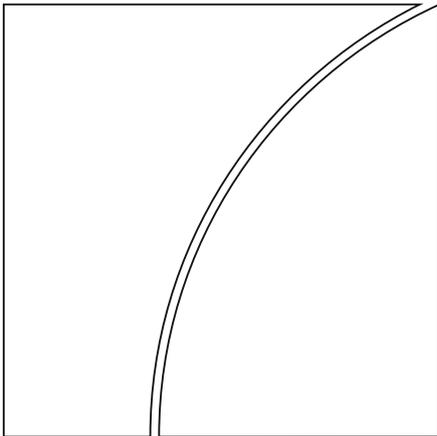


# Committee on Payments and Market Infrastructures

## Board of the International Organization of Securities Commissions



### Assessment and review of application of Responsibilities for authorities

November 2015



BANK FOR INTERNATIONAL SETTLEMENTS



**OICU-IOSCO**

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## 1. Executive summary

In April 2012, the Committee on Payments and Market Infrastructures (CPMI)<sup>1</sup> and the International Organization of Securities Commissions (IOSCO) issued the *Principles for financial market infrastructures* (PFMI).<sup>2</sup> In line with the G20's expectations, CPMI and IOSCO members have committed to adopting the 24 principles (the Principles) and the five responsibilities for authorities (the Responsibilities) included in the PFMI across financial market infrastructure (FMI) types (ie payment systems (PSs), central counterparties (CCPs), central securities depositories (CSDs), securities settlement systems (SSSs), and trade repositories (TRs)).

Following the publication of the PFMI, the CPMI and IOSCO agreed to monitor their implementation in 28 jurisdictions with authorities that are members of the Financial Stability Board (FSB) and/or the CPMI and/or the IOSCO.<sup>3</sup> To this end, the CPMI-IOSCO Steering Group<sup>4</sup> established a standing working-level group (the Implementation Monitoring Standing Group (IMSG)) to design, organise and carry out the implementation monitoring assessments.<sup>5</sup>

The implementation monitoring programme is being carried out at three levels: a Level 1 (L1) assessment of the status of the implementation process, a Level 2 (L2) assessment of the completeness of the implemented framework and its consistency with the PFMI, and a Level 3 (L3) assessment of the consistency in outcomes of such frameworks.<sup>6</sup> While in the case of the Principles, L2 and L3 assessments have been done separately, the IMSG considered it more appropriate and efficient to carry out a combined L2 and L3 assessment of the Responsibilities.

This report presents the findings of the IMSG's assessment of the authorities' implementation of the Responsibilities (the Responsibilities assessment), across all FMI types, in the 28 jurisdictions. The work on the Responsibilities was carried out as a peer review during 2015, based on the status of the implementation measures as at 9 January 2015. Accordingly, assessment ratings for each jurisdiction reflect the implementation measures in place as at 9 January; other measures that were introduced after this date, or other material developments, are noted where relevant but were not considered when assigning ratings of observance.

<sup>1</sup> The Committee on Payment and Settlement Systems (CPSS) changed its name to the Committee on Payments and Market Infrastructures (CPMI) on 1 September 2014. Please note that references to reports published before that date use the Committee's old name.

<sup>2</sup> The April 2012 CPSS-IOSCO *Principles for financial market infrastructures* can be found on the BIS website at [www.bis.org/publ/cpss101.htm](http://www.bis.org/publ/cpss101.htm) and on the IOSCO website at [www.iosco.org/library/pubdocs/pdf/IOSCOPD377.pdf](http://www.iosco.org/library/pubdocs/pdf/IOSCOPD377.pdf).

<sup>3</sup> The 28 jurisdictions that are participating in the PFMI implementation monitoring exercise are: Argentina, Australia, Belgium, Brazil, Canada, Chile, China, the European Union, France, Germany, Hong Kong SAR, India, Indonesia, Italy, Japan, Korea, Mexico, the Netherlands, Russia, Saudi Arabia, Singapore, South Africa, Spain, Sweden, Switzerland, Turkey, the United Kingdom and the United States.

<sup>4</sup> The Steering Group comprises a subset of the members of the CPMI and the IOSCO Board, and is responsible for providing operational guidance on behalf of the parent committees on joint CPMI-IOSCO work.

<sup>5</sup> The IMSG comprises representatives from 18 jurisdictions that reflect a balance of CPMI and IOSCO members and geographical dispersion, as well as a range of domestic and global FMIs' supervisors and overseers.

<sup>6</sup> To date, the IMSG has completed L1 assessments of all 28 jurisdictions' implementation of both the Principles and the Responsibilities, across all FMI types, as well as L2 assessments of the implementation of the Principles in respect of CCPs and TRs in the European Union, Japan and the United States. The CPMI and IOSCO recently announced the commencement of the first L3 assessment of the implementation of the Principles; this review will focus on a subset of requirements under the PFMI that relate to financial risk management by CCPs, including certain practices related to governance, stress testing, margin, liquidity, collateral and recovery. This first review will consider outcomes achieved in this area by examining a number of globally and locally active CCPs that clear derivative products (both exchange-traded and over-the-counter (OTC)). More information is available at [www.bis.org/cpmi/info\\_mios.htm?m=3%7C16%7C599](http://www.bis.org/cpmi/info_mios.htm?m=3%7C16%7C599).

It should be noted that no specific recommendations have been issued in this report to jurisdictions in which gaps have been identified. CPMI-IOSCO nevertheless expects that jurisdictions will implement any necessary measures as soon as appropriate in order to achieve full observance.

## 1.1 Methodology

The IMMSG's approach to the Responsibilities assessment was based on the *Principles for financial market infrastructures: Disclosure framework and assessment methodology* (AM). In particular, the survey questions on implementation measures were drawn from the AM. Additionally, the rating scale applied was taken from the AM with some modifications to allow for cases in which implementation measures with respect to the regime for TRs were still under development and therefore deemed "Not ready for assessment".

During the assessment, the IMMSG had to exercise judgment in some areas to ensure consistency in the approach taken across jurisdictions and FMI types. For instance, in assessing Responsibility D, which states that jurisdictions should adopt the Principles and apply them consistently, the IMMSG took the decision to base such ratings on self-assessments by the relevant jurisdictions, as reflected in the second update of the L1 assessment.<sup>7</sup>

In assessing Responsibility E – on cooperation with other authorities – the IMMSG found that, while some jurisdictions were able to provide evidence on the effectiveness of their cross-border cooperative arrangements across all FMI types, many cross-border cooperative arrangements were relatively new and still evolving. This was particularly true in the case of CCPs and TRs, where cooperative arrangements are adjusting to the increasingly cross-border nature of these FMIs' activities. As a result, for a number of jurisdictions' CCP and TR regimes, there was insufficient evidence from which to draw conclusions about outcomes of the type typically considered in an L3 assessment. Ratings of observance for Responsibility E for CCPs and TRs for these jurisdictions could therefore only be based on an assessment of the existence of mechanisms to facilitate cooperation – ie on an L2 basis. For consistency, this approach was also taken for these FMI types in jurisdictions where cooperative arrangements were better established.

## 1.2 Key findings of the assessment

Overall, the assessment revealed that a majority of the jurisdictions have achieved a high level of observance of the Responsibilities. Of the 28 jurisdictions, 16 fully observe the five Responsibilities for all FMI types and an additional two jurisdictions fully or broadly observe the five Responsibilities for all FMI types (see summary table in Annex 1).

With respect to specific FMI types, TRs represented the FMI type for which most additional work remains to be done. This was evidenced by the observation that 5 jurisdictions had TR regimes that were still in development and therefore determined to be 'not ready for assessment', and by the finding that several other jurisdictions lacked clear criteria and/or fully disclosed policies to support their regulation, supervision and oversight of TRs.

With respect to specific Responsibilities, and across the different FMI types, jurisdictions most frequently fell short of an "Observed" rating with respect to Responsibilities D and E. In the case of Responsibility D, this reflects the fact that the Principles have not yet been adopted in some jurisdictions. In the case of Responsibility E, there was considerable variability in implementation measures and, where

<sup>7</sup> The second update to the L1 assessment is available at [www.bis.org/cpmi/publ/d129.pdf](http://www.bis.org/cpmi/publ/d129.pdf) and [www.iosco.org/library/pubdocs/pdf/IOSCOPD489.pdf](http://www.iosco.org/library/pubdocs/pdf/IOSCOPD489.pdf). The L1 assessment takes the form of a self-assessment, reviewed by the IMMSG.

sufficient evidence was available, in outcomes across jurisdictions. This was due in part to the fact that many cooperative arrangements are new, but may in some cases also reflect different interpretations of the expectations under Responsibility E.

Based on these observations, the following steps should be considered:

- Reflecting the expectations under Responsibility A, jurisdictions should reflect on the clarity of the criteria they use to identify the appropriate regulatory framework for FMIs that should be subject to regulation, supervision and oversight. This is particularly relevant to TRs, for which some jurisdictions do not yet have a specific regime in place.
- In respect of Responsibility C, some jurisdictions should also consider enhancing their disclosure of policies to ensure full clarity. This would help to ensure that FMIs are fully aware of the applicable regulatory, supervisory and oversight policies and expectations of the relevant authorities.
- Consistent with the expectations under Responsibility E, authorities across jurisdictions should continue to establish or refine their cooperative arrangements as appropriate. They should prioritise further consideration of the scope of the cooperative arrangements to provide for cooperation with all relevant authorities regardless of location. Furthermore, authorities should consider the appropriate form and intensity of arrangements to maximise their effectiveness and efficiency, for instance in relation to whether multilateral or bilateral cooperative arrangements would be most effective or appropriate. Authorities should also clarify the roles and responsibilities in connection with cooperative arrangements; for example, clarifying which authority takes responsibility for establishing efficient and effective arrangements, and responsibility for ensuring that the relevant FMI is periodically assessed against the Principles.
- Cooperative arrangements continue to evolve, and the findings indicate that these arrangements are at different stages of development. It is clear, however, that authorities should prioritise consideration of how cooperative arrangements can best support relevant authorities' crisis management (including resolution) actions in an efficient and effective manner and how to ensure effective sharing of information among authorities – including by addressing remaining impediments to access to data held in TRs.
- CPMI and IOSCO will review the Responsibilities in light of the findings of this assessment and consider the need for additional guidance. Further, as jurisdictions gain greater experience with cooperative arrangements, particularly cross-border arrangements for CCPs and TRs, the IMISG expects to consider new developments in relation to Responsibility E as part of a follow-up exercise to this report.

## 2. Introduction

This report presents the findings of the IMMSG's assessment of authorities' implementation of the Responsibilities, across FMI types, in 28 jurisdictions with authorities that are members of the FSB and/or the CPMI and/or the IOSCO. The relevant assessed authorities within each jurisdiction were typically the market regulator and the central bank.

The work on the Responsibilities was carried out as a peer review during 2015, based on the status of the implementation measures as at 9 January 2015. Accordingly, the assessment ratings for each jurisdiction reflect the implementation measures in place as at 9 January; other measures that were introduced after this date, or other material developments, are noted where relevant but were not considered when assigning ratings of observance.

The assessment was conducted by five assessment teams (ATs), comprising members of the IMMSG and other nominated experts from among the CPMI-IOSCO member authorities, as well as from the International Monetary Fund and the World Bank. A list of IMMSG members and other nominated experts involved in the assessment can be found in Annex 4.

### 2.1 Broader context of the Responsibilities assessment

The Responsibilities assessment is part of a broader programme of assessments of jurisdictions' implementation of the PFMI. The CPMI and IOSCO regard full, timely and consistent implementation of the PFMI as fundamental to ensuring the safety and soundness of FMIs, avoiding regulatory arbitrage, and supporting the resilience of the global financial system.

To that end, the CPMI and IOSCO have been actively monitoring the implementation of the PFMI based on a framework that involves assessment at three levels:

- (i) L1 to assess whether jurisdictions have completed the process of adopting the legislation, regulations and other policies that will enable them to implement the Principles and Responsibilities;
- (ii) L2 to assess whether the content of legislation, regulations and policies (the regulatory framework) is complete and consistent with the Principles and Responsibilities; and
- (iii) L3 to assess whether there is consistency in the outcomes of the implementation of the Principles and Responsibilities.

The L1 exercise covered jurisdictions' adoption of both the Principles and the Responsibilities, across all FMI types, and was based on a self-assessment by the jurisdictions. The L2 and L3 assessments of the Principles and the Responsibilities, in contrast, were conducted as peer reviews across jurisdictions and in much greater detail.

The Principles assessments are ongoing, and are being considered separately at L2 and L3. For the Responsibilities, the IMMSG has combined the L2 and L3 assessments into a single exercise. The IMMSG focused therefore on both the measures taken by the relevant authority to fulfil the Responsibilities – including its powers and the framework and processes in place to meet the requirements under the Responsibilities (L2) – and how these measures translated into observed outcomes (L3). This is explained further in Section 3.2. Since the frameworks established by a jurisdiction are often the relevant outcomes, it can be difficult to separate evidence regarding the completeness and consistency of implementation measures from that regarding consistency in outcomes. However, due to insufficient evidence on outcomes from cooperation (as explained in Section 3.3 (v) below), ratings of observance for Responsibility E for CCPs and TRs were assigned on an L2 basis only.

## 2.2 Scope and objective of the Responsibilities assessment

The Responsibilities assessment covered the five Responsibilities applicable to authorities for all FMI types. The relevant Responsibilities are set out on pages 126-37 of the PFMI and comprise the following headline requirements:

- **Responsibility A – Regulation, supervision, and oversight of FMIs:** FMIs should be subject to appropriate and effective regulation, supervision and oversight by a central bank, market regulator or other relevant authority.
- **Responsibility B – Regulatory, supervisory and oversight powers and resources:** Central banks, market regulators and other relevant authorities should have the powers and resources to carry out effectively their responsibilities in regulating, supervising and overseeing FMIs.
- **Responsibility C – Disclosure of policies with respect to FMIs:** Central banks, market regulators and other relevant authorities should clearly define and disclose their regulatory, supervisory and oversight policies with respect to FMIs.
- **Responsibility D – Application of the principles for FMIs:** Central banks, market regulators and other relevant authorities should adopt the CPSS-IOSCO *Principles for financial market infrastructures* and apply them consistently.
- **Responsibility E – Cooperation with other authorities:** Central banks, market regulators and other relevant authorities should cooperate with each other, both domestically and internationally, as appropriate, in promoting the safety and efficiency of FMIs.

The associated Key Considerations (KCs) are set out in Annex 2.

The aims of the Responsibilities assessment include:

- (i) assessing whether the relevant authorities' implementation measures in the jurisdictions are complete and consistent with the relevant Responsibilities and associated KCs;
- (ii) assessing whether the relevant authorities in the jurisdictions observe the relevant Responsibilities and associated KCs, with a rating assigned at the Responsibility level;
- (iii) highlighting key issues, as well as similarities and differences, in jurisdictions' approaches to applying the Responsibilities.

## 3. Methodology

### 3.1 Structure and process

The Responsibilities assessment was carried out in three stages over the course of eight months. In developing its methodology, the IMSG drew heavily on the AM, published in December 2012.<sup>8</sup> The assessment proceeded as follows:

- (i) Collection of information based on authorities' responses to questionnaires.

The jurisdictions provided separate responses to a questionnaire for each FMI type.<sup>9</sup> The questions were taken from the AM for Responsibilities for authorities. Where more than one authority within a jurisdiction had responsibility for a particular FMI type, the authorities were encouraged to coordinate and provide a consolidated response. The jurisdictions were also asked to provide supporting documents and concrete examples to support their responses and demonstrate the authorities' application and L3 observance of the relevant Responsibilities and associated KCs.<sup>10</sup>

- (ii) Off-site review and follow-up exchange of information.

The assessment process was iterative in nature, and the ATs engaged directly with the assessed jurisdictions, as necessary, to clarify questionnaire responses. There was also extensive dialogue among the ATs and within the IMSG to promote consistency in the manner in which the ATs reviewed the responses and assigned ratings.

- (iii) Review of jurisdiction-specific information and ratings by the authorities in the assessed jurisdictions, and collection of official comments for inclusion in the jurisdictional annex to the report (Annex 3).<sup>11</sup>

Interaction between the ATs and the authorities throughout the assessment process helped to clarify the ATs' understanding of the content and intent of the jurisdictions' frameworks. This engagement also gave the assessed jurisdictions an opportunity to provide early feedback to the IMSG on the content of the template.

### 3.2 Ratings

The focus of the exercise was to assess whether there were any gaps or shortcomings in the jurisdictions' implementation measures or in the outcomes relative to the requirements under the Responsibilities.

Ratings were assigned – at the level of the headline Responsibility – to reflect the degree of observance of the Responsibilities and associated KCs. In terms of interpreting the Responsibilities and KCs, the ATs were informed by the guidance in the PFMI (ie Explanatory Notes and Footnotes). However, since the Explanatory Notes and Footnotes do not constitute requirements, these did not directly affect the ratings.

<sup>8</sup> CPSS-IOSCO, "Principles for financial market infrastructures: Disclosure framework and assessment methodology", December 2012, [www.bis.org/cpmi/publ/d106.pdf](http://www.bis.org/cpmi/publ/d106.pdf) and [www.iosco.org/library/pubdocs/pdf/IOSCOPD396.pdf](http://www.iosco.org/library/pubdocs/pdf/IOSCOPD396.pdf).

<sup>9</sup> One jurisdiction, Sweden, provided a single response covering all FMI types, reflecting the particular institutional circumstances in that jurisdiction.

<sup>10</sup> The assessment relied on written material provided in English, using either official or unofficial translations as necessary.

<sup>11</sup> The full report was also reviewed by the Steering Group, the CPMI and the IOSCO Board.

To reflect the combined L2/L3 nature of the Responsibilities assessment, the IMSG's general approach when setting ratings was to focus on outcomes (L3) when the Responsibilities anticipated authorities taking certain action, while also looking at information concerning the framework and processes within a jurisdiction (L2), where appropriate, given the particular facts and circumstances and the nature of the Responsibility/KC under review. In some cases, there was insufficient evidence on outcomes (see Section 3.3 (v) below), which meant that ratings were assigned solely on the basis of the framework and processes, even when the Responsibilities anticipated certain actions.

The IMSG used the rating framework in the AM (Table 1), adapted to include an additional "Not ready for assessment" category to more accurately reflect the status of implementation of the Responsibilities for TRs in certain jurisdictions (see discussion in Section 3.3 (vi)).

Status ratings of the Responsibilities assessment		Table 1
Observed	The authorities fulfil the Responsibility. Any identified gaps and/or shortcomings are not issues of concern and are minor, manageable and of a nature that the authorities could consider taking them up in the normal conduct of their activities. When comments are included, these are not gaps and/or shortcomings, but specific points analysed during the assessment and therefore highlighted as part of the assessment.	
Broadly observed	The authorities broadly fulfil the Responsibility. The assessment has identified one or more issues of concern that the authorities should address and follow up on in a defined time line.	
Partly observed	The authorities partly fulfil the Responsibility. The assessment has identified one or more issues of concern that could become serious if not addressed promptly. The authorities to which these concerns apply should accord a high priority to addressing these issues.	
Not observed	The authorities do not fulfil the Responsibility. The assessment has identified one or more serious issues of concern that warrant immediate action. Therefore, the authorities to which these concerns apply should accord the highest priority to addressing these issues.	
Not ready for assessment	Rating assigned where a jurisdiction's TR regime is still in development, as evidenced by a "1" or "2" rating for Principles and Responsibilities in the second update of the L1 assessment.	
Not applicable	The Responsibility does not apply to the authorities because of the particular institutional framework or other conditions faced by the authorities with respect to this Responsibility.	

While the ATs reviewed the measures taken by each relevant authority and the corresponding observed outcomes, ratings were assigned in general at jurisdictional level. In three cases, the IMSG assigned "split ratings" for relevant authorities; for instance, where authorities with non-overlapping responsibilities for a given FMI type (eg where responsibilities depend on the nature of the financial products processed by the FMI) were found to have different levels of observance.

The ratings at jurisdictional level and the descriptions of any identified issues of concern are set out in Annex 3. Consistent with the definition of an "Observed" rating, identified gaps considered to be "minor" and "manageable" are not characterised as issues of concern, but are noted in the Annexes for transparency under the heading of a "minor gap". In some cases, where a jurisdiction has been rated "Observed" for a particular Responsibility and no "minor gap" has been identified, the IMSG has nevertheless included a "comment" in order to provide additional context/information (see also Section 3.3 (v)).

In contrast to CPMI-IOSCO L2 assessments for the Principles, no individual recommendations have been issued to jurisdictions in which gaps have been identified in this assessment process. CPMI-IOSCO nevertheless expects jurisdictions to implement any necessary measures as soon as is appropriate in order to achieve full observance. Additionally, the report highlights some high-level issues and matters for consideration in Sections 4 and 5.

### 3.3 Key methodological issues

The Responsibilities generally set clear expectations while allowing flexibility in how to achieve the desired outcomes. The assessment process for the Responsibilities was designed to be objective and to promote consistency, based on the agreed methodology. In implementing the agreed methodology, the IMSG, where appropriate, exercised informed judgment to address some issues arising in the assessment process. Key examples are:

#### (i) Responsibility A

Responsibility A states that authorities should clearly define and publicly disclose the criteria used to identify FMIs that should be subject to regulation, supervision and oversight. The text is open, however, as to the form and nature of these criteria. Accordingly, the IMSG's rating was based on whether the criteria were clearly defined and publicly disclosed, and whether FMIs that have been identified using these criteria were indeed subject to regulation, supervision and oversight. The IMSG did not form a view on the appropriateness of the criteria used, while noting that Responsibility D, KC2, requires that the PFMI be applied to all systemically important FMIs.

#### (ii) Responsibility B

The Responsibilities assessment did not involve on-site inspections or in-person interviews with either officials at the relevant authorities or market participants (unlike, for example, the Financial Sector Assessment Program of the International Monetary Fund and the World Bank). This presented certain challenges in assessing some provisions [or standards], such as KC2 of Responsibility B regarding the sufficiency of resources available to authorities to fulfil their Responsibilities. The IMSG's evaluation of "sufficiency" was based primarily on assertions by the authorities of the assessed jurisdiction. The ATs then reviewed whether the jurisdiction's assertion was reasonable based on the scope of the Responsibilities the authorities must carry out. To gauge this reasonableness, and where not otherwise provided, the IMSG sought supporting information on matters including, but not limited to, the number of existing staff positions, the skills, education and experience of staff, and their relevant regulatory and supervisory obligations.

#### (iii) Responsibility C

The focus of Responsibility C is on the clarity and disclosure of relevant policies. In their responses, some authorities referred to high-level legislation or regulation as "policies". Consistent with assessing outcomes, the IMSG focused on the clarity and content of the "policies", rather than the form of the policies. As long as the relevant legislative texts or regulations were publicly available and clearly set out the authorities' objectives, roles etc, they were deemed to satisfy the Responsibility.

#### (iv) Responsibility D

A core expectation of Responsibility D is that all relevant authorities should adopt the PFMI.<sup>12</sup> The Responsibilities assessment did not include a review of the content of a jurisdiction's specific implementation measures for the Principles – that is the focus of the L2 assessments of the Principles. For the purposes of assessing Responsibility D, the IMSG leveraged the findings in the recently published second update to the CPMI-IOSCO L1 assessment for all jurisdictions. For consistency in the assessment

<sup>12</sup> Responsibility D, KC1 states: "Authorities should adopt the CPSS-IOSCO Principles for financial market infrastructures."

across all jurisdictions, the findings of the CPMI-IOSCO L1 assessments were used for all jurisdictions, even for those jurisdictions that had already been assessed at L2 for the Principles.<sup>13</sup>

KC2 and KC3 of Responsibility D consider the scope of application of the Principles and the consistency of application across FMI types. Since adoption of the PFMI is a prerequisite, the rating for KC1 set a ceiling for the consolidated rating of Responsibility D.

#### (v) Responsibility E

Responsibility E focuses on cooperation among authorities, both domestically and internationally, in promoting the safety and efficiency of FMIs. Responsible authorities and other relevant domestic and foreign authorities are expected to cooperate to support each other in fulfilling their respective mandates with respect to FMIs (both in normal and in crisis circumstances). Responsibility E is not prescriptive about the scope, form or intensity of cooperative arrangements, although some guidance on interpretation is provided in the Explanatory Notes (paragraphs 4.5.1 to 4.5.13).

During the assessment process, to obtain further information on the implementation of Responsibility E, the IMSG supplemented the AM with an additional set of questions in which all participating authorities were requested to describe their experiences engaging with other authorities. The questions were designed to collect more granular information on cooperation from the perspective of both the authority or authorities with primary responsibility, and other relevant authorities that may rely on cooperation with and information from an authority with primary responsibility. The questions covered matters such as how any requests for cooperative arrangements had been dealt with and the effectiveness of any arrangements that had been established. Responses to these additional questions were reviewed by the ATs. Where respondents raised issues regarding the cooperation of a particular jurisdiction, additional follow-up discussions took place, as necessary. Information collected in the responses to these additional questions and any follow-up enquiries did not directly impact the ratings. Nevertheless, where appropriate, comments have been included in the relevant templates to provide context and transparency. It should also be noted that such comments may present only a partial view of the experiences of cooperation between the authorities on the cut-off date for the assessment. Where respondents did not raise any concerns about relevant cooperative arrangements, no further enquiries were made.

Cooperative arrangements for FMIs are at various stages of maturity. Some multilateral cross-border cooperative arrangements in respect of PSs have been in place for many years (eg the Oversight Committee for the Continuous Linked Settlement (CLS) system), as have some arrangements for other FMI types (eg the Coordination Committee on Clearing related to LCH.Clearnet SA, or the Joint Regulatory Authorities, regarding issues of interest between LCH.Clearnet SA and LCH.Clearnet Ltd). However, many arrangements – both bilateral and multilateral – are relatively new, having been established only in the past two or three years. This is particularly the case for TRs and a range of CCPs, which in large part reflects:

- the increasingly cross-border nature of these types of FMIs' activities, as their scope has expanded beyond national exchange-traded markets to internationally oriented over-the-counter (OTC) derivatives markets, and
- the growing number of jurisdictions with regulatory frameworks that require foreign FMIs serving domestic participants to become recognized or licensed with local authorities.

With many cooperative arrangements for CCPs and TRs so new, it was noted in a number of cases that such arrangements were still evolving. The ATs therefore had insufficient evidence available

<sup>13</sup> It should be noted that if based on the outcome of the more detailed L2 peer review, the rating for Responsibility D could differ from that based on the outcome of the L1 assessment.

from which to draw firm conclusions on cooperation outcomes. While some jurisdictions were able to provide evidence on the effectiveness of their cross-border cooperative arrangements, relatively few authorities had processes or formalised frameworks in place to consider others' views on their arrangements. Even if such frameworks had been in place, the arrangements were often too new to be able to gauge their effectiveness and appropriateness. Specific issues that arrangements will need to address as they evolve include how to efficiently and effectively manage the growing number of authorities with an interest in cross-border or multicurrency FMIs, how best to cooperate in stressed circumstances, and how to ensure timely access to data held in TRs (see (vi) below).

As a result, for a number of jurisdictions' CCP and TR regimes, there was insufficient evidence from which to draw conclusions about outcomes of the type typically considered in an L3 assessment. Ratings of observance for Responsibility E for CCPs and TRs for these jurisdictions could therefore only be based on an assessment of the existence of mechanisms to facilitate cooperation – ie on an L2 basis. For consistency, this approach was also taken for these FMI types in jurisdictions where cooperative arrangements were better established.

#### (vi) Assessment of Responsibilities for TRs

Given that TRs are a relatively new FMI type, and to take account of the fact that some jurisdictions are still developing their regimes, jurisdictions with a "1" or "2" rating for Principles and Responsibilities in the second update of the L1 assessment were assigned a rating of "Not ready for assessment" in this assessment. Otherwise, the rating scale in the AM was applied (ie between "Observed" and "Not observed" or "Not applicable").

Furthermore, in some jurisdictions, TR-like services were provided by other types of institutions, and so no TR-specific regime was in place. In such cases, the applicable regime for the entity that performed the TR-like functions was assessed (this is clearly noted in the jurisdiction-specific assessment in Annex 3).

Finally, KC8 of Responsibility E calls for the relevant authorities to coordinate to ensure timely access to trade data recorded in a TR. Given that many TRs have been in operation for only a short period of time, and that many jurisdictions' regimes for trade reporting have been introduced only recently, data sharing arrangements in most cases are relatively new and still evolving. In many cases, operational and legal difficulties remain and need to be overcome.<sup>14</sup> Accordingly, it was difficult to gauge the effectiveness of many of these arrangements. Consistent with the approach taken for the other relevant KCs under Responsibility E for TRs (as noted in Section 3.3 (v)), the assessment of KC8 therefore focused on the frameworks established by authorities to facilitate or support data sharing, rather than on outcomes.

<sup>14</sup> The FSB thematic review on the reporting of OTC derivatives to trade repositories reached similar conclusions. See: [www.financialstabilityboard.org/2015/11/thematic-review-of-otc-derivatives-trade-reporting/](http://www.financialstabilityboard.org/2015/11/thematic-review-of-otc-derivatives-trade-reporting/).

## 4. Key observations from the Responsibilities assessment

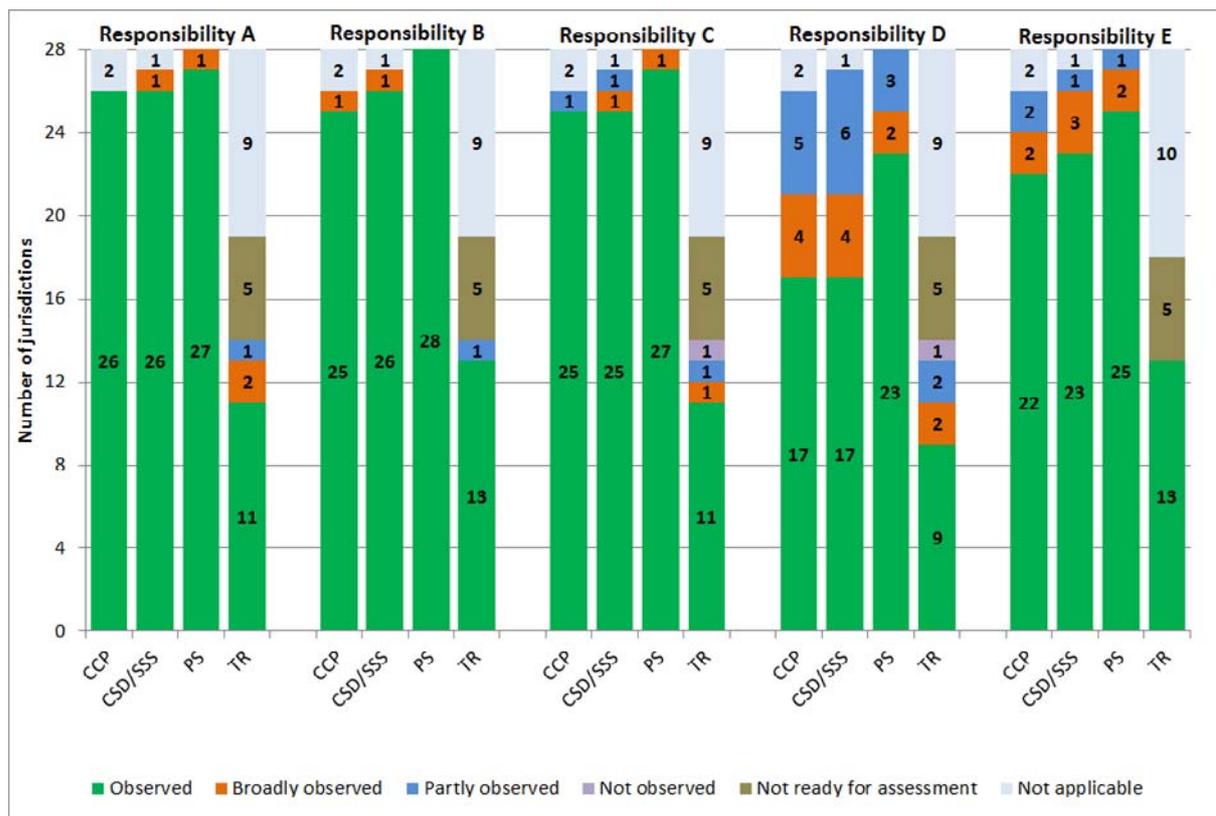
Overall, the assessment revealed that a number of jurisdictions have achieved a high level of observance of the Responsibilities: 18 jurisdictions fully or broadly observe the five Responsibilities for all FMI types, with 16 jurisdictions achieving full observance. Ten jurisdictions exhibit a less than broadly observed rating for at least one Responsibility for one FMI type (see summary table in Annex 1).

At the individual Responsibility level, Responsibilities D and E exhibit a lower level of observance than Responsibilities A, B and C. For Responsibility D, this reflects the fact that the Principles have not yet been adopted in some jurisdictions. For Responsibility E, this reflects that there are further opportunities for authorities to establish or refine their cooperative arrangements consistent with the expectations under Responsibility E (see below).

At the level of each individual FMI type, the ratings for TRs are generally lower than for other FMI types. In particular, five jurisdictions' TR regimes were assessed to be 'Not ready for assessment'. For other FMI types, there is no clear overall differentiation in the level of observance, other than that the regimes for PSs exhibit slightly higher levels of observance across all Responsibilities.

Ratings by Responsibility and FMI types

Chart 1



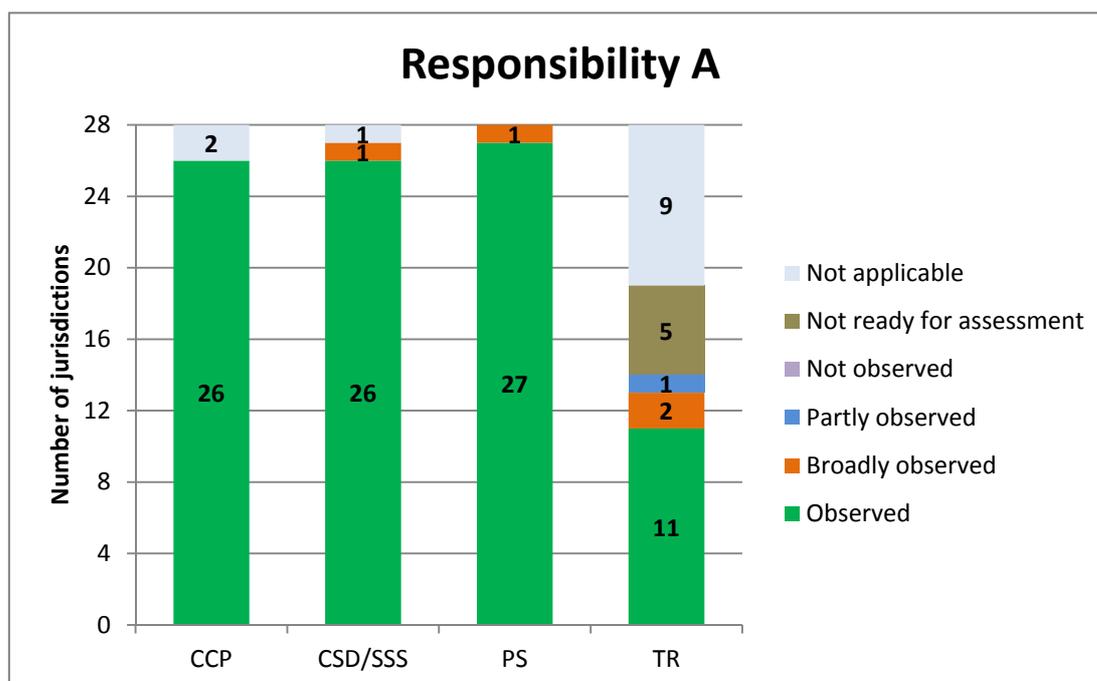
Note: For jurisdictions with split ratings, only the weaker ratings have been included. In the case of TRs, eight European jurisdictions (Belgium, France, Germany, Italy, the Netherlands, Spain, Sweden and the United Kingdom) have been rated as "NA", as TRs established in the European Union are under the sole supervision of the European Securities and Markets Authority.

Some more detailed observations for each Responsibility and for FMI types are presented below.

(i) Responsibility A: Regulation, supervision and oversight of FMIs

Rating for Responsibility A, by FMI type

Chart 2



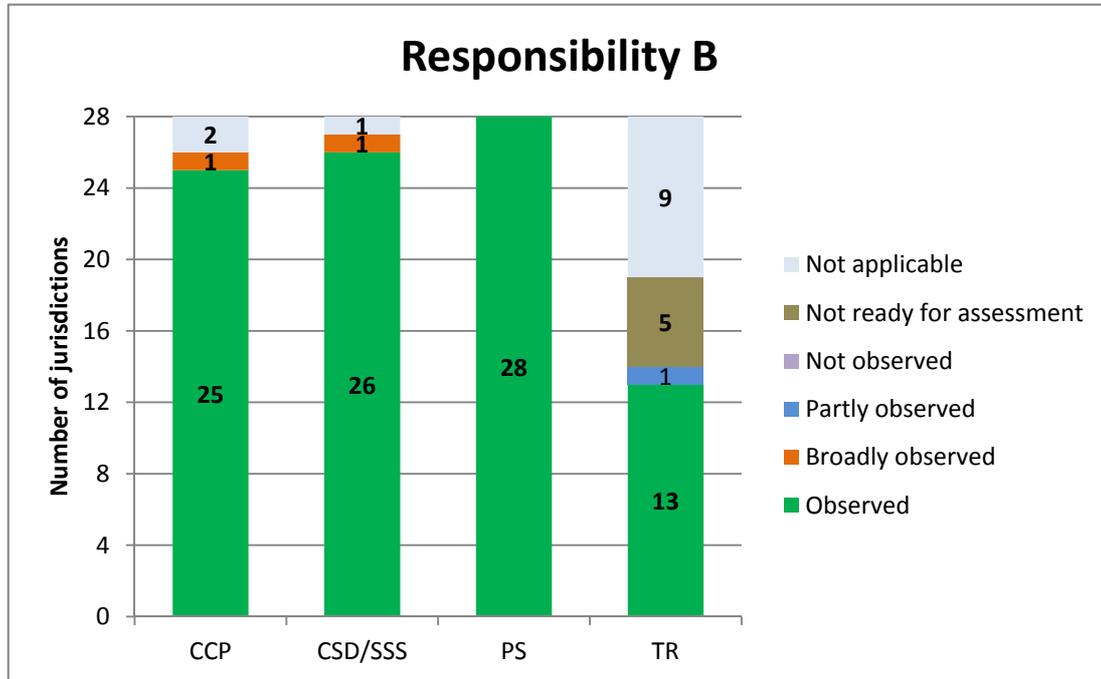
Most jurisdictions are assessed to observe or broadly observe Responsibility A across FMI types. The level of observance is lower for TRs, which reflects the fact that TRs are a relatively new FMI type, and some jurisdictions have therefore not yet fully implemented a specific regime for them. In many such cases, the relevant authorities have some powers to influence the design and operation of TR services. However, the absence of specific targeted requirements for TRs has been found to reduce the clarity of the regime and potentially limit its effectiveness. Some jurisdictions noted that they intended to introduce specific legislation in the future.

The nature and granularity of the criteria used by authorities to identify FMIs that should be subject to regulation, supervision and oversight varies markedly across jurisdictions. The PFMI allow for a variety of criteria. Paragraph 4.1.2 provides examples of criteria that an authority might use to determine the need for, or the degree of, supervision, regulation, and oversight for various types of FMIs, such as “the number and value of transactions processed,” “the number and type of participants,” and “the interconnectedness with other FMIs and other financial institutions.” Across the assessed jurisdictions, some authorities have specific criteria for designation of systemically important FMIs, while others have more general provisions. There is also often a link between the criteria applied by jurisdictions to determine the need for, or degree of, supervision, regulation and oversight, and those applied to determine which FMIs should be subject to the Principles. The criteria often allow for some judgment by the relevant authorities.

(ii) Responsibility B: Regulatory, supervisory and oversight powers and resources

Rating for Responsibility B, by FMI type

Chart 3



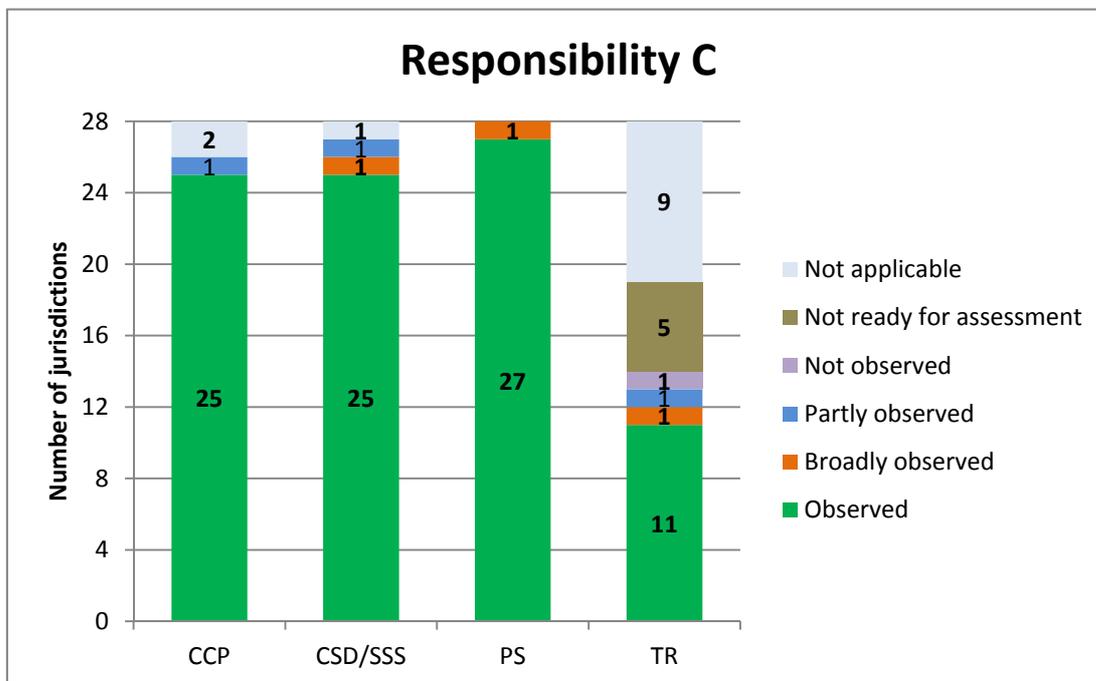
The assessment of authorities' powers and resources under Responsibility B was carried out with reference to the universe of FMIs defined by the relevant jurisdiction's criteria.

Most authorities are assessed to have appropriate powers, consistent with their regulatory, supervisory and oversight responsibilities in respect of FMIs. Most authorities also indicated that they had sufficient resources to fulfil their responsibilities, including in circumstances when workloads increase unexpectedly. As noted in Section 3.3, the IMSG's consideration of the sufficiency of authorities' resources relied heavily on the judgments of the respondent authorities.

