



Press release

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CPSS and IOSCO issue report on progress towards implementing the *Principles for financial market infrastructures*

CPSS and IOSCO have today published [Implementation of the PFMI - Level 1 assessment report](#). The report reviews jurisdictions' progress towards implementing the [Principles for financial market infrastructures](#) (the PFMI), published by CPSS-IOSCO in April 2012 and which includes risk management standards for financial market infrastructures (FMIs) such as central counterparties, payment systems and securities settlement systems, and trade repositories. This report reviews jurisdictions' progress towards adopting legislation and other regulations and policies that will allow authorities to completely implement the PFMI into their regulatory frameworks for market infrastructures. Future CPSS-IOSCO assessments will evaluate the consistency of implementation measures in each jurisdiction with the PFMI and will evaluate consistency of outcomes among FMIs themselves resulting from the application of the PFMI. CPSS and IOSCO will periodically publish updates to this report to demonstrate progress made towards full implementation.

This report includes jurisdictions' self-assessments of progress towards adoption. The report indicates that most jurisdictions have begun the process of implementation. Few have completed the process for all types of FMIs but many are making good progress and expect to be well advanced by the end of the year. Given that the PFMI were only issued in April 2012 this represents substantial progress.

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 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 adopt the principles and responsibilities contained in the PFMI in line with G20 and Financial Stability Board (FSB) expectations.



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 at www.bis.org/cpss.
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. See www.iosco.org.
3. Both committees (CPSS and IOSCO) are recognised as international standard-setting bodies by the Financial Stability Board (www.financialstabilityboard.org).
4. The documents are on the websites of the BIS at www.bis.org/publ/cpss111.htm and IOSCO at <http://www.iosco.org/library/pubdocs/pdf/IOSCOPD419.pdf>
5. The CPSS-IOSCO *Principles for financial market infrastructures* can be found on the websites of the BIS at www.bis.org/publ/cpss101.htm and IOSCO at www.iosco.org/library/pubdocs/pdf/IOSCOPD377.pdf.
6. In [September 2009](#), the G20 leaders agreed in Pittsburgh that: "All standardised OTC derivative contracts should be traded on exchanges or electronic trading platforms, where appropriate, and cleared through central counterparties by end-2012 at the latest. OTC derivative contracts should be reported to trade repositories. Non-centrally cleared contracts should be subject to higher capital requirements. We ask the FSB and its relevant members to assess regularly implementation and whether it is sufficient to improve transparency in the derivatives markets, mitigate systemic risk, and protect against market abuse."
7. In [October 2010](#), the FSB emphasised this point as part of its recommendations on practical issues in implementing the G20 mandate: "To help ensure a global regulatory level playing field and increase the safety of the financial system, CCPs that clear OTC derivatives should be subject to robust and consistently applied supervision and oversight on the basis of regulatory standards, that, at a minimum, meet evolving international standards developed jointly by the CPSS and IOSCO" (Recommendation 9 of Implementing OTC derivatives reforms, October 2010).
8. 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.