rating		
	Principles	TRs	1	<p>FSC published its plan to establish a regulatory regime of Korea Exchange (KRX)-TR on 22 November 2016.</p> <p>FSC designated KRX as TR on 17 August 2015.</p> <p>FSC released its plan to introduce TR on 17 June 2014.</p>	<p>FSC – Measures for improvement of derivatives market http://www.fsc.go.kr/downManager?bbsid=BBS0048&no=112182</p> <p>FSC – KRX Designated as Trade Repository http://fsc.go.kr/downManager?bbsid=BBS0048&no=98548</p> <p>FSC – Roadmap for further development of Korea’s derivatives market http://www.fsc.go.kr/downManager?bbsid=BBS0048&no=90978</p>
	Responsibilities	TRs	1	The FSC, in consultation with BOK, the Financial Supervisory Service (FSS) and KRX is in the process of establishing a regulatory regime for implementation of the Principles and the Responsibilities.	

Mexico

	Principles/ Responsibilities	FMI Type	Rating	Status description / Next steps	Links to the measures
Mexico	Principles	CCPs	3	<p>National Banking and Securities Commission (CNBV) published new policy statement on 25 October 2013.</p> <p>Banco de México (BDM) published new policy statement on 1 January 2014.</p> <p>BDM and CNBV determined and published in their policy statements that CCPs for derivatives and CCPs for equities have to observe the Principles. BDM, Ministry of Finance and Public Credit (SHCP) and CNBV hereinafter the Mexican Financial Authorities (MFA) are using their supervisory and oversight powers to compel a CCP to make necessary changes to observe the Principles. According to legislation and regulation, MFA have powers to request CCPs adjustments to their internal rules for the implementation of the Principles. Local CCPs defined working plans to address specific issues jointly identified with MFA to fully observe the Principles. Taking into account CCPs' working plans, CCPs for derivatives were required to fully observe the Principles on 2 January 2017, while CCPs for equities on 1 July 2017.</p> <p>MFAs published final amendments on secondary regulation on 15 May 2014 which came into force on 13 August 2014.</p> <p>See below comment box for other details in PFMI's implementation.</p>	<p>CNBV new policy statement: http://www.gob.mx/cms/uploads/attachment/file/69156/Descripcion_Sector_Bursatil.pdf</p> <p>BDM new policy statement: http://www.banxico.org.mx/sistemas-de-pago/informacion-general/financiamiento-infraestructura.html</p> <p>Final regulation: http://www.banxico.org.mx/disposiciones/normativa/reglas-conjuntas-participantes-del-mercado-de-conta-y-pagos-%7B4BDEDC68-AE40-E8D0-4DFB-7FE794848ECC%7D.pdf</p>

		PSs	4	<p>BDM published new policy statement on 1 January 2014.</p> <p>BDM determined and published in its policy statements that PSs have to observe the Principles. PSs were required to fully observe the Principles on 1 July 2016. Implementation of the Principles in the PS of BDM was part of the objectives of the central bank. The disclosure framework for Banco de México's PS, which is currently the only PS systemically important in México, was published in March 2016.</p>	<p>BDM new policy statement: http://www.banxico.org.mx/sistemas-de-pago/informacion-general/financiamiento-infraestructura.html</p> <p>The disclosure framework for Banco de México's PS: http://www.banxico.org.mx/sistemas-de-pago/material-educativo/intermedio/evaluaciones-conforme-a-las-mejores-practicas-internacionales/%7BDE853D65-8859-1D34-76EE-0ECF98065A59%7D.pdf</p>
		CSDs and SSSs	4	<p>CNBV published new policy statement on 25 October 2013. BDM published new policy statement on 1 January 2014.</p> <p>BDM and CNBV determined and published in their policy statements that CSDs/SSSs have to observe the Principles. MFA are using their supervisory and oversight powers to compel a CSD/SSS to make necessary changes to observe the Principles. According to legislation and regulation, MFA have powers to request CSD/SSS adjustments to its internal rules for the implementation of the Principles. Local CSD/SSS defined a working plan to address specific issues to fully observe the Principles. CSD/SSS was required to fully observe the Principles on 2 January 2017. MFA may also impose to CSDs/SSSs disciplinary actions, which could include fines, for failure to comply with the Principles.</p>	<p>CNBV new policy statement: http://www.gob.mx/cms/uploads/attachment/data/file/69156/Descripcion_Sector_Bursatil.pdf</p> <p>BDM new policy statement: http://www.banxico.org.mx/sistemas-de-pago/informacion-general/financiamiento-infraestructura.html</p>

