



10 February 2016

CPMI processes for policy development and implementation review

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

This document presents the CPMI (“the Committee”) processes for policy development and standards.

Mandate

The CPMI carries out its mandate through the following activities:

- 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;
- 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;
- establishing and promoting global standards and recommendations for the regulation, oversight and practice of arrangements within its mandate, including guidance for their interpretation and implementation, where appropriate;
- monitoring the implementation of CPMI standards and recommendations with the purpose of ensuring timely, consistent and effective implementation;
- supporting cooperative oversight and cross-border information-sharing, including crisis communication and contingency planning for cross-border crisis management;
- maintaining relationships with central banks which are not members of the CPMI to share experience 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
- coordinating and cooperating with other financial sector standard setters, central bank bodies and international financial institutions.

¹ These arrangements include 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 and collateral management), as well as retail payment instruments or schemes. This also covers the services provided by central banks and others to these arrangements.



The Committee does not possess any formal supranational authority. It relies on the commitment of its members to carry out its mandate. Further details on the function and setup of the CPMI can be found in its [Charter](#).

Cooperation with other standard-setting bodies

The CPMI cooperates with other standard setters, in particular the International Organization of Securities Commissions (IOSCO) and the Basel Committee on Banking Supervision (BCBS), as well as 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 Committee 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. In the context of its activities, the Committee maintains contact with many global payment system providers, industry associations and regulatory authorities.

The CPMI has developed relationships with central banks all over the world. In collaboration with the respective central banks and the BIS, it has published a number of Red Books on payment systems in non-CPMI countries. The Committee provides, if so requested and whenever possible, substantive expertise on payment system issues and organisational support to various regional central banking organisations by providing speakers and/or co-organising seminars and workshops. It works together, for instance, with CEMLA in Latin America, the GCC in the Gulf region, the AMF in Arab countries, SAARC in Southern Asia, EMEAP and SEACEN in Eastern and Southeast Asia, and SADC and MEFMI in Southern Africa.

Policy development

The CPMI conducts policy work on its own or in cooperation with other standard-setting bodies. This work, which is open to members of the participating bodies, is organised largely around working groups and task forces who report regularly to the Committee on their activities. Policy work can result in the development of standards,² recommendations³ or simply observations. All published policy documents are approved by the Committee and the [Global Economy Meeting](#).

The CPMI seeks input from relevant stakeholders on proposals for its 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 are published on the [CPMI webpages](#) of the BIS website, unless otherwise requested by respondents.

As noted earlier, the Committee does not possess any formal supranational authority, however, it expects that its standards will be fully incorporated into local legal, regulatory and policy frameworks in accordance with each jurisdiction's rule-making process within a time frame that may be established by the Committee. It also expects relevant payment, clearing, settlement and related arrangements to observe its standards. CPMI members should seek the greatest possible consistency of outcome of the implementation of these frameworks with

² The CPMI sets standards for arrangements within its mandate as well as for their oversight.

³ Recommendations issued by the CPMI generally describe best practices, with the goal of promoting common understanding and improving oversight or market practices.



the standards. Similarly, for CPMI recommendations, members are expected to promote these and relevant arrangements and are encouraged to observe them.

Monitoring the implementation of standards

The Committee monitors the implementation of its standards – either on its own or jointly with other standard-setting bodies – with a view to promoting the complete, consistent and timely adoption by members. Currently the focus of the Committee’s implementation work is on monitoring the implementation of the [Principles for financial market infrastructures](#) (the PFMI), issued in April 2012. This work is being done jointly with IOSCO.

The PFMI implementation monitoring is being carried out in three stages. Level 1 self-assessments report on whether a jurisdiction has completed the process of adopting the legislation and other policies that will enable it to implement the Principles and Responsibilities. Level 2 assessments are peer reviews of the extent to which the content of the jurisdiction’s implementation measures is complete and consistent with the PFMI. Level 3 peer reviews examine consistency in the outcomes of implementation of the Principles by FMI and implementation of the Responsibilities by authorities.

The PFMI implementation monitoring covers the following jurisdictions: Argentina, Australia, Belgium, Brazil, Canada, Chile, China, the European Union, France, Germany, Hong Kong SAR, Indonesia, India, Italy, Japan, Korea, Mexico, the Netherlands, Russia, Saudi Arabia, Singapore, South Africa, Spain, Sweden, Switzerland, Turkey, the United Kingdom and the United States. These are jurisdictions with authorities that are members of the Financial Stability Board and/or the CPMI-IOSCO Steering Group that was responsible for the development of the PFMI.

The assessment work follows the governance processes of CPMI and IOSCO and the results are published on both organisations’ websites. More information on the monitoring of the PFMI standards, including a list of past publications and planned work, can be found [here](#).