(iii) Responsibility C: Disclosure of policies with respect to FMIs

Rating for Responsibility C, by FMI type

Chart 4



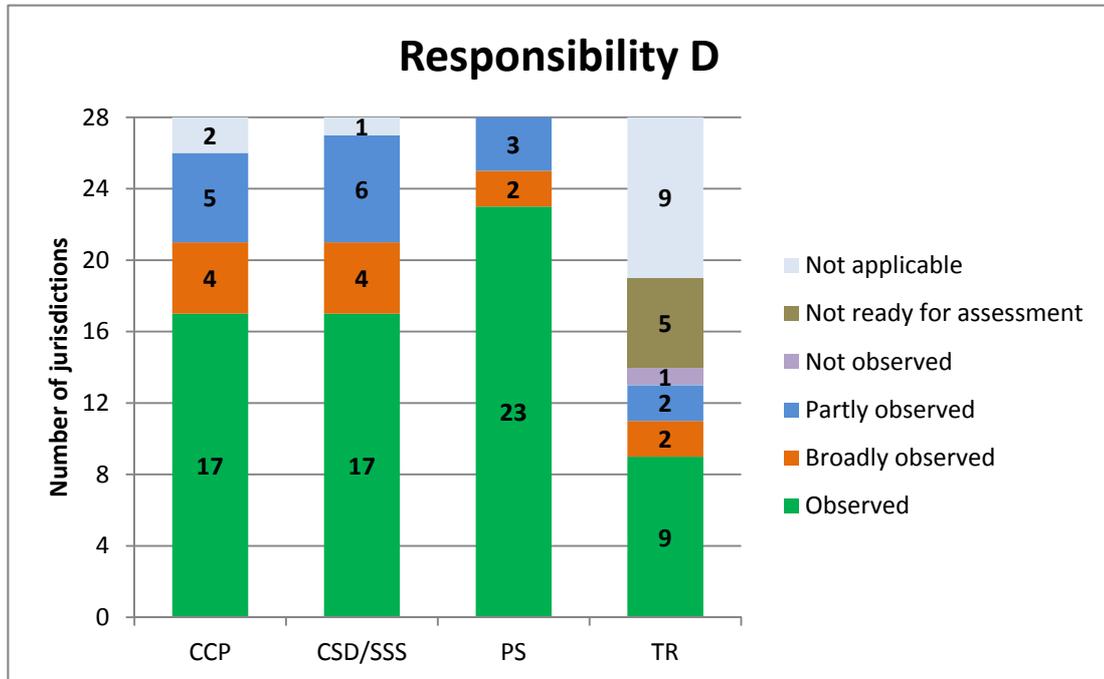
With few exceptions, authorities are assessed to have clearly defined and disclosed their regulatory, supervisory and oversight policies with respect to FMIs. The nature of disclosures differs across jurisdictions – in some cases, disclosures take the form of legal texts or legislation; in others, they take the form of targeted policy or guidance documents; and in others, disclosures are made as part of oversight reports.

Consistent with the methodology described in Section 3.3, the IMSG has accepted each form of disclosure as sufficient to meet the requirement under Responsibility C, as long as reasonable clarity is achieved.

(iv) Responsibility D: Application of the principles for FMIs

Rating for Responsibility D, by FMI type

Chart 5

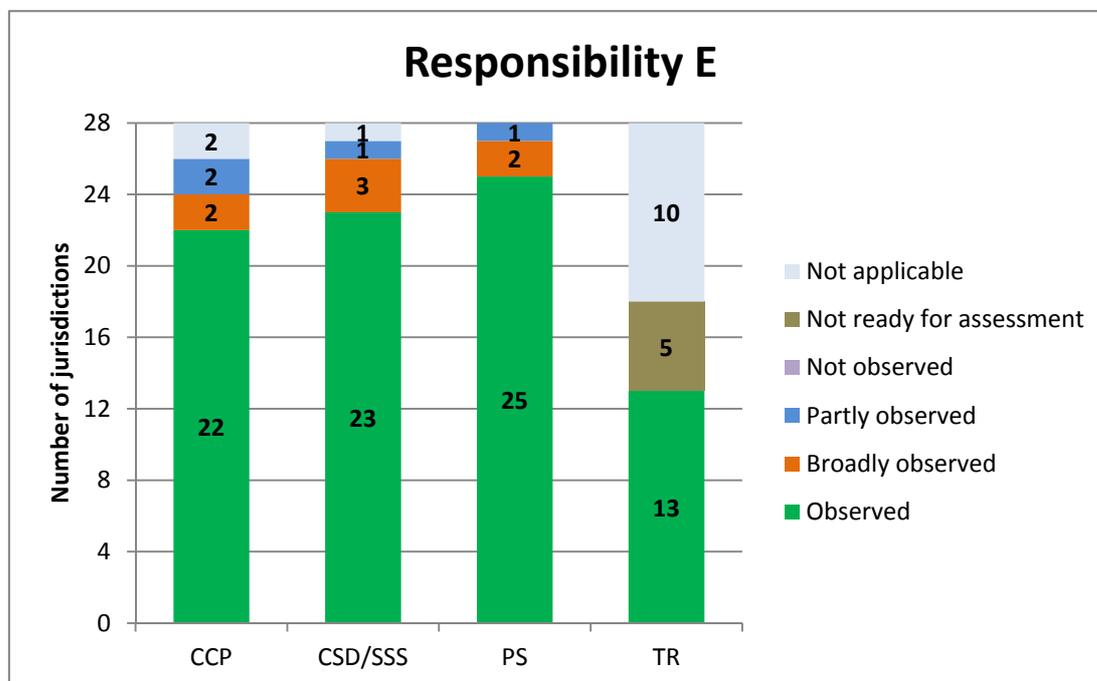


As noted in Section 3.3, the IMSG did not independently assess the content of the measures taken by a jurisdiction to adopt the Principles as part of this exercise, but instead relied on findings in the L1 Principles assessment. To achieve an “Observed” rating for Responsibility D, a jurisdiction must have adopted the PFMI, as indicated by a “3” or “4” rating in the most recent L1 assessment. On this basis, 10 jurisdictions have been rated lower than “Observed” for Responsibility D for at least one FMI type.

(v) Responsibility E: Cooperation with other authorities

Rating for Responsibility E, by FMI type

Chart 6



The IMSG observed that nearly all jurisdictions reported some form of domestic and/or international cooperation. Six jurisdictions were, however, rated lower than “Observed” for Responsibility E for at least one FMI type. As noted in Section 3.3, many cooperative arrangements – particularly arrangements for cross-border cooperation for TRs and a range of CCPs – are relatively new and still evolving. Accordingly, the ratings for these FMI types reflect an assessment of the capacity to cooperate and the high-level frameworks established by authorities (L2), rather than the effectiveness of existing arrangements and outcomes achieved (L3). A number of observations are made below.

Among domestic authorities, a bilateral arrangement between the central bank and market regulator is the most commonly observed form of cooperation. In addition, it is typical for these authorities to engage on either a routine or ad hoc basis with other domestic authorities, such as finance ministries and resolution authorities. Some jurisdictions noted that cooperation was mandated by law, while others indicated that cooperation occurred voluntarily. In either scenario, the IMSG observed that domestic authorities typically entered into memoranda of understanding (MOUs) with each other to facilitate information sharing, including confidential supervisory information regarding specific FMIs. These MOUs typically defined the participating authorities’ respective responsibilities in the arrangement.

FMIs that operate on a cross-border or multicurrency basis may trigger registration, licensing or recognition requirements in more than one jurisdiction. This typically leads to bilateral and/or multilateral cooperative arrangements. Globally active FMIs are relevant to a broad range of jurisdictions and authorities. Some of these authorities have direct supervisory or oversight responsibilities for the FMI; others may be central banks of issue for currencies settled by the FMI; and others supervise financial institutions that represent a significant portion of the activity in a foreign FMI.

Cooperative arrangements for such globally active FMIs vary in both form and scope. There are very few multilateral cooperative arrangements that include a wide range of authorities representing a variety of interests. Examples of multilateral arrangements that incorporate authorities from multiple countries are the CLS Oversight Committee chaired by the Federal Reserve Bank of New York, the global colleges operated by the Bank of England for LCH.Clearnet Limited and ICE Clear Europe, the Coordination Committee on Clearing related to LCH.Clearnet SA, and the Joint Regulatory Authorities regarding issues of interest between LCH.Clearnet SA and LCH.Clearnet Ltd. There are also a number of regional arrangements, including the EU CCP colleges under the European Market Infrastructure Regulation. Some authorities do not have multilateral cooperative arrangements in place for their globally active FMIs and instead rely on bilateral arrangements.

The assessment revealed possible differences in how authorities determine the relevance of another authority's interest in a particular FMI and, therefore, the need for cooperation. Responsibility E gives authorities flexibility to exercise judgment in the way in which they determine when cooperative arrangements are appropriate (KC1). Furthermore, in the case of cross-border/multicurrency FMIs, KC2 and KC6 rely on the judgment of the authority/authorities with primary responsibility as to when to notify other relevant authorities of the (actual or proposed) operation of such FMIs in their jurisdiction, or when to consider the views of a relevant central bank of issue. KC7 similarly relies on judgment regarding the notification of material regulatory changes that may significantly affect another authority's interests. This flexibility can result in differences of view on whether arrangements are necessary.

Similarly, KC3 allows flexibility as to the form, degree of formalisation and intensity of cooperative arrangements. In particular, paragraph 4.5.5 notes that this will "depend on the relevant authorities' statutory responsibilities and [...] the FMI's systemic importance to their respective jurisdictions". However, the assessment revealed that jurisdictions did not always provide a clear explanation of how such judgments were reached in practice, making it difficult to determine whether cooperative arrangements were indeed commensurate with the systemic importance of the FMIs concerned. Views on systemic importance may also differ between the authority with primary responsibility and other relevant authorities, and therefore different judgments may be reached as to whether a cooperative arrangement is needed, or on the necessary form and intensity of cooperative arrangements. Some authorities regard multilateral cooperative arrangements as more efficient than bilateral arrangements, considering that multilateral arrangements allow for broader involvement of other authorities and an exchange of views that is transparent to all without markedly increasing the burden on the primary authority. Other authorities regard bilateral cooperative arrangements as more appropriate. As noted, the effectiveness of the different forms of arrangement was difficult to assess due to the fact that many arrangements were relatively new. Furthermore, few authorities had sought formal feedback on their approaches, and relatively few specific comments were raised on the existing approaches in the supplementary questionnaire on Responsibility E (described in Section 3.3 (v)).

There is also variability in the coverage and operation of existing arrangements, and the roles assigned to the authorities participating in the arrangements. In some arrangements, the MOU or protocol governing the participating authorities clearly defines the purpose for the arrangement, prescribes roles and expectations for the authorities, explicitly mentions assessments against the PFMI for the FMI at issue, and describes how and what information is shared among and between the authorities. In other, often less formal arrangements, the IMMSG found that it was not always clear which authority was responsible for ensuring the arrangement operated effectively and efficiently (KC4). In some cases, it was observed that no authority took responsibility for ensuring that the FMI was regularly assessed against the Principles (KC5); in some cases, this was linked to the extent to which the PFMI had been implemented in relevant jurisdictions, and in others it reflected that the documentation underpinning the arrangement predated the PFMI. The IMMSG also found that the degree and frequency of consultation among authorities, including central banks of issue, varied, spanning formal mechanisms, informal yet substantive engagement, and more ad hoc interaction.

Finally, cooperation regarding TRs is less widespread, as TRs are a new type of FMI. Where arrangements have been established, they tend to be related to TR data generally, and are not necessarily specifically focused on the supervision of a particular TR. As observed in Section 2.3, KC8 deals specifically with coordination by relevant authorities to ensure timely access to data recorded in a TR. Some authorities have made good progress in providing such access, having dealt effectively with relevant legal and operational impediments. However, while there are now several examples of data access arrangements having been established, legal and operational issues have yet to be resolved in many jurisdictions.

## 5. Next steps and follow-up

The observations in Section 4 lead to the following conclusions as regards next steps:

- Reflecting the expectations under Responsibility A, jurisdictions should reflect on the clarity of the criteria they use to identify the appropriate regulatory framework for FMIs that should be subject to regulation, supervision and oversight. This is particularly relevant to TRs, for which some jurisdictions do not yet have a specific regime in place.
- In respect of Responsibility C, some jurisdictions should also consider enhancing their disclosure of policies to ensure full clarity. This would help to ensure that FMIs are fully aware of the applicable regulatory, supervisory and oversight policies, and of the expectations of the relevant authorities.
- Consistent with the expectations under Responsibility E, authorities across jurisdictions should continue to establish or refine their cooperative arrangements as appropriate. They should prioritise further consideration of the scope of cooperative arrangements to provide for cooperation with all relevant authorities regardless of location. Furthermore, authorities should consider the appropriate form and intensity of arrangements to maximise their effectiveness and efficiency, for instance in relation to whether multilateral or bilateral cooperative arrangements would be most effective or appropriate. Authorities should also clarify the roles and responsibilities in connection with cooperative arrangements; for example, clarifying which authority takes responsibility for establishing efficient and effective arrangements, and responsibility for ensuring that the relevant FMI is periodically assessed against the Principles.
- Cooperative arrangements continue to evolve, and the findings indicate that these arrangements are at different stages of development. It is clear, however, that authorities should prioritise consideration of how cooperative arrangements can best support the relevant authorities' crisis management (including resolution) actions in an efficient and effective manner and how to ensure effective sharing of information among authorities – including by addressing remaining impediments to access to data held in TRs.
- CPMI and IOSCO will review the Responsibilities in light of the findings of this assessment and consider the need for additional guidance. Further, as jurisdictions gain greater experience of cooperative arrangements – particularly cross-border arrangements for CCPs and TRs – the IMSG expects to consider new developments in relation to Responsibility E as part of a follow-up exercise to this report.

## Annex 1 – Summary table of Responsibilities assessment ratings

Jurisdiction	FMI	Resp. A	Resp. B	Resp. C	Resp. D	Resp. E*
Argentina	CCP				BO	
	CSD/SSS	BCRA – BO		BCRA – BO	CNV – BO BCRA – PO	
	PS	BO		BO	PO	BO
	TR	BO		BO	BO	
Australia	CCP					
	CSD/SSS					
	PS					
	TR					
Belgium	CCP					
	CSD/SSS					BO
	PS	See Eurosystem				
	TR	NA (See EU)				
Brazil	CCP					
	CSD/SSS					
	PS					
	TR					
Canada	CCP	#			BO	
	CSD/SSS	#			BO	
	PS	#			BO	
	TR					
Chile	CCP				PO	BO
	CSD/SSS				PO	
	PS				PO	
	TR	Not ready for assessment				
China	CCP					
	CSD/SSS					
	PS					
	TR	NA				
European Union / Eurosystem	CCP	NA				
	CSD/SSS	NA				
	PS					
	TR					
France	CCP					
	CSD/SSS					
	PS					
	TR	NA (See EU)				
Germany	CCP					
	CSD/SSS					
	PS	See Eurosystem				
	TR	NA (See EU)				

Jurisdiction	FMI	Resp. A	Resp. B	Resp. C	Resp. D	Resp. E*
Hong Kong	CCP					
	CSD/SSS					
	PS					
	TR					
India	CCP					
	CSD/SSS					
	PS					
	TR					
Indonesia	CCP				PO	
	CSD/SSS				PO	
	PS				PO	
	TR	Not ready for assessment				
Italy	CCP					
	CSD/SSS					
	PS	See Eurosystem				
	TR	NA (See EU)				
Japan	CCP					
	CSD/SSS					
	PS					
	TR					
Korea	CCP	#	BO	PO	PO	BO
	CSD/SSS	#	BO	PO	PO	BO
	PS	#			#	BO
	TR	Not ready for assessment				
Mexico	CCP				PO	
	CSD/SSS				BO	
	PS				BO	
	TR	BO			BO	
Netherlands	CCP					
	CSD/SSS	#		#		
	PS	See Eurosystem				
	TR	NA (See EU)				
Russia	CCP				PO	PO
	CSD/SSS				PO	BO
	PS					PO
	TR				PO	
Saudi Arabia	CCP	NA				
	CSD/SSS				PO	
	PS					
	TR	#				
Singapore	CCP					
	CSD/SSS					
	PS					
	TR					

Jurisdiction	FMI	Resp. A	Resp. B	Resp. C	Resp. D	Resp. E*
South Africa	CCP					PO
	CSD/SSS					PO
	PS					
	TR	Not ready for assessment				
Spain	CCP					
	CSD/SSS					
	PS	See Eurosystem				
	TR	NA (See EU)				
Sweden	CCP					
	CSD/SSS					
	PS					
	TR	NA (See EU)				
Switzerland	CCP					#
	CSD/SSS					#
	PS					
	TR	Not ready for assessment				
Turkey	CCP				BO	
	CSD/SSS				CMB - BO	
	PS					
	TR	PO	PO	NO	NO	NA
United Kingdom	CCP					
	CSD/SSS					
	PS					
	TR	NA (See EU)				
United States	CCP				SEC – BO	
	CSD/SSS				SEC – BO	
	PS					
	TR			SEC – PO	PO	

Note:



Observed



Observed with minor gap(s) identified



Rating less than Observed (BO = Broadly observed, PO = Partly observed, NO = Not observed)



Not ready for assessment



NA Not applicable

\* In assessing Responsibility E, the IMSG found that many cross-border cooperative arrangements, particularly for CCPs and TRs, were relatively new and still evolving, and there was often insufficient evidence on outcomes. Accordingly, ratings of observance for Responsibility E for CCPs and TRs were based only on an assessment of the existence of mechanisms to facilitate cooperation (ie L2), rather than on outcomes (ie L3).

## Annex 2 – Responsibilities of central banks, market regulators, and other relevant authorities for financial market infrastructures

### **Responsibility A: Regulation, supervision, and oversight of FMIs**

FMIs should be subject to appropriate and effective regulation, supervision, and oversight by a central bank, market regulator, or other relevant authority.

**Key consideration 1:** Authorities should clearly define and publicly disclose the criteria used to identify FMIs that should be subject to regulation, supervision, and oversight.

**Key consideration 2:** FMIs that have been identified using these criteria should be regulated, supervised, and overseen by a central bank, market regulator, or other relevant authority.

### **Responsibility B: Regulatory, supervisory, and oversight powers and resources**

Central banks, market regulators, and other relevant authorities should have the powers and resources to carry out effectively their responsibilities in regulating, supervising, and overseeing FMIs.

**Key consideration 1:** Authorities should have powers or other authority consistent with their relevant responsibilities, including the ability to obtain timely information and to induce change or enforce corrective action.

**Key consideration 2:** Authorities should have sufficient resources to fulfil their regulatory, supervisory, and oversight responsibilities.

### **Responsibility C: Disclosure of policies with respect to FMIs**

Central banks, market regulators, and other relevant authorities should clearly define and disclose their regulatory, supervisory, and oversight policies with respect to FMIs.

**Key consideration 1:** Authorities should clearly define their policies with respect to FMIs, which include the authorities' objectives, roles, and regulations.

**Key consideration 2:** Authorities should publicly disclose their relevant policies with respect to the regulation, supervision, and oversight of FMIs.

### **Responsibility D: Application of the principles for FMIs**

Central banks, market regulators, and other relevant authorities should adopt the CPSS-IOSCO *Principles for financial market infrastructures* and apply them consistently.

**Key consideration 1:** Authorities should adopt the CPSS-IOSCO *Principles for financial market infrastructures*.

**Key consideration 2:** Authorities should ensure that these principles are, at a minimum, applied to all systemically important payment systems, CSDs, SSSs, CCPs, and TRs.

**Key consideration 3:** Authorities should apply these principles consistently within and across jurisdictions, including across borders, and to each type of FMI covered by the principles.

### **Responsibility E: Cooperation with other authorities**

Central banks, market regulators, and other relevant authorities should cooperate with each other, both domestically and internationally, as appropriate, in promoting the safety and efficiency of FMIs.

**Key consideration 1:** Relevant authorities should cooperate with each other, both domestically and internationally, to foster efficient and effective communication and consultation in order to support each other in fulfilling their respective mandates with respect to FMIs. Such cooperation needs to be effective in normal circumstances and should be adequately flexible to facilitate effective communication, consultation, or coordination, as appropriate, during periods of market stress, crisis situations, and the potential recovery, wind-down, or resolution of an FMI.

**Key consideration 2:** If an authority has identified an actual or proposed operation of a cross-border or multicurrency FMI in its jurisdiction, the authority should, as soon as it is practicable, inform other relevant authorities that may have an interest in the FMI's observance of the CPSS-IOSCO *Principles for financial market infrastructures*.

**Key consideration 3:** Cooperation may take a variety of forms. The form, degree of formalisation and intensity of cooperation should promote the efficiency and effectiveness of the cooperation, and should be appropriate to the nature and scope of each authority's responsibility for the supervision or oversight of the FMI and commensurate with the FMI's systemic importance in the cooperating authorities' various jurisdictions. Cooperative arrangements should be managed to ensure the efficiency and effectiveness of the cooperation with respect to the number of authorities participating in such arrangements.

**Key consideration 4:** For an FMI where cooperative arrangements are appropriate, at least one authority should accept responsibility for establishing efficient and effective cooperation among all relevant authorities. In international cooperative arrangements where no other authority accepts this responsibility, the presumption is the authority or authorities with primary responsibility in the FMI's home jurisdiction should accept this responsibility.

**Key consideration 5:** At least one authority should ensure that the FMI is periodically assessed against the principles and should, in developing these assessments, consult with other authorities that conduct the supervision or oversight of the FMI and for which the FMI is systemically important.

**Key consideration 6:** When assessing an FMI's payment and settlement arrangements and its related liquidity risk-management procedures in any currency for which the FMI's settlements are systemically important against the principles, the authority or authorities with primary responsibility with respect to the FMI should consider the views of the central banks of issue. If a central bank of issue is required under its responsibilities to conduct its own assessment of these arrangements and procedures, the central bank should consider the views of the authority or authorities with primary responsibility with respect to the FMI.

**Key consideration 7:** Relevant authorities should provide advance notification, where practicable and otherwise as soon as possible thereafter, regarding pending material regulatory changes and adverse events with respect to the FMI that may significantly affect another authority's regulatory, supervisory, or oversight interests.

**Key consideration 8:** Relevant authorities should coordinate to ensure timely access to trade data recorded in a TR.

**Key consideration 9:** Each authority maintains its discretion to discourage the use of an FMI or the provision of services to such an FMI if, in the authority's judgment, the FMI is not prudently designed or managed or the principles are not adequately observed. An authority exercising such discretion should provide a clear rationale for the action taken both to the FMI and to the authority or authorities with primary responsibility for the supervision or oversight of the FMI.

**Key consideration 10:** Cooperative arrangements between authorities in no way prejudice the statutory or legal or other powers of each participating authority, nor do these arrangements constrain in any way an authority's powers to fulfil its statutory or legislative mandate or its discretion to act in accordance with those powers.

## Annex 3 – Jurisdiction templates

### Argentina

#### Responsibilities assessment ratings for Argentina

##### Overview of Regulatory Framework/Regime

The authorities responsible for regulation, supervision and oversight of FMI in Argentina are the Central Bank of Argentina (BCRA) and the National Securities Commission (Comisión Nacional de Valores, CNV).

CCPs are regulated exclusively by CNV, and PSs exclusively by BCRA. The two authorities have shared responsibilities for CSDs/SSSs. The objectives pursued by BCRA and CNV are assigned in legislation, under the charter of the Central Bank of Argentina – Law 24.144 and the Law of Capital Market and Decree (1023/13), respectively.

There is no legal definition of a TR in Argentina. However, other entities (namely, exchanges and clearing houses, which also operate CCPs<sup>15</sup>) provide TR-like services. These entities are regulated and supervised by CNV, as markets and clearing houses. Accordingly, those regimes have been assessed in this exercise in relation to the Responsibilities as they apply to TRs.

In Argentina, there are seven PSs;<sup>16</sup> six CCPs, five of which are registered as exchanges<sup>17</sup> and one as a clearing house;<sup>18</sup> two CSDs; and eight SSSs, two of which are CSDs,<sup>19</sup> five of which are registered as exchanges,<sup>20</sup> and one of which is registered as a clearing house.<sup>21</sup>

##### Key Observations

CNV and BCRA are assessed to observe or broadly observe most of the Responsibilities, across all FMI types. However, BCRA is assessed to partly observe Responsibility D for CSDs/SSSs and PSs.

CNV and BCRA apply clear criteria to identify FMI that should be subject to regulation, supervision and oversight. In the case of CCPs and CSDs/SSSs, these criteria are set out in the Capital Markets Law and CNV rules 2013. However, in the case of PSs, BCRA has set criteria in an internal resolution, but this was not at the time of the assessment publicly disclosed.<sup>22</sup> In respect of TRs, the legal framework captures those FMI providing TR-like services today, but it is not clearly formulated and the framework does not focus specifically on the FMI's TR-like services. This detracts from the clarity of the regime.

<sup>15</sup> Mercado de Valores de Buenos Aires S.A. (MVBA); Mercado Abierto Electronico S.A. (MAE); Mercado Argentino de Valores S.A. (MAV); Mercado a Término de Rosario S.A. (ROFEX); Mercado a Término de Buenos Aires S.A. (MATBA) and Argentina Clearing S.A. (ACSA).

<sup>16</sup> Interbanking, clearing house ACH; Coelsa, clearing house ACH; Banelco ATM network; LINK ATM network.

<sup>17</sup> Mercado de Valores de Buenos Aires S.A. (MVBA); Mercado Abierto Electronico S.A. (MAE); Mercado Argentino de Valores S.A. (MAV); Mercado a Término de Rosario S.A. (ROFEX); Mercado a Término de Buenos Aires S.A. (MATBA).

<sup>18</sup> Argentina Clearing S.A. (ACSA)

<sup>19</sup> CRYL and Caja de Valores S.A.

<sup>20</sup> See the footnote 2.

<sup>21</sup> See the footnote 3.

<sup>22</sup> On 10 July 2015, BCRA publicly disclosed the regulation that includes the criteria.

CNV and BCRA have appropriate powers, consistent with their regulatory, supervisory, and oversight responsibilities in respect of FMIs. Both authorities also indicate that they have sufficient resources to fulfil their responsibilities.

CNV and BCRA have also defined their policies with respect to FMIs. However, as noted, the regulatory framework in respect of TRs is not defined as clearly as for other FMIs. Furthermore, the BCRA's policies in respect of PSs and CSDs/SSSs do not clearly define the authority's objectives, role, and regulations.

CNV has implemented most of the Principles through the issuance of new regulations. However, some measures are still in process of implementation and therefore the Principles are not yet fully implemented. BCRA has also taken measures to adopt the Principles, although some of these are not publicly disclosed and further measures are necessary to complete the implementation.<sup>23</sup>

The Argentinian framework provides for cooperation between domestic and foreign authorities. All the necessary legal and regulatory tools are available and some examples of both domestic and international cooperative arrangements exist. However, in the case of PSs, no authority has taken responsibility to fully assess the PSs against the Principles; only thematic assessments are carried out and shared within the cooperative arrangements.

#### Jurisdictional Comments

In Argentina, the legal framework requires exchanges (FMIs) to provide TR-like services. This is clearly formulated inside exchanges regulations. Also, the framework applied to exchanges focus on exchanges acting as FMIs' TR-like services and as CCPs.

CNV Argentina considers unnecessary to develop a new framework for TR when exchanges can develop this services as TR-like, and additionally because it will be easier in the future to work with exchanges that are also CCPs.

A new framework for TR would imply an additional cost that is not consistent with the market's needs.

As it has been indicated in the previous questionnaires, the BCRA established clear criteria to identify systemically important FMIs that are under its supervision/oversight. However, the criteria were not publicly disclosed until 10 July 2015, when the BCRA issued Communication "A" 5775 (<http://www.bcra.gob.ar/Pdfs/comytexord/A5775.pdf>). This regulation not only makes public the criteria to identify systemically important FMIs, but also establishes the obligation of compliance with the Principles, requiring its observance within the next six months. It describes the criteria to assess FMIs, and the BCRA supervisory actions. It also defines the processes that must follow FMIs to carry out periodic self-assessments, and consequently make the necessary adjustments to observe the Principles, as well as it establishes disclosure requirements. On the appointed date, it was also issued Communication "B" 11056 (<http://www.bcra.gob.ar/Pdfs/comytexord/B11056.pdf>) with the list of systemically important FMIs under the scope of the BCRA that must observe the PFMI.

At present, Principles for FMIs are effectively implemented by the BCRA, and the regulatory requirements are publicly disclosed. The BCRA will continue working for ensuring FMIs' observance of the Principles.

<sup>23</sup> On 10 July 2015, BCRA publicly disclosed a regulation that includes its implementation of the Principles in respect of PSs.

## Detailed rating for Argentina – CCP

<b>Responsible authority: The National Securities Commission (CNV)</b>		
	<b>Responsibility rating</b>	<b>Identified issues of concern and/or links to main documents</b>
<b>Resp. A</b>	Observed	<p><b>Criteria to identify FMIs that should be regulated/supervised/overseen</b></p> <p>CNV – Capital Market Law (Law 26,831), Sec.19, 20, 26, 28 to 46, Part III Chap. V  <a href="http://www.cnv.gob.ar/LeyesReg/Leyes/ing/LEY26831.htm">http://www.cnv.gob.ar/LeyesReg/Leyes/ing/LEY26831.htm</a></p> <p>CNV – Rules 2013, Title VI and Chapter IV of Title XVII and Interpretative Criteria 48, 52, 59 and 60.  <a href="http://www.cnv.gob.ar/LeyesReg/CNV/esp/TOC2013.pdf">http://www.cnv.gob.ar/LeyesReg/CNV/esp/TOC2013.pdf</a>  <a href="http://www.cnv.gov.ar/LeyesReg/marco_regulatorio3.asp?Lang=0&amp;item=3">http://www.cnv.gov.ar/LeyesReg/marco_regulatorio3.asp?Lang=0&amp;item=3</a></p> <p><b>Authority’s responsibilities</b></p> <p>See links above.</p>
<b>Resp. B</b>	Observed	<p><b>Authority’s powers – rule-making/information-gathering/enforcement</b></p> <p>See link to CNV – Capital Market Law (Law 26,831), Sec.19, 20, 26, 28 to 46, Part III Chap. V.</p> <p>See link to CNV – Rules 2013, Title VI and Chapter IV of Title XVII and Interpretative Criteria 48, 52, 59 and 60.</p>
<b>Resp. C</b>	Observed	<p><b>Regulatory/supervisory/oversight policies – objectives/roles</b></p> <p>See link to CNV – Capital Market Law (Law 26,831), Sec.19, 20, 26, 28 to 46, Part III Chap. V.</p> <p>See link to CNV – Rules 2013, Title VI and Chapter IV of Title XVII and Interpretative Criteria 48, 52, 59 and 60.</p> <p><b>Regulatory/supervisory/oversight policies – standards/rules</b></p> <p>See links above.</p>

<b>Resp. D</b>	Broadly Observed	<p><b>Approach to implementing the Principles</b></p> <p>See link to CNV – Rules 2013, Title VI and Chapter IV of Title XVII and Interpretative Criteria 48, 52, 59 and 60.</p> <p><b>Issues of concern</b></p> <p>CNV has taken actions to implement the Principles. However, some measures are still in the process of implementation and therefore the Principles are not yet fully implemented.</p>
<b>Resp. E</b>	Observed	

### Detailed rating for Argentina – CSD/SSS

<b>Responsible authorities: The National Securities Commission (CNV) and the Central Bank of Argentina (BCRA)</b>		
	<b>Responsibility rating</b>	<b>Identified issues of concern and/or links to main documents</b>
<b>Resp. A</b>	CNV: Observed BCRA: Broadly Observed	<p><b>Criteria to identify FMIs that should be regulated/supervised/overseen</b></p> <p>See link to CNV – Capital Market Law (Law 26,831), Sec.19, 20, 26, 28 to 46, Part III Chap. V.</p> <p>See link to CNV – Rules 2013, Title VI and Section I, Chapter I, Title VIII.</p> <p>BCRA – Charter of the Central Bank of the Argentine Republic, Sec. 4(g) <a href="http://www.bcra.gov.ar/pdfs/marco/CartaOrganica2012_i.pdf">http://www.bcra.gov.ar/pdfs/marco/CartaOrganica2012_i.pdf</a></p> <p><b>Authorities’ responsibilities</b></p> <p>See links above.</p> <p><b>Issues of concern</b></p> <p>CNV and BCRA have clear criteria to identify systemically important CSDs/SSSs that are under their supervision/oversight. However, the BCRA criteria are not publicly disclosed.</p>
<b>Resp. B</b>	Observed	<p><b>Authorities’ powers – rule-making/information-gathering/enforcement</b></p> <p>See link to CNV – Capital Market Law (Law 26,831), Sec.19, 20, 26, 28 to 46, Part III Chap. V.</p> <p>See link to CNV – Rules 2013, Title VI and Section I, Chapter I, Title VIII.</p>

<b>Resp. C</b>	CNV: Observed BCRA: Broadly Observed	<p><b>Regulatory/supervisory/oversight policies – objectives/roles</b></p> <p>See link to CNV – Capital Market Law (Law 26,831), Sec.19, 20, 26, 28 to 46, Part III Chap. V.</p> <p>See link to CNV – Rules 2013, Title VI and Section I, Chapter I, Title VIII.</p> <p><b>Regulatory/supervisory/oversight policies – standards/rules</b></p> <p>See links above.</p> <p><b>Issues of concern</b></p> <p>BCRA’s policies with respect to CSDs/SSSs are mainly related to operational/IT aspects and they do not clearly include the authority’s objectives, roles, and regulations.</p>
<b>Resp. D</b>	CNV: Broadly Observed BCRA: Partly Observed	<p><b>Approach to implementing the Principles</b></p> <p>See link to CNV – Rules 2013, Title VI and Section I, Chapter I, Title VIII.</p> <p>BCRA’s website on FMIs: <a href="http://www.bcra.gob.ar/medios_pago/meddir020000.asp">http://www.bcra.gob.ar/medios_pago/meddir020000.asp</a></p> <p><b>Issues of concern</b></p> <p>CNV has issued regulations that provide for the implementation of the Principles, but some are not yet in force.</p> <p>BCRA has made significant progress in adopting the Principles and requires CSDs/SSSs to carry out self-assessments against the Principles. However, the measures taken are not yet publicly disclosed. Furthermore, BCRA has not determined the timeframe for CSDs’/SSSs’ required observance of the Principles.</p>
<b>Resp. E</b>	Observed	

### Detailed rating for Argentina – PS

<b>Responsible authority: The Central Bank of Argentina (BCRA)</b>		
	<b>Responsibility rating</b>	<b>Identified issues of concern and/or links to main documents</b>
<b>Resp. A</b>	Broadly Observed	<p><b>Criteria to identify FMIs that should be regulated/supervised/overseen</b></p> <p>See link to BCRA – Charter of the Central Bank of the Argentine Republic, Sec. 4(g).</p> <p><b>Authority’s responsibilities</b></p> <p>See link above.</p>

		<p><b>Issues of concern</b></p> <p>BCRA has clear criteria to identify systemically important PSs that are under its supervision/oversight. However, at the time of the assessment, the criteria had not been publicly disclosed.</p>
<b>Resp. B</b>	Observed	<p><b>Authority's powers – rule-making/information-gathering/enforcement</b></p> <p>See link to BCRA – Charter of the Central Bank of the Argentine Republic, Sec. 4(g).</p>
<b>Resp. C</b>	Broadly Observed	<p><b>Issues of concern</b></p> <p>BCRA's policies with respect to PSs are mainly related to operational/IT aspects and they do not clearly include the authority's objectives, roles, and regulations.</p>
<b>Resp. D</b>	Partly Observed	<p><b>Approach to implementing the Principles</b></p> <p>See link to BCRA's website on FMIs.</p> <p><b>Issues of concern</b></p> <p>Significant progress has been made to adopt the Principles. However, at the time of the assessment, some measures had yet to be publicly disclosed and no timeframe had been set for PSs' observance of the Principles.</p>
<b>Resp. E</b>	Broadly Observed	<p><b>Issues of concern</b></p> <p>Argentinian PSs provide cross-border and multicurrency services and international cooperative arrangements are in place. For existing cooperative arrangements, BCRA and the other parties to the agreements accept joint responsibility for establishing efficient and effective cooperation among all relevant authorities. The precise nature of such joint responsibility is, however, not clearly defined.</p> <p>Thematic assessments against the PFMI are carried out by BCRA. However, no authority within the existing cooperative arrangements takes responsibility for periodic assessment against all of the Principles.</p>

## Detailed rating for Argentina – TR<sup>24</sup>

Responsible authority: The National Securities Commission (CNV)		
	Responsibility rating	Identified issues of concern and/or links to main documents
<b>Resp. A</b>	Broadly Observed	<p><b>Criteria to identify FMIs that should be regulated/supervised/overseen</b></p> <p>See link to CNV – Capital Market Law (Law 26,831), Sec.19, 20, 26, 28 to 46, Part III Chap. V.</p> <p>See link to CNV – Rules 2013, Title VI and Chapter IV of Title XVII and Interpretative Criteria 48, 52, 59 and 60.</p> <p>CNV-SAGYP’s JOINT REGULATIONS CNV N° 628 and SAGYP N° 208/14 <a href="http://infoleg.mecon.gov.ar/infolegInternet/verNorma.do;jsessionid=68BD049A795D86DCAB32F25B41BB9FFC?id=232154">http://infoleg.mecon.gov.ar/infolegInternet/verNorma.do;jsessionid=68BD049A795D86DCAB32F25B41BB9FFC?id=232154</a></p> <p>CNV-SAGYP’s JOINT REGULATIONS CNV N° 630 and SAGYP N° 298/14 <a href="http://www.infoleg.gob.ar/infolegInternet/verNorma.do?id=233911">http://www.infoleg.gob.ar/infolegInternet/verNorma.do?id=233911</a></p> <p><b>Authority’s responsibilities</b></p> <p>See links above.</p> <p><b>Issues of concern</b></p> <p>There is no legal definition of a TR in Argentina and therefore it is not clearly defined that TRs are included in the supervisory framework. Other entities (i.e. exchanges or clearing houses) provide TR-like services in Argentina. While these entities are subject to supervision, the framework for such supervision does not focus specifically on these entities’ TR-like services.</p>
<b>Resp. B</b>	Observed	<p><b>Authority’s powers – rule-making/information-gathering/enforcement</b></p> <p>See link to CNV – Capital Market Law (Law 26,831), Sec.19, 20, 26, 28 to 46, Part III Chap. V.</p> <p>See link to CNV – Rules 2013, Title VI and Chapter IV of Title XVII and Interpretative Criteria 48, 52, 59 and 60.</p> <p>See link to CNV-SAGYP’s JOINT REGULATIONS CNV N° 628 and SAGYP N° 208/14</p> <p>See link to CNV-SAGYP’s JOINT REGULATIONS CNV N° 630 and SAGYP N° 298/14</p>

<sup>24</sup> There is no entity appointed as a TR currently operating in Argentina. However, some entities (namely the exchanges and the clearing house) provide TR-like services and therefore the corresponding regimes are assessed.

<b>Resp. C</b>	Broadly Observed	<p><b>Regulatory/supervisory/oversight policies – objectives/roles</b></p> <p>See link to CNV – Capital Market Law (Law 26,831), Sec.19, 20, 26, 28 to 46, Part III Chap. V.</p> <p>See link to CNV – Rules 2013, Title VI and Chapter IV of Title XVII and Interpretative Criteria 48, 52, 59 and 60.</p> <p>See link to CNV-SAGYP’s JOINT REGULATIONS CNV N° 628 and SAGYP N° 208/14</p> <p>See link to CNV-SAGYP’s JOINT REGULATIONS CNV N° 630 and SAGYP N° 298/14</p> <p><b>Regulatory/supervisory/oversight policies – standards/rules</b></p> <p>See links above.</p> <p><b>Issues of concern</b></p> <p>CNV has defined some policies with respect to entities that among other services provide TR services. These include the CNV’s objectives, roles and regulations. However, the specific objectives, roles and regulations in relation to TRs are not clearly defined, largely due to the fact that the entities currently providing TR services in Argentina are regulated as exchanges or clearing houses and not specifically as TRs.</p>
<b>Resp. D</b>	Broadly Observed	<p><b>Approach to implementing the Principles</b></p> <p>See link to CNV – Rules 2013, Title VI and Chapter IV of Title XVII and Interpretative Criteria 48, 52, 59 and 60.</p> <p>See link to CNV-SAGYP’s JOINT REGULATIONS CNV N° 628 and SAGYP N° 208/14</p> <p>See link to CNV-SAGYP’s JOINT REGULATIONS CNV N° 630 and SAGYP N° 298/14</p> <p><b>Issues of concern</b></p> <p>CNV has taken actions to implement the Principles. However, some measures are still in the process of implementation and therefore the Principles are not yet fully implemented.</p>
<b>Resp. E</b>	Observed	

## Australia

### Responsibilities assessment ratings for Australia

#### Overview of Regulatory Framework/Regime

The authorities responsible for regulation, supervision and oversight of FMIs in Australia are the Reserve Bank of Australia (RBA) and the Australian Securities and Investments Commission (ASIC).

The RBA has sole responsibility for PSs, while ASIC has sole responsibility for TRs. CCPs and CSDs/SSSs are supervised jointly by ASIC and the RBA, based on the legal framework of the Corporations Act and associated policies and guidelines issued by the two regulators.<sup>25</sup> With regard to CCPs and CSDs/SSSs, licensing authority rests ultimately with the responsible Minister, with licence obligations administered by ASIC and compliance jointly overseen by ASIC and the RBA.

The RBA's role in relation to the regulation and oversight of payment systems is clearly set out in the Reserve Bank Act. This grants the Payments System Board (PSB) the power to set the RBA's payments system policy. It also gives the PSB governance over the RBA's role in the supervision of CCPs and CSDs/SSSs. In addition to regulating PSs, the RBA also has an operational role, with responsibility for the operations of Australia's high-value payments system RITS. The operational and oversight functions with respect to RITS are performed by separate departments, with distinct reporting lines up to and including the level of Assistant Governor.

The Corporations Act establishes a licensing regime for TRs. ASIC is responsible for administering this regime and supervising any TRs licensed under this regime. There are currently no domestic TRs operating in Australia. However, DTCC Data Repository Singapore Pte. Ltd. (DDRS) has been granted an Australian derivative trade repository (ADTR) licence.

In Australia, there is one domestic systemically important PS,<sup>26</sup> two systemically important CSDs/SSSs,<sup>27</sup> four CCPs,<sup>28</sup> one licensed TR<sup>29</sup> and eight TRs prescribed by Law as at January 9, 2015.<sup>30</sup>

<sup>25</sup> Part 7.3 of the Corporations Act 2001 (Corporations Act) as well as the Reserve Bank Act of 1959 (Reserve Bank Act) and the Australian Securities and Investment Commission Act 2001 (ASIC Act). The RBA is responsible for ensuring that CCPs and CSDs/SSSs comply with its Financial Stability Standards (FSS) determined under s827D of the Corporations Act and has determined separate FSS for CCPs and CSDs/SSSs. ASIC is responsible for ensuring that CCPs and CSDs/SSSs fulfil their general licence obligations, including that they provide their services in a fair and effective way.

<sup>26</sup> RITS.

<sup>27</sup> Austraclear (providing settlement and depository services for Australian debt securities) and ASX Settlement (an SSS also performing depository functions for cash equities, debt products and warrants).

<sup>28</sup> ASX Clear, ASX Clear (Futures), LCH.Clearnet Ltd and CME Inc. LCH.Clearnet Ltd and CME Inc. are not incorporated in Australia but have been licensed to provide direct clearing services to Australian participants. The RBA has stated that it does not expect that CME will be systemically important to Australia or have a strong connection to the Australian financial system in the near to medium term.

<sup>29</sup> DTCC Data Repository Singapore Pte Ltd (DDRS). DDRS is not located in Australia but has been granted an ADTR licence.