	TRs	3	<p>The MFAs published final amendments to secondary regulation on 15 May 2014 that came into force on 15 February 2015.</p> <p>BDM determined and published in its policy statements that TRs have to observe the Principles. Date to fully observe the Principles is 1 July 2017. Implementation of the Principles in the TR of BDM is part of the objectives of the central bank.</p>	<p>Final regulation: http://www.banxico.org.mx/disposiciones/normativa/reglas-conjuntas-participantes-del-mercado-de-cont/%7B4BDEDC68-AE40-E8D0-4DFB-7FE794848ECC%7D.pdf http://www.banxico.org.mx/sistemas-de-pago/informacion-general/financiamiento-infraestructura.html</p>
<p>Comments:</p> <ul style="list-style-type: none"> – The secondary regulation published by the MFA are in force and aimed at strengthening the legal framework of the derivatives market. – As for CCPs, Banco de México and CNBV requested CCPs to clearly provide in their internal rules the point at which the settlement is final. In addition, MFA are still analysing amendments to the secondary regulation to strengthen settlement finality, and would promote legislative amendments to robust its legal basis. – MFA state that their existing laws and regulations allow for complete implementation of the PFMI. MFA communicated to FMIs' operators that their infrastructures should comply with PFMI. Furthermore, BDM and CNBV published their new policy statements, requiring PFMI' compliance on specific timeframe. – MFA are legally empowered to request amendments to FMIs' internal rules to ensure they adopt the Principles. This is expected to be carried out in due time for Level 3 assessments. However, MFAs started to request specific amendments to certain FMIs' internal rules in preparation for that level and they have been working with CSD/SSS and CCPs' operators in a work plan to adopt PFMI. – In the case of TRs, the regulatory framework in Mexico has provisions regarding trade reporting of derivatives. In particular, Banco de México's Rules for Derivatives Transactions require financial institutions to report all their derivatives transactions to the central bank, for which Banco de México provides a TR service and has exclusive responsibility. 				

Saudi Arabia

	Principles/ Responsibilities	FMI Type	Rating	Status description / Next steps	Links to the measures
Saudi Arabia	Principles	CCPs	NA	No regulatory measures underway nor an existing CCP.	
		CSDs and SSSs	1	Measures are needed, but no draft has been made public so far. Additionally, significant progress has been made, including the revision of the current Securities Depository Centre Rules.	
	Responsibilities	CCPs	NA	No regulatory measures underway nor an existing CCP.	
	Comments: <ul style="list-style-type: none"> – As for CCPs, Capital Market Authority (CMA), Saudi Arabian Monetary Authority (SAMA) and the Saudi Stock Exchange (“Tadawul”) have finalised a study aimed at identifying relevant requirements to set-up a CCP. The regulatory changes to address the CCP are in an advanced stage of discussion, and a plan with target dates has been drawn, for the establishment of a CCP. – As for CSDs/SSSs, Tadawul did an internal assessment for Securities Depository Center as a CSD and SSS against CPMI-IOSCO principles in 2015 using an independent party. Assessment results has been shared with the regulator, however it has not been disclosed to public. Assessment showed that concerned principles have been broadly observed. 				

South Africa

	Principles/ Responsibilities	FMI Type	Rating	Status description / Next steps	Links to the measures
South Africa	Principles	TRs	2	The regulatory framework was published for public comment. The Financial Services Board, National Treasury and the South African Reserve Bank are reviewing the comments received. However, there is no existing TR as of 6 January 2017.	
	Responsibilities	TRs	2	The regulatory framework was published for public comment. The Financial Services Board, National Treasury and the South African Reserve Bank are reviewing the comments received. However, there is no existing TR as of 6 January 2017.	

