



Press release

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CPMI and IOSCO issue guidance on supervisory stress testing of central counterparties (CCPs)

The Committee on Payments and Market Infrastructures (CPMI) and the International Organization of Securities Commissions (IOSCO) today published the [Framework for supervisory stress testing of central counterparties \(CCPs\)](#). The framework provides authorities with guidance to support their design and implementation of supervisory stress tests for CCPs.

In April 2015, the G20 finance ministers and central bank Governors asked the Financial Stability Board to work with the CPMI, IOSCO and the Basel Committee on Banking Supervision to develop a workplan for identifying and addressing gaps and potential financial stability risks relating to CCPs that are systemic across multiple jurisdictions and for enhancing their resolvability (the joint CCP workplan). Since then, the committees have published guidance to enhance CCPs' resilience, recovery and resolvability. The report published today addresses another key aspect of the joint CCP workplan.

The CCP supervisory stress testing framework is designed to support tests conducted by one or more authorities that examine the potential macro-level impact of a common stress event affecting multiple CCPs. Among other things, such supervisory stress tests could help authorities better understand the scope and magnitude of the interdependencies between markets, CCPs and other entities such as participants, liquidity providers and custodians. This type of supervisory stress test is different from, yet may complement, other stress testing activities conducted by authorities seeking to evaluate the resilience of individual CCPs.

In June 2017, the CPMI and IOSCO published the [Consultative report: Framework for supervisory stress testing of central counterparties \(CCPs\)](#). During the consultation period, they held an industry workshop with representatives from various market sectors and authorities from different jurisdictions. The comments received emphasised the importance of: (i) seeking feedback from different stakeholders on the design and operational aspects of a supervisory stress test; (ii) managing the resource burden associated with these tests; (iii) protecting data; and (iv) promoting the transparency of test methodology and results as much as



possible. The report issued today has been revised in the light of the comments and suggestions received during the consultation process.

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](#).
2. IOSCO is the leading international policy forum for securities regulators and is recognised as the global standard setter for securities regulation. The organisation's membership regulates more than 95% of the world's securities markets in more than 115 jurisdictions. See www.iosco.org.
3. Both committees (CPMI and IOSCO) are recognised as international standard-setting bodies by the [Financial Stability Board](#).