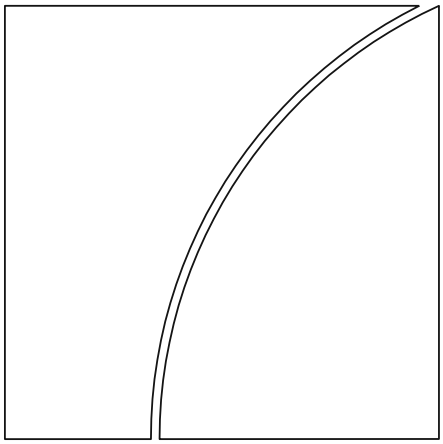
Committee on Payments and Market Infrastructures



Charter

September 2014

BANK FOR INTERNATIONAL SETTLEMENTS

This publication is available on the BIS website (www.bis.org).

© *Bank for International Settlements 2014. All rights reserved. Brief excerpts may be reproduced or translated provided the source is stated.*

ISBN 978-92-9131-573-4 (online)

Charter of the Committee on Payments and Market Infrastructures

Mandate

1. Role

The Committee on Payments and Market Infrastructures (CPMI) promotes the safety and efficiency of payment, clearing, settlement and related arrangements, thereby supporting financial stability and the wider economy.[1]

The CPMI monitors and analyses developments in these arrangements, both within and across jurisdictions. It also serves as a forum for central bank cooperation in related oversight, policy and operational matters, including the provision of central bank services.

The CPMI is a global standard setter in this area. It aims at strengthening regulation, policy and practices regarding such arrangements worldwide.

2. Activities

The CPMI carries out its mandate through the following activities:

(a) monitoring and analysing developments to help identify risks for the safety and efficiency of arrangements within its mandate as well as resulting risks for the global financial system;

(b) sharing experiences related to arrangements within its mandate, to the performance of oversight functions and to the provision of central bank services in order to promote common understanding, and developing policy advice or common policies for central banks;

(c) establishing and promoting global standards and recommendations for the regulation, oversight and practices of arrangements within its mandate, including guidance for their interpretation and implementation, where appropriate;

(d) monitoring the implementation of CPMI standards and recommendations with the purpose of ensuring timely, consistent and effective implementation;

(e) supporting cooperative oversight and cross-border information-sharing, including crisis communication and contingency planning for cross-border crisis management;

(f) maintaining relationships with central banks which are not members of the CPMI to share experiences and views and to promote the implementation of CPMI standards and recommendations beyond CPMI member jurisdictions, either directly or by supporting regional bodies as appropriate; and

(g) coordinating and cooperating with other financial sector standard setters, central bank bodies and international financial institutions.

[1] These arrangements include eg financial market infrastructures and other payment, clearing, settlement and reporting arrangements and activities, both within and across jurisdictions (encompassing systems and activities involving large value and retail payment, FX settlement, securities and derivatives clearing and settlement, multilateral netting or collateral management) as well as retail payment instruments or schemes. This also covers the services provided by central banks and others to these arrangements.

3. Legal status

The CPMI does not possess any formal supranational authority. It relies on the commitment of its members to carry out its mandate.

Membership and governance

4. CPMI members

CPMI members are central banks. The Secretariat publishes the list of members on the CPMI webpages of the BIS website.

5. Governance

The Global Economy Meeting (GEM) is the governing body of the CPMI. The CPMI reports to the GEM and, through the Economic Consultative Committee (ECC), seeks the GEM's endorsement for major decisions. In particular, the CPMI looks to the GEM, following proposals in that regard by the ECC, to:

(a) approve the CPMI Charter and any amendments to it;

(b) appoint the CPMI Chairperson; and

(c) decide on the membership (including observers, as may be appropriate) of the CPMI.

Organisation

6. The Committee

The Committee is composed of representatives of its members. It is responsible for developing and implementing the CPMI work programme; establishing and promoting CPMI standards and recommendations; establishing and disbanding working groups; approving and modifying their mandates; and monitoring their progress.

The Committee meets about three times every year. CPMI members may appoint one representative and one alternate to attend Committee meetings. CPMI representatives and alternates should be senior officials of their central banks.