<sup>30</sup> The following TRs were prescribed until 30 June 2015, on the condition that the TR is licensed, authorised or registered to operate as a derivative trade repository under a law of a foreign jurisdiction: DTCC Data Repository (U.S.) LLC, DTCC Derivatives Repository Ltd., DTCC Data Repository (Japan) KK, DTCC Data Repository (Singapore) Pte Ltd., Chicago Mercantile Exchange Inc., ICE Trade Vault, LLC, The Monetary Authority appointed under section 5A of the Exchange Fund Ordinance of Hong Kong and UnaVista Limited. Prescribed TRs may be used by foreign entities subject to the Australian reporting regime. The prescription of a number of these TRs has since been extended beyond 30 June 2015.

## Key Observations

The RBA and ASIC are assessed to observe all Responsibilities across all FMI types.

The RBA and ASIC apply clear criteria to identify FMIs that should be subject to regulation, supervision and oversight. The RBA and ASIC have appropriate powers, consistent with their regulatory, supervisory and oversight responsibilities in respect of FMIs. Both authorities also indicate that they have sufficient resources to fulfil their responsibilities. The RBA and ASIC have also clearly defined and publicly disclosed their policies with respect to FMIs.

The RBA and ASIC have adopted the PFMI for systemically important FMIs, as articulated in their Joint Statement, published in 2013. In addition, the RBA incorporated the relevant PFMI requirements in the Financial Stability Standards for CCPs and CSDs/SSSs. ASIC Regulatory Guide 211 incorporates the PFMI Principles that are relevant to ASIC's regulatory remit for CCPs and CSDs/SSSs. The commitment to assess RITS against the Principles is also set out in the Joint Statement.

The RBA and ASIC cooperate with each other, with relevant domestic authorities, and with relevant foreign authorities to promote the safe and effective functioning of FMIs. In terms of domestic cooperation, the RBA and ASIC have an MOU that covers information sharing and consultation. They also liaise and have MOUs with other domestic authorities such as the Australian Prudential Regulation Authority (APRA) and the Commonwealth Treasury – both bilaterally and through the Council of Financial Regulators<sup>31</sup> – as well as the Australian Competition and Consumer Commission. ASIC and the RBA have a number of MOUs with relevant foreign regulators governing cooperation and information sharing arrangements for systemically important FMIs operating in Australia. The RBA also participates in cooperative oversight arrangements for FMIs operating in Australia, including the CLS Oversight Committee and the LCH.Clearnet Limited Global College.

## Jurisdictional Comments

The RBA and ASIC welcome the assessment of the CPMI-IOSCO Implementation Monitoring Standing Group and thank the Assessment Team for their diligent work. The results of this assessment are consistent with findings in relevant self-assessments against the CPMI-IOSCO PFMI Responsibilities published by the RBA and ASIC.<sup>32</sup>

<sup>31</sup> The Council of Financial Regulators is comprised of the heads of ASIC, APRA, the RBA and the Treasury.

<sup>32</sup> The RBA's self-assessment against the PFMI Responsibilities in respect of PSs is available at: <http://www.rba.gov.au/payments-system/policy-framework/principles-fmi/assessments/systemically-important/2013/pdf/2013-self-assess-sys-imp-pay-sys.pdf>. ASIC's and the RBA's joint self-assessment against the PFMI Responsibilities in respect of CCPs and CSDs/SSSs is available at: <http://www.rba.gov.au/payments-system/policy-framework/principles-fmi/assessments/responsibilities-of-authorities/2014/pdf/2014-09-self-assessment-au-authorities-cs-facilities.pdf>.

## Detailed rating for Australia – CCP

Responsible authorities: Australian Securities and Investment Commission (ASIC) and the Reserve Bank of Australia (RBA)		
	Responsibility rating	Identified issues of concern and/or links to main documents
Resp. A	Observed	<p><b>Authorities' responsibilities</b></p> <p>Corporations Act 2001 (Part 7.3)  <a href="http://www.comlaw.gov.au/Current/C2015C00003">http://www.comlaw.gov.au/Current/C2015C00003</a></p> <p><b>Criteria to identify FMIs that should be regulated/supervised/overseen</b></p> <p>ASIC's Regulatory Guide 211  <a href="http://www.asic.gov.au/regulatory-resources/find-a-document/regulatory-guides/rg-211-clearing-and-settlement-facilities-australian-and-overseas-operators/">http://www.asic.gov.au/regulatory-resources/find-a-document/regulatory-guides/rg-211-clearing-and-settlement-facilities-australian-and-overseas-operators/</a></p> <p>RBA's <i>Financial Stability Standards for Central Counterparties</i>  <a href="http://www.rba.gov.au/payments-system/clearing-settlement/standards/central-counterparties/2012/index.html">http://www.rba.gov.au/payments-system/clearing-settlement/standards/central-counterparties/2012/index.html</a></p> <p>The Reserve Bank's Approach to Assessing Clearing and Settlement Facility Licensees  <a href="http://www.rba.gov.au/payments-system/clearing-settlement/standards/assess-csf-licensees.html">http://www.rba.gov.au/payments-system/clearing-settlement/standards/assess-csf-licensees.html</a></p> <p>Application of the Regulatory Influence Framework for Cross-border Central Counterparties  <a href="http://www.cfr.gov.au/publications/cfr-publications/2014/application-of-the-regulatory-influence-framework-for-cross-border-central-counterparties/">http://www.cfr.gov.au/publications/cfr-publications/2014/application-of-the-regulatory-influence-framework-for-cross-border-central-counterparties/</a></p> <p>RBA's Policy on Frequency of Formal Assessments of Clearing and Settlement Facilities  <a href="http://www.rba.gov.au/payments-system/policy-framework/frequency-of-assessments.html">http://www.rba.gov.au/payments-system/policy-framework/frequency-of-assessments.html</a></p> <p><b>List of CCPs identified for regulation/supervision/oversight</b></p> <p>List of Clearing and Settlement facility license holders  <a href="http://asic.gov.au/regulatory-resources/markets/licensed-clearing-and-settlement-facilities-operating-in-australia/">http://asic.gov.au/regulatory-resources/markets/licensed-clearing-and-settlement-facilities-operating-in-australia/</a></p> <p><b>Published assessments of authorities against the Responsibilities</b></p> <p>Assessment of ASIC and RBA against the Responsibilities - Clearing and Settlement facilities  <a href="http://www.rba.gov.au/payments-system/policy-framework/principles-fmi/assessments/responsibilities-of-authorities/2014/pdf/2014-09-self-assessment-au-authorities-cs-facilities.pdf">http://www.rba.gov.au/payments-system/policy-framework/principles-fmi/assessments/responsibilities-of-authorities/2014/pdf/2014-09-self-assessment-au-authorities-cs-facilities.pdf</a></p>

<p><b>Resp. B</b></p>	<p>Observed</p>	<p><b>Authorities' powers – rule-making/information-gathering/enforcement</b></p> <p>See link to Corporations Act 2001  Australian Securities and Investments Commission Act 2001  <a href="http://www.comlaw.gov.au/Series/C2004A00819">http://www.comlaw.gov.au/Series/C2004A00819</a></p> <p>The Reserve Bank Act 1959  <a href="http://www.comlaw.gov.au/Series/C1959A00004">http://www.comlaw.gov.au/Series/C1959A00004</a></p> <p>See link to RBA's <i>Financial Stability Standards for Central Counterparties</i></p>
<p><b>Resp. C</b></p>	<p>Observed</p>	<p><b>Regulatory/supervisory/oversight policies – objectives/roles</b></p> <p>See link to Corporations Act 2001</p> <p>See link to ASIC's Regulatory Guide 211</p> <p>See link to Reserve Bank Act 1959</p> <p>The Payment Systems and Netting Act 1998  <a href="http://www.comlaw.gov.au/Series/C2004A00338">http://www.comlaw.gov.au/Series/C2004A00338</a></p> <p>ASIC's broader role and strategic priorities  <a href="http://www.asic.gov.au/about-asic/what-we-do/our-role/">http://www.asic.gov.au/about-asic/what-we-do/our-role/</a></p> <p>See link to RBA's Approach to Assessing Clearing and Settlement Facility Licensees</p> <p>RBA's Approach to Assessing the Sufficient Equivalence of an Overseas Regulatory Regime  <a href="http://www.rba.gov.au/payments-system/clearing-settlement/standards/overseas-equivalence.html">http://www.rba.gov.au/payments-system/clearing-settlement/standards/overseas-equivalence.html</a></p> <p><b>Regulatory/supervisory/oversight policies – guidance</b></p> <p>RBA (2014), <i>Payment System Board Annual Report</i>, October  <a href="http://www.rba.gov.au/publications/annual-reports/psb/2014/pdf/2014-psb-ann-report.pdf">http://www.rba.gov.au/publications/annual-reports/psb/2014/pdf/2014-psb-ann-report.pdf</a></p>
<p><b>Resp. D</b></p>	<p>Observed</p>	<p><b>Approach to implementing the Principles</b></p> <p>See link to ASIC's Regulatory Guide 211</p> <p>The Joint Statement  <a href="http://www.rba.gov.au/payments-system/policy-framework/principles-fmi/implementing-principles-australia.html">http://www.rba.gov.au/payments-system/policy-framework/principles-fmi/implementing-principles-australia.html</a></p> <p><b>Scope of implementation of the Principles</b></p> <p>See link to RBA's <i>Financial Stability Standards for Central Counterparties</i></p> <p>ASIC's approach to enforcement  <a href="http://asic.gov.au/about-asic/asic-investigations-and-enforcement/asic-s-approach-to-enforcement/">http://asic.gov.au/about-asic/asic-investigations-and-enforcement/asic-s-approach-to-enforcement/</a></p> <p>See link to RBA's policy on frequency of formal assessments of Clearing and Settlement facilities</p>

		<p><b>Published assessments of FMI's against the Principles</b></p> <p>Assessment of ASX Clearing and Settlement Facilities against the Principles  <a href="http://www.rba.gov.au/payments-system/policy-framework/principles-fmi/assessments/asx/2014/index.html">http://www.rba.gov.au/payments-system/policy-framework/principles-fmi/assessments/asx/2014/index.html</a></p>
<b>Resp. E</b>	Observed	<p><b>Domestic regulatory/supervisory/oversight cooperation – examples of arrangements</b></p> <p>MOU on Financial Distress Management between the Members of the Council of Financial Regulators  <a href="http://www.cfr.gov.au/about-cfr/mou/index.html">http://www.cfr.gov.au/about-cfr/mou/index.html</a></p> <p>MOU between ASIC and the RBA  <a href="http://www.rba.gov.au/media-releases/2002/mr-02-08.html">http://www.rba.gov.au/media-releases/2002/mr-02-08.html</a></p> <p><b>International regulatory/supervisory/oversight cooperation – examples of arrangements</b></p> <p>MOUs involving the RBA are set out on the RBA website  <a href="http://www.rba.gov.au/payments-system/legal-framework/memoranda.html">http://www.rba.gov.au/payments-system/legal-framework/memoranda.html</a></p> <p>MOU between ASIC and the Bank of England (originally with UK FSA)  <a href="http://www.bankofengland.co.uk/about/Documents/mous/mou_australias.pdf">http://www.bankofengland.co.uk/about/Documents/mous/mou_australias.pdf</a></p>

### Detailed rating for Australia – CSD/SSS

<b>Responsible authorities: Australian Securities and Investment Commission (ASIC) and Reserve Bank of Australia (RBA)</b>		
	<b>Responsibility rating</b>	<b>Identified issues of concern and/or links to main documents</b>
<b>Resp. A</b>	Observed	<p><b>Authorities' responsibilities</b></p> <p>See link to Corporations Act 2001 (Part 7.3)</p> <p><b>Criteria to identify FMI's that should be regulated/supervised/overseen</b></p> <p>See link to ASIC's Regulatory Guide 211</p> <p>RBA's <i>Financial Stability Standards for Securities Settlement Facilities</i>  <a href="http://www.rba.gov.au/payments-system/clearing-settlement/standards/securities-settlement-facilities/2012/index.html">http://www.rba.gov.au/payments-system/clearing-settlement/standards/securities-settlement-facilities/2012/index.html</a></p> <p>See link to the Reserve Bank's Approach to Assessing Clearing and Settlement Facility Licensees</p> <p>See link to RBA's Policy on Frequency of Formal Assessments of Clearing and Settlement Facilities</p>

		<p><b>List of CSDs/SSSs identified for regulation/supervision/oversight</b> See link to list of Clearing and Settlement facility licence holders</p> <p><b>Published assessments of authorities against the Responsibilities</b> See link to Assessment of ASIC and RBA against the Responsibilities – Clearing and Settlement facilities</p>
<b>Resp. B</b>	Observed	<p><b>Authorities' powers – rule-making/information-gathering/enforcement</b> See link to Corporations Act 2001 (Part 7.3) See link to Australian Securities and Investments Commission Act 2001 See link to Reserve Bank Act 1959 See link to RBA's <i>Financial Stability Standards for Securities Settlement Facilities</i></p>
<b>Resp. C</b>	Observed	<p><b>Regulatory/supervisory/oversight policies – objectives/roles</b> See link to Corporations Act 2001 (Part 7.3) See link to Reserve Bank Act 1959 See link to Payment Systems and Netting Act 1998 See link to ASIC's broader role and strategic priorities See link to RBA's Approach to Assessing Clearing and Settlement Facility Licensees</p> <p><b>Regulatory/supervisory/oversight policies – guidance</b> See link to RBA (2014), <i>Payment System Board Annual Report</i>, October, p 55 See link to RBA's Approach to Assessing the Sufficient Equivalence of an Overseas Regulatory Regimes</p>
<b>Resp. D</b>	Observed	<p><b>Approach to implementing the Principles</b> See link to the Joint Statement See link to ASIC's Regulatory Guide 211 See link to ASIC's approach to enforcement See link to RBA's frequency of formal assessments of Clearing and Settlement facilities</p> <p><b>Scope of implementation of the Principles</b> See link to RBA's <i>Financial Stability Standards for Securities Settlement Facilities</i></p> <p><b>Published assessments of FMIs against the Principles</b> See link to Assessment of ASX Clearing and Settlement Facilities against the Principles for Financial Market Infrastructures</p>

<b>Resp. E</b>	Observed	<p><b>Domestic regulatory/supervisory/oversight cooperation – examples of arrangements</b></p> <p>See link to MOU on Financial Distress Management between the Members of the Council of Financial Regulators</p> <p>See link to MOU between ASIC and the RBA</p> <p><b>International regulatory/supervisory/oversight cooperation – examples of arrangements</b></p> <p>See link to MOUs involving the RBA on the RBA website</p>

### Detailed rating for Australia – PS

<b>Responsible authority: Reserve Bank of Australia (RBA)</b>		
	<b>Responsibility rating</b>	<b>Identified issues of concern and/or links to main documents</b>
<b>Resp. A</b>	Observed	<p><b>Authority’s responsibilities</b></p> <p>See link to the Reserve Bank Act 1959</p> <p>Payment Systems (Regulation) Act 1998  <a href="http://www.comlaw.gov.au/Series/C2004A00318">http://www.comlaw.gov.au/Series/C2004A00318</a></p> <p>See link to the Joint Statement</p> <p><b>Criteria to identify FMIs that should be regulated/supervised/overseen</b></p> <p>See link to RBA (2014), <i>Payment System Board Annual Report</i>, October, p 49</p> <p><b>Published assessments of authorities against the Responsibilities</b></p> <p>RBA (2013), <i>2013 Self-assessment of the Reserve Bank of Australia – Systemically Important Payment Systems</i>, December  <a href="http://www.rba.gov.au/payments-system/policy-framework/principles-fmi/assessments/systemically-important/2013/pdf/2013-self-assess-sys-imp-pay-sys.pdf">http://www.rba.gov.au/payments-system/policy-framework/principles-fmi/assessments/systemically-important/2013/pdf/2013-self-assess-sys-imp-pay-sys.pdf</a></p>
<b>Resp. B</b>	Observed	<p><b>Authority’s powers – rule-making/information-gathering/enforcement</b></p> <p>See link to Payment Systems (Regulation) Act 1998</p>
<b>Resp. C</b>	Observed	<p><b>Regulatory/supervisory/oversight policies – objectives/roles</b></p> <p>See link to Reserve Bank Act 1959</p> <p>See link to Payment Systems (Regulation) Act 1998</p> <p>See link to the Payment Systems and Netting Act 1998</p> <p><b>Regulatory/supervisory/oversight policies – guidance</b></p> <p>See link to the Joint Statement</p>

<b>Resp. D</b>	Observed	<p><b>Approach to implementing the Principles</b></p> <p>See link to the Joint Statement</p> <p><b>Published assessments of FMIs against the Principles</b></p> <p>RBA (2014), <i>2014 Assessment of the Reserve Bank Information and Transfer System</i>, December  <a href="http://www.rba.gov.au/payments-system/rits/self-assessments/2014/pdf/2014-assess-rits.pdf">http://www.rba.gov.au/payments-system/rits/self-assessments/2014/pdf/2014-assess-rits.pdf</a></p>
<b>Resp. E</b>	Observed	<p><b>Domestic regulatory/supervisory/oversight cooperation – examples of arrangements</b></p> <p>ACCC-RBA MOU  <a href="http://www.rba.gov.au/media-releases/1998/pdf/jmr-98-acc-rba-mou.pdf">http://www.rba.gov.au/media-releases/1998/pdf/jmr-98-acc-rba-mou.pdf</a></p> <p>See link to MOU on Financial Distress Management between the Members of the Council of Financial Regulators</p> <p><b>International regulatory/supervisory/oversight cooperation – examples of arrangements</b></p> <p>The Protocol for the Cooperative Oversight Arrangement of CLS  <a href="http://www.federalreserve.gov/paymentsystems/cls_protocol.htm#oversightInformation">http://www.federalreserve.gov/paymentsystems/cls_protocol.htm#oversightInformation</a></p>

### Detailed rating for Australia – TR

<b>Responsible authority: Australian Securities and Investments Commission (ASIC)</b>		
	<b>Responsibility rating</b>	<b>Identified issues of concern and/or links to main documents</b>
<b>Resp. A</b>	Observed	<p><b>Criteria to identify FMIs that should be regulated/supervised/overseen</b></p> <p>See link to Corporations Act 2001 (Pt 7.5A)</p>
<b>Resp. B</b>	Observed	<p><b>Authority's powers – rule-making/information-gathering/enforcement</b></p> <p>ASIC Derivative Trade Repository Rules 2013  <a href="http://www.comlaw.gov.au/Details/F2013L01344">http://www.comlaw.gov.au/Details/F2013L01344</a></p> <p>See link to Corporations Act 2001 (Pt 7.5A)</p>

<b>Resp. C</b>	Observed	<p><b>Regulatory/supervisory/oversight policies – objectives/roles</b></p> <p>ASIC Regulatory Guide 249 (RG249)  <a href="http://www.asic.gov.au/regulatory-resources/find-a-document/regulatory-guides/rg-249-derivative-trade-repositories/">http://www.asic.gov.au/regulatory-resources/find-a-document/regulatory-guides/rg-249-derivative-trade-repositories/</a></p> <p><b>Regulatory/supervisory/oversight policies – guidance</b></p> <p>FAQ 8 on ASIC’s OTC FAQ Page  <a href="http://www.asic.gov.au/regulatory-resources/markets/otc-derivatives-reform/frequently-asked-questions/#faq8">http://www.asic.gov.au/regulatory-resources/markets/otc-derivatives-reform/frequently-asked-questions/#faq8</a></p>
<b>Resp. D</b>	Observed	<p><b>Approach to implementing the Principles</b></p> <p>ASIC Consultation Paper 201 <i>Derivative Trade Repositories</i>  <a href="http://download.asic.gov.au/media/1335350/cp201-published-15-March-2013.pdf">http://download.asic.gov.au/media/1335350/cp201-published-15-March-2013.pdf</a></p> <p><b>Scope of implementation of the Principles</b></p> <p>See link to RG249  See link to Corporations Act 2001  See link to the Joint Statement</p>
<b>Resp. E</b>	Observed	<p><b>International regulatory/supervisory/oversight cooperation – examples of arrangements</b></p> <p>ASIC-MAS supervisory MOU  <a href="http://download.asic.gov.au/media/1347074/Singapore_MOU_2000.pdf">http://download.asic.gov.au/media/1347074/Singapore_MOU_2000.pdf</a></p> <p>ASIC-MAS data-sharing MOU  <a href="http://download.asic.gov.au/media/2067384/monetary-authority-of-singapore-mou-2014.pdf">http://download.asic.gov.au/media/2067384/monetary-authority-of-singapore-mou-2014.pdf</a></p>

## Belgium

### Responsibilities assessment ratings for Belgium

#### Overview of Regulatory Framework/Regime

The authorities responsible for regulation, supervision and oversight of FMIs in Belgium are the National Bank of Belgium (NBB) and the Financial Services and Markets Authority (FSMA).

The NBB and FSMA have joint responsibility for CCPs and CSDs/SSSs. The NBB is responsible for prudential supervision – including the issuance of authorisations – and oversight of CCPs and CSDs/SSSs. The FSMA supervises the CCP's and CSD's conduct of business rules. NBB, as a member of the Eurosystem, pursues its FMI oversight responsibilities according to policies defined by the Eurosystem. In the case of PSs that operate across the Euro area (with no 'national anchor'; see EU), the ECB is the competent authority; other Eurosystem members contribute to PS oversight on a no prohibition/no compulsion basis. TRs established in the EU are under the sole supervision of ESMA.

In Belgium, FMIs are subject to regulation, supervision and oversight under both national and European Union (EU) law or Eurosystem regulation. CCPs are subject to the European Market Infrastructure Regulation (EMIR) and its associated technical standards. CSDs/SSSs currently are subject to national regulation. In due course, CSDs/SSSs will be required to comply with the Central Securities Depositories Regulation (CSDR). As noted, within the Euro area, systemically important PSs are subject to the Eurosystem regulation. TRs are subject to EMIR and its associated technical standards.

In Belgium there are four CSDs/SSSs<sup>33</sup> and no CCPs, systemically important PSs<sup>34</sup> or TRs.

#### Key Observations

NBB and FSMA (the Belgian authorities) are assessed to observe all relevant Responsibilities for CCPs and CSDs/SSSs, except Responsibility E for CSDs/SSSs for which they are assessed to be broadly observed. The Belgian authorities are also assessed to observe all relevant Responsibilities for systemically important PSs (Responsibilities B and E; the remaining Responsibilities are assessed at the European Union level).

NBB and FSMA apply clear criteria to identify CCPs and CSDs/SSSs that should be subject to regulation, supervision and oversight.

The Belgian authorities have appropriate powers, consistent with their regulatory, supervisory, and oversight responsibilities in respect of FMIs. Both authorities also indicate that they have sufficient resources to fulfil their responsibilities.

The Belgian authorities have also defined and publicly disclosed their policies with respect to CCPs and CSDs/SSSs.

The Belgian authorities apply the PFMI to all CCPs and CSDs/SSSs. Moreover, the Belgian authorities have published statements regarding the adoption of the PFMI and apply the Principles to FMIs.

The Belgian authorities cooperate with both relevant domestic and international authorities to promote the safety and efficiency of the CCPs, CSDs/SSSs and systemically important PSs in Belgium and

<sup>33</sup> Euroclear Bank, Euroclear Belgium, Bank of New York Mellon CSD/SSS and NBB-SSS.

<sup>34</sup> The Belgian component of the European TARGET2 system is considered to be an integral component of TARGET2. NBB contributes to the Eurosystem oversight of systemically important PSs on a no prohibition / no compulsion basis.

the Euro area. In terms of domestic cooperation, Belgian authorities work together in exercising their functions to ensure each is able to advance its objectives.

In relation to international cooperation, the Belgian authorities take part in CCP supervisory colleges established under EMIR. NBB also participates in cooperative oversight arrangements for systemically important PSs. The NBB has also established supervisory cooperation arrangements for cross-border CSDs/SSSs under its jurisdiction. While some of these arrangements are assessed to be operating in a manner fully consistent with the Responsibilities, there are other arrangements that could be enhanced for the multicurrency CSD/SSS. For instance, the form of cooperation of one existing arrangement does not fully promote the effectiveness of the cooperation. Also, some existing arrangements do not provide for all relevant foreign authorities to be consulted and all relevant central banks of issue to be invited to provide views during assessments.

### Jurisdictional Comments

In general, the NBB and FSMA agree with the outcome of the assessment, based on the status of 9 January 2015.

The assessment outcome remarks relate to the cross-border implementation by the NBB of the Responsibility E (Cooperation with other authorities) as regards Belgian CSD/SSS. Specifically, the observations of this PFMI Responsibility E assessment for Belgian CSD/SSS do relate to Euroclear Bank (EB).

EB settles trades of more than 45 markets and settles in more than 50 currencies. The NBB took the following approach to define the relevant authorities for EB in the existing cooperative arrangements, given that the PFMI do not have specific criteria to define "relevant authorities", and taking into account the guidance provided in the Sections 148 and 151 of the CPSS report on "Central bank oversight of payment and settlement systems" (the "Oversight Report"). Four criteria are used to define "relevant authorities" based on: governance (i.e. authorities of entities belonging to the Euroclear group), outsourcing arrangements (i.e. authorities of systems that have outsourced services to EB), "relevant currencies" (i.e. central banks of issue of these currencies), and relevant FMI links (i.e. authorities of linked multicurrency CSD/SSS). To define "relevant" currencies, the NBB considers the relative share of each currency in the system of EB according to the value of turnover against payment transactions. To identify "relevant" links, the NBB considers the interoperable links, as defined under the CSDR.

The NBB is in the process to set up a multilateral MoU with the central banks of issue of the relevant currencies in EB, i.e. the four major currencies that represent +/-97% of the payment turnover volumes. The currently existing bilateral MoUs will be consolidated in this multilateral one and will be upgraded to consult the participating authorities during the NBB's assessment of EB. The NBB will consult these authorities and invite them to provide views during the PFMI assessments. Moreover, the NBB notes that it will continue to publicly disclose a summary of its assessment report of EB against the PFMI in its Financial Stability Report. The NBB is also in the process to formalize its current cooperation with the relevant authority(ies) of the CSD with which EB has established an interoperable link.

As for the EU, the future Regulatory Technical Standards (RTS) that will implement the CSD Regulation (CSDR), will also define "relevant authorities" for cooperation arrangements, based on a set of qualitative and quantitative criteria. The CSDR also requires that relevant authorities are consulted during the initial authorization and subsequent yearly reviews. The NBB will review its cooperative arrangements as soon as the related CSDR Delegated Act has been published, to align its practice with the CSDR requirements where these should go further than what the PFMI require.

## Detailed rating for Belgium – CCP

Responsible authority(ies): National Bank of Belgium – Prudential supervisor and overseer FSSA Belgium – Conduct of business supervisor		
	Responsibility rating	Identified issues of concern and/or links to main documents
Resp. A	Observed	<p><b>Criteria to identify CCPs that should be regulated/supervised/overseen</b></p> <p>European Market Infrastructure Regulation (EMIR):  <a href="http://www.eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2012:201:0001:0059:EN:PDF">www.eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2012:201:0001:0059:EN:PDF</a></p> <p>EMIR Regulatory Technical Standards:  <a href="http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:052:0037:0040:EN:PDF">http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:052:0037:0040:EN:PDF</a>  <a href="http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:052:0041:0074:EN:PDF">http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:052:0041:0074:EN:PDF</a></p> <p>ESMA Guidelines and Recommendations on PFMI Implementation:  <a href="http://www.esma.europa.eu/system/files/2014-1133_en.pdf">http://www.esma.europa.eu/system/files/2014-1133_en.pdf</a></p> <p><b>List of CCPs identified for regulation/supervision/oversight</b></p> <p><a href="http://www.esma.europa.eu/system/files/ccps_authorized_under_emir.pdf">http://www.esma.europa.eu/system/files/ccps_authorized_under_emir.pdf</a></p> <p><b>Authorities' responsibilities</b></p> <p>Belgian Law of 22 February 1998 establishing the organic statute of the National Bank of Belgium:  <a href="http://www.nbb.be/doc/ts/enterprise/juridisch/E/organic_act.pdf">http://www.nbb.be/doc/ts/enterprise/juridisch/E/organic_act.pdf</a></p> <p>Law of 2 August 2002 on the supervision of the financial sector and on financial services:  <a href="http://www.fsma.be/en/About%20FSMA/wg/wetteksten/wetgeving.aspx">http://www.fsma.be/en/About%20FSMA/wg/wetteksten/wetgeving.aspx</a></p> <p>NBB – Adoption of the PFMI, July 2012:  <a href="http://www.nbb.be/doc/cp/fr/vi/settle/circ/pdf/nbb_2012_06-fr.pdf">http://www.nbb.be/doc/cp/fr/vi/settle/circ/pdf/nbb_2012_06-fr.pdf</a></p> <p>FSMA – Adoption of the PFMI, August 2014:  <a href="http://www.fsma.be/en/Supervision/fm/settle/circmedprak.aspx">http://www.fsma.be/en/Supervision/fm/settle/circmedprak.aspx</a></p> <p>List of Competent Authorities:  <a href="http://www.esma.europa.eu/page/Competent-authorities-responsible-authorisation-and-supervision-central-counterparties-CPPs">http://www.esma.europa.eu/page/Competent-authorities-responsible-authorisation-and-supervision-central-counterparties-CPPs</a></p>
Resp. B	Observed	
Resp. C	Observed	

<b>Resp. D</b>	Observed	
<b>Resp. E</b>	Observed	<p><b>Policies on cooperation with other authorities</b></p> <p>ESMA Technical Standards for CCP Colleges:  <a href="http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:244:0019:0022:EN:PDF">http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:244:0019:0022:EN:PDF</a></p> <p><b>International regulatory/supervisory/oversight cooperation – example of arrangements</b></p> <p>ESMA – CCP Colleges:  <a href="http://www.esma.europa.eu/system/files/2013-661_report_gr_on_college_written_agreement_-_final_for_publication_20130604.pdf">http://www.esma.europa.eu/system/files/2013-661_report_gr_on_college_written_agreement_-_final_for_publication_20130604.pdf</a></p>

### Detailed rating for Belgium – CSD/SSS

<b>Responsible authority(ies):</b> <b>National Bank of Belgium – Prudential supervisor and overseer</b> <b>FSSA Belgium – Conduct of business supervisor</b>		
	<b>Responsibility rating</b>	<b>Identified issues of concern and/or links to main documents</b>
<b>Resp. A</b>	Observed	<p><b>Criteria to identify CSD/SSS that should be regulated/supervised/overseen, Authorities responsibilities</b></p> <p>See link to Belgian Law of 22 February 1998 establishing the organic statute of the National Bank of Belgium.</p> <p>See link to Law of 2 August 2002 on the supervision of the financial sector and on financial services.</p> <p>Royal Decree 26/09/2005:  <a href="http://www.nbb.be/doc/cp/nl/vi/settle/wg/pdf/rd_26-09-2005.pdf">http://www.nbb.be/doc/cp/nl/vi/settle/wg/pdf/rd_26-09-2005.pdf</a>.</p> <p>Belgian Settlement Finality Act of 28 April 1999:  <a href="http://ec.europa.eu/internal_market/financial-markets/settlement/dir-98-26-implementation_en.htm">http://ec.europa.eu/internal_market/financial-markets/settlement/dir-98-26-implementation_en.htm</a></p> <p>Law of 25 April 2014 on the legal status and supervision of credit institutions:  <a href="http://www.nbb.be/pub/cp/framework.htm?l=nl">http://www.nbb.be/pub/cp/framework.htm?l=nl</a></p> <p>NBB and FSMA cooperation agreement of 18 October 2012:  <a href="http://www.fsma.be/en/About%20FSMA/mou/samenwerkingsaccord.aspx">http://www.fsma.be/en/About%20FSMA/mou/samenwerkingsaccord.aspx</a></p> <p>Eurosystem – Adoption of PFMI:  <a href="https://www.ecb.europa.eu/press/govcdec/otherdec/2013/html/gc130621.en.html">https://www.ecb.europa.eu/press/govcdec/otherdec/2013/html/gc130621.en.html</a></p> <p>See link to NBB – Adoption of the PFMI, July 2012:</p>

		See link to FSMA – Adoption of the PFMI, August 2014: Eurosystem Oversight Policy Framework: <a href="https://www.ecb.europa.eu/pub/pdf/other/eurosystemoversightpolicyframework2011en.pdf">https://www.ecb.europa.eu/pub/pdf/other/eurosystemoversightpolicyframework2011en.pdf</a>
<b>Resp. B</b>	Observed	
<b>Resp. C</b>	Observed	<b>Regulatory/supervisory/oversight policies – objectives/roles</b> NBB's 2014 Financial Stability Review: <a href="http://www.nbb.be/doc/ts/Publications/FSR/FSR2014.pdf">http://www.nbb.be/doc/ts/Publications/FSR/FSR2014.pdf</a>
<b>Resp. D</b>	Observed	
<b>Resp. E</b>	Broadly Observed	<p><b>Domestic regulatory/supervisory/oversight cooperation – example of arrangements</b></p> <p>Cooperation arrangement between the NBB and FSMA: <a href="http://www.fsma.be/en/About%20FSMA/mou/samenwerkingsaccord.aspx">http://www.fsma.be/en/About%20FSMA/mou/samenwerkingsaccord.aspx</a></p> <p><b>International regulatory/supervisory/oversight cooperation – example of arrangements</b></p> <p><u>Memorandum of Understanding on the cooperation concerning the supervision/oversight of the settlement operations outsourced by Euroclear Belgium to Euroclear France</u></p> <p>MoU on the co-operation framework for the oversight and supervision of Euroclear SA/NV (ESA) of 5 October 2009: <a href="https://www.nbb.be/doc/cp/eng/aboutcbfa/mou/pdf/mou_2009-10-05_supervisionofeuroclear.pdf">https://www.nbb.be/doc/cp/eng/aboutcbfa/mou/pdf/mou_2009-10-05_supervisionofeuroclear.pdf</a></p> <p>Note: Not all MOUs are publicly available.</p> <p><b>Issues of concern</b></p> <p>Although the cooperation frameworks for some CSDs are considered to fully observe the requirements of Responsibility E, there are gaps and issues of concern for the multicurrency CSD/SSS:</p> <ul style="list-style-type: none"> <li>– the form of cooperation of one existing arrangement does not fully promote the effectiveness of the cooperation</li> <li>– not all relevant foreign authorities are consulted and</li> <li>– not all relevant central banks of issues are invited to provide views during assessments.</li> </ul>

### Detailed rating for Belgium – Systemically important PS

Responsible authority(ies): National Bank of Belgium		
	Responsibility rating	Identified issues of concern and/or links to main documents
<b>Resp. A</b>	See EU/Eurosystem	
<b>Resp. B</b>	Observed (See EU/Eurosystem)	
<b>Resp. C</b>	See EU/Eurosystem	
<b>Resp. D</b>	See EU/Eurosystem	
<b>Resp. E</b>	Observed (See EU/Eurosystem)	

## Brazil

### Responsibilities assessment ratings for Brazil

#### Overview of Regulatory Framework/Regime

The authorities responsible for regulation, supervision and oversight of FMI's in Brazil are the National Monetary Council (CMN), Central Bank of Brazil (BCB) and the Brazilian Securities Commission (CVM). CMN is responsible for regulation of PSs, SSSs and CCPs, with a focus of promoting the improvement of institutions and financial instruments to ensure higher efficiency of the national payments system. Under the CMN general regulation, BCB issues specific regulation, authorizes the functioning of, supervises and oversees PSs, SSSs and CCPs (clearing and settlement activities), shared with CVM for SSSs. In case of CSDs and TRs, BCB and CVM are the authorities responsible for full regulation, authorization, supervision and oversight.

In Brazil, there are two systemically important PSs,<sup>35</sup> three CSDs/SSSs,<sup>36</sup> four TRs/SSSs<sup>37</sup> and one SSS.<sup>38</sup> One CCP<sup>39</sup> supports activity in four markets: equities, derivatives, foreign exchange, and fixed income securities.

#### Key Observations

The Brazilian authorities are assessed to observe all the Responsibilities across all FMI types.

CMN, BCB and CVM apply clear criteria to identify FMI's that should be subject to regulation, supervision and oversight.

CMN, BCB and CVM have appropriate powers, consistent with their corresponding regulatory, supervisory and oversight responsibilities in respect of FMI's. The Brazilian authorities also indicate that they have sufficient resources to fulfil their responsibilities.

CMN, BCB and CVM have clearly defined and publicly disclosed their policies with respect to FMI's through several publications, which include policy statements, circulars, instructions, resolutions, and oversight reports on the authorities' websites. The PFMI have been adopted in the oversight of FMI's. This was made public through a policy statement by the BCB and an instruction by the CVM.

The BCB and the CVM collaboratively supervise, regulate and oversee domestic CSDs, SSSs and TRs. They have a Memorandum of Understanding in place allowing them to share information and empowering them to coordinate their activities. The CMN also plays a coordination role in common activities they perform. For CCPs and PS, the BCB is the sole authority responsible for oversight. BCB is also responsible for banking supervision and is the resolution authority for financial institutions. As such, the BCB does not currently cooperate with any other authority with respect to its oversight of CCPs and PSs.

<sup>35</sup> STR and BM&FBOVESPA FX.

<sup>36</sup> Selic, CETIP and BM&FBOVESPA Equities.

<sup>37</sup> BM&FBOVESPA Derivatives, BM&FBOVESPA OTC Market, CIP-C3 and CETIP.

<sup>38</sup> BM&FBOVESPA Securities.

<sup>39</sup> BM&FBOVESPA that comprises four systems: BM&FBOVESPA Equities; BM&FBOVESPA Derivatives; BM&FBOVESPA FX; and BM&FBOVESPA Securities.

## Jurisdictional Comments

The Brazilian authorities are grateful for the assessment of PFMI Responsibilities conducted by the assessment team. We appreciate the conclusion of observance on all the Responsibilities across all FMI-types after the efforts for implementation of the PFMI in Brazil. In order to promote the continuous improvement of Brazilian FMIs and its adherence to the PFMI, two recent initiatives need to be highlighted.

First, once a year, BCB publishes the Brazilian Payments System's Oversight Report. The report aims to provide greater transparency to BCB's oversight practices, as well as a comprehensive set of policies on financial market infrastructures.

Second, in 2015, a national payment system forum was established between BCB and FMI's stakeholders. The forum is open for FMIs, FMI's participants and final clients' representatives and other regulators. Its mandate is mainly to: create a discussion environment for FMI related subjects; guarantee the consideration of all stakeholders' interests on regulatory issues; assess the impact of FMI regulation; and coordinate with the market to implement regulation and policy.

Finally, we thank the assessment and particularly the assessors for the subsidies brought by the work. The results of the assessment will certainly guide next and future steps of the Brazilian authorities on the pursuit of the continuous enhancement of the financial market infrastructures.

## Detailed rating for Brazil – CCP

Responsible authorities: Banco Central do Brazil (BCB) and National Monetary Council (CMN)		
	Responsibility rating	Identified issues of concern and/or links to main documents
Resp. A	Observed	<p><b>Criteria to identify FMI's that should be regulated/supervised/overseen</b></p> <p>Law 10,214  <a href="http://www.bcb.gov.br/Pom/Spb/Ing/InstitucionalAspects/Law10214.pdf">http://www.bcb.gov.br/Pom/Spb/Ing/InstitucionalAspects/Law10214.pdf</a></p> <p>BCB Policy Statement 25,164<sup>40</sup></p> <p><b>Authorities' responsibilities</b></p> <p>Law 4,595  <a href="http://www.bcb.gov.br/?LAW4595">http://www.bcb.gov.br/?LAW4595</a></p> <p>CMN Resolution 2,882  <a href="http://www.bcb.gov.br/Pom/Spb/Ing/InstitucionalAspects/Resolution2882amended.pdf">http://www.bcb.gov.br/Pom/Spb/Ing/InstitucionalAspects/Resolution2882amended.pdf</a></p>
Resp. B	Observed	<p><b>Authorities' powers – rule-making/information-gathering/enforcement</b></p> <p>See link to Law 10,214            See link to Law 4,595            See link to CMN Resolution 2,882</p> <p>BCB Circular 3,057  <a href="http://www.bcb.gov.br/Pom/Spb/Ing/InstitucionalAspects/Circular3057amended.pdf">http://www.bcb.gov.br/Pom/Spb/Ing/InstitucionalAspects/Circular3057amended.pdf</a></p> <p><b>Legal protections</b></p> <p>Law No 8,112 (available in Portuguese)  <a href="http://www.planalto.gov.br/ccivil_03/leis/l8112cons.htm">http://www.planalto.gov.br/ccivil_03/leis/l8112cons.htm</a></p>
Resp. C	Observed	<p><b>Regulatory/supervisory/oversight policies – objectives/roles</b></p> <p>See link to CMN Resolution 2,882</p> <p><b>Regulatory/supervisory/oversight policies – standards/rules</b></p> <p>See link to Law 10,214            See Link to BCB Circular 3,057</p>

<sup>40</sup> Policy Statement No. 25,164 is no longer available on the website as the document has been replaced on 20 January 2015 by Policy Statement 27,115. <http://www.bcb.gov.br/pom/spb/ing/IComunicado27115.pdf>.