Turkey

	Principles/ Responsibilities	FMI Type	Rating	Status description / Next steps	Links to the measures
Turkey	Principles	CCPs	4	Capital Markets Board (CMB) published a new policy statement on 23 March 2016. The measure came into force on the same date.	Decision of the Board of CMB Turkey dated 23.02.2016 no.10/328 http://www.spk.gov.tr/duyurugoster.aspx?aid=20160323&subid=0&ct=c&submenuheader=null (in Turkish) http://www.cmb.gov.tr/duyurugoster.aspx?aid=2016415&subid=0&ct=c&yanmenuid=1 (in English)
		CSDs and SSSs	4	CBRT published a policy statement on 1 October 2014. The measure came into force on the same date. CBRT published a summary of PFMI in the Financial Stability Report, in May 2012	CBRT – “Objectives and Policies Regarding Payment and Securities Settlement Systems” http://www.tcmb.gov.tr/wps/wcm/connect/TCMB+EN/TCMB+EN/Main+Menu/PAYMENT+SYSTEMS/Objectives+and+Policies CBRT – Financial Stability Report (May 2012), Title V.9 http://www.tcmb.gov.tr/wps/wcm/connect/904227ea-7b43-410f-bcc5-9332f1577aab/fulltext14.pdf?MOD=AJPERES&CACHEID=904227ea-7b43-410f-bcc5-9332f1577aab
			4	CMB published a new policy statement on 23 March 2016. The measure came into force on the same date.	Decision of the Board of CMB Turkey dated 23.02.2016 no.10/328 [see above for link]
	TRs		4	CMB published a new policy statement on 23 March 2016. The measure came into force on the same date.	Decision of the Board of CMB Turkey dated 23.02.2016 no.10/328 [see above for link]

United States

	Principles/ Responsibilities	FMI Type	Rating	Status description / Next steps	Links to the measures
United States	Principles	CCPs	3/4	<p>4</p> <p>Commodity Futures Trading Commission (CFTC) published final regulation on 2 December 2013. The measure came into force on 31 December 2013.</p> <p>Securities and Exchange Commission (SEC) published final regulation on 22 October 2012 for some elements of the PFMI. The measure came into force on 3 January 2013.</p> <p>SEC also published final regulation on 19 November 2014 for some elements of the PFMI. The measure came into force on 3 February 2015 and required compliance for elements relating to the PFMI by 3 November 2015.</p> <p>Federal Reserve Board (FRB) published final regulation on 28 October 2014. The measure came into force on 31 December 2014. A transition period for a narrow sub-set of principles ended on 31 December 2015.</p> <p>FRB published final policy statement on 28 October 2014. The measure came into force on 31 December 2014. A transition period for a narrow sub-set of principles ended on 31 December 2015.</p>	<p>CFTC (Final Regulations) – Derivatives Clearing Organization General Provisions and Core Principles Final Rule (Part 39, Subparts A and B), 76 FR 69334 (8 November 2011) http://www.gpo.gov/fdsys/pkg/FR-2011-11-08/pdf/2011-27536.pdf</p> <p>Enhanced Risk Management Standards for Systemically Important Derivatives Clearing Organizations (Part 39, Subpart C), 78 FR 49663, (15 August 2013) http://www.gpo.gov/fdsys/pkg/FR-2013-08-15/pdf/2013-19791.pdf; and Derivatives Clearing Organizations and International Standards (Part 39, Subpart C), 78 FR 72476, (2 December 2013) http://www.gpo.gov/fdsys/pkg/FR-2013-12-02/pdf/2013-27849.pdf</p> <p>SEC (final regulation) – Final Rule: Clearing Agency Standards, Exchange Act Release No. 34-68080 (22 October 2012), 77 Federal Register 66219 (2 November 2012) (in particular Rule 17Ad-22) http://www.gpo.gov/fdsys/pkg/FR-2012-11-02/pdf/2012-26407.pdf</p> <p>SEC (final regulation) – Final Rule: Regulation Systems Compliance and Integrity; Exchange Act Release No. 34-73639 (19 November 2014), 79 Federal Register 72251 (5 December 2014) (in particular Rule 1000(b)) http://www.gpo.gov/fdsys/pkg/FR-2014-12-05/pdf/2014-27767.pdf</p> <p>FRB (final regulation) –Regulation HH, Financial Market Utilities, FRB Press Release (28 October 2014) http://www.federalreserve.gov/newsevents/press/other/20141028a.htm, 79 Federal Register 65543, (5 November 2014) http://www.gpo.gov/fdsys/pkg/FR-2014-11-05/pdf/2014-26090.pdf</p> <p>FRB (final policy statement) –Policy Statement: Policy on Payment System Risk, FRB Press Release (28 October 2014) http://www.federalreserve.gov/newsevents/press/other/20141028a.htm, 79 FR 67326, (13 November 2014) http://www.gpo.gov/fdsys/pkg/FR-2014-11-13/pdf/2014-26791.pdf</p>

