



Press release

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Implementation monitoring of the PFMI: Level 2 assessment report for Australia

The Committee on Payments and Market Infrastructures ([CPMI](#)) and the International Organization of Securities Commissions ([IOSCO](#)) have today published the report on [Implementation monitoring of PFMI: Level 2 assessment report for Australia](#).

This report presents the findings of the CPMI-IOSCO Level 2 assessment of whether, and to what degree, the legal, regulatory and oversight frameworks for systemically important payment systems (PSs), central securities depositories (CSDs), securities settlement systems (SSSs), central counterparties (CCPs) and trade repositories (TRs) in Australia, are complete and consistent with the [Principles for financial market infrastructures \(PFMI\)](#).

Conducted as a peer review during 2015, this Level 2 assessment reflects the status of the Australian legal, regulatory and oversight framework as of 15 May 2015. Overall, the assessment found that Australia has consistently adopted most of the Principles across financial market infrastructure types – with the remaining Principles adopted in a broadly consistent way.

Alongside the Level 2 assessment for Australia, CPMI and IOSCO are continuing to advance the broader programme of implementation monitoring for the PFMI. A third update to the Level 1 assessments will be carried out in 2016, and further Level 2 assessments covering other jurisdictions are scheduled for 2016.

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