		<p><b>Regulatory/supervisory/oversight policies – guidance</b></p> <p>BCB Brazilian Payments System’s Oversight Report  <a href="http://www.bcb.gov.br/Pom/Spb/Ing/Brazilian%20Payments%20System%20Oversight%20Report%202013.pdf">http://www.bcb.gov.br/Pom/Spb/Ing/Brazilian%20Payments%20System%20Oversight%20Report%202013.pdf</a></p> <p>BCB Policy statement 25,097  <a href="http://www.bcb.gov.br/pom/spb/ing/Comuniqu_e_DEBAN_25097_en.pdf">http://www.bcb.gov.br/pom/spb/ing/Comuniqu_e_DEBAN_25097_en.pdf</a></p>
<b>Resp. D</b>	Observed	<p><b>Approach to implementing the Principles</b></p> <p>See link to BCB Policy Statement 25,097  Policy Statement 25,164</p>
<b>Resp. E</b>	Observed	

#### Detailed rating for Brazil – CSD/SSS

<b>Responsible authorities: Banco Central do Brazil (BCB), National Monetary Council (CMN), and for CSDs, Brazilian Securities and Exchange Commission (CVM)</b>		
	<b>Responsibility rating</b>	<b>Identified issues of concern and/or links to main documents</b>
<b>Resp. A</b>	Observed	<p><b>Criteria to identify FMIs that should be regulated/supervised/overseen</b></p> <p>See link to Law 10,214  Law 12,810 (available in Portuguese)  <a href="http://www.planalto.gov.br/ccivil_03/ Ato2011-2014/2013/Lei/L12810.htm">http://www.planalto.gov.br/ccivil_03/ Ato2011-2014/2013/Lei/L12810.htm</a> (articles 22 to 29)</p> <p>BCB Policy Statement No. 25,164</p> <p><b>Authorities’ responsibilities</b></p> <p>See link to Law 4,595  Law 6,385  <a href="http://www.cvm.gov.br/export/sites/cvm/subportal_ingles/menu/investors/anexos/Law-6.385-ing.pdf">http://www.cvm.gov.br/export/sites/cvm/subportal_ingles/menu/investors/anexos/Law-6.385-ing.pdf</a></p>

<b>Resp. B</b>	Observed	<p><b>Authorities' powers – rule-making/information-gathering/enforcement</b></p> <p>See link to Law 10,214</p> <p>See link to Law 12,810 (available in Portuguese)</p> <p>See link to Law 4,595</p> <p>See link to CMN Resolution 2,882</p> <p>See link to BCB Circular 3,057</p> <p>BCB Circular 3,743 (available in Portuguese)</p> <p><a href="http://www.bcb.gov.br/pre/normativos/circ/2015/pdf/circ_3743_v1_O.pdf">http://www.bcb.gov.br/pre/normativos/circ/2015/pdf/circ_3743_v1_O.pdf</a></p> <p>CVM Instruction 541 (CSD, available in Portuguese)</p> <p><a href="http://www.cvm.gov.br/export/sites/cvm/legislacao/anexos/inst/500/inst541.pdf">http://www.cvm.gov.br/export/sites/cvm/legislacao/anexos/inst/500/inst541.pdf</a></p> <p><b>Legal protections</b></p> <p>See link to Law 8,112 (available in Portuguese)</p>
<b>Resp. C</b>	Observed	<p><b>Regulatory/supervisory/oversight policies – objectives/roles</b></p> <p>See link to CMN Resolution 2,882</p> <p><b>Regulatory/supervisory/oversight policies – standards/rules</b></p> <p>See link to Law 10,214</p> <p>See Link to BCB Circular 3,057</p> <p>See Link to BCB Circular 3,743 (available in Portuguese)</p> <p><b>Regulatory/supervisory/oversight policies – guidance</b></p> <p>See link to BCB Brazilian Payments System's Oversight Report</p> <p>See link to BCB Policy statement 25,097</p>
<b>Resp. D</b>	Observed	<p><b>Approach to implementing the Principles</b></p> <p>See link to BCB Policy Statement 25,097</p> <p>Policy Statement 25,164</p> <p>See link to CVM Instruction 541 (available in Portuguese)</p>
<b>Resp. E</b>	Observed	<p>MoU between BCB and CVM (available in Portuguese)</p> <p><a href="http://www.bcb.gov.br/pre/acordos_e_convenios/Convenio-BCB-CVM-25abril2014.pdf">http://www.bcb.gov.br/pre/acordos_e_convenios/Convenio-BCB-CVM-25abril2014.pdf</a></p>

## Detailed rating for Brazil – PS

<b>Responsible authorities: Banco Central do Brazil (BCB) and National Monetary Council (CMN)</b>		
	<b>Responsibility rating</b>	<b>Identified issues of concern and/or links to main documents</b>
<b>Resp. A</b>	Observed	<p><b>Criteria to identify FMIs that should be regulated/supervised/overseen</b> See link to Law 10,214 Policy Statement No. 25,164</p> <p><b>Authorities' responsibilities</b> See link to Law 4,595</p>
<b>Resp. B</b>	Observed	<p><b>Authorities' powers – rule-making/information-gathering/enforcement</b> See link to Law 10,214 See link to Law 4,595 See link to CMN Resolution 2,882 See link to BCB Circular 3,057</p> <p><b>Legal protections</b> See link to Law No 8,112 (available in Portuguese)</p>
<b>Resp. C</b>	Observed	<p><b>Regulatory/supervisory/oversight policies – objectives/roles</b> See link to CMN Resolution 2,882</p> <p><b>Regulatory/supervisory/oversight policies – standards/rules</b> See link to Law 10,214 See Link to BCB Circular 3,057</p> <p><b>Regulatory/supervisory/oversight policies – guidance</b> See link to BCB Brazilian Payments System's Oversight Report See link to BCB Policy statement 25,097</p>
<b>Resp. D</b>	Observed	<p><b>Approach to implementing the Principles</b> See link to BCB's Policy Statement 25,097 Policy Statement 25,164</p>
<b>Resp. E</b>	Observed	

## Detailed rating for Brazil – TR

Responsible authorities: Banco Central do Brazil (BCB), National Monetary Council (CMN), and Brazilian Securities and Exchange Commission (CVM)		
	Responsibility rating	Identified issues of concern and/or links to main documents
Resp. A	Observed	<p><b>Criteria to identify FMI's that should be regulated/supervised/overseen</b></p> <p>See link to Law 10,214</p> <p>See link to Law 12,810 (available in Portuguese)</p> <p>BCB Policy Statement No. 25,164</p> <p><b>Authorities' responsibilities</b></p> <p>See link to Law 4,595</p> <p>See link to Law 6,385</p>
Resp. B	Observed	<p><b>Authorities' powers – rule-making/information-gathering/enforcement</b></p> <p>See link to Law 10,214</p> <p>See link to Law 12,810 (available in Portuguese)</p> <p>See link to Law 4,595</p> <p>See link to CMN Resolution 2,882</p> <p>See link to BCB Circular 3,057</p> <p>See link to BCB Circular 3,743 (available in Portuguese)</p> <p>CVM Instruction 544 (available in Portuguese)</p> <p><a href="http://www.cvm.gov.br/export/sites/cvm/legislacao/anexos/inst/500/inst544.pdf">http://www.cvm.gov.br/export/sites/cvm/legislacao/anexos/inst/500/inst544.pdf</a></p> <p>CVM Instruction 461</p> <p><a href="http://www.cvm.gov.br/export/sites/cvm/subportal_ingles/menu/investors/anexos/CVM-Instruction-461.pdf">http://www.cvm.gov.br/export/sites/cvm/subportal_ingles/menu/investors/anexos/CVM-Instruction-461.pdf</a></p> <p><b>Legal protections</b></p> <p>See link to Law 8,112 (available in Portuguese)</p>

<b>Resp. C</b>	Observed	<p><b>Regulatory/supervisory/oversight policies – objectives/roles</b> See link to CMN Resolution 2,882</p> <p><b>Regulatory/supervisory/oversight policies – standards/rules</b> See link to Law 10,214 See Link to BCB Circular 3,057 See Link to BCB Circular 3,743 (available in Portuguese)</p> <p><b>Regulatory/supervisory/oversight policies – guidance</b> See link to BCB Brazilian Payments System’s Oversight Report See link to BCB Policy statement 25,097</p>
<b>Resp. D</b>	Observed	<p><b>Approach to implementing the Principles</b> See link to BCB Policy Statement 25,097 Policy Statement 25,164 See link to CVM Instruction 544 (available in Portuguese)</p>
<b>Resp. E</b>	Observed	See link to MoU between BCB and CVM (available in Portuguese)

## Canada

### Responsibilities assessment ratings for Canada

#### Overview of Regulatory Framework/Regime

The authorities responsible for regulation, supervision and oversight of FMIs in Canada, which this assessment focuses on, are the Bank of Canada (BoC), the Minister of Finance (MoF), the Autorité des marchés financiers (AMF), Ontario Securities Commission (OSC), British Columbia Securities Commission (BCSC), and Manitoba Securities Commission (MSC).

In Canada, the legislative framework for FMIs is contained in both federal and provincial regulations with the level of application varying according to the FMI type: CCPs and CSDs/SSSs are regulated at the provincial level for any province in which they operate and those that are systemically important are also overseen at the federal level;<sup>41</sup> PSs are overseen at the federal level; and TRs are regulated at the provincial level only.

The scope of this assessment is the federal, BoC framework, and the provincial framework in those provinces in which a systemically important FMI operates. The FMIs supervised within the scope of the assessed frameworks are two PSs, two CCPs, one CSD/SSS and three TRs; not all are domestically operated.<sup>42,43</sup> CCPs and CSDs/SSSs are regulated by BoC, MoF, AMF, OSC and BCSC. PSs are regulated by BoC and MoF. TRs are regulated by AMF, OSC, and MSC. Work is underway on the regimes in other provinces, but these future developments have not been considered in this assessment.

BoC is responsible for supervision/oversight of systemically important CCPs, CSDs/SSSs and PSs.<sup>44,45</sup> MoF has a wider mandate for payment systems which also covers competition/efficiency, as well as a limited role in approving certain actions of BoC. The three provinces considered have broadly similar approaches to determining which CCPs and CSDs/SSSs should be supervised; this can encompass entities not supervised at the federal level.<sup>46</sup> TR supervision is solely at the provincial level but since all TRs currently operating in Canada are overseas entities, it also relies on supervision in the relevant TR's home jurisdiction.

#### Key Observations

Canadian authorities are assessed to observe all relevant Responsibilities across FMI types, except Responsibility D for CCPs, CSDs/SSSs and PSs for which they are assessed to be broadly observed.

The Canadian authorities apply clear criteria to identify FMIs that should be subject to regulation, supervision and oversight. The criteria are set out in the federal and provincial regulations. However, since FMIs in Canada are usually subject to regulation, supervision and oversight by more than one authority with differing approaches to their regulatory responsibilities, the varying clarity of these approaches reduces the overall transparency of the applicable regime.

<sup>41</sup> The regimes are the same for CCPs and CSDs/SSSs and this is reflected in the duplicated assessment tables.

<sup>42</sup> The CCPs, CSDs/SSSs and PSs are CDSX, CDCS, LCH SwapClear, Large Value Transfer System and CLS Bank.

<sup>43</sup> The TRs are CME, DDR, ICE TV.

<sup>44</sup> BoC oversees 5 systems.

<sup>45</sup> BoC's remit has recently changed to include some oversight of other payment systems – this has not been considered in this assessment.

<sup>46</sup> The new framework for CCPs and CSDs/SSSs under consultation by the provinces would clarify these criteria for supervision.

The Canadian authorities have appropriate powers, consistent with their regulatory, supervisory and oversight responsibilities in respect of FMIs. The authorities also indicate that they have sufficient resources to fulfil their responsibilities.

The Canadian authorities have also defined their policies with respect of FMIs. However, as noted, the clarity of the supervisory and exemption processes varies between provincial authorities. Some of the policies and rules applied by provincial authorities are applied on an entity-specific basis, while others are established in framework legislation. This detracts from the clarity of the regime. New national rules to clarify the policies of the provinces are currently under consultation. These will be applied consistently across all provincial and territorial jurisdictions.

The Canadian authorities have taken measures to implement the Principles. However, some additional measures are required to complete the implementation for CCPs, CSDs/SSSs and PSs. At the time of the assessment, no timeframe had been set for the required observance of the Principles. However, this has since been clarified by BoC. The provincial authorities have also since consulted on rules to formalize use of the Principles for CCPs and CSDs/SSSs. The TR framework already references the Principles.

The Canadian framework provides for cooperation between domestic and foreign authorities. All the necessary legal and regulatory tools are available and examples of both domestic and international cooperative arrangements exist. The number of domestic authorities involved in the supervision heightens the need for co-operation and clarity in the arrangements.

#### Jurisdictional Comments

Canadian authorities appreciate the detailed assessment of our framework for fulfilling our responsibilities with regards to the regulation and oversight of FMIs conducted by the CPMI and IOSCO. We thank the CPMI-IOSCO review team for their insight and professionalism throughout this process.

We agree with the review team's assessment and judge that the issues that have been raised are fair. Where issues of concern have been identified, Canadian regulators have plans to address them in a timely fashion.

The main issue of concern for the review team is that a formal timeframe has yet to be set for observance of the CPMI-IOSCO *Principles for Financial Infrastructures* by our FMIs. We note that recognition orders already require observance of the PFMI. Canadian authorities have reviewed each FMI's plan to address gaps against the PFMI and are monitoring progress on an ongoing basis to ensure all gaps have been identified and will be addressed within appropriate timeframes. We recognize the need for a formal implementation timeline and intend to communicate one this fall, in conjunction with the publication of the final version of the Canadian Securities Administrators' National Instrument 24-102.

CSA National Instrument 24-102 will result in greater consistency of regulatory expectations and recognition/exemption criteria across provinces. We judge that this instrument will address the minor gap with regards to Responsibility A and the observation pertaining to Responsibility C for CCPs and CSDs/SSSs. While securities regulators already coordinate their oversight of regulated entities on a day-to-day basis, they are also developing an MOU ("CSA MOU") to formalize and increase the efficiency of these cooperative arrangements. Coordination will be enhanced through the determination of lead or co-lead regulator(s) for each entity, the development of coordinated oversight plans, and arrangements for information sharing. We believe this will address the comment for Responsibility E for CCPs and CSDs/SSSs.

Moreover, the Bank of Canada and the Department of Finance are planning to update the agreement governing their shared responsibility for the oversight of payment systems by end-2016. Once the agreement has been updated, we expect to publicly clarify the roles of Finance and the Bank,

likely on the Bank's website and/or through Bank publications. This will address the minor gaps identified by the review team for payment systems.

Canadian authorities are committed to providing appropriate and effective regulation, supervision and oversight. We fully support the Responsibilities assessment programme, recognizing its value in promoting the consistent and transparent application of the PFMI across jurisdictions. We look forward to continued collaboration with our fellow members in the years ahead to achieve the programme goals.

## Detailed rating for Canada – CCP

Responsible authorities: The Bank of Canada (BoC), the Minister of Finance (MoF), the Autorité des marchés financiers (AMF), Ontario Securities Commission (OSC), and British Columbia Securities Commission (BCSC)		
	Responsibility rating	Identified issues of concern and/or links to main documents
<b>Resp. A</b>	Observed	<p><b>List of FMIs identified for regulation/supervision/oversight</b></p> <p>List of FMIs regulated by OSC:  <a href="http://www.osc.gov.on.ca/en/Marketplaces_clearing-agencies_index.htm">http://www.osc.gov.on.ca/en/Marketplaces_clearing-agencies_index.htm</a></p> <p>List of FMIs regulated by AMF  <a href="http://lautorite.qc.ca/en/clearing-houses.html">http://lautorite.qc.ca/en/clearing-houses.html</a></p> <p><b>Minor gap</b></p> <p>The clarity of the provinces' supervision/exemption processes varies. A new rule under consultation by the Canadian Securities Administrators (including the AMF/BCSC/OSC) should encourage greater consistency in these processes.</p>
<b>Resp. B</b>	Observed	
<b>Resp. C</b>	Observed	<p><b>Regulatory/supervisory/oversight policies – standards/rules</b></p> <p>Standards and rules issued by BCSC:  <a href="http://www.bcsc.bc.ca/Marketplaces/Clearing_Agencies/">http://www.bcsc.bc.ca/Marketplaces/Clearing_Agencies/</a></p> <p>Standards and rules issued by OSC:  <a href="http://www.osc.gov.on.ca/en/27333.htm">http://www.osc.gov.on.ca/en/27333.htm</a></p> <p>Recognition and exemptions decisions issued by AMF:  <a href="http://lautorite.qc.ca/en/clearing-houses.html">http://lautorite.qc.ca/en/clearing-houses.html</a></p> <p><b>Comment</b></p> <p>With the exception of policies issued by BoC and OSC, specific terms and conditions imposed to CCPs by other Canadian supervisory authorities are currently often entity-specific, albeit public. The proposed new rule from the provinces will improve this situation.</p>
<b>Resp. D</b>	Broadly Observed	<p><b>Issues of concern</b></p> <p>The Canadian securities regulators are close to completing the new rule that incorporates all Principles. However, at the time of the assessment, no timeframe had been made public for implementation.</p>

<b>Resp. E</b>	Observed	<p><b>Comment</b></p> <p>Domestically, the Canadian securities authorities are further developing their existing FMI cooperation by formalising cooperative arrangements under an MoU. This could be particularly beneficial given the number of authorities involved.</p>

### Detailed rating for Canada – CSD/SSS

<p><b>Responsible authorities: The Bank of Canada (BoC), the Minister of Finance (MoF), the Autorité des marchés financiers (AMF), Ontario Securities Commission (OSC), and British Columbia Securities Commission (BCSC)</b></p>		
	<b>Responsibility rating</b>	<b>Identified issues of concern and/or links to main documents</b>
<b>Resp. A</b>	Observed	<p><b>List of FMIs identified for regulation/supervision/oversight</b></p> <p>See link to List of FMIs regulated by the OSC and AMF.</p> <p><b>Minor gap</b></p> <p>The clarity of the provinces' supervision/exemption process varies. The new rule under consultation by the Canadian Securities Administrators (including the AMF/BCSC/OSC) should encourage greater consistency in these processes.</p>
<b>Resp. B</b>	Observed	
<b>Resp. C</b>	Observed	<p><b>Regulatory/supervisory/oversight policies – standards/rules</b></p> <p>See link to the standards, rules and decisions issued by BCSC, OSC and AMF.</p> <p><b>Comment</b></p> <p>With the exception of policies issued by BoC and OSC, specific terms and conditions imposed to CSDs/SSSs by other Canadian supervisory authorities are currently often entity-specific, albeit public. The proposed new rule from the provinces will improve this situation.</p>
<b>Resp. D</b>	Broadly Observed	<p><b>Issues of concern</b></p> <p>The Canadian securities regulators are close to completing the new rule that incorporates all Principles. However, at the time of the assessment, no timeframe had been made public for implementation.</p>

<b>Resp. E</b>	Observed	<b>Comment</b> Domestically the Canadian securities authorities are further developing their existing FMI cooperation by formalising cooperative arrangements under an MoU. This could be particularly beneficial given the number of authorities involved.

### Detailed rating for Canada – PS

<b>Responsible authorities: The Bank of Canada (BoC) and the Minister of Finance (MoF)</b>		
	<b>Responsibility rating</b>	<b>Identified issues of concern and/or links to main documents</b>
<b>Resp. A</b>	Observed	<b>List of FMIs identified for regulation/supervision/oversight</b> BoC's webpage on oversight: <a href="http://www.bankofcanada.ca/core-functions/financial-system/oversight-designated-clearing-settlement-systems/">http://www.bankofcanada.ca/core-functions/financial-system/oversight-designated-clearing-settlement-systems/</a> <b>Minor gap</b> The respective roles of MoF and BoC in supervision could be publicly clarified to explain the primary role of BoC in relation to the Principles.
<b>Resp. B</b>	Observed	<b>Authorities' powers – rule making/information-gathering/enforcement</b> BoC's responsibilities: <a href="http://www.bankofcanada.ca/core-functions/financial-system/oversight-designated-clearing-settlement-systems/#responsibilities">http://www.bankofcanada.ca/core-functions/financial-system/oversight-designated-clearing-settlement-systems/#responsibilities</a>
<b>Resp. C</b>	Observed	<b>Regulatory/supervisory/oversight policies – standards/rules</b> BoC's standards for designated FMIs: <a href="http://www.bankofcanada.ca/core-functions/financial-system/bank-canada-risk-management-standards-designated-fmis/">http://www.bankofcanada.ca/core-functions/financial-system/bank-canada-risk-management-standards-designated-fmis/</a>
<b>Resp. D</b>	Broadly Observed	<b>Issues of concern</b> While the BoC has adopted the Principles as their minimum risk-management standard for systemically important FMIs, no timeframe had been made public for implementation at the time of assessment.
<b>Resp. E</b>	Observed	<b>Comment</b> While there is domestic coordination, the underpinning MoU could be updated as it significantly predates the PFMI.

## Detailed rating for Canada – TR

<b>Responsible authorities: The Autorité des marchés financiers (AMF), Ontario Securities Commission (OSC) and Manitoba Securities Commission (MSC)</b>		
	<b>Responsibility rating</b>	<b>Identified issues of concern and/or links to main documents</b>
<b>Resp. A</b>	Observed	<p><b>List of FMIs identified for regulation/supervision/oversight</b></p> <p>List of TRs regulated by the OSC:  <a href="http://www.osc.gov.on.ca/en/Marketplaces_trade_repositories_index.htm">http://www.osc.gov.on.ca/en/Marketplaces_trade_repositories_index.htm</a></p> <p>List of TRs regulated by AMF:  <a href="http://www.lautorite.qc.ca/en/trade-repositories.html">http://www.lautorite.qc.ca/en/trade-repositories.html</a></p>
<b>Resp. B</b>	Observed	
<b>Resp. C</b>	Observed	<p><b>Regulatory/supervisory/oversight policies – standards/rules</b></p> <p>Standards and rules issued by OSC:  <a href="http://www.osc.gov.on.ca/en/SecuritiesLaw_rule_20140915_91-507_unofficial-consolidation-derivatives-data-reporting.htm">http://www.osc.gov.on.ca/en/SecuritiesLaw_rule_20140915_91-507_unofficial-consolidation-derivatives-data-reporting.htm</a></p> <p>Standards and rules issued by AMF:  <a href="http://lautorite.qc.ca/en/regulation-derivatives-pro.html">http://lautorite.qc.ca/en/regulation-derivatives-pro.html</a></p>
<b>Resp. D</b>	Observed	<p><b>Approach to implementing the Principles</b></p> <p>Standards and rules issued by OSC:  <a href="http://www.osc.gov.on.ca/en/SecuritiesLaw_91-507.htm">www.osc.gov.on.ca/en/SecuritiesLaw_91-507.htm</a></p>
<b>Resp. E</b>	Observed	<p><b>Comment</b></p> <p>Domestic cooperation exists and the provinces are formalising it, which would help clarify responsibilities.</p>

## Chile

### Responsibilities assessment ratings for Chile

#### Overview of Regulatory Framework/Regime

The authorities responsible for the regulation, supervision and oversight of FMIs in Chile are the Securities and Insurance Regulator (SVS), the Central Bank of Chile (Banco Central de Chile, BCCh), and the Banks and Financial Institution Superintendence (SBIF). The objectives pursued by SVS, BCCh and SBIF are assigned to them in legislation and regulations.<sup>47</sup>

CCP are primarily regulated and supervised by SVS, although BCCh also has some powers over CCPs, specifically as regards to the approval process of the CCP rulebook. CSDs/SSSs are exclusively regulated and supervised by SVS, while BCCh regulates all PSs. However, BCCh only supervises its own PS and private payment systems are supervised by the SBIF.

As of 9 January, 2015, a regulatory framework for TRs had not been implemented in Chile and there were no existing TRs operational in Chile. Therefore, Chile's TR regime was considered not to be ready for assessment and review in respect of the application of the Responsibilities.<sup>48</sup>

In Chile, there are four systemically important PSs,<sup>49</sup> one CCPs,<sup>50</sup> and one CSD/SSS.<sup>51</sup>

#### Key Observations

SVS, BCCh and SBIF are assessed to observe or broadly observe most of the Responsibilities across all FMI types. However, SVS is assessed to partly observe Responsibility D for CCPs and CSDs/SSSs, and BCCh and SBIF to partly observe Responsibility D for PSs.

SVS and BCCh apply clear criteria to identify FMIs that should be subject to regulation, supervision and oversight. In the case of CCPs, these criteria are set out in Law N°20.345; and in the case of CSDs/SSSs, in Law N°18.876, and DS N°734. For PSs, the criteria applied by BCCh are set out in the Constitutional Act.

SVS, BCCh and SBIF have appropriate powers, consistent with their regulatory, supervisory, and oversight responsibilities in respect of FMIs. All three authorities also indicate that they have sufficient resources to fulfil their responsibilities.

SVS, BCCh and SBIF have also defined their policies with respect to FMIs either through regulations, publications or policies published on the authorities' websites. These regulations and/or policies include the objectives, roles and regulations of the authorities.

The Principles have not yet been fully adopted for CCPs, CSDs/SSSs or PSs although the SVS has taken measures to implement the Principles. For PSs, BCCh has committed to use the Principles in a policy statement. However, further measures are necessary to complete the implementation.

<sup>47</sup> These objectives are set out in Law N°20.345, Law N°18.876, D.S. N°734 and Law N°18.046 in the case of SVS; in the Constitutional Act and Compendium of Financial Regulations, for BCCh; and in the General Banking Law and Compendium of Financial Regulations for SBIF, respectively.

<sup>48</sup> Chile received a "1" rating for TRs in the Level 1 Update 2 assessment.

<sup>49</sup> LBTR, COMBANC, Clearinghouse of Checks, and Clearinghouse of ATMs.

<sup>50</sup> In Chile one CCP exists, CCLV Contraparte Central S.A.; however, an additional CCP has been authorized but is still in the process of review by SVS (ComDer S.A).

<sup>51</sup> Depósito Central de Valores S.A.

The Chilean framework provides for cooperation between domestic and foreign authorities. All the necessary legal and regulatory tools are available and some examples of both domestic and international general cooperative arrangements exist. Domestically, the authorities also cooperate on specific CCP matters. Within the existing domestic cooperative arrangements, no authority or authorities take single or joint responsibility for the cooperative arrangements.

### Jurisdictional Comments

In relation to the adoption of the PFMI, please note that the principles are considered, notwithstanding that they are not explicitly stated in legislations and regulations. Actually, SVS pursues to observe the PFMI and to keep consistency with international standards. Therefore, the principles are always considered for the elaboration of regulations, and indeed one of the SVS key objectives is to reduce the gap between local and international standards related to regulations and supervision.

It is important to mention that a new CCP, called "Comder Contraparte Central S.A.", hereinafter "Comder", has been authorized. Its rulebook has been approved on June 8th and now the SVS is checking whether or not the CCP count with the facilities, professionals, technological resources, suitable procedures and controls to perform its duties. It is expected that Comder start its operations in July 2015.

## Detailed rating for Chile – CCP

<b>Responsible authorities: The Securities and Insurance Regulator (SVS) and the Central Bank of Chile (BCCh)</b>		
	<b>Responsibility rating</b>	<b>Identified issues of concern and/or links to main documents</b>
<b>Resp. A</b>	Observed	<p><b>Criteria to identify FMIs that should be regulated/supervised/overseen</b></p> <p>Law N°20.345:  <a href="http://www.svs.cl/portal/principal/605/articles-1378_doc_pdf.pdf">http://www.svs.cl/portal/principal/605/articles-1378_doc_pdf.pdf</a></p> <p><b>Authorities' responsibilities</b></p> <p>See link to Law N°20.345.</p>
<b>Resp. B</b>	Observed	<p><b>Authorities' powers – rule-making/information-gathering/enforcement</b></p> <p>See link to Law N°20.345.</p> <p>Law N°3.538  <a href="http://www.svs.cl/portal/principal/605/articles-12401_doc_pdf.pdf">http://www.svs.cl/portal/principal/605/articles-12401_doc_pdf.pdf</a></p>
<b>Resp. C</b>	Observed	<p><b>Regulatory/supervisory/oversight policies – objectives/roles</b></p> <p>See link to Law N°20.345.</p> <p><b>Regulatory/supervisory/oversight policies – standards/rules</b></p> <p>NCG – 256 (Aug. 2009) <a href="http://www.svs.cl/normativa/ncg_256_2009.pdf">http://www.svs.cl/normativa/ncg_256_2009.pdf</a>  NCG – 257 (Aug, 2009) <a href="http://www.svs.cl/normativa/ncg_257_2009.pdf">http://www.svs.cl/normativa/ncg_257_2009.pdf</a>  NCG – 258 (Aug. 2009) <a href="http://www.svs.cl/normativa/ncg_258_2009.pdf">http://www.svs.cl/normativa/ncg_258_2009.pdf</a>  NCG – 259 (Aug. 2009) <a href="http://www.svs.cl/normativa/ncg_259_2009.pdf">http://www.svs.cl/normativa/ncg_259_2009.pdf</a>  Circular – 1939 (Aug. 2009)  <a href="http://www.svs.cl/normativa/cir_1939_2009.pdf">http://www.svs.cl/normativa/cir_1939_2009.pdf</a>  NCG – 266 (Dec. 2009) <a href="http://www.svs.cl/normativa/ncg_266_2009.pdf">http://www.svs.cl/normativa/ncg_266_2009.pdf</a>  NCG – 267 (Dec. 2009) <a href="http://www.svs.cl/normativa/ncg_267_2009.pdf">http://www.svs.cl/normativa/ncg_267_2009.pdf</a>  NCG – 293 (Oct. 2010) <a href="http://www.svs.cl/normativa/ncg_293_2010.pdf">http://www.svs.cl/normativa/ncg_293_2010.pdf</a>  Circular – 2020 (May 2011)  <a href="http://www.svs.cl/institucional/mercados/ver_archivo.php?archivo=/web/compendio/cir/cir_2020_2011.pdf">http://www.svs.cl/institucional/mercados/ver_archivo.php?archivo=/web/compendio/cir/cir_2020_2011.pdf</a></p> <p><b>Regulatory/supervisory/oversight policies – guidance</b></p> <p>See link to Law N°20.345.</p>

<b>Resp. D</b>	Partly Observed	<b>Issues of concern</b> Although significant progress has been made to implement the Principles, further measures are needed to fully implement the Principles.
<b>Resp. E</b>	Broadly Observed	<b>Issues of concern</b> Currently no CCP provides cross-border or multicurrency services. The authorities cooperate domestically on CCP matters. However, no authority or authorities take single or joint responsibility for the cooperative arrangements.

### Detailed rating for Chile – CSD/SSS

<b>Responsible authority: The Securities and Insurance Regulator (SVS)</b>		
	<b>Responsibility rating</b>	<b>Identified issues of concern and/or links to main documents</b>
<b>Resp. A</b>	Observed	<p><b>Criteria to identify FMI's that should be regulated/supervised/overseen</b></p> <p>Law N°18.876 and D.S. N°734  <a href="http://www.svs.cl/portal/principal/605/articles-1352_doc_pdf.pdf">http://www.svs.cl/portal/principal/605/articles-1352_doc_pdf.pdf</a>  <a href="http://www.svs.cl/portal/principal/605/articles-1483_doc_pdf.pdf">http://www.svs.cl/portal/principal/605/articles-1483_doc_pdf.pdf</a></p> <p><b>Authority's responsibilities</b></p> <p>Law N°18.876 and D.S. N°734  <a href="http://www.svs.cl/portal/principal/605/articles-1352_doc_pdf.pdf">http://www.svs.cl/portal/principal/605/articles-1352_doc_pdf.pdf</a>  <a href="http://www.svs.cl/portal/principal/605/articles-1483_doc_pdf.pdf">http://www.svs.cl/portal/principal/605/articles-1483_doc_pdf.pdf</a></p>
<b>Resp. B</b>	Observed	<p><b>Authority's powers – rule-making/information-gathering/enforcement</b></p> <p>See link to Law N°18.876 and D.S. N°734</p>
<b>Resp. C</b>	Observed	<p><b>Regulatory/supervisory/oversight policies – objectives/roles</b></p> <p>See link to Law N°18.876.  D.S. N°734:  <a href="http://www.svs.cl/portal/principal/605/articles-1483_doc_pdf.pdf">http://www.svs.cl/portal/principal/605/articles-1483_doc_pdf.pdf</a>  (D.S. N°955 is the latest upgrade of the D.S. N°734. The provided link contains the last version of D.S. N°734.)</p>

<b>Resp. D</b>	Partly Observed	<b>Issues of concern</b> Although significant progress has been made to implement the Principles, further measures are needed to fully implement the Principles.
<b>Resp. E</b>	Observed	

### Detailed rating for Chile – PS

<b>Responsible authorities: The Central Bank of Chile (BCCh) and the Banks and Financial Institution Superintendence (SBIF)</b>		
	<b>Responsibility rating</b>	<b>Identified issues of concern and/or links to main documents</b>
<b>Resp. A</b>	Observed	<p><b>Criteria to identify FMIIs that should be regulated/supervised/overseen</b></p> <p><u>BCCh:</u> Basic Constitutional Act <a href="http://www.bcentral.cl/eng/publications/norms/pdf/basic_constitutional_act.pdf">http://www.bcentral.cl/eng/publications/norms/pdf/basic_constitutional_act.pdf</a></p> <p><b>Authorities' responsibilities</b></p> <p><u>BCCh:</u> See link to Basic Constitutional Act.</p> <p><b>List of FMIIs identified for regulation/supervision/oversight</b></p> <p>Compendium of Financial Regulation with acts specific to each system LBTR: <a href="http://www.bcentral.cl/normativa/normas-financieras/pdf/CapIIIH4.pdf">http://www.bcentral.cl/normativa/normas-financieras/pdf/CapIIIH4.pdf</a> COMBANC: <a href="http://www.bcentral.cl/normativa/normas-financieras/pdf/CapIIIH5.pdf">http://www.bcentral.cl/normativa/normas-financieras/pdf/CapIIIH5.pdf</a> Clearinghouse of Checks: <a href="http://www.bcentral.cl/normativa/normas-financieras/pdf/capiih1.pdf">http://www.bcentral.cl/normativa/normas-financieras/pdf/capiih1.pdf</a> Clearinghouse of ATMs: <a href="http://www.bcentral.cl/normativa/normas-financieras/pdf/capiih3.pdf">http://www.bcentral.cl/normativa/normas-financieras/pdf/capiih3.pdf</a></p>
<b>Resp. B</b>	Observed	<p><b>Authorities' powers – rule-making/information-gathering/enforcement</b></p> <p><u>BCCh:</u> See link to Basic Constitutional Act</p> <p>Compendium of Financial Regulations. <a href="http://www.bcentral.cl/normativa/normas-financieras/index.htm">http://www.bcentral.cl/normativa/normas-financieras/index.htm</a></p>

		<p>BCCh's website on Payment Systems:  <a href="http://www.bcentral.cl/sistemas-pagos/index.htm">http://www.bcentral.cl/sistemas-pagos/index.htm</a></p> <p><u>SBIF:</u>          General Banking Act  <a href="http://www.sbif.cl/sbifweb3/internet/archivos/ley_1102.pdf">http://www.sbif.cl/sbifweb3/internet/archivos/ley_1102.pdf</a>  <a href="http://www.sbif.cl/sbifweb3/internet/archivos/norma_137_1.pdf">http://www.sbif.cl/sbifweb3/internet/archivos/norma_137_1.pdf</a></p>
<b>Resp. C</b>	Observed	<p><b>Regulatory/supervisory/oversight policies – objectives/roles</b>  <u>(see above links)</u>          See link to Basic Constitutional Act.          See link to Compendium of Financial Regulations.          See link to BCCh's website on Payment Systems.          See link to General Banking Act.</p> <p><b>Regulatory/supervisory/oversight policies – standards/rules</b>  <u>(see above links)</u>          See link to Basic Constitutional Act.          See link to Compendium of Financial Regulations.          See link to BCCh's website on Payment Systems.          See link to General Banking Act.</p> <p><b>Regulatory/supervisory/oversight policies – guidance</b>  <u>(see above links)</u>          See link to Basic Constitutional Act.          See link to Compendium of Financial Regulations.          See link to BCCh's website on Payment Systems.          See link to General Banking Act.</p>
<b>Resp. D</b>	Partly Observed	<p><b>Issues of concern</b></p> <p>BCCh is committed to implementing the Principles. While significant progress has been made, additional measures are required to fully implement the Principles. BCCh will consider the outcome of ongoing IMF/World Bank assessments in developing further implementation measures.</p>
<b>Resp. E</b>	Observed	

# China

## Responsibilities assessment ratings for China

### Overview of Regulatory Framework/Regime

The authorities responsible for regulation, supervision and oversight of FMIs in China are the People's Bank of China (PBC) and the China Securities Regulatory Commission (CSRC).

The PBC carries out supervision and oversight of CCPs and CSDs/SSSs in the inter-bank bond and OTC derivatives markets pursuant to the People's Republic of China Law on PBC and the authorization of the State Council. The PBC also carries out supervision and oversight of PSs pursuant to the Law on PBC. The CSRC regulates and supervises CCPs and CSDs/SSSs in the securities and futures markets under the Law on Securities and other relevant legislation, and the authorization of the State Council. There is no overlap between the responsibilities of PBC and CSRC with regard to the supervision of each FMI.

There are no TRs in China by now, but the Chinese authorities might develop TRs in the future. PBC and CSRC's responsibilities in respect of TRs have not been assessed as part of this assessment.<sup>52</sup>

In China, there are six CCPs,<sup>53</sup> three CSDs/SSSs,<sup>54</sup> and one systemically important PS.<sup>55</sup>

### Key Observations

PBC and CSRC (the Chinese authorities) are assessed to observe all of the Responsibilities for CCPs, CSDs/SSSs, and systemically important for PSs.

PBC and CSRC apply clear criteria to identify FMIs that should be subject to regulation, supervision and oversight. In particular, the Chinese authorities have jointly stated that all CCPs and CSDs/SSSs are subject to their regulation and supervision.

PBC and CSRC have appropriate powers, consistent with their regulatory, supervisory, and oversight responsibilities in respect of CCPs, CSDs/SSSs, and systemically important PS. Both authorities also indicate that they have sufficient resources to fulfil their responsibilities.

PBC and CSRC have also clearly defined their policies with respect to FMIs.

PBC and CSRC have adopted the PFMI as the standard for their supervision of CCPs, CSDs/SSSs, and systemically important PSs. This is set out in the Circular on Implementation of PFMI and the Circular on Assessment of FMIs.

The Chinese authorities cooperate with both relevant domestic and international authorities to promote the safety and efficiency of FMIs in China. In terms of domestic cooperation, PBC and CSRC cooperate with each other, as well as other domestic authorities<sup>56</sup> through the State Council and existing

<sup>52</sup> China received an 'NA' rating for TRs in the Level 1 Update 2 assessment.

<sup>53</sup> The CCPs that are subject to regulation in China are: (i) Shanghai Clearing House; (ii) Shanghai Futures Exchange; (iii) Zhengzhou Commodity Exchange; (iv) Dalian Commodity Exchange; (v) China Financial Futures Exchange; and (vi) China Securities Depository and Clearing Co. Ltd.

<sup>54</sup> The CSDs/SSSs that are subject to regulation in China are: (i) Shanghai Clearing House; (ii) China Central Depository and Clearing Co. Ltd; and (iii) China Securities Depository and Clearing Co. Ltd.

<sup>55</sup> The systemically important PS that is subject to regulation in China is High Value Payment System (HVPS).

<sup>56</sup> The other domestic authorities include China Banking Regulatory Commission and China Insurance Regulatory Commission.

financial regulation and coordination mechanisms.<sup>57</sup> As for cross-border cooperation, CSRC and Hong Kong Securities and Futures Commission have an “MoU” on Strengthening of Regulatory and Enforcement Cooperation under Shanghai-Hong Kong Stock Connect. Evidence of the exchange of information between authorities concerning PFMI assessments of the involved FMIs, was not available in English to the assessment team.

## Jurisdictional Comments

PBC and CSRC appreciate the significant undertaking associated with the PFMI review by the Committee on Payments and Market Infrastructures (CPMI) and the International Organization of Securities Commissions (IOSCO) in a comprehensive assessment of PBC and CSRC against the Responsibilities of central banks, market regulators, and other relevant authorities for FMIs. We truly appreciate the great efforts made by all parties involved in the assessment process and the professionalism of the assessors as demonstrated.

The assessment well reflects the status of PBC and CSRC's regulation, supervision and oversight of FMIs in China's payment and market infrastructures, as well as the compliance of PBC and CSRC with the Responsibilities of central banks, market regulators, and other relevant authorities for FMIs. In the future, we will work together with all other relevant parties to ensure PBC and CSRC regulate, supervise and oversee FMIs in China in a comprehensive, efficient and transparent way.

<sup>57</sup> As PBC is the sole regulator of HVPS, no cooperative arrangements exist for this payment system; however, PBC does inform other relevant national authorities before issuing polices related to HVPS that may severely affect the interests of such authorities.