United States			3	<p>SEC published final regulation for the remaining elements of the PFMI. The measure came into force on 12 December 2016 and requires compliance by 11 April 2017.</p>	<p>SEC (draft regulation) – Proposed Rule: Clearing Agency Standards for Operation and Governance, Exchange Act Release No. 34-64017 (3 March 2011), 76 Federal Register 14471 (16 March 2011) (in particular proposed Rules 17Ad-25, 17Ad-26, and 3Cj-1) http://www.gpo.gov/fdsys/pkg/FR-2011-03-16/pdf/2011-5182.pdf</p> <p>SEC (final regulation) – Final Rule: Standards for Covered Clearing Agencies; Exchange Act Release No. 34-78961 (28 September 2016), 81 FR 70786 (13 October 2016) (in particular Rules 17Ad-22(e)(1) through (23)) http://www.gpo.gov/fdsys/pkg/FR-2016-10-13/pdf/2016-23891.pdf</p>
	CSDs and SSSs	3/4	4	<p>FRB published final regulation and final policy statement on 28 October 2014. The measure came into force on 31 December 2014. A transition period for a narrow sub-set of principles ended on 31 December 2015.</p> <p>SEC published final regulation on 19 November 2014 consistent with some elements of the PFMI. The measure came into force on 3 February 2015 and required compliance for elements relating to the PFMI by 3 November 2015.</p> <p>3</p> <p>SEC published final regulation for the remaining elements of the PFMI. The measure came into force on 12 December 2016 and requires compliance by 11 April 2017</p>	<p>FRB (final regulation) – Regulation HH, Financial Market Utilities, FRB Press Release (28 October 2014) http://www.federalreserve.gov/newsevents/press/other/20141028a.htm, 79 Federal Register 65543, (5 November 2014) http://www.gpo.gov/fdsys/pkg/FR-2014-11-05/pdf/2014-26090.pdf</p> <p>FRB (final policy statement) Policy Statement: Policy on Payment System Risk, FRB Press Release (28 October 2014) http://www.federalreserve.gov/newsevents/press/other/20141028a.htm, 79 Federal Register 67326, (13 November 2014) http://www.gpo.gov/fdsys/pkg/FR-2014-11-13/pdf/2014-26791.pdf</p> <p>SEC (final regulation) – Final Rule: Regulation Systems Compliance and Integrity; Exchange Act Release No. 34-73639 (19 November 2014), 79 Federal Register 72251 (5 December 2014) (in particular Rule 1000(b)) http://www.gpo.gov/fdsys/pkg/FR-2014-12-05/pdf/2014-27767.pdf</p> <p>SEC (final regulation) – Final Rule: Standards for Covered Clearing Agencies; Exchange Act Release No. 34-78961 (28 September 2016), 81FR 70786 (13 October 2016) (in particular Rules 17Ad-22(e)(1) through (23)) http://www.gpo.gov/fdsys/pkg/FR-2016-10-13/pdf/2016-23891.pdf</p>

