



Press release

Press enquiries: +34 697 449 639
press@iosco.org
www.iosco.org

Ref no: IOSCO/MR/16/2022

13 July 2022

CPMI and IOSCO publish final guidance on stablecoin arrangements confirming application of Principles for Financial Market Infrastructures

- CPMI and IOSCO issue [final guidance on stablecoin arrangements](#) confirming that the Principles for Financial Market Infrastructures apply to systemically important stablecoin arrangements that transfer stablecoins.
- Guidance is a major step forward in applying “same risk, same regulation” to stablecoins, and extending the international standards for payment, clearing and settlement systems to cover systemically important stablecoin arrangements.
- CPMI and IOSCO will continue to examine regulatory, supervisory and oversight issues associated with stablecoin arrangements and coordinate with other standard-setting bodies.

The Bank for International Settlements’ Committee on Payments and Market Infrastructures (CPMI) and the International Organization of Securities Commissions (IOSCO) today published final guidance confirming that stablecoin arrangements should observe international standards for payment, clearing and settlement systems.

“Recent developments in the cryptoasset market have again brought urgency for authorities to address the potential risks posed by cryptoassets, including stablecoins more broadly. The recent market disruptions, while costly for many, were not systemic events. But they underline the speed with which confidence can be eroded and how volatile cryptoassets can be. Such events could become systemic in the future, especially given the strong growth in these markets and the increasing linkages between cryptoassets and with traditional finance.”

Sir Jon Cunliffe, Chair of the CPMI and Deputy Governor for Financial Stability at the Bank of England

The final guidance, which follows October 2021’s proposals for consultation, reconfirms that if a stablecoin arrangement performs a transfer function and is determined by authorities to be systemically important, the stablecoin

arrangement as a whole would be expected to observe all relevant principles of the Principles for Financial Market Infrastructures (PFMI).

This guidance is a major step forward in applying “same risk, same regulation” to systemically important stablecoin arrangements that are used for payments. It is also a key contribution to the G20 cross-border payments programme and supports the work of the Financial Stability Board (FSB) in this area.

“Our risk management, governance and transparency standards for existing financial market infrastructures are stringent. We expect the same level of robustness and strength in these aspects in systemically important stablecoin arrangements.”

Ashley Alder, Chair of the IOSCO Board and Chief Executive Officer of the Hong Kong Securities and Futures Commission

The uses of particular stablecoin arrangements may vary and could evolve over time. The most frequent use cases of stablecoins include acting as a bridge between traditional fiat currencies and more volatile digital assets; serving as collateral in cryptoasset derivative transactions; and facilitating trading, lending or borrowing and acting as collateral in decentralised finance (DeFi), as noted in the February 2022 FSB report in a broader context of cryptoasset markets. In the post-trade processing of these financial transactions, stablecoin arrangements could be used to settle payments, discharging obligations arising from these transactions with the use of stablecoins as settlement assets (“money settlements”), and it is recognised that this role could evolve further in the future.

Given the novelty and complexity of stablecoin arrangements, the guidance elaborates aspects related to: (i) governance; (ii) a framework for the comprehensive management of risks; (iii) settlement finality; and (iv) money settlements. The guidance also provides considerations to assist authorities in determining whether a stablecoin arrangement is systemically important. In the light of comments received in the consultation, the final guidance provides further clarifications with respect to, among other things, the applicability of the PFMI to stablecoin arrangements, determination of systemic importance of a stablecoin arrangement, and settlement finality.

The CPMI and IOSCO will continue to examine regulatory, supervisory and oversight issues associated with stablecoin arrangements and coordinate with other standard-setting bodies.

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](#).
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](#).
4. Comments received in the consultation are available on the websites of the BIS and IOSCO.