## Detailed rating for China – CCP

Responsible authorities: People’s Bank of China (PBC) and China Securities Regulatory Commission (CSRC)		
	Responsibility rating	Identified issues of concern and/or links to main documents
Resp. A	Observed	<p><b>Authorities’ responsibilities</b></p> <p>Law of the People’s Republic of China on PBC (Law on PBC)  <a href="http://www.china.org.cn/business/laws_regulations/2007-06/22/content_1214826.htm">http://www.china.org.cn/business/laws_regulations/2007-06/22/content_1214826.htm</a></p> <p>PBC Notice on Establishing a Centralized Clearing Mechanism for OTC Financial Derivative and Launching Centralized Clearing of RMB Interest Rate Swap  <a href="http://www.pbc.gov.cn/publish/english/955/2014/20140408162107938969555/20140408162107938969555.html">http://www.pbc.gov.cn/publish/english/955/2014/20140408162107938969555/20140408162107938969555.html</a></p> <p>Securities Law of the People’s Republic of China, Art. 155,157 (Law on Securities)  <a href="http://www.china.org.cn/english/government/207337.htm">http://www.china.org.cn/english/government/207337.htm</a></p> <p>Regulations on Administration of Futures Trading, Art. 10  <a href="http://www.csrc.gov.cn/pub/csrc_en/laws/rfdm/AdministrativeLaws/200907/t20090728_119337.html">http://www.csrc.gov.cn/pub/csrc_en/laws/rfdm/AdministrativeLaws/200907/t20090728_119337.html</a></p> <p>Circular on Implementation of PFMI (PBC Yin Ban Fa [2013] No. 187)  <a href="http://www.pbc.gov.cn/publish/zhengwugongkai/503/2013/20130903102715196182093/20130903102715196182093.html">http://www.pbc.gov.cn/publish/zhengwugongkai/503/2013/20130903102715196182093/20130903102715196182093.html</a> [Chinese]</p> <p>Circular on Implementation of PFMI (CSRC Zheng Jian Fa [2013] No. 42)  <a href="http://www.csrc.gov.cn/pub/newsite/gjb/gjzjhzz/ioscogzdt/201507/t20150722_281349.html">http://www.csrc.gov.cn/pub/newsite/gjb/gjzjhzz/ioscogzdt/201507/t20150722_281349.html</a> [Chinese]</p> <p><a href="http://www.csrc.gov.cn/pub/csrc_en/affairs/AffairsIOSCO/201507/t20150722_281350.html">http://www.csrc.gov.cn/pub/csrc_en/affairs/AffairsIOSCO/201507/t20150722_281350.html</a> [English]</p> <p><b>List of FMI’s identified for regulation/supervision/oversight</b></p> <p>Circular on the Assessment of Financial Market Infrastructures (PBC and CSRC Yin Ban Fa No. [239])  <a href="http://www.pbc.gov.cn/publish/zhengwugongkai/503/2014/20140120144812011116228/20140120144812011116228.html">http://www.pbc.gov.cn/publish/zhengwugongkai/503/2014/20140120144812011116228/20140120144812011116228.html</a> [Chinese]</p> <p><a href="http://www.csrc.gov.cn/pub/csrc_en/newsfacts/release/201402/t20140211_243692.html">http://www.csrc.gov.cn/pub/csrc_en/newsfacts/release/201402/t20140211_243692.html</a> [English]</p>

<b>Resp. B</b>	Observed	<p><b>Authorities' powers – rule-making/information-gathering/enforcement</b></p> <p>See link to Law on PBC (Art. 4, 5, 27, 32)</p> <p>Securities Law of the People's Republic of China, Art. 155,157 (Law on Securities)</p> <p><a href="http://www.china.org.cn/english/government/207337.htm">http://www.china.org.cn/english/government/207337.htm</a></p> <p>Regulations on Administration of Futures Trading, Art. 10</p> <p><a href="http://www.csrc.gov.cn/pub/csrc_en/laws/rfdm/AdministrativeLaws/200907/t20090728_119337.html">http://www.csrc.gov.cn/pub/csrc_en/laws/rfdm/AdministrativeLaws/200907/t20090728_119337.html</a></p> <p><b>Legal protections</b></p> <p>Civil Servant Law of the People's Republic of China, Art. 13</p> <p><a href="http://www.lawinfochina.com/display.aspx?lib=law&amp;id=4123&amp;CGid=">http://www.lawinfochina.com/display.aspx?lib=law&amp;id=4123&amp;CGid=</a></p>
<b>Resp. C</b>	Observed	<p><b>Regulatory/supervisory/oversight policies – standards/rules</b></p> <p>Measures for the Administration of Securities Registration and Clearing</p> <p><a href="http://www.csrc.gov.cn/pub/zjhpublic/G00306201/200911/t20091127_173555.htm">http://www.csrc.gov.cn/pub/zjhpublic/G00306201/200911/t20091127_173555.htm</a> [Chinese]</p> <p><a href="http://www.csrc.gov.cn/pub/csrc_en/laws/overRule/Decrees/201507/t20150716_281129.html">http://www.csrc.gov.cn/pub/csrc_en/laws/overRule/Decrees/201507/t20150716_281129.html</a> [English]</p> <p>Measures for Administration of Futures Exchange</p> <p><a href="http://www.csrc.gov.cn/pub/zjhpublic/zjh/200804/t20080418_14484.htm">http://www.csrc.gov.cn/pub/zjhpublic/zjh/200804/t20080418_14484.htm</a> [Chinese]</p> <p><a href="http://www.csrc.gov.cn/pub/csrc_en/laws/overRule/Decrees/201211/t20121126_217272.html">http://www.csrc.gov.cn/pub/csrc_en/laws/overRule/Decrees/201211/t20121126_217272.html</a> [English]</p> <p>See link to Circular on Implementation of PFMI</p> <p><b>Regulatory/supervisory/oversight policies – guidance</b></p> <p>See link to Circular on the Assessment of FMIs</p>
<b>Resp. D</b>	Observed	<p><b>Approach to implementing the Principles</b></p> <p>See link to Circular on Implementation of PFMI</p> <p><b>Scope of implementation of the Principles</b></p> <p>See link to Circular on the assessment of FMIs</p>

<b>Resp. E</b>	Observed	<p><b>Domestic regulatory/supervisory/oversight cooperation – examples of arrangements</b></p> <p>Notice on Establishment of Steering Group and the Secretariat on Financial Market Infrastructures (Yin Ban Fa [2014] No. 106)  <a href="http://www.pbc.gov.cn/publish/zhengwugongkai/503/2014/20140527090609722160256/20140527090609722160256.html">http://www.pbc.gov.cn/publish/zhengwugongkai/503/2014/20140527090609722160256/20140527090609722160256.html</a> [Chinese]</p> <p><b>Cross-boundary regulatory/supervisory/oversight cooperation – examples of arrangements</b></p> <p>Provisions on Pilot Program of an Interconnection Mechanism for Transactions in the Shanghai and Hong Kong Stock Markets  <a href="http://www.csrc.gov.cn/pub/csrc_en/newsfacts/release/201404/t20140417_247191.html">http://www.csrc.gov.cn/pub/csrc_en/newsfacts/release/201404/t20140417_247191.html</a></p> <p>MOU between SFC and CSRC for strengthening cross-boundary regulatory and enforcement cooperation with respect to Stock Connect  <a href="http://www.sfc.hk/web/files/ER/MOU/ENF_MOU_October2014.pdf">http://www.sfc.hk/web/files/ER/MOU/ENF_MOU_October2014.pdf</a></p>
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#### Detailed rating for China – CSD/SSS

<b>Responsible authorities: People’s Bank of China (PBC) and China Securities Regulatory Commission (CSRC)</b>		
	<b>Responsibility rating</b>	<b>Identified issues of concern and/or links to main documents</b>
<b>Resp. A</b>	Observed	<p><b>Authorities’ responsibilities</b></p> <p>See link to Law of PBC (Art. 4, 27, 32)</p> <p>See link to Circular on Implementation of PFMI</p> <p><b>List of FMIs identified for regulation/supervision/oversight</b></p> <p>See link to Circular on the assessment of FMIs</p>
<b>Resp. B</b>	Observed	<p><b>Authorities’ powers – rule-making/information-gathering/enforcement</b></p> <p>See link to Law on PBC, Art. 4, 27, 32 (See above)</p> <p>See link to Regulations on Measures on Bond Register and Custody in the Inter-bank Bond Market (Art 9, 10)</p> <p>Securities Law of the People’s Republic of China, Art. 155,157 (Law on Securities)  <a href="http://www.china.org.cn/english/government/207337.htm">http://www.china.org.cn/english/government/207337.htm</a></p> <p><b>Legal protections</b></p> <p>See link to Civil Servant Law</p>

<b>Resp. C</b>	Observed	<p><b>Regulatory/supervisory/oversight policies – standards/rules</b> See link to Circular on Implementation of PFMI</p> <p><b>Regulatory/supervisory/oversight policies – guidance</b> See link to Circular on the Assessment of FMIs</p>
<b>Resp. D</b>	Observed	<p><b>Approach to implementing the Principles</b> See link to Circular on Implementation of PFMI</p> <p><b>Scope of implementation of the Principles</b> See link to Circular on the Assessment of FMIs</p>
<b>Resp. E</b>	Observed	<p><b>Domestic regulatory/supervisory/oversight cooperation – examples of arrangements</b> See link to Notice on Establishment of Steering Group and its Secretariat on Financial Market Infrastructures</p> <p><b>Cross-boundary regulatory/supervisory/oversight cooperation – examples of arrangements</b> Provisions on Pilot Program of an Interconnection Mechanism for Transactions in the Shanghai and Hong Kong Stock Markets <a href="http://www.csrc.gov.cn/pub/csrc_en/newsfacts/release/201404/t20140417_247191.html">http://www.csrc.gov.cn/pub/csrc_en/newsfacts/release/201404/t20140417_247191.html</a></p> <p>MOU between SFC and CSRC for strengthening cross-boundary regulatory and enforcement cooperation with respect to Stock Connect <a href="http://www.sfc.hk/web/files/ER/MOU/ENF_MOU_October2014.pdf">http://www.sfc.hk/web/files/ER/MOU/ENF_MOU_October2014.pdf</a></p>

### Detailed rating for China – PS

<b>Responsible authority: People’s Bank of China (PBC)</b>		
	<b>Responsibility rating</b>	<b>Identified issues of concern and/or links to main documents</b>
<b>Resp. A</b>	Observed	<p><b>Authority’s responsibilities</b> See link to Law on PBC</p>
<b>Resp. B</b>	Observed	<p><b>Authority’s powers – rule-making/information-gathering/enforcement</b> See link to Law on PBC</p> <p><b>Legal protections</b> See link to Civil Servant Law</p>

<b>Resp. C</b>	Observed	<p><b>Regulatory/supervisory/oversight policies – objectives/roles</b> See link to Law on PBC See link to Circular on Implementation of PFMI (PBC Yin Ban Fa [2013] No. 187)</p> <p><b>Regulatory/supervisory/oversight policies – standards/rules</b> See link to Circular on Implementation of PFMI</p> <p><b>Regulatory/supervisory/oversight policies – guidance</b> See link to Circular on the assessment of FMIs</p>
<b>Resp. D</b>	Observed	<p><b>Approach to implementing the Principles</b> See link to Circular on Implementation of PFMI</p> <p><b>Scope of implementation of the Principles</b> See link to Circular on the Assessment of FMIs</p>
<b>Resp. E</b>	Observed	<p><b>Domestic regulatory/supervisory/oversight cooperation – examples of arrangements</b> See link to Notice on Establishment of Steering Group and its Secretariat on Financial Market Infrastructures</p>

## European Union

### Responsibilities assessment ratings for EU

#### Overview of Regulatory Framework/Regime

The authorities that have a role for regulation, supervision, and oversight of FMI's at the euro area or EU-level are the Eurosystem (comprising the European Central Bank (ECB) and the national central banks of the euro area) and the European Securities Market Authority (ESMA).

CCPs are supervised by the national authorities (called National Competent Authorities). However, the Eurosystem and ESMA have a supplementary role as members of EMIR CCP colleges and, for ESMA, in ensuring consistency in regulation across EU CCPs and establishing cooperation arrangements for third-country CCPs. CSDs/SSSs are currently subject to regulation, supervision and oversight at the national level only. Systemically important PSs established within the euro area are subject to Eurosystem regulation. This regulation is implemented through an ECB Regulation (ECB/2014/28; SIPS Regulation), with primary responsibility allocated amongst members of the Eurosystem. Where a systemically important PS has a national anchor, the National Central Bank (NCB) is the competent authority; where it has no national anchor, the competent authority is the NCB of the country where the system is legally incorporated, unless the Governing Council decides otherwise and assigns the role to the ECB; other Eurosystem members contribute to PS oversight on a no prohibition/no compulsion basis. PSs established outside the euro area, but within the EU are subject to regulation, supervision and oversight of the national authorities. TRs are supervised by ESMA which is the sole supervisor of TRs established in the EU.

In the EU, FMI's are subject to regulation, supervision and oversight under both national and EU law or Eurosystem regulation or oversight. CCPs are subject to the European Market Infrastructure Regulation (EMIR) and its associated technical standards. CSDs/SSSs currently are subject to national regulation. In due course, CSDs/SSSs will be required to comply with the Central Securities Depositories Regulation (CSDR). Within the Euro area, systemically important PSs are subject to Eurosystem regulation. TRs are subject to EMIR and its associated technical standards.

Overlaying these various FMI regulatory regimes is the Eurosystem Oversight Policy Framework, which applies to CCPs, CSDs/SSSs and PSs established in the euro area. Oversight of CCPs and CSDs/SSSs is conducted via the NCBs, with the ECB responsible for oversight of three out of the four systemically important PSs that fall under the SIPS Regulation (ie the three systemically important PSs with no national anchor). The Oversight Policy Framework also covers systemically important euro PSs that are not located in the euro area (eg CLS).

ECB is lead overseer for three systemically important PSs<sup>58</sup> in the euro area, and ESMA supervises six TRs<sup>59</sup> in the EU.

#### Key Observations

The Eurosystem is assessed to observe all relevant Responsibilities for systemically important PSs, and ESMA is assessed to observe all relevant Responsibilities for TRs.

<sup>58</sup> TARGET2, EURO1, STEP2-T (CORE(FR) is overseen by Banque de France).

<sup>59</sup> DTCC Derivatives Repository Ltd., Krajowy Depozyt Papierów Wartościowych S.A., Regis-TR S.A., UnaVista Limited, CME Trade Repository Ltd. and ICE Trade Vault Europe Ltd.

ECB and ESMA apply clear criteria to identify systemically important PSs and TRs that should be subject to regulation, supervision and oversight.

ECB and ESMA have appropriate powers, consistent with their regulatory, supervisory, and oversight responsibilities in respect of systemically important PSs and TRs. Both authorities also indicate that they have sufficient resources to fulfil their responsibilities.

ECB and ESMA have clearly defined and published their respective policies with respect to systemically important PSs and TRs. Since the effective date of the assessment, the Eurosystem has also published an Oversight Report; a revised Oversight Policy Framework is also expected to be published in the near future.

ECB and ESMA apply the PFMI to systemically important PSs and TRs.<sup>60</sup> Moreover the Eurosystem has adopted the PFMI for the conduct of oversight.

ECB cooperates with relevant authorities to promote the safety and efficiency of systemically important PSs. Within the euro area, ECB works together with NCBs in exercising its oversight function. In relation to international cooperation, ECB participates in the cooperative oversight arrangement for CLS, although CLS is not subject to the SIPS Regulation.

As of the assessment date, ESMA had established cooperative arrangements with one third country authority to facilitate access to data held in EU TRs. It has since established a similar arrangement with another third country authority. ESMA also cooperates with the EU national authorities responsible for the supervision of entities subject to the reporting obligation (ie TR participants) through the Market Data Reporting Working Group.

Currently ESMA does not have cooperative arrangements specifically focused on supervision of TRs. ESMA has been approached to maintain a multilateral supervisory cooperative arrangement for one TR involving authorities within and outside of the EU, which was established before a legal framework on mandatory reporting and supervision of Trade Repositories existed, where ESMA declined such request. Nevertheless, there are no legal impediments that would prevent ESMA from establishing cooperative arrangements with an authority that demonstrates the exchange of such supervisory information is necessary for the fulfilment of the authority's mandate and responsibility. In assessing whether the exchange of supervisory information is necessary ESMA considers the statutory responsibility of relevant authority, the systemic importance of the TR, the TR's comprehensive risk profile and the TR's participants. Within the EU, while the primary focus of the Market Data Reporting Working Group is on TR data, supervisory information regarding operation and risk management of a specific TR has been exchanged where this information was considered necessary for the fulfilment of the respective authorities' mandates and responsibilities.

## Jurisdictional Comments

The European Central Bank and the European Securities and Markets Authority (the European authorities) welcome the assessment of the CPMI-IOSCO Implementation Monitoring Standing Group and thank the Assessment Team for their diligent work. We appreciate the assessment that Europe has fully observed all relevant Responsibilities across the relevant types of FMIs (PSs and TRs).

<sup>60</sup> The EU/EUR had a rating of "4" in the Level 1 assessments; however, the Level 2 assessment of the EU identified some gaps with regards to TRs.

## Detailed rating for Eurosystem – PS

Responsible authority(ies): Eurosystem		
	Responsibility rating	Identified issues of concern and/or links to main documents
<b>Resp. A</b>	Observed	<p><b>Criteria to identify FMIs that should be regulated/supervised/overseen</b></p> <p>Regulation on Oversight Requirements for Systemically Important Payment Systems, August 2014  <a href="http://www.ecb.europa.eu/ecb/legal/pdf/oj_jol_2014_217_r_0006_en_txt.pdf?578c36e39a49fd8f5479ec40ff00ba1e">http://www.ecb.europa.eu/ecb/legal/pdf/oj_jol_2014_217_r_0006_en_txt.pdf?578c36e39a49fd8f5479ec40ff00ba1e</a></p> <p>Revision to the Eurosystem Oversight Framework for Payment Systems – Explanatory note  <a href="http://www.ecb.europa.eu/press/pr/date/2014/html/Note-Explanatorynoteonrevisionrequirements-ECBRegulationonoversightreq.pdf?d71de117d05e071dd4c51385856b134a">http://www.ecb.europa.eu/press/pr/date/2014/html/Note-Explanatorynoteonrevisionrequirements-ECBRegulationonoversightreq.pdf?d71de117d05e071dd4c51385856b134a</a></p> <p><b>List of FMIs identified for regulation/supervision/oversight</b></p> <p>Identification of SIPS, August 2014  <a href="http://www.ecb.europa.eu/press/pr/date/2014/html/pr140821.en.html">http://www.ecb.europa.eu/press/pr/date/2014/html/pr140821.en.html</a></p> <p>Payment System Classification, 2012  <a href="http://www.ecb.europa.eu/press/pr/date/2014/html/Paymentsystemclassification-yearofreference2012.pdf">http://www.ecb.europa.eu/press/pr/date/2014/html/Paymentsystemclassification-yearofreference2012.pdf</a></p> <p><b>Authorities' responsibilities</b></p> <p>Eurosystem Oversight Policy Framework, July 2011  <a href="https://www.ecb.europa.eu/pub/pdf/other/eurosystemoversightpolicyframework2011en.pdf">https://www.ecb.europa.eu/pub/pdf/other/eurosystemoversightpolicyframework2011en.pdf</a></p>
<b>Resp. B</b>	Observed	<p><b>Authorities' powers – rule-making/information-gathering/enforcement</b></p> <p>Consolidated versions of the Treaty on European Union and the Treaty on the Functioning of the European Union, October 2012  <a href="https://www.ecb.europa.eu/ecb/legal/pdf/c_32620121026en.pdf">https://www.ecb.europa.eu/ecb/legal/pdf/c_32620121026en.pdf</a></p> <p>Protocol (No. 4) on the Statute of the European System of Central Banks and of the European Central Bank, October 2012  <a href="https://www.ecb.europa.eu/ecb/legal/pdf/c_32620121026en_protocol_4.pdf">https://www.ecb.europa.eu/ecb/legal/pdf/c_32620121026en_protocol_4.pdf</a></p>

<b>Resp. C</b>	Observed	<p><b>Regulatory/supervisory/oversight policies – objectives/roles</b></p> <p>See Revision to the Eurosystem Oversight Framework for Payment Systems - Explanatory note, above.</p> <p><b>Regulatory/supervisory/oversight policies – standards/rules</b></p> <p>See Regulation on Oversight Requirements for Systemically Important Payment Systems, above.</p> <p><b>Regulatory/supervisory/oversight policies – guidance</b></p> <p>Assessment Methodology, August 2014  <a href="http://www.ecb.europa.eu/press/pr/date/2014/html/Assessmentmethodology-ECBRegulationonoversightrequirementsforSystemicallyImportantPaymentSystems.pdf?29a14ae23b933733fb5364ef3b24faa2">http://www.ecb.europa.eu/press/pr/date/2014/html/Assessmentmethodology-ECBRegulationonoversightrequirementsforSystemicallyImportantPaymentSystems.pdf?29a14ae23b933733fb5364ef3b24faa2</a></p>
<b>Resp. D</b>	Observed	<p><b>Approach to implementing the Principles</b></p> <p>Eurosystem – Adoption of the PFMI, June 2013  <a href="http://www.ecb.europa.eu/press/govcdec/otherdec/2013/html/gc130621.en.html">http://www.ecb.europa.eu/press/govcdec/otherdec/2013/html/gc130621.en.html</a></p> <p>See also Eurosystem Oversight Policy Framework, above.</p> <p><b>Scope of implementation of the Principles</b></p> <p>See Regulation on Oversight Requirements for Systemically Important Payment Systems and Revision to the Eurosystem Oversight Framework for Payment Systems – Explanatory note</p> <p><b>Published assessments of FMIs against the Principles:</b></p> <p>Eurosystem Oversight Report 2011  <a href="http://www.ecb.europa.eu/pub/pdf/other/eurosystemoversightreport2011en.pdf">http://www.ecb.europa.eu/pub/pdf/other/eurosystemoversightreport2011en.pdf</a></p> <p>Oversight Assessment of the Euro System of the EBA CLEARING company (EURO1) against the CPSS Core Principles, November 2011  <a href="http://www.ecb.europa.eu/press/pr/date/2011/html/pr111114.en.html">http://www.ecb.europa.eu/press/pr/date/2011/html/pr111114.en.html</a>  <a href="http://www.ecb.europa.eu/pub/pdf/other/oversightassessment201111en.pdf">http://www.ecb.europa.eu/pub/pdf/other/oversightassessment201111en.pdf</a></p> <p>TARGET2 Oversight Assessment Report, May 2009  <a href="http://www.ecb.europa.eu/pub/pdf/other/assessmenttarget2designagaintstcoreprinciples200905en.pdf">http://www.ecb.europa.eu/pub/pdf/other/assessmenttarget2designagaintstcoreprinciples200905en.pdf</a></p>
<b>Resp. E</b>	Observed	

## Detailed rating for EU – TR

Responsible authority(ies): ESMA		
	Responsibility rating	Identified issues of concern and/or links to main documents
Resp. A	Observed	<p><b>Criteria to identify FMI's that should be regulated/supervised/overseen</b></p> <p>European Market Infrastructure Regulation (EMIR)  <a href="http://www.eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2012:201:0001:0059:EN:PDF">www.eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2012:201:0001:0059:EN:PDF</a></p> <p><b>Authority's responsibilities</b></p> <p>See EMIR, above.</p> <p><b>List of FMI's identified for regulation/supervision/oversight</b></p> <p>Register of TRs registered under EMIR  <a href="http://www.esma.europa.eu/content/List-registered-Trade-Repositories">http://www.esma.europa.eu/content/List-registered-Trade-Repositories</a></p>
Resp. B	Observed	<p><b>Authority's powers – rule-making/information-gathering/enforcement</b></p> <p>See EMIR, above.</p> <p>Delegated Act on Fines and Penalties  <a href="http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.L.2014.179.01.0031.01.ENG">http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.L.2014.179.01.0031.01.ENG</a></p>
Resp. C	Observed	<p><b>Regulatory/supervisory/oversight policies – objectives/roles</b></p> <p>See EMIR, above</p> <p><b>Regulatory/supervisory/oversight policies – standards/rules</b></p> <p>EMIR Regulatory Technical Standards  <a href="http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:052:0025:0032:EN:PDF">http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:052:0025:0032:EN:PDF</a>  <a href="http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2012:352:0030:0031:EN:PDF">http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2012:352:0030:0031:EN:PDF</a></p> <p><b>Regulatory/supervisory/oversight policies – guidance</b></p> <p>ESMA Guidelines and Recommendations  <a href="http://www.esma.europa.eu/system/files/2014-1133_en.pdf">http://www.esma.europa.eu/system/files/2014-1133_en.pdf</a></p>
Resp. D	Observed	

<p><b>Resp. E</b></p>	<p>Observed</p>	<p><b>Policies on cooperation with other authorities</b></p> <p>See EMIR, above.</p> <p><b>Data-sharing arrangements:</b></p> <p><a href="http://www.esma.europa.eu/system/files/esma_asic_mou.pdf">http://www.esma.europa.eu/system/files/esma_asic_mou.pdf</a></p> <p><b>Comment:</b></p> <p>ESMA has a number of cooperation arrangements in place, with authorities both within and outside of the EU, to support data quality and access. In respect of supervisory matters, ESMA has arrangements in place with EU competent authorities to share relevant supervisory information. ESMA has denied one request to maintain a multilateral cooperative arrangement for one EU TR, which was established under a voluntary reporting regime and in absence of a legal framework for the supervision of EU TRs. ESMA has a framework in place to assess the need for supervisory cooperative arrangements and there are no legal impediments to establishing such arrangements.</p>

## France

### Responsibilities assessment ratings for France

#### Overview of regulatory, supervisory, and oversight framework/regime

The authorities responsible for regulation, supervision, and oversight of FMI in France are the Banque de France (BDF), the Autorité des Marchés Financiers (AMF) and the Autorité de contrôle prudentiel et de résolution (ACPR).

CCPs are jointly regulated by the BDF, the AMF and the ACPR. The AMF has supervisory authority over CSDs/SSSs and the BDF has oversight authority over SSSs. The TRs established in the European Union are under the sole supervision of the European Securities and Markets Authority (ESMA). The BDF has oversight authority over PSs and, as a member of the Eurosystem, pursues its FMI oversight responsibilities according to the policies defined by the Eurosystem.

In France, FMIs are subject to regulation, supervision and oversight under both national and European Union (EU) law or Eurosystem regulation. CCPs are subject to the European Market Infrastructure Regulation (EMIR) and its associated technical standards. CSDs/SSSs currently are subject to national regulation and, in due course, CSDs/SSSs will be required to comply with the Central Securities Depositories Regulation (CSDR). Within the Euro area, systemically important PSs are subject to the Eurosystem regulation. TRs are subject to EMIR and its associated technical standards.

In France, there is one CCP,<sup>61</sup> one CSD<sup>62</sup> and one SSS.<sup>63</sup> The BDF is the lead overseer of one systemically important PS<sup>64</sup> and participates in the oversight of another systemically important PS.<sup>65</sup> There are no TRs located in France.

#### Key observations

The BDF, the AMF, and the ACPR (the French authorities) are assessed to observe all relevant Responsibilities for CCPs, CSDs/SSSs, and systemically important PSs.

The French authorities apply clear criteria to identify FMIs that should be subject to regulation, supervision, and oversight.

The French authorities have appropriate powers, consistent with their regulatory, supervisory, and oversight responsibilities in respect of FMIs. They also indicate that they have sufficient resources to fulfil their responsibilities.

The French authorities have clearly defined and publicly disclosed their policies with respect to FMIs.

The French authorities apply the PFMI to FMIs. In France, PFMI implementation is conducted at the national, EU and Eurosystem levels, and the PFMI are implemented through published statutes, regulations, or statements. These include: (1) the French Monetary and Financial Code; (2) EMIR for CCPs and TRs; and (3) a Eurosystem regulation for systemically important PSs.

<sup>61</sup> LCH.Clearnet SA.

<sup>62</sup> Euroclear France.

<sup>63</sup> ESES France (which is operated by Euroclear France).

<sup>64</sup> The systemically important PS is CORE(FR).

<sup>65</sup> The French component of the European TARGET2 system is considered to be an integral component of TARGET2. BDF contributes to the Eurosystem oversight of systemically important PSs on a no prohibition / no compulsion basis.

The French authorities cooperate with each other and with international authorities to promote the safety and efficiency of the French FMIs. In terms of domestic cooperation, French authorities work together in exercising their functions to ensure each is able to fulfil its mandate. Regarding international cooperation, BDF participates in cooperative oversight arrangements for systemically important PSs, and French authorities take part in CCP supervisory colleges set up by EMIR. French authorities also have arrangements with relevant foreign authorities related to the supervision of CCPs and CSDs/SSSs.

#### Jurisdictional comments

French authorities support the implementation monitoring exercise as being an efficient tool for transparency and for stimulating the smooth and timely adoption of the PFMI by all relevant jurisdictions.

French authorities take note of the “observed” rating applied to France as regards Responsibilities implementation, and consider such rating as appropriate.

## Detailed rating for France – CCP

Responsible authorities: Banque de France, Autorité des Marchés Financiers, and Autorité de contrôle prudentiel et de résolution		
	Responsibility rating	Identified issues of concern and/or links to main documents
<b>Resp. A</b>	Observed	<p><b>Criteria to identify CCPs that should be regulated/supervised/overseen, Authorities' responsibilities</b></p> <p>European Market Infrastructure Regulation:  <a href="http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2012:201:0001:0059:EN:PDF">http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2012:201:0001:0059:EN:PDF</a></p> <p>ESMA Technical Standards:  <a href="http://www.esma.europa.eu/page/Central-Counterparties">http://www.esma.europa.eu/page/Central-Counterparties</a></p> <p>ESMA Guidelines and Recommendations on PFMI Implementation:  <a href="http://www.esma.europa.eu/system/files/2014-1133_en.pdf">http://www.esma.europa.eu/system/files/2014-1133_en.pdf</a></p> <p>French Monetary and Financial Code:  <a href="http://www.legifrance.gouv.fr/Traductions/en-English/Legifrance-translations">http://www.legifrance.gouv.fr/Traductions/en-English/Legifrance-translations</a></p> <p>AMF General Regulation:  <a href="http://www.amf-france.org/en_US/Reglementation/Reglement-general-et-instructions/Reglement-general-en-vigueur/Reglement-general.html?category=Book+V+-+Market+infrastructures&amp;currentLivreRG=5">http://www.amf-france.org/en_US/Reglementation/Reglement-general-et-instructions/Reglement-general-en-vigueur/Reglement-general.html?category=Book+V+-+Market+infrastructures&amp;currentLivreRG=5</a></p> <p>List of Competent Authorities:  <a href="http://www.esma.europa.eu/page/Competent-authorities-responsible-authorisation-and-supervision-central-counterparties-CPPs">http://www.esma.europa.eu/page/Competent-authorities-responsible-authorisation-and-supervision-central-counterparties-CPPs</a></p> <p><b>List of CCPs identified for regulation/supervision/oversight</b>  <a href="http://www.esma.europa.eu/system/files/ccps_authorized_under_emir.pdf">http://www.esma.europa.eu/system/files/ccps_authorized_under_emir.pdf</a></p>
<b>Resp. B</b>	Observed	<p><b>Authorities' powers – rulemaking/information-gathering/enforcement</b></p> <p>See link to French Monetary and Financial Code</p> <p>See link to AMF General Regulation</p> <p>BDF FMI Oversight:  <a href="https://www.banque-france.fr/en/financial-stability/payment-systems-and-market-infrastructure/oversight-tasks/oversight-of-financial-market-infrastructures.html">https://www.banque-france.fr/en/financial-stability/payment-systems-and-market-infrastructure/oversight-tasks/oversight-of-financial-market-infrastructures.html</a></p> <p>BDF 2014 Oversight Report:  <a href="https://www.banque-france.fr/uploads/tx_bdfgrandesdates/rapport-surveillance-des-moyens-de-paiement-et-des-systemes-d-echange-2014-EN.pdf">https://www.banque-france.fr/uploads/tx_bdfgrandesdates/rapport-surveillance-des-moyens-de-paiement-et-des-systemes-d-echange-2014-EN.pdf</a></p>

		<p>AMF Duties and Powers:  <a href="http://www.amf-france.org/en_US/L-AMF/Missions-et-competences/Presentation.html">http://www.amf-france.org/en_US/L-AMF/Missions-et-competences/Presentation.html</a></p> <p>AMF FMI Oversight:  <a href="http://www.amf-france.org/en_US/Acteurs-et-produits/Marches-financiers-et-infrastructures/Presentation.html">http://www.amf-france.org/en_US/Acteurs-et-produits/Marches-financiers-et-infrastructures/Presentation.html</a></p>
<b>Resp. C</b>	Observed	<p><b>Regulatory/supervisory/oversight policies – objectives/roles</b></p> <p>See links under Responsibilities A and B and:</p> <p>BDF 2013 Annual Report:  <a href="https://www.banque-france.fr/fileadmin/user_upload/banque_de_france/publications/AR-2013.pdf">https://www.banque-france.fr/fileadmin/user_upload/banque_de_france/publications/AR-2013.pdf</a></p> <p>ACPR 2013 Annual Report:  <a href="http://acpr.banque-france.fr/fileadmin/user_upload/acp/publications/rapports-annuels/201409-ACPR-2013-Annual-Report-full-text.pdf">http://acpr.banque-france.fr/fileadmin/user_upload/acp/publications/rapports-annuels/201409-ACPR-2013-Annual-Report-full-text.pdf</a></p>
<b>Resp. D</b>	Observed	<p><b>Approach to implementing the Principles, Scope of implementation of the Principles</b></p> <p>See links under Responsibilities A, B, and C and:</p> <p>BDF and AMF 2012 Release on Publication of PFMI:  <a href="http://www.amf-france.org/en_US/Actualites/Communiqués-de-presse/AMF/annee_2012.html?docId=workspace%3A%2F%2FspacesStore%2Fe25f1468-071d-4f58-8b9d-27b253bc4908">http://www.amf-france.org/en_US/Actualites/Communiqués-de-presse/AMF/annee_2012.html?docId=workspace%3A%2F%2FspacesStore%2Fe25f1468-071d-4f58-8b9d-27b253bc4908</a></p>
<b>Resp. E</b>	Observed	<p><b>Policies on cooperation with other authorities</b></p> <p>See links under Responsibility A and:</p> <p>ESMA Technical Standards for CCP Colleges:  <a href="http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:244:0019:0022:EN:PDF">http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:244:0019:0022:EN:PDF</a></p> <p>ESMA Guidelines and Recommendations on Written Agreements between CCP College Members:  <a href="http://www.esma.europa.eu/system/files/2013-661_report_gr_on_college_written_agreement_-_final_for_publication_20130604.pdf">http://www.esma.europa.eu/system/files/2013-661_report_gr_on_college_written_agreement_-_final_for_publication_20130604.pdf</a></p>

## Detailed rating for France – CSD/SSS

Responsible authorities: Banque de France and Autorité des Marchés Financiers		
	Responsibility rating	Identified issues of concern and/or links to main documents
Resp. A	Observed	<p><b>Criteria to identify CSD/SSS that should be regulated/supervised/overseen, Authorities' responsibilities</b></p> <p>French Monetary and Financial Code:  <a href="http://www.legifrance.gouv.fr/Traductions/en-English/Legifrance-translations">http://www.legifrance.gouv.fr/Traductions/en-English/Legifrance-translations</a></p> <p>See link to AMF General Regulation.</p> <p>Adoption of PFMI:  <a href="https://www.ecb.europa.eu/press/govcdec/otherdec/2013/html/gc130621.en.html">https://www.ecb.europa.eu/press/govcdec/otherdec/2013/html/gc130621.en.html</a></p> <p>Eurosystem Oversight Policy Framework:  <a href="https://www.ecb.europa.eu/pub/pdf/other/eurosystemoversightpolicyframework2011en.pdf">https://www.ecb.europa.eu/pub/pdf/other/eurosystemoversightpolicyframework2011en.pdf</a></p>
Resp. B	Observed	<p><b>Authorities' powers – rulemaking/information-gathering/enforcement</b></p> <p>See link to French Monetary and Financial Code</p> <p>See link to AMF General Regulation</p> <p>See link to BDF FMI Oversight.</p> <p>See link to BDF 2014 Oversight Report.</p> <p>See link to AMF Duties and Powers.</p> <p>See link to AMF FMI Oversight.</p>
Resp. C	Observed	<p><b>Regulatory/supervisory/oversight policies – objectives/roles</b></p> <p>See links under Responsibilities A and B and:</p> <p>See link to BDF 2013 Annual Report.</p> <p>See link to ACPR 2013 Annual Report.</p>
Resp. D	Observed	<p><b>Approach to implementing the Principles, Scope of implementation of the Principles</b></p> <p>See links under Responsibilities A, B, and C and:</p> <p>See link to BDF and AMF 2012 Release on Publication of PFMI.</p>
Resp. E	Observed	See links under Responsibility A.

## Detailed rating for France – PS

Responsible authority: Banque de France		
	Responsibility rating	Identified issues of concern and/or links to main documents
<b>Resp. A</b>	Observed	<p><b>Criteria to identify Systemically important PS that should be regulated/supervised/overseen, Authorities' responsibilities</b></p> <p>See link to French Monetary and Financial Code.</p> <p>Regulation on Systemically Important PSs:  <a href="https://www.ecb.europa.eu/ecb/legal/pdf/oj_jol_2014_217_r_0006_en_txt.pdf">https://www.ecb.europa.eu/ecb/legal/pdf/oj_jol_2014_217_r_0006_en_txt.pdf</a></p> <p>Revised Oversight Framework for Retail Payment Systems:  <a href="https://www.ecb.europa.eu/press/pr/date/2014/html/Revisedoversightframeworkretailpaymentsystems-ECBRegulationonoversightrequirements.pdf?7b0d76e028ec69c80e15ebe41078bbfb">https://www.ecb.europa.eu/press/pr/date/2014/html/Revisedoversightframeworkretailpaymentsystems-ECBRegulationonoversightrequirements.pdf?7b0d76e028ec69c80e15ebe41078bbfb</a></p> <p>Revision of Eurosystem Oversight Framework for PSs – Explanatory Note:  <a href="https://www.ecb.europa.eu/press/pr/date/2014/html/Note-Explanatorynoteonrevisionrequirements-ECBRegulationonoversightreq.pdf?d71de117d05e071dd4c51385856b134a">https://www.ecb.europa.eu/press/pr/date/2014/html/Note-Explanatorynoteonrevisionrequirements-ECBRegulationonoversightreq.pdf?d71de117d05e071dd4c51385856b134a</a></p> <p><b>List of Systemically important PS identified for regulation/supervision/oversight</b></p> <p><a href="https://www.ecb.europa.eu/press/pr/date/2014/html/pr140821.en.html">https://www.ecb.europa.eu/press/pr/date/2014/html/pr140821.en.html</a></p>
<b>Resp. B</b>	Observed	<p><b>Authority's powers – rulemaking/information-gathering/enforcement</b></p> <p>See links under Responsibility A and:</p> <p>See link to BDF FMI Oversight.</p> <p>See link to BDF 2014 Oversight Report.</p>
<b>Resp. C</b>	Observed	<p><b>Regulatory/supervisory/oversight policies – objectives/roles</b></p> <p>See links under Responsibilities A and B and:</p> <p>See link to BDF 2013 Annual Report.</p> <p>Eurosystem Oversight Framework for FMIs:  <a href="http://www.ecb.europa.eu/pub/pdf/other/eurosystemoversightpolicyframework2011en.pdf?d16ddcdeed4e9dfa58bf467626bdbbab">http://www.ecb.europa.eu/pub/pdf/other/eurosystemoversightpolicyframework2011en.pdf?d16ddcdeed4e9dfa58bf467626bdbbab</a></p>

<b>Resp. D</b>	Observed	<p><b>Approach to implementing the Principles, Scope of implementation of the Principles</b></p> <p>See links under Responsibilities A, B, and C and: See link to BDF and AMF 2012 Release on Publication of PFMI.</p>
<b>Resp. E</b>	Observed	<p><b>Policies on cooperation with other authorities</b></p> <p>Eurosystem Cooperative Oversight Framework: <a href="http://www.ecb.europa.eu/pub/pdf/other/eurosystemoversightpolicyframework2009en.pdf">http://www.ecb.europa.eu/pub/pdf/other/eurosystemoversightpolicyframework2009en.pdf</a></p> <p>Eurosystem 2014 Oversight Report: <a href="https://www.ecb.europa.eu/pub/pdf/other/eurosystemoversightreport2014.en.pdf">https://www.ecb.europa.eu/pub/pdf/other/eurosystemoversightreport2014.en.pdf</a></p>

## Germany

### Responsibilities assessment ratings for Germany

#### Overview of Regulatory Framework/Regime

The authorities responsible for regulation, supervision and oversight of FMIs in Germany are the Deutsche Bundesbank (Bundesbank) and the Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin).

CCPs and CSDs/SSSs are supervised by BaFin in collaboration with Bundesbank (via its Banking Supervision function) and overseen by Bundesbank (via its Oversight function). The PFMI form the basis for the oversight of CCPs and CSDs/SSSs conducted by Bundesbank. TRs established in the EU are under the sole supervision of the European Securities and Markets Authority (ESMA). Bundesbank, as a member of the Eurosystem, pursues its FMI oversight responsibilities according to the policies defined by the Eurosystem.

In Germany, FMIs are subject to regulation, supervision and oversight under both national and European Union (EU) law or Eurosystem regulation. CCPs are subject to the European Market Infrastructure Regulation (EMIR) and its associated technical standards. CSDs/SSSs currently are subject to national regulation and, in due course, CSDs/SSSs will be required to comply with the Central Securities Depositories Regulation (CSDR) and its associated technical standards. Within the Euro area, systemically important PSs are subject to the Eurosystem regulation. TRs are subject to EMIR and its associated technical standards.

In Germany, there are two CCPs,<sup>66</sup> one CSD<sup>67</sup> and two SSSs.<sup>68</sup> There are no systemically important PSs or TRs located in Germany.

#### Key Observations

Bundesbank and BaFin (the German authorities) are assessed to observe all relevant Responsibilities for CCPs and CSDs/SSSs, as well as the Responsibilities relevant for systemically important PSs (Responsibilities B and E; the remaining Responsibilities are assessed at the European Union level).

Bundesbank and BaFin apply clear criteria to identify CCPs and CSDs/SSSs that should be subject to regulation, supervision and oversight.

The German authorities have appropriate powers, consistent with their regulatory, supervisory, and oversight responsibilities in respect of FMIs. Both authorities also indicate that they have sufficient resources to fulfil their responsibilities.

The German authorities have also defined and publicly disclosed their policies with respect to CCPs and CSDs/SSSs.

The German authorities apply the PFMI to all CCPs and CSDs/SSSs. Moreover, the German authorities have published statements regarding the adoption of the PFMI.

The German authorities cooperate with both relevant domestic and international authorities to promote the safety and efficiency of the CCPs, CSDs/SSSs and systemically important PSs in Germany and the Euro area, as appropriate. In terms of domestic cooperation, German authorities work together in exercising their functions to ensure each is able to advance its objectives. Regarding international

<sup>66</sup> Eurex Clearing AG and European Commodity Clearing AG.

<sup>67</sup> Clearstream Banking Frankfurt AG.

<sup>68</sup> CBF CASCADE and CBF CREATION.

cooperation, Bundesbank participates in cooperative oversight arrangements for systemically important PSs, and German authorities take part in CCP supervisory colleges set up by EMIR and in global supervisory colleges. BaFin chairs EMIR colleges for CCPs located in Germany. The German authorities also have arrangements with relevant foreign authorities related to the supervision of CSDs/SSSs.

#### Jurisdictional Comments

The Deutsche Bundesbank and the BaFin thank the CPMI-IOSCO Implementation Monitoring Standing Group for the assessment work and have no comments on the findings.

## Detailed rating for Germany – CCP

Responsible authorities: BaFin and Bundesbank		
	Responsibility rating	Identified issues of concern and/or links to main documents
<b>Resp. A</b>	Observed	<p><b>Criteria to identify CCPs that should be regulated/supervised/overseen</b></p> <p>European Market Infrastructure Regulation (EMIR):  <a href="http://ec.europa.eu/finance/financial-markets/derivatives/index_en.htm">http://ec.europa.eu/finance/financial-markets/derivatives/index_en.htm</a></p> <p>ESMA Technical Standards:  <a href="http://www.esma.europa.eu/page/Central-Counterparties">http://www.esma.europa.eu/page/Central-Counterparties</a></p> <p>ESMA Guidelines and Recommendations on PFMI Implementation:  <a href="http://www.esma.europa.eu/system/files/2014-1133_en.pdf">http://www.esma.europa.eu/system/files/2014-1133_en.pdf</a></p> <p>List of Competent Authorities under EMIR:  <a href="http://www.esma.europa.eu/page/Competent-authorities-responsible-authorisation-and-supervision-central-counterparties-CPPs">http://www.esma.europa.eu/page/Competent-authorities-responsible-authorisation-and-supervision-central-counterparties-CPPs</a></p> <p><b>Authorities' responsibilities</b></p> <p>German Banking Act:  <a href="http://www.gesetze-im-internet.de/kredwlg/index.html">http://www.gesetze-im-internet.de/kredwlg/index.html</a></p> <p>Bundesbank Act:  <a href="https://www.bundesbank.de/Redaktion/EN/Downloads/Bundesbank/Tasks_and_organisation/bundesbank_act.pdf?blob=publicationFile">https://www.bundesbank.de/Redaktion/EN/Downloads/Bundesbank/Tasks_and_organisation/bundesbank_act.pdf?blob=publicationFile</a></p> <p>Bundesbank Oversight Section:  <a href="http://www.bundesbank.de/Redaktion/EN/Dossier/Tasks/oversight.html?notFirst=true&amp;docId=328228#chap">http://www.bundesbank.de/Redaktion/EN/Dossier/Tasks/oversight.html?notFirst=true&amp;docId=328228#chap</a></p> <p><b>List of CCPs identified for regulation/supervision/oversight</b>  <a href="http://www.esma.europa.eu/system/files/ccps_authorized_under_emir.pdf">http://www.esma.europa.eu/system/files/ccps_authorized_under_emir.pdf</a></p>
<b>Resp. B</b>	Observed	<p><b>Authorities' powers – rulemaking/information-gathering/enforcement</b></p> <p>Act Establishing the Federal Financial Supervisory Authority:  <a href="http://www.bafin.de/SharedDocs/Aufsichtsrecht/EN/Gesetz/findag_en.html">http://www.bafin.de/SharedDocs/Aufsichtsrecht/EN/Gesetz/findag_en.html</a></p>
<b>Resp. C</b>	Observed	
<b>Resp. D</b>	Observed	

<b>Resp. E</b>	Observed	<p><b>Policies on cooperation with other authorities</b></p> <p>ESMA Technical Standards for CCP Colleges:  <a href="http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:244:0019:0022:EN:PDF">http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:244:0019:0022:EN:PDF</a></p> <p>ESMA Guidelines and Recommendations on Written Agreements between CCP College Members:  <a href="http://www.esma.europa.eu/content/Guidelines-and-Recommendations-regarding-written-agreements-between-members-CCP-colleges">http://www.esma.europa.eu/content/Guidelines-and-Recommendations-regarding-written-agreements-between-members-CCP-colleges</a></p>

### Detailed rating for Germany – CSD/SSS

<b>Responsible authorities: BaFin and Bundesbank</b>		
	<b>Responsibility rating</b>	<b>Identified issues of concern and/or links to main documents</b>
<b>Resp. A</b>	Observed	<p><b>Criteria to identify CSD/SSS that should be regulated/supervised/overseen, Authorities' responsibilities</b></p> <p>See link to German Banking Act:            See link to Bundesbank Act:            See link to Bundesbank Oversight Section:            Adoption of PFMI:  <a href="https://www.ecb.europa.eu/press/govcdec/otherdec/2013/html/gc130621.en.html">https://www.ecb.europa.eu/press/govcdec/otherdec/2013/html/gc130621.en.html</a>            Eurosystem Oversight Policy Framework:  <a href="https://www.ecb.europa.eu/pub/pdf/other/eurosystemoversightpolicyframework2011en.pdf">https://www.ecb.europa.eu/pub/pdf/other/eurosystemoversightpolicyframework2011en.pdf</a></p>
<b>Resp. B</b>	Observed	
<b>Resp. C</b>	Observed	
<b>Resp. D</b>	Observed	
<b>Resp. E</b>	Observed	

### Detailed rating for Germany – PS

<b>Responsible authority: Bundesbank</b>		
	<b>Responsibility rating</b>	<b>Identified issues of concern and/or links to main documents</b>
<b>Resp. A</b>	See EU/Eurosystem	
<b>Resp. B</b>	Observed See EU/Eurosystem	
<b>Resp. C</b>	See EU/Eurosystem	
<b>Resp. D</b>	See EU/Eurosystem	
<b>Resp. E</b>	Observed See EU/Eurosystem	

# Hong Kong

## Responsibilities assessment ratings for Hong Kong

### Overview of Regulatory Framework/Regime

The authorities responsible for regulation, supervision and oversight of FMIs in Hong Kong are the Hong Kong Monetary Authority (HKMA) and the Securities and Futures Commission (SFC).

