



Press release

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Implementation monitoring of the PFMI: Second update to Level 1 assessment report

The Committee on Payments and Market Infrastructures ([CPMI](#)) and the International Organization of Securities Commissions ([IOSCO](#)) have today published [the second update](#) to the [Level 1 assessments of implementation monitoring](#) of the [Principles for financial market infrastructures \(PFMIs\)](#).

Level 1 assessments are based on self-assessments by individual jurisdictions on how they have adopted, within their regulatory and oversight frameworks, the PFMIs' 24 Principles for FMIs and four of the five Responsibilities for authorities.

The [initial Level 1 assessments](#) were conducted in mid-2013 and a report was published in August 2013. The current report is the second update to the Level 1 assessments and shows that good progress has been made by the 28 participating jurisdictions since the previous update in May 2014. In particular, the gap in the progress on implementation measures applicable to central securities depositories and securities settlement systems vis-a-vis other types of FMI has now closed. The next update of the Level 1 assessments will be conducted in 2016.

Alongside the second update to the Level 1 assessments, CPMI and IOSCO are continuing to monitor jurisdictions' progress at Levels 2 and 3. The first detailed evaluations of the completeness and consistency of jurisdictions' implementation measures for the Principles (Level 2) were published in February 2015 for CCPs and TRs in the European Union, Japan and the United States. A second round of Level 2 assessments for the Principles is now beginning, along with a first round of Level 3 assessments for the Principles. The results from these assessments are expected to be published in 2015-2016.

CPMI and IOSCO have also recently undertaken an assessment of the completeness and consistency of frameworks and outcomes (combined Level 2 and Level 3) arising from jurisdictions' implementation of the Responsibilities for authorities included in the PFMIs. This exercise is well under way and a report presenting the results is expected to be published later this year.



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. 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 (CPMI and IOSCO) are recognised as international standard-setting bodies by the Financial Stability Board (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* can be found on the websites of the BIS at www.bis.org/publ/cps101.htm and IOSCO at www.iosco.org/library/pubdocs/pdf/IOSCOPD377.pdf.
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 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. 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 on the CPMI-IOSCO implementation monitoring of the PFMI, including a list of published Level 1 and Level 2 reports, are available [here](#).