The Chairperson may invite non-member institutions, bodies or individuals to participate in all or parts of a Committee meeting on an ad-hoc basis.

The Committee reaches decisions by way of consensus among its members.

7. Working groups

Working groups may be established by the Committee to perform specifically assigned tasks or functions. They will consist of relevant experts from CPMI member institutions. The groups will report regularly to the Committee on their activities and will be dissolved upon fulfilment of their task or expiry of their term.

The Committee may agree to establish working groups jointly with other standard-setting bodies or institutions to perform specifically assigned tasks or functions of joint interest.

The Committee may agree to invite non-member institutions, bodies or individuals to participate in CPMI working groups.

8. Chairperson

The Chairperson directs the work of the CPMI in accordance with its mandate.

The Chairperson's main responsibilities are to:

(a) convene and chair Committee meetings. If the Chairperson is unable to attend a Committee meeting, he/she may designate a substitute to chair the meeting on his/her behalf;

(b) monitor the progress of the CPMI work programme and provide guidance between meetings to carry out the decisions and directions of the Committee;

(c) report to the GEM; and

(d) represent the CPMI externally and be the principal spokesperson for the CPMI.

The Chairperson is appointed by the GEM, following a proposal by the ECC, for a term of three years that can be renewed once. If the CPMI Chairperson resigns from a central bank or from the chair before the end of his/her term, his/her function will cease and the GEM will appoint a new Chairperson. Until a new Chairperson has been appointed, the Head of Secretariat will act as caretaker of the Chairperson's responsibilities.

9. Secretariat

The Secretariat is provided by the Bank for International Settlements (BIS). The Secretariat is staffed by professional staff, some on temporary secondment from central banks.

The Secretariat's main responsibilities are to:

(a) provide support and assistance to the Committee, the Chairperson, and working groups;

(b) ensure a timely and effective information flow to all CPMI members;

(c) facilitate coordination across working groups;

(d) support cooperation between the CPMI and other institutions or bodies;

(e) maintain CPMI records, administer the CPMI webpages of the BIS website and deal with the CPMI's correspondence; and

(f) carry out all other functions that are assigned by the Committee.

The Head of Secretariat directs the work of the Secretariat and reports to the Chairperson. He/she also assists the Chairperson in representing the CPMI externally.

CPMI standards, recommendations and other publications

10. Standards

The CPMI sets standards for arrangements within its mandate as well as for their oversight.

The CPMI sets standards under the expectation that they will be fully incorporated into local legal, regulatory and policy frameworks in accordance with each jurisdiction's rule-making process within a timeframe that may be established by the Committee. It also expects relevant arrangements to observe its standards. CPMI members should seek the greatest possible consistency of outcome of the implementation of these frameworks with the standards.

11. Recommendations

Recommendations issued by the CPMI generally describe best practices, with the goal of promoting common understanding and improving oversight or market practices.

CPMI members are expected to promote these recommendations and relevant arrangements are encouraged to observe them.

12. Other publications

The CPMI may also publish reports, studies and surveys on issues falling within its mandate. This includes the publication of statistical data collected by the CPMI.

Relationship with other international bodies and the public

13. International cooperation

The CPMI cooperates with other standard setters (in particular the International Organization of Securities Commissions and the Basel Committee on Banking Supervision), other central bank bodies (such as the Committee on the Global Financial System), international financial institutions and public sector bodies on matters falling within its mandate to enhance coordination of policy development and implementation.

The CPMI is a member of the Financial Stability Board (FSB) and participates in the FSB's work to coordinate and promote the implementation of effective regulatory, supervisory and other financial sector policies.

14. Public consultation process of draft CPMI standards and recommendations

The CPMI seeks input from relevant stakeholders on proposals for CPMI standards and recommendations. The consultation process includes a public invitation to interested parties to provide comments in writing to the Secretariat within a specified time frame. Responses to public invitations for comments are published on the CPMI webpages of the BIS website, unless otherwise requested by respondents.

15. Publication of documents

Committee documents and statements of public interest are published on the CPMI webpages of the BIS website.