CCPs and CSDs/SSSs for securities and future contracts are regulated exclusively by the SFC. The HKMA has exclusive regulatory and oversight authority over PSs, TRs, and CSDs/SSSs for debt securities. There is no overlap in supervisory/regulatory authority across HKMA and SFC.

In Hong Kong, FMIs are subject to regulation, supervision and oversight based on the respective legal framework and policy mandate of the two regulators. The SFC is responsible for supervising, monitoring, and regulating the activities of recognized clearing houses (RCHs) under the Securities and Futures Ordinance (SFO). The HKMA is empowered under the Clearing and Settlement Systems Ordinance (CSSO) to designate and oversee designated clearing and settlement systems. The responsibilities of the HKMA for overseeing the Hong Kong Trade Repository (HKTR) are derived from the Exchange Fund Ordinance (EFO).

In Hong Kong, there are four CCPs,<sup>69</sup> two CSDs/SSSs,<sup>70</sup> four PSs,<sup>71</sup> and one TR.<sup>72</sup>

### Key Observations

HKMA and SFC are assessed to observe all Responsibilities across all FMI types.

HKMA and SFC have clearly defined and publicly disclosed the criteria used to identify FMIs that should be subject to their regulation, supervision, and oversight.

HKMA and SFC have powers, consistent with their regulatory, supervisory, and oversight responsibilities in respect of FMIs. Both authorities also indicate that they have sufficient resources to fulfil their responsibilities.

HKMA and SFC clearly define and disclose their policies with respect to FMIs. The policies of the HKMA with respect to oversight of FMIs under its purview are explained in its Policy Statement – “Oversight of Financial Market Infrastructures by the Hong Kong Monetary Authority” and the SFC’s regulatory objectives, functions, and duties are set out in sections 4, 5, and 6 of the SFO.

HKMA and SFC apply the PFMI to all systemically important FMIs. Both authorities jointly issued a statement in March 2013 on their adoption of the PFMI for the systemically important FMIs. In addition, the HKMA incorporated the relevant PFMI requirements in the “Guideline on the Oversight Framework for Designated Systems” in March 2013 and the “Guideline on the Oversight Framework for the Hong Kong Trade Repository” in July 2013. The SFC issued its “Guidelines on the Application of the CPSS-IOSCO Principles for Financial Market Infrastructures” in August 2013.

<sup>69</sup> (i) Hong Kong Securities Clearing Company Limited (HKSCC), (ii) HKFE Clearing Corporation Limited (HKCC), (iii) SEHK Options Clearing House Limited. (SEOCH), and (iv) OTC Clearing Hong Kong Limited (OTC Clear).

<sup>70</sup> The CSDs/SSSs that are subject to regulation in Hong Kong are: (i) HKSCC and (ii) Central Moneymarkets Unit (CMU).

<sup>71</sup> The PSs that are subject to regulation in Hong Kong are: (i) Hong Kong Dollar (HKD) Clearing House Automated Transfer System (CHATS), (ii) United States Dollar (USD) CHATS, (iii) Euro (EUR) CHATS, and (iv) Renminbi (RMB) CHATS.

<sup>72</sup> The TR that is subject to regulation in Hong Kong is the OTC Derivatives Trade Repository or Hong Kong Trade Repository (HKTR).

The HKMA and SFC cooperate with relevant domestic authorities and with relevant foreign authorities to promote the safety and efficiency of Hong Kong FMIs. In terms of domestic cooperation, the HKMA and SFC have an MOU that guides their cooperation with respect to certain linked FMIs in Hong Kong. The HKMA and SFC also participate in multilateral meetings with a broad set of domestic regulators to discuss issues of mutual concern and financial stability more broadly. Both authorities also cooperate and share information with the relevant foreign authorities for FMIs that are overseen by the HKMA or the SFC.<sup>73</sup> MOUs exist for many of these bilateral cooperative arrangements with foreign authorities.

### Jurisdictional Comments

The HKMA and SFC thank the Assessment Team for their time and effort and appreciate the assessment that Hong Kong has fully observed the responsibilities across all types of FMIs.

<sup>73</sup> As of 9 January 2015 (the assessment cut-off date), only institutions that are supervised by HKMA were required to report eligible transactions to the HKTR. The HKMA was able to share information with other relevant authorities under the Banking Ordinance without additional cooperative arrangements with such parties. A new OTC derivatives regulatory regime came into effect on 10 July 2015 that requires a larger set of institutions to report eligible transactions to the HKTR. With respect to data reported under the new regime, the Securities and Futures (Amendment) Ordinance 2014 provides disclosure gateways to overseas regulators and overseas TRs.

## Detailed rating for Hong Kong – CCP

Responsible authority: Securities and Futures Commission (SFC) <sup>74</sup>		
	Responsibility rating	Identified issues of concern and/or links to main documents
Resp. A	Observed	<p><b>Authority's responsibilities</b></p> <p>Securities and Futures Ordinance, including sections 4, 5, 6, 37, 38  <a href="http://www.legislation.gov.hk/blis_pdf.nsf/6799165D2FEE3FA94825755E0033E532/5167961DDC96C3B7482575EF001C7C2D/\$FILE/CAP_571_e_b5.pdf">http://www.legislation.gov.hk/blis_pdf.nsf/6799165D2FEE3FA94825755E0033E532/5167961DDC96C3B7482575EF001C7C2D/\$FILE/CAP_571_e_b5.pdf</a></p> <p><b>Criteria to identify FMIs that should be regulated/supervised/overseen</b></p> <p>See link to Securities and Futures Ordinance , including sections 4, 6, 37</p>
Resp. B	Observed	<p><b>Authority's powers – rule-making/information-gathering/enforcement</b></p> <p>See link to Securities and Futures Ordinance, including sections 37, 41, 42, 43, 47, 59, 65, 67, 71, 72, 75, 91, 92, 93</p> <p><b>Authority's resources</b></p> <p>See link to Securities and Futures Ordinance – including sections 9, 394, 395</p> <p><b>Legal protections</b></p> <p>See link to Securities and Futures Ordinance – section 380</p>
Resp. C	Observed	<p><b>Regulatory/supervisory/oversight policies – objectives/roles</b></p> <p>See link to Securities and Futures Ordinance, including sections 4, 5, 6</p> <p><b>Regulatory/supervisory/oversight policies – standards/rules</b></p> <p>See link to Securities and Futures Ordinance, including sections 38, 40, 41, 63, 66.</p> <p><b>Regulatory/supervisory/oversight policies – guidance</b></p> <p>SFC Guidelines on the application of the CPSS-IOSCO Principles for Financial Market Infrastructures  <a href="http://en-rules.sfc.hk/net_file_store/new_rulebooks/h/k/HKSFC3527_4420_VER10.pdf">http://en-rules.sfc.hk/net_file_store/new_rulebooks/h/k/HKSFC3527_4420_VER10.pdf</a></p>

<sup>74</sup> The HKMA has not designated and does not oversee any CCPs at this time.

<b>Resp. D</b>	Observed	<p><b>Approach to implementing the Principles</b></p> <p>HKMA and SFC joint statement  <a href="http://www.hkma.gov.hk/eng/key-information/press-releases/2013/20130328-6.shtml">http://www.hkma.gov.hk/eng/key-information/press-releases/2013/20130328-6.shtml</a>; or</p> <p><a href="http://www.sfc.hk/edistributionWeb/gateway/EN/news-and-announcements/news/doc?refNo=13PR28">http://www.sfc.hk/edistributionWeb/gateway/EN/news-and-announcements/news/doc?refNo=13PR28</a></p> <p>See link to SFC Guidelines on the application of the CPSS-IOSCO Principles for Financial Market Infrastructures</p>
<b>Resp. E</b>	Observed	<p><b>Domestic regulatory/supervisory/oversight cooperation – example of arrangements</b></p> <p>MOU between the HKMA and the SFC  <a href="http://www.hkma.gov.hk/media/eng/doc/key-functions/banking-stability/oversight/CSSO_MoU.pdf">http://www.hkma.gov.hk/media/eng/doc/key-functions/banking-stability/oversight/CSSO_MoU.pdf</a>; or</p> <p><a href="http://www.sfc.hk/web/doc/EN/aboutsfc/arrangements/local-org/hkma_csso_mou_nov04.pdf">http://www.sfc.hk/web/doc/EN/aboutsfc/arrangements/local-org/hkma_csso_mou_nov04.pdf</a></p> <p><b>International regulatory/supervisory/oversight cooperation – example of arrangements</b></p> <p>MOU between SFC and ESMA for CCPs that have applied for recognition under EMIR  <a href="http://www.sfc.hk/web/EN/files/ER/MOU/Esma%20and%20SFC%20-%20Memorandum%20of%20Understanding%20Dec%202014.pdf">http://www.sfc.hk/web/EN/files/ER/MOU/Esma%20and%20SFC%20-%20Memorandum%20of%20Understanding%20Dec%202014.pdf</a></p> <p><b>Data-sharing arrangement</b></p> <p>MOU between SFC and China Securities Regulatory Commission (CSRC) for strengthening cross-boundary regulatory and enforcement cooperation with respect to Shanghai-Hong Kong Stock Connect  <a href="http://www.sfc.hk/web/files/ER/MOU/ENF_MOU_October2014.pdf">http://www.sfc.hk/web/files/ER/MOU/ENF_MOU_October2014.pdf</a></p>

### Detailed rating for Hong Kong – CSD/SSS

<b>Responsible authorities: Hong Kong Monetary Authority (HKMA), Securities and Futures Commission (SFC)</b>		
	<b>Responsibility rating</b>	<b>Identified issues of concern and/or links to main documents</b>
<b>Resp. A</b>	Observed	<p><b>Authorities' responsibilities</b></p> <p>Clearing and Settlement Systems Ordinance, including section 9  <a href="http://www.legislation.gov.hk/blis_pdf.nsf/6799165D2FEE3FA94825755E0033E532/C5DBCF5A5D99246D482575EF001F294D/\$FILE/CAP_584_e_b5.pdf">http://www.legislation.gov.hk/blis_pdf.nsf/6799165D2FEE3FA94825755E0033E532/C5DBCF5A5D99246D482575EF001F294D/\$FILE/CAP_584_e_b5.pdf</a></p>

		<p>Securities and Futures Ordinance, including sections 4, 5, 6, 37, 38  <a href="http://www.legislation.gov.hk/blis_pdf.nsf/6799165D2FEE3FA94825755E0033E532/5167961DDC96C3B7482575EF001C7C2D/\$FILE/CAP_571_e_b5.pdf">http://www.legislation.gov.hk/blis_pdf.nsf/6799165D2FEE3FA94825755E0033E532/5167961DDC96C3B7482575EF001C7C2D/\$FILE/CAP_571_e_b5.pdf</a></p> <p><b>Criteria to identify FMIs that should be regulated/supervised/overseen</b></p> <p>See link to Clearing and Settlement Systems Ordinance – section 4</p> <p>Policy statement – Oversight of Financial Market Infrastructures by the Hong Kong Monetary Authority –  <a href="http://www.hkma.gov.hk/media/eng/doc/key-functions/banking-stability/oversight/FMI_oversight.pdf">http://www.hkma.gov.hk/media/eng/doc/key-functions/banking-stability/oversight/FMI_oversight.pdf</a></p> <p>See link to Securities and Futures Ordinance, including sections 4, 6, 37</p> <p><b>List of FMIs identified for regulation/supervision/oversight</b></p> <p>See link to Policy Statement – Oversight of Financial Market Infrastructures by the Hong Kong Monetary Authority</p>
<b>Resp. B</b>	Observed	<p><b>Authority's powers – rule-making/information-gathering/enforcement</b></p> <p>See link to Clearing and Settlement Systems Ordinance, including sections 4, 5, 7, 12, 13, 14, 16, 17, 49, 52, 53, 54</p> <p>See link to Securities and Futures Ordinance – including sections 37, 41, 42, 43, 47, 59, 65, 67, 71, 72, 75, 91, 92, 93</p> <p><b>Authority's resources</b></p> <p>See link to Securities and Futures Ordinance – including sections 9, 394, 395</p> <p><b>Legal protections</b></p> <p>See link to Clearing and Settlement Systems Ordinance – section 51</p> <p>See link to Securities and Futures Ordinance – section 380</p>
<b>Resp. C</b>	Observed	<p><b>Regulatory/supervisory/oversight policies – objectives/roles</b></p> <p>See link to Policy Statement – Oversight of Financial Market Infrastructures by the Hong Kong Monetary Authority</p> <p>See link to Securities and Futures Ordinance, including sections 4, 5, and 6</p> <p><b>Regulatory/supervisory/oversight policies – standards/rules</b></p> <p>See link to Policy Statement – Oversight of Financial Market Infrastructures by the Hong Kong Monetary Authority</p> <p>See link to Securities and Futures Ordinance, including sections 38, 40, 41, 63, 66</p>

		<p><b>Regulatory/supervisory/oversight policies – guidance</b></p> <p>See link to Policy Statement – Oversight of Financial Market Infrastructures by the Hong Kong Monetary Authority</p> <p>HKMA – Guideline on the Oversight Framework for Designated Systems  <a href="http://www.hkma.gov.hk/media/eng/doc/key-functions/banking-stability/oversight/guideline.pdf">http://www.hkma.gov.hk/media/eng/doc/key-functions/banking-stability/oversight/guideline.pdf</a></p> <p>SFC Guidelines on the application of the CPSS-IOSCO Principles for Financial Market Infrastructures  <a href="http://en-rules.sfc.hk/net_file_store/new_rulebooks/h/k/HKSFC3527_4420_VER10.pdf">http://en-rules.sfc.hk/net_file_store/new_rulebooks/h/k/HKSFC3527_4420_VER10.pdf</a></p>
<b>Resp. D</b>	Observed	<p><b>Approach to implementing the Principles</b></p> <p>HKMA and SFC joint statement  <a href="http://www.hkma.gov.hk/eng/key-information/press-releases/2013/20130328-6.shtml">http://www.hkma.gov.hk/eng/key-information/press-releases/2013/20130328-6.shtml</a>; or  <a href="http://www.sfc.hk/edistributionWeb/gateway/EN/news-and-announcements/news/doc?refNo=13PR28">http://www.sfc.hk/edistributionWeb/gateway/EN/news-and-announcements/news/doc?refNo=13PR28</a></p> <p>See link to HKMA – Guideline on the Oversight Framework for Designated Systems</p> <p>See link to SFC Guidelines on the application of the CPSS-IOSCO Principles for Financial Market Infrastructures</p>
<b>Resp. E</b>	Observed	<p><b>Domestic regulatory/supervisory/oversight cooperation – example of arrangements</b></p> <p>MOU between the HKMA and the SFC  <a href="http://www.hkma.gov.hk/media/eng/doc/key-functions/banking-stability/oversight/CSSO_MoU.pdf">http://www.hkma.gov.hk/media/eng/doc/key-functions/banking-stability/oversight/CSSO_MoU.pdf</a>; or  <a href="http://www.sfc.hk/web/doc/EN/aboutsfc/arrangements/local-org/hkma_csso_mou_nov04.pdf">http://www.sfc.hk/web/doc/EN/aboutsfc/arrangements/local-org/hkma_csso_mou_nov04.pdf</a></p> <p><b>Data-sharing arrangement</b></p> <p>MOU between SFC and CSRC for strengthening cross-boundary regulatory and enforcement cooperation with respect to Shanghai-Hong Kong Stock Connect  <a href="http://www.sfc.hk/web/files/ER/MOU/ENF_MOU_October2014.pdf">http://www.sfc.hk/web/files/ER/MOU/ENF_MOU_October2014.pdf</a></p>

## Detailed rating for Hong Kong – PS

Responsible authority: Hong Kong Monetary Authority (HKMA)		
	Responsibility rating	Identified issues of concern and/or links to main documents
Resp. A	Observed	<p><b>Authority's responsibilities</b></p> <p>Clearing and Settlement Systems Ordinance – section 9  <a href="http://www.legislation.gov.hk/blis_pdf.nsf/6799165D2FEE3FA94825755E0033E532/C5DBC5A5D99246D482575EF001F294D/\$FILE/CAP_584_e_b5.pdf">http://www.legislation.gov.hk/blis_pdf.nsf/6799165D2FEE3FA94825755E0033E532/C5DBC5A5D99246D482575EF001F294D/\$FILE/CAP_584_e_b5.pdf</a></p> <p><b>Criteria to identify FMIs that should be regulated/supervised/overseen</b></p> <p>See link to Clearing and Settlement Systems Ordinance – section 4</p> <p>Policy statement – Oversight of Financial Market Infrastructures by the Hong Kong Monetary Authority –  <a href="http://www.hkma.gov.hk/media/eng/doc/key-functions/banking-stability/oversight/FMI_oversight.pdf">http://www.hkma.gov.hk/media/eng/doc/key-functions/banking-stability/oversight/FMI_oversight.pdf</a></p> <p><b>List of FMIs identified for regulation/supervision/oversight</b></p> <p>See link to Policy Statement – Oversight of Financial Market Infrastructures by the Hong Kong Monetary Authority</p>
Resp. B	Observed	<p><b>Authority's powers – rule-making/information-gathering/enforcement</b></p> <p>See link to Clearing and Settlement Systems Ordinance, including sections 4, 5, 7, 12, 13, 14, 16, 17, 49, 52, 53, 54</p> <p><b>Legal protections</b></p> <p>See link to Clearing and Settlement Systems Ordinance – section 51</p>
Resp. C	Observed	<p><b>Regulatory/supervisory/oversight policies – objectives/roles/standards/rules</b></p> <p>See link to Policy Statement – Oversight of Financial Market Infrastructures by the Hong Kong Monetary Authority</p> <p><b>Regulatory/supervisory/oversight policies – guidance</b></p> <p>See link to Policy statement – Oversight of Financial Market Infrastructures by the Hong Kong Monetary Authority</p> <p>HKMA Guideline on the Oversight Framework for Designated Systems –  <a href="http://www.hkma.gov.hk/media/eng/doc/key-functions/banking-stability/oversight/guideline.pdf">http://www.hkma.gov.hk/media/eng/doc/key-functions/banking-stability/oversight/guideline.pdf</a></p>

<b>Resp. D</b>	Observed	<p><b>Approach to implementing the Principles</b></p> <p>HKMA and SFC joint statement <a href="http://www.hkma.gov.hk/eng/key-information/press-releases/2013/20130328-6.shtml">http://www.hkma.gov.hk/eng/key-information/press-releases/2013/20130328-6.shtml</a>; or</p> <p><a href="http://www.sfc.hk/edistributionWeb/gateway/EN/news-and-announcements/news/doc?refNo=13PR28">http://www.sfc.hk/edistributionWeb/gateway/EN/news-and-announcements/news/doc?refNo=13PR28</a></p> <p>See link to – HKMA Guideline on the Oversight Framework for Designated Systems</p>
<b>Resp. E</b>	Observed	<p><b>Domestic regulatory/supervisory/oversight cooperation – example of arrangements</b></p> <p>MOU between the HKMA and the SFC</p> <p><a href="http://www.hkma.gov.hk/media/eng/doc/key-functions/banking-stability/oversight/CSSO_MoU.pdf">http://www.hkma.gov.hk/media/eng/doc/key-functions/banking-stability/oversight/CSSO MoU.pdf</a>; or</p> <p><a href="http://www.sfc.hk/web/doc/EN/aboutsfc/arrangements/local-org/hkma_csso_mou_nov04.pdf">http://www.sfc.hk/web/doc/EN/aboutsfc/arrangements/local-org/hkma_csso_mou_nov04.pdf</a></p> <p><b>International regulatory/supervisory/oversight cooperation – example of arrangements</b></p> <p>HKMA participates in the CLS Cooperative Oversight Arrangement</p> <p><a href="http://www.federalreserve.gov/paymentsystems/cls_protocol.htm">http://www.federalreserve.gov/paymentsystems/cls_protocol.htm</a></p>

### Detailed rating for Hong Kong – TR

<b>Responsible authority: Hong Kong Monetary Authority (HKMA)</b>		
	<b>Responsibility rating</b>	<b>Identified issues of concern and/or links to main documents</b>
<b>Resp. A</b>	Observed	<p><b>Authority's responsibilities</b></p> <p>Exchange Fund Ordinance – section 3</p> <p><a href="http://www.legislation.gov.hk/blis_pdf.nsf/4f0db701c6c25d4a4825755c00352e35/B14512AEA9D0D8E9482575EE0036BEF8/\$FILE/CAP_66_e_b5.pdf">http://www.legislation.gov.hk/blis_pdf.nsf/4f0db701c6c25d4a4825755c00352e35/B14512AEA9D0D8E9482575EE0036BEF8/\$FILE/CAP_66_e_b5.pdf</a></p> <p><b>Criteria to identify FMIs that should be regulated/supervised/overseen</b></p> <p>Policy Statement – Oversight of Financial Market Infrastructures by the Hong Kong Monetary Authority –</p> <p><a href="http://www.hkma.gov.hk/media/eng/doc/key-functions/banking-stability/oversight/FMI_oversight.pdf">http://www.hkma.gov.hk/media/eng/doc/key-functions/banking-stability/oversight/FMI_oversight.pdf</a></p> <p><b>List of FMIs identified for regulation/supervision/oversight</b></p> <p>See link to Policy Statement – Oversight of Financial Market Infrastructures by the Hong Kong Monetary Authority</p>

<b>Resp. B</b>	Observed	<p><b>Authorities' powers – rule-making/information-gathering/enforcement</b></p> <p>See link to Exchange Fund Ordinance</p>
<b>Resp. C</b>	Observed	<p><b>Regulatory/supervisory/oversight policies – objectives/roles/standards/rules</b></p> <p>See link to Policy Statement – Oversight of Financial Market Infrastructures by the Hong Kong Monetary Authority</p> <p><b>Regulatory/supervisory/oversight policies – guidance</b></p> <p>See link to Policy Statement – Oversight of Financial Market Infrastructures by the Hong Kong Monetary Authority</p> <p>Guideline on the Oversight Framework for the Hong Kong Trade Repository –  <a href="http://www.hkma.gov.hk/media/eng/doc/key-functions/banking-stability/oversight/guideline_TR.pdf">http://www.hkma.gov.hk/media/eng/doc/key-functions/banking-stability/oversight/guideline TR.pdf</a></p>
<b>Resp. D</b>	Observed	<p><b>Approach to implementing the Principles</b></p> <p>HKMA and SFC joint statement  <a href="http://www.hkma.gov.hk/eng/key-information/press-releases/2013/20130328-6.shtml">http://www.hkma.gov.hk/eng/key-information/press-releases/2013/20130328-6.shtml</a>; or  <a href="http://www.sfc.hk/edistributionWeb/gateway/EN/news-and-announcements/news/doc?refNo=13PR28">http://www.sfc.hk/edistributionWeb/gateway/EN/news-and-announcements/news/doc?refNo=13PR28</a></p> <p>See link to Guideline on the Oversight Framework for the Hong Kong Trade Repository</p>
<b>Resp. E</b>	Observed	<p><b>Policies on cooperation with other authorities</b></p> <p>Banking Ordinance, Chapter 155, section 68  <a href="http://www.legislation.gov.hk/blis_pdf.nsf/6799165D2FEE3FA94825755E0033E532/5A827AA51F496D08482575EE004568BC/\$FILE/CAP_155_e_b5.pdf">http://www.legislation.gov.hk/blis_pdf.nsf/6799165D2FEE3FA94825755E0033E532/5A827AA51F496D08482575EE004568BC/\$FILE/CAP_155_e_b5.pdf</a></p> <p>Securities and Futures (Amendment) Ordinance 2014 (see pages A669 on subsections (2)-(4) of section 381C and A683 on section 381F):  <a href="http://www.legco.gov.hk/yr13-14/english/ord/ord006-14-e.pdf">http://www.legco.gov.hk/yr13-14/english/ord/ord006-14-e.pdf</a></p>

## India

### Responsibilities assessment ratings for India

#### Overview of Regulatory Framework/Regime

The authorities responsible for regulation, supervision and oversight of FMI in India are the Reserve Bank of India (RBI) and the Securities and Exchange Board of India (SEBI).

CCPs, CSDs, and SSSs observe different regulatory, supervisory, and oversight frameworks depending on the type of products that are cleared/settled,<sup>75</sup> and there is no overlap between RBI and SEBI insofar as the discharge of authorities' responsibilities. The RBI uses the Payment and Settlement Systems (PSS) Act, 2007 and Payment and Settlement Systems Regulations, 2008 to regulate and oversee CCPs, CSD and SSSs under its jurisdiction. SEBI defines the regulatory and supervisory regimes for relevant FMIs through the Securities Contracts (Regulation) Act (SCRA) (1956), Stock Exchange and Clearing Corporations Regulations (SECC) (2012), Depositories Act (1996), and the Depositories and Participants Regulations (1996).

PSs are regulated and overseen by the RBI under the PSS Act. The RBI regulates transactions in derivatives based on the Reserve Bank of India Act (RBI Act) (1934), and has mandated that market participants report OTC derivatives trades to the RBI-designated TR.

In India there are four CCPs,<sup>76</sup> one systemically important PS,<sup>77</sup> three CSDs/SSSs,<sup>78</sup> and one TR.<sup>79</sup>

#### Key Observations

The RBI and SEBI ("Indian authorities") are assessed to observe all Responsibilities for the identified systemically important PSs, CSDs/SSSs, CCPs, and TR.

The Indian Authorities have clearly defined and publicly disclosed the criteria used to identify FMIs that should be to authorities' regulation, supervision, and oversight.

The RBI and SEBI have appropriate powers, consistent with their regulatory, supervisory and oversight responsibilities in respect of FMIs. Both authorities also indicate that they have sufficient resources to fulfil their responsibilities.

The Indian Authorities RBI's and SEBI's policies with respect to FMIs have been clearly defined and are publicly disclosed. The RBI policy document on "Regulation and Supervision of Financial Market Infrastructures" and SEBI vide circular CIR/MDR/DRMNP/26/2013 outline that FMIs under their respective jurisdictions need to comply with the PFMI.

The RBI and SEBI cooperate domestically between them and with other financial sector authorities under the aegis of the Financial Stability Development Council (FSDC), which was established to allow more effective regulatory coordination, crisis prevention and management, and ultimately help

<sup>75</sup> The regulatory / oversight regime applicable to commodity derivatives has not been reviewed as part of this assessment.

<sup>76</sup> Clearing Corporation of India Ltd. (CCIL) is subject to RBI's regulation and oversight under the PSS Act. The other three CCPs are regulated by SEBI: National Securities Clearing Corporation (NSCC), the Indian Clearing Corporation Limited (ICCL), and the MCX-SX Clearing Corporation Ltd. Act.

<sup>77</sup> The Payments-RTGS is owned and operated by the RBI.

<sup>78</sup> Central Depository Services Limited (CDSL) and the National Securities Depository Ltd. (NSDL) fall under SEBI's jurisdiction. Government securities settle in the books of the Public Debt Office of the RBI, which also acts as the depository for dematerialized government securities and is overseen by the RBI.

<sup>79</sup> The RBI has designated CCIL as a trade repository for reporting of all OTC interest rate and forex derivative instruments.

maintain financial stability. As for international cooperation, the RBI has information sharing arrangements in place with the Federal Reserve Bank of New York with regard to CCIL operations in the USD-INR segment.

#### Jurisdictional Comments

The Indian Regulatory Authorities would like to take this opportunity to acknowledge and appreciate the detailed assessment of "Responsibilities" carried out by the assessment team for the Indian Jurisdiction. We understand that the "Responsibilities" are crucial for effective implementation of the PFMI and therefore the Indian Regulatory Authorities have taken necessary measures to ensure that the PFMI are implemented in a timely manner. The RBI committed to adopt the PFMI in July 2013, and SEBI committed to adopt the principles in September 2013.

The authorities would like to appreciate the conclusion of the assessment team that policies with respect to FMIs have been clearly defined and are publicly disclosed. Further, the legal framework prescribed in the Indian Jurisdiction provides appropriate powers to SEBI and RBI to effectively carry out their regulatory, supervisory and oversight responsibilities in respect of FMIs.

The implementation of the PFMI is critical to ensure that the safety and efficiency of the FMIs, and the Indian Regulatory Authorities would continue to take necessary steps to ensure that challenges in implementation of the PFMI are suitably addressed.

The authorities wish to inform that with effect from 1 June 2015, the amendment to the Payment and Settlement Systems Act has brought the regulation and supervision of TR under the PSS Act. <https://rbidocs.rbi.org.in/rdocs/content/PDFs/PSN190515F.pdf>.

## Detailed rating for India – CCP

<b>Responsible authorities: RBI, SEBI</b>		
	<b>Responsibility rating</b>	<b>Identified issues of concern and/or links to main documents</b>
<b>Resp. A</b>	Observed	<p><b>Criteria to identify and list of relevant FMIs for regulation/supervision/oversight; authorities' responsibilities</b></p> <p>RBI – Regulation and Supervision of Financial Market Infrastructure regulated by Reserve Bank of India  <a href="https://www.rbi.org.in/scripts/bs_viewcontent.aspx?Id=2705">https://www.rbi.org.in/scripts/bs_viewcontent.aspx?Id=2705</a></p> <p>SEBI – Circular on the adoption of the Principles for financial market infrastructures  <a href="http://www.sebi.gov.in/cms/sebi_data/attachdocs/1378293615856.pdf">http://www.sebi.gov.in/cms/sebi_data/attachdocs/1378293615856.pdf</a></p>
<b>Resp. B</b>	Observed	<p><b>Authorities' powers – rulemaking/information gathering/enforcement</b></p> <p>RBI – Payment and Settlement Systems Act, 2007  <a href="https://rbidocs.rbi.org.in/rdocs/Publications/PDFs/86706.pdf">https://rbidocs.rbi.org.in/rdocs/Publications/PDFs/86706.pdf</a></p> <p>RBI – Payment and Settlement Systems Regulations, 2008  <a href="https://rbidocs.rbi.org.in/rdocs/Publications/PDFs/REGULATIO50115.pdf">https://rbidocs.rbi.org.in/rdocs/Publications/PDFs/REGULATIO50115.pdf</a></p> <p>SEBI – Securities Contracts (Regulation) Act 1956.  <a href="http://www.sebi.gov.in/cms/sebi_data/attachdocs/1374642840584.pdf">http://www.sebi.gov.in/cms/sebi_data/attachdocs/1374642840584.pdf</a></p> <p>SEBI – SEBI Act 1992  <a href="http://www.sebi.gov.in/cms/sebi_data/attachdocs/1374643650792.pdf">http://www.sebi.gov.in/cms/sebi_data/attachdocs/1374643650792.pdf</a></p> <p>SEBI – Securities Contract (Regulation) (Stock Exchange and Clearing Corporations) Regulations 2012  <a href="http://www.sebi.gov.in/cms/sebi_data/attachdocs/1340272091708.pdf">http://www.sebi.gov.in/cms/sebi_data/attachdocs/1340272091708.pdf</a></p>
<b>Resp. C</b>	Observed	<p><b>Regulatory/supervisory/oversight policies</b></p> <p>See links provided for Responsibility A</p>
<b>Resp. D</b>	Observed	See links provided for Responsibility A
<b>Resp. E</b>	Observed	<p><b>Comment</b></p> <p>RBI and SEBI cooperate domestically between them and with other financial sector authorities under the aegis of the Financial Stability Development Council (FSDC).  See <a href="http://finmin.nic.in/fsdc/StrucFSDC.pdf">http://finmin.nic.in/fsdc/StrucFSDC.pdf</a>.</p> <p>Although there is no provision restricting the sharing of FMI assessments between the RBI and SEBI, authorities have no such bilateral sharing arrangements in place.</p>

## Detailed rating for India – CSD/SSS

Responsible authorities: RBI, SEBI		
	Responsibility rating	Identified issues of concern and/or links to main documents
<b>Resp. A</b>	Observed	<p><b>Criteria to identify and list of relevant FMIs for regulation/supervision/oversight; authorities responsibilities</b></p> <p>RBI – Regulation and Supervision of Financial Market Infrastructure regulated by Reserve Bank of India  <a href="https://www.rbi.org.in/scripts/bs_viewcontent.aspx?Id=2705">https://www.rbi.org.in/scripts/bs_viewcontent.aspx?Id=2705</a></p> <p>SEBI – Circular on the adoption of the Principles for financial market infrastructures  <a href="http://www.sebi.gov.in/cms/sebi_data/attachdocs/1378293615856.pdf">http://www.sebi.gov.in/cms/sebi_data/attachdocs/1378293615856.pdf</a></p>
<b>Resp. B</b>	Observed	<p><b>Authorities' powers – rulemaking/information gathering/enforcement</b></p> <p>RBI – Payment and Settlement Systems Act, 2007  <a href="https://rbidocs.rbi.org.in/rdocs/Publications/PDFs/86706.pdf">https://rbidocs.rbi.org.in/rdocs/Publications/PDFs/86706.pdf</a></p> <p>RBI – Payment and Settlement Systems Regulations, 2008  <a href="https://rbidocs.rbi.org.in/rdocs/Publications/PDFs/REGULATI050115.pdf">https://rbidocs.rbi.org.in/rdocs/Publications/PDFs/REGULATI050115.pdf</a></p> <p>SEBI – Depositories Act 1996  <a href="http://www.sebi.gov.in/cms/sebi_data/attachdocs/1374643599225.pdf">http://www.sebi.gov.in/cms/sebi_data/attachdocs/1374643599225.pdf</a></p> <p>SEBI – (Depositories and Participants) Regulations, 1996  <a href="http://www.sebi.gov.in/cms/sebi_data/pdffiles/20182_t.pdf">http://www.sebi.gov.in/cms/sebi_data/pdffiles/20182_t.pdf</a></p>
<b>Resp. C</b>	Observed	<p><b>Regulatory/supervisory/oversight policies</b></p> <p>RBI – See link for Regulation and Supervision of Financial Market Infrastructure regulated by Reserve Bank of India</p> <p>SEBI – See link for Circular on the adoption of the Principles for financial market infrastructures</p>
<b>Resp. D</b>	Observed	See links provided for Responsibility C
<b>Resp. E</b>	Observed	<p><b>Comment</b></p> <p>RBI and SEBI cooperate domestically between them and with other financial sector authorities under the aegis of the Financial Stability Development Council (FSDC). See  <a href="http://finmin.nic.in/fsdc/StrucFSDC.pdf">http://finmin.nic.in/fsdc/StrucFSDC.pdf</a>.</p> <p>Although there is no provision restricting the sharing of FMI assessments between RBI and SEBI, authorities have no such bilateral sharing arrangements in place.</p>

## Detailed rating for India – PS

<b>Responsible authority: RBI</b>		
	<b>Responsibility rating</b>	<b>Identified issues of concern and/or links to main documents</b>
<b>Resp. A</b>	Observed	<p><b>Criteria to identify and list of relevant FMIs for regulation/supervision/oversight; authorities' responsibilities</b></p> <p>Regulation and Supervision of Financial Market Infrastructure regulated by Reserve Bank of India  <a href="https://www.rbi.org.in/scripts/bs_viewcontent.aspx?Id=2705">https://www.rbi.org.in/scripts/bs_viewcontent.aspx?Id=2705</a></p>
<b>Resp. B</b>	Observed	<p><b>Authority's powers – rulemaking/information gathering/enforcement</b></p> <p>Payment and Settlement Systems Act, 2007  <a href="https://rbidocs.rbi.org.in/rdocs/Publications/PDFs/86706.pdf">https://rbidocs.rbi.org.in/rdocs/Publications/PDFs/86706.pdf</a></p> <p>Payment and Settlement Systems Regulations, 2008  <a href="https://rbidocs.rbi.org.in/rdocs/Publications/PDFs/REGULATI050115.pdf">https://rbidocs.rbi.org.in/rdocs/Publications/PDFs/REGULATI050115.pdf</a></p>
<b>Resp. C</b>	Observed	<p><b>Regulatory/supervisory/oversight policies</b></p> <p>See link for Regulation and Supervision of Financial Market Infrastructure regulated by Reserve Bank of India</p>
<b>Resp. D</b>	Observed	See links provided for Responsibility C
<b>Resp. E</b>	Observed	<p><b>Comment</b></p> <p>RBI and SEBI cooperate domestically between them and with other financial sector authorities under the aegis of the Financial Stability Development Council (FSDC). See:  <a href="http://finmin.nic.in/fsdc/StrucFSDC.pdf">http://finmin.nic.in/fsdc/StrucFSDC.pdf</a></p> <p>Although there is no provision restricting the sharing of FMI assessments between RBI and SEBI, authorities have no such bilateral sharing arrangements in place.</p>

## Detailed rating for India – TR

Responsible authority: RBI		
	Responsibility rating	Identified issues of concern and/or links to main documents
<b>Resp. A</b>	Observed <sup>80</sup>	<p><b>Criteria to identify and list relevant FMIs for regulation/supervision/oversight; authorities' responsibilities</b></p> <p>Regulation and Supervision of Financial Market Infrastructure regulated by Reserve Bank of India  <a href="https://www.rbi.org.in/scripts/bs_viewcontent.aspx?Id=2705">https://www.rbi.org.in/scripts/bs_viewcontent.aspx?Id=2705</a></p>
<b>Resp. B</b>	Observed	<p><b>Authority's powers – rulemaking/information gathering/enforcement</b></p> <p>Reserve Bank of India Act 1934, section 45W  <a href="https://rbidocs.rbi.org.in/rdocs/Publications/PDFs/RBIAM_230609.pdf">https://rbidocs.rbi.org.in/rdocs/Publications/PDFs/RBIAM_230609.pdf</a></p>
<b>Resp. C</b>	Observed	<p><b>Regulatory/supervisory/oversight policies</b></p> <p>See link for Regulation and Supervision of Financial Market Infrastructure regulated by Reserve Bank of India</p>
<b>Resp. D</b>	Observed	See links provided for Responsibility C
<b>Resp. E</b>	Observed	

<sup>80</sup> As of June 1, 2015, the Payment and Settlement Systems Act, 2007 was amended to specifically include TRs. <http://rbidocs.rbi.org.in/rdocs/content/PDFs/PSN190515F.pdf>.

## Indonesia

### Responsibilities assessment ratings for Indonesia

#### Overview of Regulatory Framework/Regime

The authorities responsible for regulation, supervision and oversight of FMIs in Indonesia are the Bank Indonesia (“BI”) and the Otoritas Jasa Keuangan (“OJK”).

The BI is the sole authority for FMIs that cater to government securities<sup>81</sup> and PSs. These FMIs are also operated by BI. Other FMIs catering to non-government securities (currently, one CCP and one CSD) are supervised by OJK.

Reporting systems for trading in financial markets are available in Indonesia and are managed by BI (for banking institutions) and OJK (for entities operating in capital markets). However, there are currently no TRs operating in Indonesia and there is no official legislation to designate and regulate TRs in Indonesia.<sup>82</sup> Therefore, the Indonesian TR framework was not ready to be reviewed and assessed for the application of the Responsibilities during this assessment.

In Indonesia there is one CCP,<sup>83</sup> two CSD/SSS<sup>84</sup> and one PS.<sup>85</sup>

#### Key Observations

BI and OJK are assessed to observe most of the Responsibilities for PS, CCPs and CSDs/SSS, with the exception of Responsibility D, which is assessed as partly observed.

BI and OJK apply clear criteria to identify FMIs that are subject to regulation, supervision and oversight.

Both authorities have appropriate powers, consistent with their relevant regulatory, supervisory and oversight responsibilities in respect of FMIs. BI not only supervises, but also operates the FMIs under its authority and therefore has direct access to all relevant data. This and a supporting framework of internal circulations and guidelines enable BI to exercise its powers in a manner consistent with the PFMI, notwithstanding that the PFMI have not yet been fully implemented in legislation.

BI and OJK also indicate that they have sufficient resources to fulfil their responsibilities. However, staff may benefit from additional training and education with respect to the PFMI.

The PFMI are not yet fully implemented in Indonesia. Nevertheless, implementing measures for the Responsibilities are laid down in the general provisions of the Capital Markets Law (for OJK) and the Bank of Indonesia Act (for BI), respectively. Legal provisions are not specifically tailored to the Responsibilities or the Principles, but combined with other measures are intended to cover the requirements laid down in the PFMI.<sup>86</sup>

<sup>81</sup> There is one such FMI: Bank Indonesia Scripless Securities Settlement System (BI-SSSS), which serves as a CSD and SSS and is operated by BI.

<sup>82</sup> Indonesia received an “NA” rating for TRs in the Level 1 Update 2 assessment.

<sup>83</sup> PT Kliring Penjaminan Efek Indonesia (PT KPEI) as e-CLEAR.

<sup>84</sup> BI-SSSS (see footnote 1) and PT Kustodian Sentral Efek Indonesia (KSEI), a CSD which is under the jurisdiction of OJK.

<sup>85</sup> Bank Indonesia Real Time Gross Settlement (BI-RTGS) is serving as a PS and is operated by BI.

<sup>86</sup> In particular, the BI additionally issues internal circulars/guidelines. Combined with moral suasion, these build a further framework for the supervision and oversight of the systems it operates.

Regarding domestic cooperation, although there is currently no overlap in the responsibilities of BI and OJK, BI and OJK have established a joint decree. This came into effect in October 2013 and provides a platform for the two authorities to cooperate and coordinate as necessary.

Regarding international cooperation, BI and Hong Kong Monetary Authority have an MOU for the development of a Payment-versus-Payment (PvP) Link between BI-RTGS and the US Dollar Clearing House Automated Transfer System (USD CHATS) in Hong Kong. For other FMI types, BI and OJK do not currently have any formal international supervisory cooperative arrangements. However, Indonesian FMIs have little international activity and therefore there is currently limited need for such arrangements. BI and OJK nevertheless play an active role in various international forums.

### Jurisdictional Comments

Indonesian authorities have been rated as "Partly Observed" for responsibility D (application of the principles for FMIs) on the basis that there is no explicit reference to FMIs in current regulations, based on the assessment cut of date 9 January 2015. Bank Indonesia and OJK would note that both regulations and the operation of FMI in Indonesia always refer to international standards and best practices. Even though Bank Indonesia & OJK have not stated the PFMI explicitly in our current regulation, the principles in the PFMI have been used as the guidelines in developing our FMIs (BI-RTGS, BI-SSSS, KPEI, and KSEI,) as well as in formulating related regulations.

Furthermore, Bank Indonesia is preparing several regulations that will include explicit reference to PFMI. Two regulations are Bank Indonesia Regulations, which are the strongest form of regulation in terms of legal power out of all the types of regulation published by BI. One of the regulations will be the guiding regulation for the second generation BI-RTGS & BI-SSSS, and the other is more towards the oversight aspects. Another two are internal regulations, both regarding oversight of payment and settlement systems (PSS), which includes both BI-RTGS (as PS) and BI-SSSS (as CSD/SSS). All four regulations are in their finalization process and are expected to take effect before the end of 2015.

Finally, OJK is also currently in the early stage of preparing regulation that will include explicit reference to PFMI. The regulation will provide rules for activities related to securities transactions, including settlement conducted through CSD and CCP.

