Implementation of CPMI-IOSCO Principles of Financial Market Infrastructures

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*Any views expressed in this presentation are those of the presenter and not necessarily those of the BIS*
Overview

International work (CPMI-IOSCO)

Standard
- Principles for Financial Market Infrastructures (PFMI)
  - 2012
- Disclosure framework and assessment methodology
  - 2012

Implementation monitoring
- CPMI-IOSCO Implementation Monitoring Standing Group (IMSG)
  - 2013
Implementation monitoring at three levels

<table>
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<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
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<td><strong>Self-assessment</strong></td>
<td><strong>Peer review</strong></td>
<td><strong>Thematic peer-benchmarking</strong></td>
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<td>Assesses whether a jurisdiction has completed the process of adopting the legislation and other policies that will enable it to implement the PFMI</td>
<td>Peer review assessing whether the content of legislation, regulations and/or policies is complete and consistent with the PFMI</td>
<td>Peer review that examine consistency in the outcomes of implementation of the PFMI</td>
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Assessment methodology

Set the scope of assessment

Gather information to evaluate the key considerations (KC)

Develop key conclusions for each KC

Assign a rating to principles and/or responsibilities

Indicate timeframe to address issues of concern
The rating framework is built on the consistency with the PFMI and the gravity and urgency of the need to remedy identified issues of concern.

An issue of concern is a risk management flaw, an oversight/supervisory flaw, a deficiency of transparency and effectiveness that needs to be addressed by the FMIs and/or Authorities.
### Participating jurisdictions

28 jurisdictions (members of the CPMI, IOSCO and/or FSB) are participating in the implementation monitoring program:

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<th>Argentina</th>
<th>Germany</th>
<th>Russia</th>
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<tr>
<td>Australia</td>
<td>Hong Kong SAR</td>
<td>Saudi Arabia</td>
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<td>United States</td>
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Current status of level 1 PFMI implementation*

Self-assessed PFMI implementation rating for all FMI types

1 The black circles represent Hong Kong SAR and Singapore. In the case of split ratings across different authorities within a jurisdiction, the minimum rating is used.

*as of 1 January 2018
Level 2 assessments

Overview of jurisdiction and authorities

Source: PFMI database.
### Assessment reports

**L1**

(All **28 jurisdictions** – for **all types** of FMIs)

- 5th update (**L1U5**), July 2018
- 4th update (**L1U4**), July 2017
- 3rd update (**L1U3**), June 2016
- 2nd update (**L1U2**), June 2015
- 1st update (**L1U1**), May 2014
- Level 1 (**L1**), August 2013

See on-line tracker on the CPMI and the IOSCO websites

**L2**

- **Canada** (for all types of FMIs), August 2018
- **Singapore** (for all types of FMIs), July 2017
- **Hong Kong SAR** (for all types of FMIs), May 2017
- **Australia** (for all types of FMIs), December 2015
- **European Union, Japan and United States** (for CCPs and TRs), February 2015

**L3**

- Follow-up Level 3 assessment of CCPs’ recovery planning, coverage of financial resources and liquidity stress testing (19 CCPs: derivative, repo, bond and equity), May 2018
- Report on the **financial risk management** and **recovery practices** of 10 derivatives CCPs, August 2016

**Underway:**

- **US** (for PSs, CSDs/SSSs)
- **Brazil** (for all FMI types)

**L2/L3 assessment of application of Responsibilities for authorities,**

November 2015

**Topic under discussion for 2019**
Thank you

More information at http://www.bis.org/cpmi/