	TRs	1/3	<p>CFTC and SEC drafting changed regulations.</p> <p>CFTC published final regulation on 1 September 2011 for some elements of the PFMI. The measure came into force in phases on the following dates: 12 October 2012, 10 January 2013, and 10 April 2013.</p> <p>SEC published final regulation on 11 February 2015 consistent with some elements of the PFMI. The measure came into force on 18 May 2015 and compliance is generally required by 1 April 2017.</p> <p>Additional measures necessary for both authorities.</p>	<p>CFTC (final regulation) – Swap Data Repositories: Registration Standards, Duties and Core Principles, (Part 49), 76 FR 54538 (1 September 2011) http://www.gpo.gov/fdsys/pkg/FR-2011-09-01/pdf/2011-20817.pdf</p> <p>SEC (final regulation) – Security-Based Swap Data Repository Registration, Duties, and Core Principles, Exchange Act Release No. 34-74246 (11 February 2015), 80 FR 14437 (19 March 2015) https://www.gpo.gov/fdsys/pkg/FR-2015-03-19/pdf/2015-03127.pdf</p> <p>SEC (order) – Extending a Temporary Exemption from Compliance with Rules 13n-1 to 13n-12 under the Securities Exchange Act of 1934, Exchange Act Release No. 34-80359 (31 Mar. 2017), 82 FR 16867 (6 Apr. 2017) https://www.gpo.gov/fdsys/pkg/FR-2017-04-06/pdf/2017-06793.pdf</p>
<p>Comments:</p> <p>For CCPs, CSDs, and TRs: The US self-assessment reflects a split rating on the basis that certain elements of the PFMI are at different points of adoption and that this is clear and transparent in public documents. The US included in the split ratings a</p> <ul style="list-style-type: none"> – “4” on the basis that certain elements have been adopted (in final form) in regulations, are in force, and that this is clear and transparent in public documents; and – “3” on the basis that certain elements have been adopted (in final form) in regulations, are subject to a compliance period, and that this is clear and transparent in public documents. <p>The CFTC has completed all measures necessary to incorporate fully the PFMI into its regulatory framework for CCPs by publishing final regulation on 2 December 2013 which addressed gaps between the two measures.</p> <p>The SEC has adopted all measures necessary to incorporate fully the PFMI into its regulatory framework for CCPs and CSDs.</p> <p>The Federal Reserve Board has completed all measures necessary to fully incorporate the PFMI into its regulatory framework for CCPs, PSs, and CSDs and SSSs.</p>				

Annex E: Members of the CPMI-IOSCO implementation monitoring standing group (IMSG)

IMSG co-chairs

Bank of France	Emmanuelle Assouan
Bundesanstalt für Finanzdienstleistungsaufsicht (Bafin), Germany	Thomas Eufinger

Members

Reserve Bank of Australia	Jennifer Hancock
Bank of Canada	Eric Chouinard
Bank of France	Maud Abdeli
Bundesanstalt für Finanzdienstleistungsaufsicht (Bafin), Germany	Edip Acat
European Central Bank	Tom Kokkola
European Securities and Markets Authority (ESMA)	Maud Timon
Hong Kong Monetary Authority	Stephen Pang
Reserve Bank of India	Nilima Ramteke
Securities and Exchange Board of India	Sanjay C Purao
Bank of Japan	Takashi Hamano
Financial Services Agency, Japan	Kazunari Mochizuki
Bank of Korea	Young-Seok Kim
Netherlands Bank	Jeannette Capel
Central Bank of the Russian Federation	Mikhail Myznikov
Monetary Authority of Singapore	Ken Nagatsuka
	Tze Hon Lau
Sveriges Riksbank	Johanna Stenkula von Rosen
Capital Markets Board of Turkey	Nalan Sahin Urkan
Bank of England	Graham Young
Board of Governors of the Federal Reserve System	Emily Caron
Federal Reserve Bank of New York	John Rutigliano
Commodity Futures Trading Commission, US	Robert Wasserman
Securities and Exchange Commission, US	Stephanie Kim Park
IOSCO Assessment Committee	Amarjeet Singh
IOSCO Secretariat	Manabu Kishimoto (until June 2017) Josafat De Luna Martínez (from June 2017) Tajinder Singh
CPMI Secretariat	Philippe Troussard Umar Faruqi Rebecca Chmielewski Ayse Sungur