## Detailed rating for Indonesia – CCP

Responsible authority: The Otoritas Jasa Keuangan (OJK) (with respect to KPEI as a CCP)		
	Responsibility rating	Identified issues of concern and/or links to main documents
Resp. A	Observed	<p><b>Criteria to identify FMI's that should be regulated/supervised/overseen</b></p> <p>OJK – Law # 8 of 1995  <a href="http://www.ojk.go.id/en/law-no-8-of-1995-on-capital-market">http://www.ojk.go.id/en/law-no-8-of-1995-on-capital-market</a> (Bahasa Indonesia); and  <a href="http://www.bapepam.go.id/old/old/E_legal/law/index.htm">http://www.bapepam.go.id/old/old/E_legal/law/index.htm</a> (unofficial English translation)</p> <p><b>Authority's responsibilities</b></p> <p>OJK – Law # 21 of 2011  <a href="http://www.ojk.go.id/en/law-no-21-of-year-2011-on-financial-services-authority">http://www.ojk.go.id/en/law-no-21-of-year-2011-on-financial-services-authority</a> (Bahasa Indonesia), and  <a href="http://www.flevin.com/id/lgso/translations/Laws/Law%20No.%2021%20of%202011%20on%20Financial%20Service%20Authority%20(MoF).pdf">http://www.flevin.com/id/lgso/translations/Laws/Law%20No.%2021%20of%202011%20on%20Financial%20Service%20Authority%20(MoF).pdf</a> (unofficial English translation)</p>
Resp. B	Observed	<p><b>Authority's powers – rule-making/information-gathering/enforcement</b></p> <p>See links provided for Responsibility A</p> <p><b>Legal Protections</b></p> <p>Law on Administrative Court No.5 year 1986 and its revision No.9 year 2004 and No.51 year 2009 (legal protections for OJK staff)</p> <p><a href="http://peraturan.go.id/uu/nomor-5-tahun-1986-11e44c4e52ff9870807c313231333231.html">http://peraturan.go.id/uu/nomor-5-tahun-1986-11e44c4e52ff9870807c313231333231.html</a></p> <p><a href="http://peraturan.go.id/uu/nomor-9-tahun-2004-11e44c4e781252a0ab90313231343233.html">http://peraturan.go.id/uu/nomor-9-tahun-2004-11e44c4e781252a0ab90313231343233.html</a></p> <p><a href="http://peraturan.go.id/uu/nomor-51-tahun-2009-11e44c4f2a03e620b0de313231393231.html">http://peraturan.go.id/uu/nomor-51-tahun-2009-11e44c4f2a03e620b0de313231393231.html</a></p>
Resp. C	Observed	<p><b>Regulatory/supervisory/oversight policies – objectives/roles/standards/rules</b></p> <p>See links provided for Responsibility A</p>

<b>Resp. D</b>	Partly observed	<b>Issues of concern</b> Although most of the Principles have been reflected in the regulations (particularly those related to clearing and settlement of securities transactions), there is no OJK regulation/directive that clearly states that CCPs must observe the PFMI.
<b>Resp. E</b>	Observed	<b>Comment</b> BI and OJK do not currently have any formal international supervisory cooperative arrangements. However, Indonesian FMIs have little international activity and therefore there is currently limited need for such arrangements. Regarding domestic cooperation, BI and OJK established a joint decree in October 2013 which provides a platform for the two authorities to cooperate and coordinate as necessary.

#### Detailed rating for Indonesia – CSD/SSS

<b>Responsible authorities: The Bank Indonesia (BI) (with respect to BI-SSSS) / The Otoritas Jasa Keuangan (OJK) (with respect to PT KSEI as CSD)</b>		
	<b>Responsibility rating</b>	<b>Identified issues of concern and/or links to main documents</b>
<b>Resp. A</b>	Observed	<p><b>Authorities' responsibilities</b></p> <p>BI Act  <a href="http://www.bi.go.id/en/tentang-bi/uu-bi/Documents/act2399.pdf">http://www.bi.go.id/en/tentang-bi/uu-bi/Documents/act2399.pdf</a>  (unofficial English translation)</p> <p>OJK – Law # 21 of 2011  <a href="http://www.ojk.go.id/en/law-no-21-of-year-2011-on-financial-services-authority">http://www.ojk.go.id/en/law-no-21-of-year-2011-on-financial-services-authority</a> (Bahasa Indonesia), and  <a href="http://www.flevin.com/id/lgso/translations/Laws/Law%20No.%2021%20of%202011%20on%20Financial%20Service%20Authority%20(MoF).pdf">http://www.flevin.com/id/lgso/translations/Laws/Law%20No.%2021%20of%202011%20on%20Financial%20Service%20Authority%20(MoF).pdf</a>  (unofficial English translation)</p> <p><b>Criteria to identify FMIs that should be regulated/supervised/overseen</b></p> <p>Regulations governing BI-SSSS  <a href="http://www.bi.go.id/en/sistem-pembayaran/sistem-setelmen/bi-ssss/Contents/Peraturan.aspx">http://www.bi.go.id/en/sistem-pembayaran/sistem-setelmen/bi-ssss/Contents/Peraturan.aspx</a></p> <p>OJK – Law # 8 of 1995  <a href="http://www.ojk.go.id/en/law-no-8-of-1995-on-capital-market">http://www.ojk.go.id/en/law-no-8-of-1995-on-capital-market</a> (Bahasa Indonesia); and  <a href="http://www.bapepam.go.id/old/old/E_legal/law/index.htm">http://www.bapepam.go.id/old/old/E_legal/law/index.htm</a> (unofficial English translation)</p>

<b>Resp. B</b>	Observed	<p><b>Authorities' powers – rule-making/information-gathering/enforcement</b></p> <p>See links provided for Responsibility A</p> <p><b>Legal protections</b></p> <p>For BI: Article 45 of BI Act (legal protections for BI staff)  <a href="http://www.bi.go.id/en/tentang-bi/uu-bi/Documents/act2399.pdf">http://www.bi.go.id/en/tentang-bi/uu-bi/Documents/act2399.pdf</a></p> <p>For OJK: Law on Administrative Court No.5 year 1986 and its revision No. 9 year 2004 No. 51 year 2009 (legal protections for OJK staff)  <a href="http://peraturan.go.id/uu/nomor-5-tahun-1986-11e44c4e52ff9870807c313231333231.html">http://peraturan.go.id/uu/nomor-5-tahun-1986-11e44c4e52ff9870807c313231333231.html</a></p> <p><a href="http://peraturan.go.id/uu/nomor-9-tahun-2004-11e44c4e781252a0ab90313231343233.html">http://peraturan.go.id/uu/nomor-9-tahun-2004-11e44c4e781252a0ab90313231343233.html</a></p> <p><a href="http://peraturan.go.id/uu/nomor-51-tahun-2009-11e44c4f2a03e620b0de313231393231.html">http://peraturan.go.id/uu/nomor-51-tahun-2009-11e44c4f2a03e620b0de313231393231.html</a></p> <p><b>Comment</b></p> <p>BI states that its resources are adequate to carry out its supervisory and oversight responsibilities. However, staff may benefit from additional training and education with respect to the PFMI.</p>
<b>Resp. C</b>	Observed	<p><b>Regulatory/supervisory/oversight policies – objectives/roles/standards/rules/guidance</b></p> <p>See links provided for Responsibility A</p> <p>BI-Regulation PBI No.10/2/PBI/2008  <a href="http://www.bi.go.id/en/peraturan/moneter/Pages/pbi_100208.aspx">http://www.bi.go.id/en/peraturan/moneter/Pages/pbi_100208.aspx</a></p>
<b>Resp. D</b>	Partly observed	<p><b>Issues of concern</b></p> <p>BI is in the process of drafting new regulations on CSDs/SSSs.</p> <p>Although most of the principles contained in the PFMI have been reflected in the regulations drafted by OJK and SRO (Self-Regulatory Organization),<sup>87</sup> there is no OJK regulation that clearly states that CSDs/SSSs must observe the Principles.</p>

<sup>87</sup> Particularly regulations related to clearing and settlement of securities transactions.

<b>Resp. E</b>	Observed	<p><b>Comment</b></p> <p>BI and OJK do not currently have any formal international supervisory cooperative arrangements. However, Indonesian FMIs have little international activity and therefore there is currently limited need for such arrangements. Regarding domestic cooperation, BI and OJK established a joint decree in October 2013 which provides a platform for the two authorities to cooperate and coordinate as necessary.</p>

### Detailed rating for Indonesia – PS

<b>Responsible authority: The Bank Indonesia (BI)</b>		
	<b>Responsibility rating</b>	<b>Identified issues of concern and/or links to main documents</b>
<b>Resp. A</b>	Observed	<p><b>Authority's responsibilities</b></p> <p>See link to BI Act</p>
<b>Resp. B</b>	Observed	<p><b>Authority's powers – rule-making/information-gathering/enforcement</b></p> <p>See link to BI Act</p> <p><b>Legal protections</b></p> <p>Article 45 of BI Act (legal protections for BI staff)  <a href="http://www.bi.go.id/en/tentang-bi/uu-bi/Documents/act2399.pdf">http://www.bi.go.id/en/tentang-bi/uu-bi/Documents/act2399.pdf</a></p> <p><b>Comment</b></p> <p>BI states that its resources are adequate to carry out its supervisory and oversight responsibilities. However, staff may benefit from additional training and education with respect to the PFMI.</p>
<b>Resp. C</b>	Observed	<p><b>Regulatory/supervisory/oversight policies – objectives/roles/standards/rules/ guidance</b></p> <p>See link to BI Act</p> <p>BI Regulation PBI No.10/6/PBI/2008  <a href="http://www.bi.go.id/en/peraturan/sistem-pembayaran/Pages/pbi_100608.aspx">http://www.bi.go.id/en/peraturan/sistem-pembayaran/Pages/pbi_100608.aspx</a></p>
<b>Resp. D</b>	Partly observed	<p><b>Issues of concern</b></p> <p>The PFMI are not yet fully implemented in Indonesia. However, BI is in the process of drafting new regulations on PS.</p>

<b>Resp. E</b>	Observed	<p><b>International regulatory/supervisory/oversight cooperation – examples of arrangements</b></p> <p>BI and HKMA MOU for PvP Link  <a href="http://www.bi.go.id/en/ruang-media/siaran-pers/Pages/sp_105208.aspx">http://www.bi.go.id/en/ruang-media/siaran-pers/Pages/sp_105208.aspx</a></p>

## Italy

### Responsibilities assessment ratings for Italy

#### Overview of regulatory, supervisory and oversight framework/regime

The authorities responsible for regulation, supervision and oversight of FMIs in Italy are the Bank of Italy (BDI) and the Commissione Nazionale per le Società e la Borsa (Consob).

CCPs and CSDs/SSSSs are jointly supervised by the BDI and Consob pursuant to the Consolidated Law on Finance, with BDI responsible for the containment of systemic risk and financial stability and Consob responsible for transparency and investor protection. BDI is the lead supervisor for the SSSs and Consob is the lead supervisor for the CSDs. TRs established in the EU are under the sole supervision of ESMA. BDI, as a member of the Eurosystem, pursues its FMI oversight responsibilities according to the policies defined by the Eurosystem.

In Italy, FMIs are subject to regulation, supervision and oversight under both national and European Union (EU) law or Eurosystem regulation. CCPs are subject to the European Market Infrastructure Regulation (EMIR) and its associated technical standards. CSDs/SSSSs currently are subject to national regulation and, in due course, CSDs/SSSSs will be required to comply with the Central Securities Depositories Regulation (CSDR). Within the Euro area, systemically important PSs are subject to the Eurosystem regulation. TRs are subject to EMIR and its associated technical standards.

In Italy, there is one CCP,<sup>88</sup> one CSD/SSSS<sup>89</sup> and no systemically important PSs<sup>90</sup> or TRs.

#### Key Observations

BDI and Consob (the Italian authorities) are assessed to observe all relevant Responsibilities for CCPs and CSDs/SSSSs, as well as the relevant Responsibilities for systemically important PSs (Responsibilities B and E; the remaining Responsibilities are assessed at the European Union level).

BDI and Consob apply clear criteria to identify CCPs and CSDs/SSSSs that should be subject to regulation, supervision and oversight.

The Italian authorities have appropriate powers, consistent with their regulatory, supervisory, and oversight responsibilities in respect of FMIs. Both authorities also indicate that they have sufficient resources to fulfil their responsibilities.

The Italian authorities have also defined and publicly disclosed their policies with respect to CCPs and CSDs/SSSSs.

The Italian authorities apply the PFMI to all CCPs and CSDs/SSSSs. Moreover, the Italian authorities have published statements regarding the adoption of the PFMI.

The Italian authorities cooperate with both relevant domestic and international authorities to promote the safety and efficiency of the CCPs, CSDs/SSSSs and systemically important PSs in Italy and the Euro area, as appropriate. In terms of domestic cooperation, Italian authorities work together in exercising their functions to ensure each is able to advance its objectives. Regarding international cooperation, BDI participates in cooperative oversight arrangements for systemically important PSs, and

<sup>88</sup> Monte Titoli.

<sup>89</sup> Cassa di compensazione e garanzia S.p.A (CC&G).

<sup>90</sup> The Italian component of the European TARGET2 system is considered to be an integral component of TARGET2. Bank of Italy contributes to the Eurosystem oversight of systemically important PSs on a no prohibition / no compulsion basis.

Italian authorities take part in CCP supervisory colleges set up by EMIR. Italian authorities also have arrangements with relevant foreign authorities related to the supervision of CCPs and CSDs/SSSs.

#### Jurisdictional Comments

BDI and Consob thank the CPMI-IOSCO Implementation Monitoring Standing Group for the assessment work and have no comments on the findings.

## Detailed rating for Italy – CCP

Responsible authorities: Bank of Italy and Consob		
	Responsibility rating	Identified issues of concern and/or links to main documents
<b>Resp. A</b>	Observed	<p><b>Criteria to identify CCPs that should be regulated/supervised/overseen, Authorities' responsibilities</b></p> <p>European Market Infrastructure Regulation (EMIR):  <a href="http://ec.europa.eu/finance/financial-markets/derivatives/index_en.htm">http://ec.europa.eu/finance/financial-markets/derivatives/index_en.htm</a></p> <p>Consolidated Law on Finance (Article 69-bis):  <a href="http://www.consob.it/mainen/documenti/english/laws/fr_decree58_19_98.htm">http://www.consob.it/mainen/documenti/english/laws/fr_decree58_19_98.htm</a></p> <p>ESMA Technical Standards:  <a href="http://www.esma.europa.eu/page/Central-Counterparties">http://www.esma.europa.eu/page/Central-Counterparties</a></p> <p>ESMA Guidelines and Recommendations on PFMI Implementation:  <a href="http://www.esma.europa.eu/system/files/2014-1133_en.pdf">http://www.esma.europa.eu/system/files/2014-1133_en.pdf</a></p> <p>Italy – Adoption of the PFMI, January 2014:  <a href="http://www.consob.it/mainen/markets/regulated_markets/Principles_for_Financial_Market_Infrastructures.htm">http://www.consob.it/mainen/markets/regulated_markets/Principles_for_Financial_Market_Infrastructures.htm</a></p> <p><a href="http://www.bancaditalia.it/sispaga/sms/Principi_infrastrutture_mercati_finanziari;internal&amp;action=_setlanguage.action?LANGUAGE=en">http://www.bancaditalia.it/sispaga/sms/Principi_infrastrutture_mercati_finanziari;internal&amp;action=_setlanguage.action?LANGUAGE=en</a></p> <p>List of Competent Authorities:  <a href="http://www.esma.europa.eu/page/Competent-authorities-responsible-authorisation-and-supervision-central-counterparties-CPPs">http://www.esma.europa.eu/page/Competent-authorities-responsible-authorisation-and-supervision-central-counterparties-CPPs</a></p> <p><b>List of CCPs identified for regulation/supervision/oversight</b></p> <p><a href="http://www.esma.europa.eu/system/files/ccps_authorized_under_emir.pdf">http://www.esma.europa.eu/system/files/ccps_authorized_under_emir.pdf</a></p>
<b>Resp. B</b>	Observed	
<b>Resp. C</b>	Observed	<p><b>Regulatory/supervisory/oversight policies – objectives/roles</b></p> <p>Bank of Italy – Website on CCPs matters:  <a href="https://bancaditalia.it/compiti/sispaga-mercato/controparte-centrale/index.html">https://bancaditalia.it/compiti/sispaga-mercato/controparte-centrale/index.html</a></p> <p>Consob – Annual Report:  <a href="http://www.consob.it/mainen/consob/publications/annual_report/index.html">http://www.consob.it/mainen/consob/publications/annual_report/index.html</a></p>
<b>Resp. D</b>	Observed	

<b>Resp. E</b>	Observed	<b>Domestic and international regulatory/supervisory/oversight cooperation – examples of arrangements</b> <a href="https://bancaditalia.it/compiti/sispaga-mercati/accordi-cooperazione/index.html">https://bancaditalia.it/compiti/sispaga-mercati/accordi-cooperazione/index.html</a>

### Detailed rating for Italy – CSD/SSS

<b>Responsible authorities: Bank of Italy and Consob</b>		
	<b>Responsibility rating</b>	<b>Identified issues of concern and/or links to main documents</b>
<b>Resp. A</b>	Observed	<b>Criteria to identify CSD/SSS that should be regulated/supervised/overseen, Authorities' responsibilities</b> Consolidated Law on Finance (Article 69, 77, 80 and 82): <a href="http://www.consob.it/mainen/documenti/english/laws/fr_decree58_1998.htm">http://www.consob.it/mainen/documenti/english/laws/fr_decree58_1998.htm</a> Eurosystem – Adoption of PFMI: <a href="https://www.ecb.europa.eu/press/govcdec/otherdec/2013/html/gc130621.en.html">https://www.ecb.europa.eu/press/govcdec/otherdec/2013/html/gc130621.en.html</a> See link to Italy – Adoption of the PFMI, January 2014: Eurosystem Oversight Policy Framework: <a href="https://www.ecb.europa.eu/pub/pdf/other/eurosystemoversightpolicyframework2011en.pdf">https://www.ecb.europa.eu/pub/pdf/other/eurosystemoversightpolicyframework2011en.pdf</a>
<b>Resp. B</b>	Observed	
<b>Resp. C</b>	Observed	<b>Regulatory/supervisory/oversight policies – objectives/roles</b> Bank of Italy – Website on CSD matters: <a href="https://bancaditalia.it/compiti/sispaga-mercati/gestione-accentrata/index.html">https://bancaditalia.it/compiti/sispaga-mercati/gestione-accentrata/index.html</a> Bank of Italy – Website on SSS matters: <a href="https://bancaditalia.it/compiti/sispaga-mercati/regolamento-titoli/index.html">https://bancaditalia.it/compiti/sispaga-mercati/regolamento-titoli/index.html</a> See link to Consob – Annual Report
<b>Resp. D</b>	Observed	

<b>Resp. E</b>	Observed	<b>Domestic and international regulatory/supervisory/oversight cooperation – examples of arrangements</b> <a href="https://bancaditalia.it/compiti/sispaga-mercati/accordi-cooperazione/index.html">https://bancaditalia.it/compiti/sispaga-mercati/accordi-cooperazione/index.html</a>
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### Detailed rating for Italy – PS

<b>Responsible authority: Bank of Italy</b>		
	<b>Responsibility rating</b>	<b>Identified issues of concern and/or links to main documents</b>
<b>Resp. A</b>	See EU/Eurosystem	
<b>Resp. B</b>	Observed <i>See EU/Eurosystem</i>	
<b>Resp. C</b>	See EU/Eurosystem	
<b>Resp. D</b>	See EU/Eurosystem	
<b>Resp. E</b>	Observed <i>See EU/Eurosystem</i>	<b>International regulatory/supervisory/oversight cooperation – examples of arrangements</b> <a href="https://bancaditalia.it/compiti/sispaga-mercati/accordi-cooperazione/index.html">https://bancaditalia.it/compiti/sispaga-mercati/accordi-cooperazione/index.html</a>

# Japan

## Responsibilities assessment ratings for Japan

### Overview of Regulatory Framework/Regime

The authorities responsible for regulation, supervision and oversight of FMIs in Japan are the Financial Services Agency (JFSA) and the Bank of Japan (BOJ).

The JFSA has legislative and regulatory authority to license and supervise FMIs under the relevant Laws (Financial Instruments and Exchange Act for CCPs and TRs, Act on Book-Entry Transfer of Company Bonds, Shares, etc. for CSDs and SSS and the Payment Services Act for PS), Cabinet Orders, Cabinet Office Ordinances and Supervisory Guidelines. The BOJ is responsible for the oversight of all types of FMIs under the Bank of Japan Act.

In Japan, there are three PS,<sup>91</sup> three CCPs,<sup>92</sup> two CSDs/SSSs<sup>93</sup> and one TR.<sup>94</sup>

### Key Observations

The JFSA and the BOJ (the Japanese authorities) are assessed to observe all Responsibilities for all FMI types.

The Japanese authorities apply clear criteria to identify FMIs that should be subject to regulation, supervision and oversight.

The JFSA and the BOJ have appropriate powers, consistent with their regulatory, supervisory and oversight responsibilities in respect of FMIs. Both authorities also indicate that they have sufficient resources to fulfil their responsibilities.

The Japanese authorities' policies with respect to FMIs have been clearly defined and are publicly disclosed. The JFSA adopted the PFMI in its policy statement on the supervision of FMIs in December 2012 and published Supervisory Guidelines in December 2013. The BOJ adopted the PFMI in its Policy on Oversight of Financial Market Infrastructures published in March 2013.

The JFSA and the BOJ cooperate closely with each other to promote the safety and efficiency of FMIs in Japan. The FSA and BOJ are involved in the global cooperative oversight arrangements for LCH Clearnet (UK), and the BOJ is also involved in the global cooperative oversight arrangements for CLS and SWIFT (as important service provider for FMIs). As the FMIs in Japan are not considered systemically important in other jurisdictions, no global cooperative arrangements are currently in place for them.

### Jurisdictional Comments

The Japanese authorities appreciate the detailed and holistic assessment conducted by the assessment team. We have made our utmost efforts for timely implementation of the PFMI. The FSA adopted the PFMI in its policy statement on the supervision of FMIs in December 2012, followed by publication of the Supervisory Guidelines in December 2013. The BOJ adopted the PFMI in its *Policy on Oversight of Financial Market Infrastructures* in March 2013.

<sup>91</sup> BOJ-NET (RTGS), Foreign Exchange Yen Clearing System (RTGS) and the Japanese Banks' Payment Clearing Network, Zengin (RTGS and DNS).

<sup>92</sup> Japan Securities Clearing Corporation (JSCC), JASDEC DVP Clearing Corporation (JDCC), and Tokyo Financial Exchange Inc. (TFX). In addition, JFSA has granted some CCPs a temporary exemption from the domestic licensing requirement.

<sup>93</sup> JGB Book-Entry System and Japan Securities Depository Center, Inc. (that also operates the Book-Entry Transfer System).

<sup>94</sup> DTCC Data Repository Japan.

The Japanese authorities appreciate the assessment team's conclusion that the Japanese authorities observe all Responsibilities for all FMI types.

The FSA will continue to conduct effective supervision and regulation of FMIs. The BOJ will conduct effective oversight to ensure safety and efficiency of the FMIs.

## Detailed rating for Japan – CCP

Responsible authorities: Financial Services Agency (JFSA) for supervision and Bank of Japan (BOJ) for oversight		
	Responsibility rating	Identified issues of concern and/or links to main documents
<b>Resp. A</b>	Observed	<p><b>Authorities' responsibilities</b></p> <p>JFSA – Policy on supervision of FMIs  <a href="http://www.fsa.go.jp/inter/ios/20121218-2.html">http://www.fsa.go.jp/inter/ios/20121218-2.html</a></p> <p>JFSA – Comprehensive Guidelines for Supervision of Financial Market Infrastructures  <a href="http://www.fsa.go.jp/en/news/2014/20140327-1/01.pdf">http://www.fsa.go.jp/en/news/2014/20140327-1/01.pdf</a></p> <p>BOJ – Policy on Oversight of Financial Market Infrastructures  <a href="http://www.BOJ.or.jp/en/announcements/release_2013/rel130312a.htm">http://www.BOJ.or.jp/en/announcements/release_2013/rel130312a.htm</a></p>
<b>Resp. B</b>	Observed	<p><b>Authorities' powers – rule-making/information-gathering/enforcement</b></p> <p>JFSA – Financial Instruments Exchange Act, Art.156-6, 156-12, 156-12-3, 156-13, 156-15, 156-16, 156-17, 156-18, 156-20-23  <a href="http://www.fsa.go.jp/common/law/fie01.pdf">http://www.fsa.go.jp/common/law/fie01.pdf</a></p> <p>JFSA – Act for Establishment of the Cabinet Office, Art. 40  <a href="http://law.e-gov.go.jp/htmldata/H11/H11HO089.html">http://law.e-gov.go.jp/htmldata/H11/H11HO089.html</a></p> <p>BOJ – Bank of Japan Act, 1(2)  <a href="http://www.japaneselawtranslation.go.jp/law/detail/?id=92&amp;vm=02&amp;re=01">http://www.japaneselawtranslation.go.jp/law/detail/?id=92&amp;vm=02&amp;re=01</a></p>
<b>Resp. C</b>	Observed	<p><b>Regulatory/supervisory/oversight policies – objectives/roles and standards/rules</b></p> <p>See link to JFSA – Policy on supervision of FMIs</p> <p>See link to JFSA – Comprehensive Guidelines for Supervision of Financial Market Infrastructures</p> <p>See link to BOJ – Policy on Oversight of Financial Market Infrastructures</p>
<b>Resp. D</b>	Observed	<p><b>Approach to implementing the Principles</b></p> <p>See link to JFSA – Policy on supervision of FMIs</p> <p>See link to JFSA – Comprehensive Guidelines for Supervision of Financial Market Infrastructures</p> <p>See link to BOJ – Policy on Oversight of Financial Market Infrastructures</p> <p>BOJ Payment and Settlement Systems Report  <a href="http://www.boj.or.jp/en/research/brp/psr/index.htm">http://www.boj.or.jp/en/research/brp/psr/index.htm</a></p>

<b>Resp. E</b>	Observed	<p><b>Policies on cooperation with other authorities</b></p> <p>See link to JFSA – Policy on supervision of FMIs</p> <p>See link to JFSA – Comprehensive Guidelines for Supervision of Financial Market Infrastructures</p> <p>See link to BOJ – Policy on Oversight of Financial Market Infrastructures</p>

### Detailed rating for Japan – CSD/SSS

<b>Responsible authorities: Financial Services Agency (JFSA) for supervision and Bank of Japan (BOJ) for oversight</b>		
	<b>Responsibility rating</b>	<b>Identified issues of concern and/or links to main documents</b>
<b>Resp. A</b>	Observed	<p><b>Authorities' responsibilities</b></p> <p>See link to JFSA – Policy on supervision of FMIs</p> <p>See link to JFSA – Comprehensive Guidelines for Supervision of Financial Market Infrastructures</p> <p>See link to BOJ – Policy on Oversight of Financial Market Infrastructures</p>
<b>Resp. B</b>	Observed	<p><b>Authorities' powers – rule-making/information – gathering/enforcement</b></p> <p>See link to JFSA – Act on Book-Entry Transfer of Company Bonds, Shares, etc. Art. 9, 10, 17, 20, 21, 22, 23, 25, 27, 29, 31, 40</p> <p><a href="http://www.japaneselawtranslation.go.jp/law/detail/?ft=2&amp;re=01&amp;dn=1&amp;yo=%E7%A4%BE%E5%82%B5%E3%80%81%E6%A0%AA%E5%BC%8F&amp;ia=03&amp;x=0&amp;y=0&amp;ky=&amp;page=1">http://www.japaneselawtranslation.go.jp/law/detail/?ft=2&amp;re=01&amp;dn=1&amp;yo=%E7%A4%BE%E5%82%B5%E3%80%81%E6%A0%AA%E5%BC%8F&amp;ia=03&amp;x=0&amp;y=0&amp;ky=&amp;page=1</a></p> <p>See link to JFSA – Act for Establishment of the Cabinet Office, Art. 40</p> <p>See link to BOJ – Bank of Japan Act, 1(2)</p>
<b>Resp. C</b>	Observed	<p><b>Regulatory/supervisory/oversight policies – objectives/roles and standards/rules</b></p> <p>See link to JFSA – Policy on supervision of FMIs</p> <p>See link to JFSA – Comprehensive Guidelines for Supervision of Financial Market Infrastructures</p> <p>See link to BOJ – Policy on Oversight of Financial Market Infrastructures</p>

<b>Resp. D</b>	Observed	<p><b>Approach to implementing the Principles</b></p> <p>See link to JFSA – Policy on supervision of FMIs</p> <p>See link to JFSA – Comprehensive Guidelines for Supervision of Financial Market Infrastructures</p> <p>See link to BOJ – Policy on Oversight of Financial Market Infrastructures</p> <p>See link to BOJ Payment and Settlement Systems Report</p>
<b>Resp. E</b>	Observed	<p><b>Policies on cooperation with other authorities</b></p> <p>See link to JFSA – Policy on supervision of FMIs</p> <p>See link to JFSA – Comprehensive Guidelines for Supervision of Financial Market Infrastructures</p> <p>See link to BOJ – Policy on Oversight of Financial Market Infrastructures</p>

#### Detailed rating for Japan – PS

<b>Responsible authorities: Financial Services Agency (JFSA) for supervision and Bank of Japan (BOJ) for oversight</b>		
	<b>Responsibility rating</b>	<b>Identified issues of concern and/or links to main documents</b>
<b>Resp. A</b>	Observed	<p><b>Authorities' responsibilities</b></p> <p>See link to JFSA – Policy on supervision of FMIs</p> <p>See link to JFSA – Comprehensive Guidelines for Supervision of Financial Market Infrastructures</p> <p>See link to BOJ – Policy on Oversight of Financial Market Infrastructures</p>
<b>Resp. B</b>	Observed	<p><b>Authorities' powers – rule-making/information-gathering/enforcement</b></p> <p>JFSA – Payment Services Act, Art.69, 76, 77, 79, 80, 81, 86  <a href="http://law.e-gov.go.jp/cgi-bin/idxselect.cgi?IDX_OPT=1&amp;H_NAME=%8e%91%8b%e0%8c%88%8d%cf&amp;H_NAME_YOMI=%82%a0&amp;H_NO_GENGO=H&amp;H_NO_YEAR=&amp;H_NO_TYPE=2&amp;H_NO_NO=&amp;H_FILE_NAME=H21HO059&amp;H_RYAKU=1&amp;H_CTG=1&amp;H_YOMI_GUN=1&amp;H_CTG_GUN=1">http://law.e-gov.go.jp/cgi-bin/idxselect.cgi?IDX_OPT=1&amp;H_NAME=%8e%91%8b%e0%8c%88%8d%cf&amp;H_NAME_YOMI=%82%a0&amp;H_NO_GENGO=H&amp;H_NO_YEAR=&amp;H_NO_TYPE=2&amp;H_NO_NO=&amp;H_FILE_NAME=H21HO059&amp;H_RYAKU=1&amp;H_CTG=1&amp;H_YOMI_GUN=1&amp;H_CTG_GUN=1</a></p> <p>JFSA – Cabinet Office Ordinance on Fund Clearing Organization, Art. 13, 15</p>

		<a href="http://law.e-gov.go.jp/cgi-bin/idxselect.cgi?IDX_OPT=1&amp;H_NAME=%8e%91%8b%e0%90%b4%8e%5a&amp;H_NAME_YOMI=%82%a0&amp;H_NO_GENGO=H&amp;H_NO_YEAR=&amp;H_NO_TYPE=2&amp;H_NO_NO=&amp;H_FILE_NAME=H22F10001000005&amp;H_RYAKU=1&amp;H_CTG=1&amp;H_YOMI_GUN=1&amp;H_CTG_GUN=1">http://law.e-gov.go.jp/cgi-bin/idxselect.cgi?IDX_OPT=1&amp;H_NAME=%8e%91%8b%e0%90%b4%8e%5a&amp;H_NAME_YOMI=%82%a0&amp;H_NO_GENGO=H&amp;H_NO_YEAR=&amp;H_NO_TYPE=2&amp;H_NO_NO=&amp;H_FILE_NAME=H22F10001000005&amp;H_RYAKU=1&amp;H_CTG=1&amp;H_YOMI_GUN=1&amp;H_CTG_GUN=1</a> See link to JFSA – Act for Establishment of the Cabinet Office, Art. 40 See link to BOJ – Bank of Japan Act, 1(2)
<b>Resp. C</b>	Observed	<b>Regulatory/supervisory/oversight policies – objectives/roles and standards/rules</b> See link to JFSA – Policy on supervision of FMIs See link to JFSA – Comprehensive Guidelines for Supervision of Financial Market Infrastructures See link to BOJ – Policy on Oversight of Financial Market Infrastructures
<b>Resp. D</b>	Observed	<b>Approach to implementing the Principles</b> See link to JFSA – Policy on supervision of FMIs See link to JFSA – Comprehensive Guidelines for Supervision of Financial Market Infrastructures See link to BOJ – Policy on Oversight of Financial Market Infrastructures See link to BOJ – Payment and Settlement Systems Report
<b>Resp. E</b>	Observed	<b>International regulatory/supervisory/oversight cooperation – examples of arrangements</b> Protocol for the Cooperative Oversight Arrangement of CLS <a href="http://www.federalreserve.gov/paymentsystems/cls_protocol.htm#oversightInformation">http://www.federalreserve.gov/paymentsystems/cls_protocol.htm#oversightInformation</a>

### Detailed rating for Japan – TR

<b>Responsible authorities: Financial Services Agency (JFSA) for supervision and Bank of Japan (BOJ) for oversight</b>		
	<b>Responsibility rating</b>	<b>Identified issues of concern and/or links to main documents</b>
<b>Resp. A</b>	Observed	<b>Authorities' responsibilities</b> See link to JFSA – Policy on supervision of FMIs See link to JFSA – Comprehensive Guidelines for Supervision of Financial Market Infrastructures

		See link to BOJ – Policy on Oversight of Financial Market Infrastructures
<b>Resp. B</b>	Observed	<p><b>Authorities’ powers – rule-making/information-gathering/enforcement</b></p> <p>See link to JFSA – Financial Instruments Exchange Act, Art.156-66, 156-72, 156-73, 156-74, 156-80, 156-81, 156-82, 156-83, 156-84</p> <p>See link to JFSA – Act for Establishment of the Cabinet Office, Art. 40</p> <p>See link to BOJ – Bank of Japan Act, 1(2)</p>
<b>Resp. C</b>	Observed	<p><b>Regulatory/supervisory/oversight policies – objectives/roles and standards/rules</b></p> <p>See link to JFSA – Policy on supervision of FMIs</p> <p>See link to JFSA – Comprehensive Guidelines for Supervision of Financial Market Infrastructures</p> <p>See link to BOJ – Policy on Oversight of Financial Market Infrastructures</p>
<b>Resp. D</b>	Observed	<p><b>Approach to implementing the Principles</b></p> <p>See link to JFSA – Policy on supervision of FMIs</p> <p>See link to JFSA – Comprehensive Guidelines for Supervision of Financial Market Infrastructures</p> <p>See link to BOJ – Policy on Oversight of Financial Market Infrastructures</p> <p>See link to BOJ Payment and Settlement Systems Report</p>
<b>Resp. E</b>	Observed	<p><b>Policies on cooperation with other authorities</b></p> <p>See link to JFSA – Policy on supervision of FMIs</p> <p>See link to JFSA – Comprehensive Guidelines for Supervision of Financial Market Infrastructures</p> <p>See link to BOJ – Policy on Oversight of Financial Market Infrastructures</p>

## Korea

### Responsibilities assessment ratings for Korea

#### Overview of Regulatory Framework/Regime

In Korea FMIs are subject to the regulation and supervision of the Financial Services Commission (FSC) in accordance with the Financial Investment Services and Capital Markets Act (FSCMA), the Act on the Establishment, etc. of Financial Services Commission and relevant regulations, and to oversight by the Bank of Korea (BOK) in accordance with the Bank of Korea Act. The FSC delegates some of its supervisory duties to the Financial Supervisory Service (FSS), which is the execution body of the FSC.

The FSC is the primary authority responsible for supervising CCPs' and CSDs/SSSs' compliance with the PFMI, while the BOK is the primary authority responsible for payment systems' observance of the PFMI. Both authorities have some degree of responsibility for all FMI types in Korea.

Although there are three systems functioning as TRs in Korea, official legislation to designate and regulate these systems has not been introduced, as at 9 January 2015.<sup>95</sup> Therefore, the Korean TR framework was not ready to be reviewed and assessed for the application of the Responsibilities during this assessment. Korea intends to introduce legislation in the future, and to apply the PFMI to the TRs then.

In Korea there are five systemically important PSs,<sup>96</sup> two CCPs,<sup>97</sup> one CSD/SSS,<sup>98</sup> and three data repositories performing TR functions.<sup>99</sup>

#### Key Observations

The FSC and the BOK are assessed to observe some of the Responsibilities across all assessed FMI types. However, the FSC and the BOK are assessed to broadly observe Responsibility B for CCPs and CSDs/SSSs and Responsibility E for CCPs, CSDs/SSSs and PSs, and to partly observe Responsibilities C and D for CCPs and CSDs/SSSs. The FSC and the BOK are not ready for an assessment of the TR regime.

The FSC and the BOK apply clear criteria to identify FMIs that should be subject to regulation, supervision and oversight. In the case of PSs, the criteria to identify systemically important payment systems (SIPSS) are set out in the ROMPSS; and in the case of CSDs/SSSs and CCPs, the criteria are set out in the FSCMA. The BOK also periodically monitors non-SIPSS to determine whether they become SIPSS. It is noted that the criteria lack detail in parts (e.g., the term "etc." is used) and ROMPSS has not been updated to reference the interest rate swap clearing and settlement system launched in March 2014.

The FSC and BOK generally have appropriate powers, consistent with their regulatory, supervisory, and oversight responsibilities in respect of FMIs. However, the BOK does not have a legal

<sup>95</sup> Korea received a "1" rating for TRs in the Level 1 Update 2 assessment.

<sup>96</sup> BOK-Wire+ (the RTGS owned and operated by BOK), Electronic Banking System, Check Clearing System, Interbank Remittance System (these are operated by Korea Financial Telecommunications and Clearings Institute (KFTCI) and CLS system (operated by CLS bank).

<sup>97</sup> Korea Exchange is the sole operator of CCPs in Korea, operating one CCP for stock and exchange-traded derivatives markets and another for OTC derivatives market. Korea Exchange is systemically important.

<sup>98</sup> Korea Securities Depository is the sole operator of CSD/SSS in Korea. Korea Securities Depository is systemically important.

<sup>99</sup> The Foreign Exchange Information System, Derivatives Information System and OTC Derivatives Clearing Information System.

power to compel the CCPs and CSDs/SSSs to implement its recommendations. Both authorities indicate that they have sufficient resources to fulfil their responsibilities.

As at 9 January 2015, the FSC had not provided sufficient disclosure of its policies towards CCPs and CSDs.<sup>100</sup> The BOK clearly discloses its objectives and policies towards payment systems.

The FSC has also not adopted the PFMI as its regulatory standards as at 9 January 2015, and did not ensure that CSDs/SSSs or CCPs were periodically assessed against the PFMI.<sup>101</sup> The BOK has adopted the PFMI and assesses FMI against the PFMI on a biennial basis.

The FSC and the BOK cooperate at the national level for FMIs, and the BOK also participates in the global cooperative oversight arrangements for CLS. Although the FSC and the BOK report that cooperation is effective, it is noted that neither authority has accepted responsibility for ensuring that the cooperation is efficient. Furthermore, it could be beneficial for the BOK to share its biennial FMI assessment results with the FSC before they are finalised so that the FSC may be 'consulted' rather than just informed of its results.

### Jurisdictional Comments

The Financial Services Commission and the Bank of Korea appreciate the assessment conducted by the IMSG.

The FSC has been supervising FMIs in Korea in accordance with international standards including the PFMI, as the financial authority holding power relating to approval, regulation, supervision and sanction of FMIs. At the same time it has been closely cooperating with other relevant authorities such as the FSS, its execution body, and the BOK, authority responsible for overseeing FMIs. On 20 March 2015, the FSC and the FSS incorporated PFMI in Korea's supervisory framework (in the Business Guideline for Financial Market Infrastructures), to explicitly stipulate the principles as supervisory standards for FMIs and requiring FMIs to complete self-assessments against the PFMI. Based on the outcome of supervision/examination, the FSC may order CSD/SSSs and/or CCPs to implement necessary actions to achieve compliance. The FSC will use the outcome of the assessment to further improve regulation and supervision of FMIs in Korea.

The BOK adopted the PFMI as its FMI oversight standards by revising the Regulation on the Operation and Management of Payment and Settlement Systems (ROMPSS) on 27 Dec. 2012, and has followed this up with biennial assessments of systemically important FMIs against the Principles. Recognising the conclusion and the relevant recommendations of the IMSG, the BOK will devote efforts to addressing the gaps noted in this report, with a view to ensuring its oversight power and cooperation with other relevant authorities.

<sup>100</sup> However, on 20 March 2015 FSC published the Business Guideline Financial Market Infrastructures: [www.fsc.go.kr/downManager?bbsid=BBS0048&no=95544](http://www.fsc.go.kr/downManager?bbsid=BBS0048&no=95544). This requires CCPs/CSD/SSS to complete self-assessments against the PFMI.

<sup>101</sup> See previous footnote.

## Detailed rating for Korea – CCP

Responsible authority(ies): Financial Services Commission, Bank of Korea		
	Responsibility rating	Identified issues of concern and/or links to main documents
Resp. A	Observed	<p><b>Criteria to identify FMI's that should be regulated/supervised/overseen</b></p> <p>Article 35 of the Regulation on the Operation and Management of Payment and Settlement Systems (ROMPSS):  <a href="http://www.bok.or.kr/broadcast.action?menuNaviId=650">http://www.bok.or.kr/broadcast.action?menuNaviId=650</a></p> <p>Financial Investment Services and Capital Markets Act (FSCMA):  <a href="http://www.bok.or.kr/broadcast.action?menuNaviId=650">http://www.bok.or.kr/broadcast.action?menuNaviId=650</a></p> <p><b>Minor gaps</b></p> <p>The criteria lack detail in parts (e.g., the term "etc." is used).</p> <p>BOK oversees the Interest Rate Swap clearing and settlement system for OTC derivatives CCP, launched in March 2014, but has not updated ROMPSS to reference this.</p>
Resp. B	Broadly Observed	<p><b>Authorities' powers – rule-making/information-gathering/enforcement</b></p> <p>Article 81 of the Bank Of Korea Act:  <a href="http://www.bok.or.kr/broadcast.action?menuNaviId=650">http://www.bok.or.kr/broadcast.action?menuNaviId=650</a></p> <p>Article 17 of Act on the Establishment, etc. of Financial Services Commission</p> <p>Articles 323 and 411.2 of FSCMA (see Resp. A)</p> <p><b>Issues of concern</b></p> <p>The BOK does not have a legal power to compel the KRX to implement its recommendations but FSC has such power. When performing the power, the FSC notes that it cooperates and consults with the BOK and the FSS.</p>
Resp. C	Partly Observed	<p><b>Regulatory/supervisory/oversight policies – objectives/roles</b></p> <p>Article 3 of the ROMPSS (see Resp. A)</p> <p><b>Issues of concern</b></p> <p>As at 9 January 2015, the FSC had not disclosed its specific policies and standards for CCPs. However, on 20 March 2015, FSC published the Business Guideline for Financial Market Infrastructures:  <a href="http://www.fsc.go.kr/downManager?bbsid=BBS0048&amp;no=95544">www.fsc.go.kr/downManager?bbsid=BBS0048&amp;no=95544</a></p>

<b>Resp. D</b>	Partly Observed	<p><b>Approach to implementing the Principles</b></p> <p>Articles 34, 35 and 37 of the ROMPSS (see Resp. A).</p> <p><b>Issues of concern</b></p> <p>As at 9 January 2015, the FSC had not formally adopted the Principles as its standards for CCPs. However, on 20 March 2015, FSC published the Business Guideline for Financial Market Infrastructures to adopt the Principles.</p> <p>ROMPSS refers to 'BIS-IOSCO' PFMI which should be amended to CPSS-IOSCO PFMI.</p>
<b>Resp. E</b>	Broadly Observed	<p><b>Issues of concern</b></p> <p>There is a senior-level cooperative arrangement in place between the BOK and the FSC. This is conducted through participation in the Monetary Policy Committee and a quarterly Macro Economic and Financial Meeting.</p> <p>However, there is no dedicated, formal cooperative arrangement between the BOK and FSC to discuss FMI issues.</p> <p>Neither authority has accepted responsibility for ensuring that cooperation is efficient or effective.</p>

### Detailed rating for Korea – CSD/SSS

<b>Responsible authority(ies): Financial Services Commission, Bank of Korea</b>		
	<b>Responsibility rating</b>	<b>Identified issues of concern and/or links to main documents</b>
<b>Resp. A</b>	Observed	<p><b>Criteria to identify FMIs that should be regulated/supervised/overseen</b></p> <p>Article 35 of the Regulation on the Operation and Management of Payment and Settlement Systems (ROMPSS):  <a href="http://www.bok.or.kr/broadcast.action?menuNaviId=650">http://www.bok.or.kr/broadcast.action?menuNaviId=650</a></p> <p>Financial Investment Services and Capital Markets Act (FSCMA):  <a href="http://www.bok.or.kr/broadcast.action?menuNaviId=650">http://www.bok.or.kr/broadcast.action?menuNaviId=650</a>.</p> <p><b>Minor gap</b></p> <p>The criteria lack detail in parts (e.g., the term "etc." is used).</p>

<b>Resp. B</b>	Broadly Observed	<p><b>Authorities' powers – rule-making/information-gathering/enforcement</b></p> <p>Article 81 of the Bank Of Korea Act:  <a href="http://www.bok.or.kr/broadcast.action?menuNaviId=650">http://www.bok.or.kr/broadcast.action?menuNaviId=650</a></p> <p>Article 17 of Act on the Establishment, etc. of Financial Services Commission:</p> <p>Articles 323 and 411.2 of FSCMA (see Resp. A)</p> <p><b>Issues of concern</b></p> <p>The BOK does not have a legal power to compel KSD to implement its recommendations but FSC has such power. When performing the power, the FSC notes that it cooperates and consults with the BOK and the FSS.</p>
<b>Resp. C</b>	Partly Observed	<p><b>Regulatory/supervisory/oversight policies – objectives/roles</b></p> <p>Article 3 of the ROMPSS (see Resp. A)</p> <p><b>Issues of concern</b></p> <p>As at 9 January 2015, the FSC had not disclosed its specific policies and standards for CSDs/SSSs. However, on 20 March 2015, FSC published Standards for Financial Market Infrastructure Business.</p>
<b>Resp. D</b>	Partly Observed	<p><b>Approach to implementing the Principles</b></p> <p>Articles 34, 35 and 37 of the ROMPSS (see Resp. A).</p> <p><b>Issues of concern</b></p> <p>As at 9 January 2015, the FSC had not formally adopted the Principles as its standards for CSDs/SSSs. However, on 20 March 2015 FSC published Standards for Financial Market Infrastructure Business to adopt the Principles.</p> <p>ROMPSS refers to 'BIS-IOSCO' PFMI which should be amended to CPSS-IOSCO PFMI.</p>
<b>Resp. E</b>	Broadly Observed	<p><b>Issues of concern</b></p> <p>There is a senior-level cooperative arrangement in place between the BOK and the FSC. This is conducted through participation in the Monetary Policy Committee and a quarterly Macro Economic and Financial Meeting.</p> <p>However, there is no dedicated, formal cooperative arrangement between the BOK and FSC to discuss FMI issues.</p> <p>Neither authority has accepted responsibility for ensuring that cooperation is efficient or effective.</p>

## Detailed rating for Korea – PS

Responsible authority(ies): Bank of Korea, Financial Services Commission		
	Responsibility rating	Identified issues of concern and/or links to main documents
Resp. A	Observed	<p><b>Criteria to identify FMIs that should be regulated/supervised/overseen</b></p> <p>Article 35 of the Regulation on the Operation and Management of Payment and Settlement Systems (ROMPSS):  <a href="http://www.bok.or.kr/broadcast.action?menuNaviId=650">http://www.bok.or.kr/broadcast.action?menuNaviId=650</a></p> <p><b>Minor gap</b></p> <p>The criteria lack detail in parts (e.g., the term “etc.” is used).</p>
Resp. B	Observed	<p><b>Authorities’ powers – rule-making/information-gathering/enforcement</b></p> <p>Article 81 of the Bank Of Korea Act:  <a href="http://www.bok.or.kr/broadcast.action?menuNaviId=650">http://www.bok.or.kr/broadcast.action?menuNaviId=650</a></p> <p>Article 43 of the ROMPSS (see Resp. A)</p>
Resp. C	Observed	<p><b>Regulatory/supervisory/oversight policies – objectives/roles</b></p> <p>Article 3 of the ROMPSS (see Resp. A)</p> <p><b>Regulatory/supervisory/oversight policies – guidance</b></p> <p>BOK’s policies towards PSs are disclosed on pages 83-86 of the Payment and Settlement Systems Report 2013:  <a href="http://bok.or.kr/broadcast.action?menuNaviId=740">http://bok.or.kr/broadcast.action?menuNaviId=740</a></p>
Resp. D	Observed	<p><b>Minor gap</b></p> <p>BOK has adopted the Principles in Articles 34, 35 and 37 of the ROMPSS (see Resp. A) but this refers to ‘BIS-IOSCO’ PFMI which should be amended to CPSS-IOSCO PFMI.</p>
Resp. E	Broadly Observed	<p><b>Issues of concern</b></p> <p>There is a senior-level cooperative arrangement in place between the BOK and the FSC. This is conducted through participation in the Monetary Policy Committee and a quarterly Macro Economic and Financial Meeting.</p> <p>However, there is no dedicated, formal cooperative arrangement between the BOK and FSC to discuss FMI issues.</p> <p>Neither authority has accepted responsibility for ensuring that cooperation is efficient or effective.</p>

## Mexico

### Responsibilities assessment ratings for Mexico

#### Overview of regulatory Framework/Regime

The authorities responsible for the regulation, supervision and oversight of FMI in Mexico are the Ministry of Finance and Public Credit (Secretaría de Hacienda y Crédito Público, SHCP), the National Banking and Securities Commission (Comisión Nacional Bancaria y de Valores, CNBV) and Banco de México.

CCPs and CSDs/SSSs are regulated, supervised and overseen by CNBV and Banco de México, and they are also regulated by SHCP. PSs and Banco de México's TR-like services are exclusively regulated by Banco de México. The objectives pursued by CNBV and Banco de México are assigned to them in legislation, under Securities Market Law (Ley del Mercado de Valores), Payment System Law (Ley de Sistemas de Pagos), Banco de México's Law (Ley del Banco de México), Banking Institutions Law (Ley de Instituciones de Crédito) and Rules that the Derivative Contracts Market Participants shall be subject to (Reglas a las que habrán de sujetarse los participantes del mercado de contratos de derivados, also known as Tripartite Rules).

In Mexico there is one CSD/SSS, one equity CCP and one derivatives CCP, which are considered systemically important.<sup>102</sup> The only systemically important payment system in Mexico is the central bank owned and operated payment system.<sup>103</sup> At present, the only provider of TR services is Banco de México.

#### Key observations

CNBV, Banco de México and SHCP are assessed to observe or broadly observe most of the Responsibilities across all FMI types. However, Banco de México and CNBV are assessed to partly observe Responsibility D for CCPs.

CNBV and Banco de México apply clear criteria to identify FMIs that should be subject to regulation, supervision and oversight. In the case of equities and derivatives CCPs these criteria are set out in the Securities Market Law and Tripartite Rules, respectively; in the case of CSDs/SSSs criteria is set out in the Payment System Law and the Securities Market Law; and in the case of PSs, criteria are set out in the Payment Systems Law. In addition, both CNBV and Banco de México have published policy statements on these criteria; in CNBV's supervision policy and in Banco de México's payment systems policy.

In the case of TRs, the regulatory framework in Mexico has provisions regarding trade reporting of derivatives. In particular, Banco de México's Rules for Derivatives Transactions require financial institutions to report all their derivatives transactions to the central bank, for which Banco de México provides a TR service and has exclusive responsibility. However, the lack of a clear legal definition of a TR detracts from the clarity of the regime.

CNBV and Banco de México have appropriate powers, consistent with their regulatory, supervisory and oversight responsibilities in respect of FMIs. Both authorities also indicate that they have sufficient resources to fulfil their responsibilities.

<sup>102</sup> There are two CCPs in Mexico, the equities CCP (Contraparte Central de Valores, CCV), and the derivatives CCP (Asigna Compensación y Liquidación, Asigna). There is one CSD/SSS in Mexico, S.D. Indeval Institución para el Depósito de Valores, S.A. de C.V. (Indeval).

<sup>103</sup> Interbank Electronic Payment System (SPEI), which is owned and managed by Banco de México.

CNBV and Banco de México have defined their policies with respect to FMIs either through regulations, publications or policies published on the authorities' websites. These regulations and/or policies include the objectives, roles and responsibilities of the authorities.

CNBV and Banco de México have taken measures to implement the Principles through publishing policy statements. However, for CCPs, further measures are necessary to complete the implementation, despite the policy statements.

The Mexican framework provides for cooperation between domestic and foreign authorities for all FMIs. All the necessary legal and regulatory tools are available and some examples of domestic and international cooperative arrangements exist. The domestic cooperative arrangements for CCPs and CSDs/SSSs are governed by legal frameworks. However, the frameworks do not specifically include processes and routines that ensure effective and efficient communication or specify precisely which authority/s should take responsibility for the cooperation.

## Jurisdictional Comments

### *All FMIs*

Banco de México and the CNBV have both promoted with the FMIs, to conduct self-assessments, and to implement working plans in order to observe the Principles. Banco de México and CNBV are evaluating the timeframe for FMIs to fully comply with the Principles.

### *CCPs*

Regarding CCPs, and with respect to measures to complete the legal basis for settlement finality considered in Principle 1, Banco de México and CNBV have requested CCPs to clarify in their internal rules the point at which the settlement is final. In addition, Mexican Financial Authorities are currently analyzing amendments to secondary regulation to strengthen settlement finality, and would promote legislative amendments to robust its legal basis.

### *TRs*

Regarding the regulatory framework in Mexico for trade reporting of derivatives, amendments to Tripartite Rules require entities authorized as a derivatives CCP under such Rules, to provide TR services for those transactions cleared through it and for those transactions reported to the derivatives CCP on a voluntary basis. These amendments were published on 15 May 2014 and they are still in process of implementation by the only authorized derivatives CCP (Asigna).

## Detailed rating for Mexico – CCP

Responsible authorities: The National Banking and Securities Commission (CNBV), Banco de México, and the Ministry of Finance and Public Credit (SHCP)		
	Responsibility rating	Identified issues of concern and/or links to main documents
<b>Resp. A</b>	Observed	<p><b>Criteria to identify FMIs that should be regulated /supervised/ overseen</b></p> <p>Banco de México's payment systems policy:  <a href="http://www.banxico.org.mx/sistemas-de-pago/informacion-general/banco-mexicos-payment-systems.html">http://www.banxico.org.mx/sistemas-de-pago/informacion-general/banco-mexicos-payment-systems.html</a></p> <p>Securities Market Law:  <a href="http://www.cnbv.gob.mx/Normatividad/Ley%20del%20Mercado%20de%20Valores.pdf">http://www.cnbv.gob.mx/Normatividad/Ley%20del%20Mercado%20de%20Valores.pdf</a></p> <p><b>List of FMIs identified for regulation/supervision/oversight</b></p> <p>See link to Banco de México's payment systems policy.</p> <p><b>Authorities' responsibilities</b></p> <p>CNBV's FMI policy:  <a href="http://www.cnbv.gob.mx/SECTORES-SUPERVISADOS/BURS%C3%81TIL/Descripci%C3%B3n/Paginas/default.aspx">http://www.cnbv.gob.mx/SECTORES-SUPERVISADOS/BURS%C3%81TIL/Descripci%C3%B3n/Paginas/default.aspx</a></p> <p>See link to Securities Market Law.</p>
<b>Resp. B</b>	Observed	<p><b>Authorities' powers – rule-making/information-gathering/enforcement</b></p> <p>See link to Securities Market Law.</p> <p>Tripartite Rules:  <a href="http://www.banxico.org.mx/disposiciones/circulares/reglas/%7BEDDAEB88-B53D-7047-97ED-1E819E04A274%7D.pdf">http://www.banxico.org.mx/disposiciones/circulares/reglas/%7BEDDAEB88-B53D-7047-97ED-1E819E04A274%7D.pdf</a></p>
<b>Resp. C</b>	Observed	<p><b>Regulatory/supervisory/oversight policies – objectives/roles</b></p> <p>See link to Banco de México's payment systems policy.</p> <p>See link to CNBV's FMI policy.</p>
<b>Resp. D</b>	Partly observed	<p><b>Approach to implementing the Principles</b></p> <p>See link to Banco de México's payment systems policy.</p> <p>See link to CNBV's FMI policy.</p> <p><b>Issues of concern</b></p> <p>The authorities have publicly stated, in a policy statement, that they apply the Principles to all systemically important CCPs. Banco de México and CNBV have required CCPs to conduct self-assessments as</p>

		well as to implement working plans in order to fully comply with the Principles. However, not all measures to fully implement the Principles are currently in place and in force. Some additional regulatory measures are required and these have not yet been publicly disclosed. There is no set timeframe for when the implementation measures will be in force, nor a set timeframe for CCPs' required observance of the Principles.
<b>Resp. E</b>	Observed	<p><b>Policies on cooperation with other authorities</b></p> <p>See link to Tripartite Rules.</p> <p>See link to Securities Market Law.</p>

### Detailed rating for Mexico – CSD/SSS

<b>Responsible authorities: The National Banking and Securities Commission (CNBV), Banco de México, and the Ministry of Finance and Public Credit (SHCP)</b>		
	<b>Responsibility rating</b>	<b>Identified issues of concern and/or links to main documents</b>
<b>Resp. A</b>	Observed	<p><b>Criteria to identify FMIs that should be regulated/supervised/overseen</b></p> <p>See link to Banco de México's payment systems policy.</p> <p>Payment Systems Law  <a href="http://www.banxico.org.mx/disposiciones/circulares/leyes/%7B7B519402-BFF1-30A2-E8AC-2B6E96F5CF2B%7D.pdf">http://www.banxico.org.mx/disposiciones/circulares/leyes/%7B7B519402-BFF1-30A2-E8AC-2B6E96F5CF2B%7D.pdf</a></p> <p>See link to Securities Market Law.</p> <p><b>List of FMIs identified for regulation/supervision/oversight</b></p> <p>See link to Banco de México's payment systems policy.</p> <p><b>Authorities' responsibilities</b></p> <p>See link to Banco de México's payment systems policy.</p> <p>See link to CNBV's FMI policy.</p> <p>See link to Securities Market Law.</p>
<b>Resp. B</b>	Observed	<p><b>Authorities' powers – rule-making/information-gathering/enforcement</b></p> <p>See link to Payment Systems Law.</p> <p>See link to Securities Market Law.</p>

<b>Resp. C</b>	Observed	<p><b>Regulatory/supervisory/oversight policies – objectives/roles</b></p> <p>See link to Banco de México’s payment systems policy.</p> <p>Banco de México’s website on payment systems:  <a href="http://www.banxico.org.mx/sistemas-de-pago/informacion-general/introduction--payment-systems.html">http://www.banxico.org.mx/sistemas-de-pago/informacion-general/introduction--payment-systems.html</a></p> <p>See link to CNBV’s FMI policy.</p>
<b>Resp. D</b>	Broadly Observed	<p><b>Approach to implementing the Principles</b></p> <p>See link to Banco de México’s payment systems policy.</p> <p>See link to CNBV’s FMI policy.</p> <p><b>Issues of concern</b></p> <p>Banco de México and CNBV have required CSDs/SSSs to conduct self-assessments as well as to implement working plans in order to fully comply with the Principles. However, no timeframe has been set for CSDs’/SSSs’ required observance of the Principles.</p>
<b>Resp. E</b>	Observed	<p><b>Policies on cooperation with other authorities</b></p> <p>See link to Securities Market Law.</p>

### Detailed rating for Mexico – PS

<b>Responsible authority: Banco de México</b>		
	<b>Responsibility rating</b>	<b>Identified issues of concern and/or links to main documents</b>
<b>Resp. A</b>	Observed	<p><b>Criteria to identify FMIs that should be regulated/supervised/overseen</b></p> <p>See link to Payment Systems Law.</p> <p>See link to Banco de México’s payment systems policy.</p> <p><b>List of FMIs identified for regulation/supervision/oversight</b></p> <p>See link to Banco de México’s payment systems policy.</p> <p><b>Authority’s responsibilities</b></p> <p>See link to Banco de México’s payment systems policy.</p>
<b>Resp. B</b>	Observed	<p><b>Authority’s powers – rule-making/information-gathering/enforcement</b></p> <p>See link to Payment Systems Law.</p>

<b>Resp. C</b>	Observed	<p><b>Regulatory/supervisory/oversight policies – objectives/roles</b></p> <p>See link to Banco de México’s payment systems policy.</p> <p>See link to Banco de México’s website on payment systems.</p>
<b>Resp. D</b>	Broadly Observed	<p><b>Approach to implementing the Principles</b></p> <p>See link to Banco de México’s payment systems policy.</p> <p><b>Issues of concern</b></p> <p>Banco de México is implementing a working plan to its PS (SPEI) in order to fully comply with the Principles. However, no timeframe has been set for PSs’ required observance of the Principles.</p>
<b>Resp. E</b>	Observed	

### Detailed rating for Mexico – TR

<b>Responsible authority: Banco de México</b>		
	<b>Responsibility rating</b>	<b>Identified issues of concern and/or links to main documents</b>
<b>Resp. A</b>	Broadly Observed	<p><b>Criteria to identify FMIs that should be regulated/supervised/overseen</b></p> <p>See link to Banco de México’s payment systems policy.</p> <p>Banco de México’s internal regulation:  <a href="http://www.banxico.org.mx/disposiciones/marco-juridico/reglamento-interior/%7B93D02CF4-FD24-EEC4-F856-A671AC302488%7D.pdf">http://www.banxico.org.mx/disposiciones/marco-juridico/reglamento-interior/%7B93D02CF4-FD24-EEC4-F856-A671AC302488%7D.pdf</a></p> <p><b>List of FMIs identified for regulation/supervision/oversight</b></p> <p>See link to Banco de México’s payment systems policy.</p> <p><b>Authority’s responsibilities</b></p> <p>See link to Banco de México’s payment systems policy.</p> <p><b>Issues of concern</b></p> <p>There is no legal definition of a TR in Mexico which detracts from the clarity of the regime. Nevertheless, the regulatory framework in Mexico has provisions regarding trade reporting of derivatives. In particular, Banco de México’s Rules for Derivatives Transactions require financial institutions to report all their derivatives transactions to the central bank, for which Banco de México provide a TR service, and has exclusive responsibility.</p>

<b>Resp. B</b>	Observed	<p><b>Authority's powers – rule-making/information-gathering/enforcement</b></p> <p>See link to Banco de México's payment systems policy.</p>
<b>Resp. C</b>	Observed	<p><b>Regulatory/supervisory/oversight policies – objectives/roles</b></p> <p>See link to Banco de México's payment systems policy.</p>
<b>Resp. D</b>	Broadly Observed	<p><b>Approach to implementing the Principles</b></p> <p>See link to Banco de México's payment systems policy.</p> <p><b>Issues of concern</b></p> <p>For TRs, no timeframe has been set for TRs' required observance of the Principles.</p>
<b>Resp. E</b>	Observed	

## Netherlands

### Responsibilities assessment ratings for Netherlands

#### Overview of Regulatory Framework/Regime

The authorities responsible for regulation, supervision and oversight of FMIs in the Netherlands are the Dutch Central Bank (DNB) and the Netherlands Authority for the Financial Markets (AFM).

CCPs are jointly supervised by DNB and the AFM. The division of the responsibilities between the two regulators is laid down in secondary regulation under the Dutch Act on Financial Supervision. DNB's objective is to prevent the systemic risk that may arise out of CCPs that are relevant for the Netherlands. The AFM's supervision focuses on the behaviour of market participants that could undermine financial stability and on the transparency of systemic risks. DNB is responsible for licensing of CCPs, and DNB and the AFM are responsible for the supervision of CCPs under designated European Market Infrastructure Regulation (EMIR) articles. AFM has an advisory role concerning licensing and authorisation. CSDs/SSSs are jointly supervised by the AFM and DNB under the Dutch Securities Giro Act 1977 and the Dutch Act on Financial Supervision 2013. TRs established in the EU are under the sole supervision of ESMA. DNB, as a member of the Eurosystem, pursues its FMI oversight responsibilities according to the policies defined by the Eurosystem.

In the Netherlands, FMIs are subject to regulation, supervision and oversight under both national and European Union (EU) law or Eurosystem regulation. CCPs are subject to EMIR and its associated technical standards. CSDs/SSSs are currently subject to national regulation and, in due course, CSDs/SSSs will be required to comply with the Central Securities Depositories Regulation (CSDR). Within the Euro area, systemically important PSs are subject to the Eurosystem regulation. TRs are subject to EMIR and its associated technical standards.

In the Netherlands, there are two licensed CCPs,<sup>104</sup> one CSD/SSS<sup>105</sup> and no systemically important PSs<sup>106</sup> or TRs.

#### Key Observations

DNB and the AFM (the Dutch authorities) are assessed to observe all relevant Responsibilities for CCPs and CSDs/SSSs, as well as the relevant Responsibilities for PSs (Responsibilities B and E; the remaining Responsibilities are assessed at the European Union level).

DNB and the AFM apply clear criteria to identify CCPs and CSDs/SSSs that should be subject to regulation, supervision and oversight.

DNB and the AFM have appropriate powers, consistent with their regulatory, supervisory, and oversight responsibilities in respect of FMIs. Both authorities also indicate that they have sufficient resources to fulfil their responsibilities.

DNB and the AFM have also defined their policies with respect to CCPs and CSDs/SSSs, and publicly disclosed them for CCPs. However, the disclosures with respect to CSDs/SSSs could be enhanced.

DNB and the AFM apply the PFMI to all CCPs and CSDs/SSSs.

<sup>104</sup> Euro CCP NV, ICE Clear Netherlands BV.

<sup>105</sup> Euroclear Netherlands.

<sup>106</sup> The Dutch component of the European TARGET2 system is considered to be an integral component of TARGET2. DNB contributes to the Eurosystem oversight of systemically important PSs on a no prohibition / no compulsion basis.

The Dutch authorities cooperate with relevant domestic and international authorities to promote the safety and efficiency of the CCPs, CSDs/SSS and systemically important PSs in the Netherlands and the Euro area, as appropriate. In terms of domestic cooperation, Dutch authorities work together in exercising their functions to ensure each is able to advance its objectives. As for international cooperation, DNB participates in cooperative oversight arrangements for systemically important PSs, and Dutch authorities take part in CCP supervisory colleges set up by EMIR and have arrangements with relevant foreign authorities related to the supervision of CSDs/SSSs.

#### Jurisdictional Comments

DNB and the AFM thank the CPMI-IOSCO Implementation Monitoring Standing Group for the assessment work and have no comments on the findings.

## Detailed rating for Netherlands – CCP

<b>Responsible authorities: Netherlands Bank and Netherlands Authority for the Financial Markets</b>		
	<b>Responsibility rating</b>	<b>Identified issues of concern and/or links to main documents</b>
<b>Resp. A</b>	Observed	<p><b>Criteria to identify FMIs that should be regulated/supervised/overseen</b></p> <p>European Market Infrastructure Regulation (EMIR)  <a href="http://ec.europa.eu/finance/financial-markets/derivatives/index_en.htm">http://ec.europa.eu/finance/financial-markets/derivatives/index_en.htm</a></p> <p><b>List of FMIs identified for regulation/supervision/oversight</b></p> <p>Register of EU CCPs authorised under EMIR  <a href="http://www.esma.europa.eu/system/files/ccps_authorized_under_emir.pdf">http://www.esma.europa.eu/system/files/ccps_authorized_under_emir.pdf</a></p> <p>Register of third-country CCPs that have applied for recognition under EMIR  <a href="http://www.esma.europa.eu/system/files/list_of_applicants_tc-ccps.pdf">http://www.esma.europa.eu/system/files/list_of_applicants_tc-ccps.pdf</a></p>
<b>Resp. B</b>	Observed	<p><b>Authorities' powers – rule-making/information-gathering/enforcement</b></p> <p>Dutch Act on Financial Supervision (Articles 1:3a, 1:75, 1:76, Sec. 5, Art. 1:89 – 1:101) [Note no English translation is available]  <a href="http://wetten.overheid.nl/BWBR0020368/1/geldigheidsdatum_19-06-2013">http://wetten.overheid.nl/BWBR0020368/1/geldigheidsdatum_19-06-2013</a></p> <p>Dutch General Administrative Law Act [Note no English translation is available]  <a href="http://www.rijksoverheid.nl/documenten-en-publicaties/besluiten/2006/06/21/engelse-tekst-awb.html">http://www.rijksoverheid.nl/documenten-en-publicaties/besluiten/2006/06/21/engelse-tekst-awb.html</a></p>
<b>Resp. C</b>	Observed	<p><b>Regulatory/supervisory/oversight policies – objectives/roles</b></p> <p>See EMIR, above.</p> <p><b>Regulatory/supervisory/oversight policies – standards/rules</b></p> <p>ESMA Technical Standards:  <a href="http://www.esma.europa.eu/page/Central-Counterparties">http://www.esma.europa.eu/page/Central-Counterparties</a></p> <p><b>Regulatory/supervisory/oversight policies – guidance</b></p> <p>ESMA Guidelines and Recommendations  <a href="http://www.esma.europa.eu/content/Guidelines-and-Recommendations-regarding-implementation-CPSS-IOSCO-Principles-Financial-Mark">http://www.esma.europa.eu/content/Guidelines-and-Recommendations-regarding-implementation-CPSS-IOSCO-Principles-Financial-Mark</a></p>

<b>Resp. D</b>	Observed	
<b>Resp. E</b>	Observed	<p><b>Policies on cooperation with other authorities</b></p> <p>ESMA Technical Standards for CCP Colleges:  <a href="http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:244:0019:0022:EN:PDF">http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:244:0019:0022:EN:PDF</a></p> <p><b>Domestic regulatory/supervisory/oversight cooperation – examples of arrangements</b></p> <p>ESMA – CCP Colleges  <a href="http://www.esma.europa.eu/system/files/2013-661_report_gr_on_college_written_agreement_-_final_for_publication_20130604.pdf">http://www.esma.europa.eu/system/files/2013-661_report_gr_on_college_written_agreement_-_final_for_publication_20130604.pdf</a></p>

### Detailed rating for Netherlands – CSD/SSS

<b>Responsible authorities: Netherlands Bank and Netherlands Authority for the Financial Markets</b>		
	<b>Responsibility rating</b>	<b>Identified issues of concern and/or links to main documents</b>
<b>Resp. A</b>	Observed	<p><b>Criteria to identify FMIs that should be regulated/supervised/overseen</b></p> <p>Dutch Securities Giro Act [Note no recent English translation is available]  <a href="http://wetten.overheid.nl/BWBR0003109/geldigheidsdatum_17-04-2015">http://wetten.overheid.nl/BWBR0003109/geldigheidsdatum_17-04-2015</a></p> <p>Eurosystem – Adoption of the PFMI, June 2013  <a href="http://www.ecb.europa.eu/press/govcdec/otherdec/2013/html/gc130621.en.html">http://www.ecb.europa.eu/press/govcdec/otherdec/2013/html/gc130621.en.html</a></p> <p>Eurosystem Oversight Policy Framework:  <a href="https://www.ecb.europa.eu/pub/pdf/other/eurosystemoversightpolicyframework2011en.pdf">https://www.ecb.europa.eu/pub/pdf/other/eurosystemoversightpolicyframework2011en.pdf</a></p> <p>Oversight of Payment and Settlement Systems report  <a href="http://www.dnb.nl/en/binaries/oversightuk_tcm47-308949.pdf">http://www.dnb.nl/en/binaries/oversightuk_tcm47-308949.pdf</a></p> <p><b>Minor gap</b></p> <p>While the Eurosystem has stated that it has adopted the PFMI for all FMIs, currently there is no clear public statement of the criteria used to identify CSDs/SSSs that are subject to the oversight of the Dutch authorities. In practice, any SSS/CSD (currently only Euroclear Netherlands) used by the sole designated securities exchange (i.e. Euronext) is subject to oversight by the AFM and DNB. The CSDR when in force, will provide the criteria to identify CSDs/SSSs.</p>

<b>Resp. B</b>	Observed	<p><b>Authorities' powers – rule-making/information-gathering/enforcement</b></p> <p>Dutch Act on Financial Supervision [Note no English translation is available]  <a href="http://wetten.overheid.nl/BWBR0020368/1/geldigheidsdatum_19-06-2013">http://wetten.overheid.nl/BWBR0020368/1/geldigheidsdatum_19-06-2013</a></p>
<b>Resp. C</b>	Observed	<p><b>Regulatory/supervisory/oversight policies – objectives/roles</b></p> <p>See link to Oversight of Payment and Settlement Systems report</p> <p>AFM Mission Statement  <a href="http://www.afm.nl/en/professionals/over-afm">http://www.afm.nl/en/professionals/over-afm</a></p> <p>AFM Annual Report 2013  <a href="http://www.afm.nl/en/professionals/over-afm/werkzaamheden/jaarverslagen/2013">http://www.afm.nl/en/professionals/over-afm/werkzaamheden/jaarverslagen/2013</a></p> <p>DNB oversight brochure  <a href="http://www.dnb.nl/en/binaries/Oversight_brochure-uk_tcm47-145655.pdf">http://www.dnb.nl/en/binaries/Oversight_brochure-uk_tcm47-145655.pdf</a></p> <p><b>Minor gap</b></p> <p>Since oversight of CSDs/SSSs is implemented through the non-public Oversight Framework for Clearing and Settlement, there is limited transparency with respect to the oversight policies for CSDs/SSSs. Currently the clearest disclosure of DNB oversight policies is in the 2013 Oversight of Payments and Settlement Systems report. The AFM only discloses its high level objectives for the oversight of CSDs/SSSs. The CSDR will replace the current national policy.</p>
<b>Resp. D</b>	Observed	
<b>Resp. E</b>	Observed	

## Detailed rating for the Netherlands – PS

<b>Responsible authorities: Netherlands Bank</b>		
	<b>Responsibility rating</b>	<b>Identified issues of concern and/or links to main documents</b>
<b>Resp. A</b>	See EU/Eurosystem	
<b>Resp. B</b>	Observed <i>See EU/Eurosystem</i>	
<b>Resp. C</b>	See EU/Eurosystem	
<b>Resp. D</b>	See EU/Eurosystem	
<b>Resp. E</b>	Observed <i>See EU/Eurosystem</i>	

# Russia

## Responsibilities assessment ratings for Russia

### Overview of Regulatory Framework/Regime

Bank of Russia (BOR) is the sole authority responsible for regulation, supervision and oversight of FMIs in Russia.

BOR policy in respect of FMIs is formulated in the Strategy of the Russian Federation Financial Market Development until 2020, approved by the Federal Government Decree, which identifies key strategic directions of BOR activity.

In Russia there are three CCPs,<sup>107</sup> one CSD,<sup>108</sup> two TRs<sup>109</sup> and seven important PSs.<sup>110</sup> Of these, one CCP, one CSD, one TR and two PSs are systemically important.

BOR is a shareholder of Moscow Exchange, which in turn owns FMI.<sup>111</sup>

### Key Observations

BOR is assessed to observe Responsibilities A, B and C across all FMI types, Responsibility D for PSs and Responsibility E for TRs. BOR is assessed to broadly observe Responsibility E for CSDs. However, BOR is assessed to partly observe Responsibility D for CCPs, CSDs, and TRs and Responsibility E for CCPs, and PSs.

BOR applies clear criteria to identify FMIs that should be subject to regulation, supervision and oversight. The criteria are defined for systemically important PSs in Article 22, Section 1 of the National Payment System (NPS) Law, Ordinance No 2815-U and in the Ordinance No 3341-U for the other FMIs.

BOR has appropriate powers, consistent with its regulatory, supervisory and oversight responsibilities in respect of FMIs. BOR's powers are explicitly stated in legislation. BOR also indicates that it has sufficient resources to fulfil its responsibilities.

BOR policy in respect of FMIs is clearly defined and the laws and regulations are publicly available.

BOR has implemented the Principles for PSs through policy statements and regulations. In case of CCPs, CSDs and TRs, further measures are required to fully implement the Principles (notwithstanding Letters No 94-T and No 59-T, which recommend FMIs follow the Principles). BOR is in the process of issuing further regulations to fully adopt all the Principles in the PFMI.

Regarding cooperation, the Federal service for Supervision of Customer Rights and the Federal Service for Financial Monitoring (FSFM) are involved in cooperation arrangements with the BOR in respect of their responsibilities. Forms of international authorities' cooperation are prescribed in the Federal Law and BOR exchanges information and/or documents with foreign financial market regulators

<sup>107</sup> CJSC JSCB National Clearing Centre (NCC, systemically important and qualified), NPO CJSC National Settlement Depository (NSD), and MSE Clearing Center.

<sup>108</sup> NSD (systemically important).

<sup>109</sup> NSD (systemically important) and OJSC "Saint Petersburg Exchange".

<sup>110</sup> The systemically important PSs are Bank of Russia payment system and payment system of NSD. The socially important PSs are Sberbank payment system, Zolotayakorona payment system, International Money Transfer System Leader, Visa payment system and MasterCard payment system.

<sup>111</sup> One CCP, NCC, and one CSD, NSD.

pursuant to and in compliance with bilateral or multilateral MoUs. However, in the case of PSs, CCPs and CSDs, there are currently no procedures for notifying foreign regulators of the existence of cross-border or multicurrency FMIs. The views of the central bank of issue are taken into account only on an informal level within the general relations among the central banks. While there are some agreements on cooperation with member states of the Eurasian Economic Community, there has been no consultation with other relevant foreign authorities such as the US Federal Reserve and the ECB. At present there are no special cooperative arrangements between competent authorities in times of market stress and crisis or for recovery, resolution, and reorganization or wind-down of an FMI. In addition, at the present time there is no requirement that CSDs/SSSs are assessed against the PFMI on a periodic basis. Currently, the legislation of the Russian Federation stipulates international exchange of TR data on the authorities' level only.

### Jurisdictional Comments

The Bank of Russia would like to extend its gratitude to the members of the CPMI-IOSCO Implementation Monitoring Standing Group for the assessment made concerning the Bank of Russia's responsibilities for implementation of the PFMI and accepts the assessment results.

At the present time the PFMI implementation process in the Russian jurisdiction has been generally completed (concerning payment systems the PFMI implementation process has been fully completed) by adopting the federal laws, issuing of the Bank of Russia's regulations and recommendations mainly based on the significant PFMI aspects, and issuing of the Bank of Russia's letter which recommends the FMIs to follow the Principles.

At the same time the Bank of Russia continues its work on improving the legal framework in order to increase efficiency of systemically important FMIs functioning. In particular changes in the federal legislation were made introducing segregation and portability for CCPs', clearing members', and their clients' obligations. In achieving the goals of increasing the financial market efficiency and fostering to provide smooth functioning of systemically important FMIs the Bank of Russia issued recommendations on business continuity for systemically important FMIs' and prepared draft recommendations on systemically important FMIs' recovery plans development. Also the Bank of Russia prepared draft requirements on CCP's risk management system stress testing methodology, which is planned to be issued in the nearest future.

One of the most important areas of the Bank of Russia's oversight activity is also the development of an international cooperation, based on the CPMI-IOSCO recommendations relative to the Responsibility E.

Particularly at the present time the Bank of Russia in cooperation with the national (central) banks of Eurasian Economic Union (hereinafter – EEU) member states carries out an oversight of payment systems in accordance with bilateral agreements. Besides that, in December 2014 within the framework of the EEU the Bank of Russia signed an «Agreement on information exchange, including the confidential information, aiming at providing proper environment for free movement of capital on the financial market» (hereinafter – Agreement). The Agreement allows the authorities to exchange information on activities of all financial market participants including FMIs. The above Agreement is going to come into effect soon after all the intergovernmental procedures in the EEU member states will be successfully accomplished. It's expected that further development of cooperation mechanisms and areas will take place both within the framework of the current agreements and in accordance with bilateral and multilateral agreements on cooperation which are under the discussion now.

Moreover, at the first half of the year 2015 the Bank of Russia has signed a Memorandum of understanding with Cyprus Securities and Exchange Commission and Memorandum of understanding with Hellenic Capital Market Commission. These Memoranda stipulate for an exchange of information on the activities of all supervised financial market participants, including the activities of FMIs. Furthermore,

in February 2015 the Bank of Russia became a signatory of IOSCO Multilateral Memorandum of Understanding Concerning Consultation and Cooperation and the Exchange of Information.

### Detailed rating for Russia – CCP

<b>Responsible authority: Bank of Russia</b>		
	<b>Responsibility rating</b>	<b>Identified issues of concern and/or links to main documents</b>
<b>Resp. A</b>	Observed	<p><b>Criteria to identify FMIs that should be regulated/supervised/overseen</b></p> <p>President of the Russian Federation – The Federal Law of 7 February, 2011 No7-FZ on Clearing and Clearing Activities  <a href="http://www.rg.ru/2011/02/11/kliring-dok.html">http://www.rg.ru/2011/02/11/kliring-dok.html</a></p> <p>Initial version: <a href="http://www.rg.ru/2011/11/26/izmenenia-site-dok.html">http://www.rg.ru/2011/11/26/izmenenia-site-dok.html</a>            Latest amendments: <a href="http://www.rg.ru/2014/03/14/zakony-dok.html">http://www.rg.ru/2014/03/14/zakony-dok.html</a></p> <p><b>Authority's responsibilities</b></p> <p>BOR – Assessing the Management Quality of a Credit Institution Performing Central Counterparty Function (Ordinance of 3 December, 2012 No2919-U)  <a href="http://www.cbr.ru/publ/vestnik/ves121228077.pdf">http://www.cbr.ru/publ/vestnik/ves121228077.pdf</a></p> <p>Initial version: <a href="http://www.rg.ru/2011/11/26/izmenenia-site-dok.html">http://www.rg.ru/2011/11/26/izmenenia-site-dok.html</a>            Latest amendments:  <a href="http://www.cbr.ru/publ/Vestnik/ves141222112.pdf">http://www.cbr.ru/publ/Vestnik/ves141222112.pdf</a></p> <p>BOR – Recognition of Financial Market Infrastructures as systemically important (Ordinance of 25 June 2014 No 3341-U)  <a href="http://cbr.ru/publ/Vestnik/ves140731070.pdf">http://cbr.ru/publ/Vestnik/ves140731070.pdf</a></p>
<b>Resp. B</b>	Observed	<p><b>Authority's powers: rule-making/information-gathering/enforcement</b></p> <p>See links to President of the Russian Federation – The Federal Law of 7 February, 2011 No7-FZ on Clearing and Clearing Activities and the latest amendments</p> <p>See links to BOR – Assessing the Management Quality of a Credit Institution Performing Central Counterparty Function (Ordinance of 3 December, 2012 No2919-U) and the latest amendments</p> <p>OR – On form, terms and order of report preparation and providing by clearing companies and central counterparties to the Central Bank of the Russian Federation (Ordinance of 30 November, 2014 No 3459-U)  <a href="http://www.cbr.ru/sbrfr/files/legislation/3459-u.pdf">http://www.cbr.ru/sbrfr/files/legislation/3459-u.pdf</a></p>
<b>Resp. C</b>	Observed	<p><b>Regulatory/supervisory/oversight policies – objectives/roles</b></p> <p>See links to President of the Russian Federation – The Federal Law of</p>

		<p>7 February, 2011 No7-FZ on Clearing and Clearing Activities and the latest amendments</p> <p>See links to BOR - Assessing the Management Quality of a Credit Institution Performing Central Counterparty Function (Ordinance of 3 December, 2012 No2919-U) and the latest amendments</p> <p>The Federal Law of 10 July, 2002 No 86-FZ  <a href="http://www.pravo.gov.ru/proxy/ips/?searchres=&amp;bpas=cd00000&amp;a3=&amp;a3type=1&amp;a3value=&amp;a6=&amp;a6type=1&amp;a6value=&amp;a15=&amp;a15type=1&amp;a15value=&amp;a7type=1&amp;a7from=&amp;a7to=&amp;a7date=10.07.2002&amp;a8=86-%F4%E7&amp;a8type=2&amp;a1=&amp;a0=&amp;a16=&amp;a16type=1&amp;a16value=&amp;a17=&amp;a17type=1&amp;a17value=&amp;a4=&amp;a4type=1&amp;a4value=&amp;textpres=&amp;sort=7&amp;x=27&amp;y=7">http://www.pravo.gov.ru/proxy/ips/?searchres=&amp;bpas=cd00000&amp;a3=&amp;a3type=1&amp;a3value=&amp;a6=&amp;a6type=1&amp;a6value=&amp;a15=&amp;a15type=1&amp;a15value=&amp;a7type=1&amp;a7from=&amp;a7to=&amp;a7date=10.07.2002&amp;a8=86-%F4%E7&amp;a8type=2&amp;a1=&amp;a0=&amp;a16=&amp;a16type=1&amp;a16value=&amp;a17=&amp;a17type=1&amp;a17value=&amp;a4=&amp;a4type=1&amp;a4value=&amp;textpres=&amp;sort=7&amp;x=27&amp;y=7</a></p> <p><b>Regulatory/supervisory/oversight policies – standards/rules</b></p> <p>See link to BOR – On form, terms and order of report preparation and providing by clearing companies and central counterparties to the Central Bank of the Russian Federation (Ordinance of 30 November, 2014 No 3459-U)</p> <p>BOR (policy statement) – On compliance with recommendations of the Bank of Russia (Letter of 14 April, 2014 No 59-T)  <a href="http://www.cbr.ru/publ/Vestnik/ves140416037.pdf">http://www.cbr.ru/publ/Vestnik/ves140416037.pdf</a></p>
<p><b>Resp. D</b></p>	<p>Partly Observed</p>	<p><b>Approach to implementing the principles</b></p> <p>See link to BOR (policy statement) – On compliance with recommendations of the Bank of Russia (Letter of 14 April, 2014 No 59-T)</p> <p>BOR (policy statement) – The document of the Committee on Payment and Settlement Systems “The Principles for Financial Market Infrastructures”(Letter of 29 June, 2012 No 94-T)  <a href="http://www.cbr.ru/today/payment_system/P-sys/94-T.pdf">http://www.cbr.ru/today/payment_system/P-sys/94-T.pdf</a></p> <p>See link to BOR – Assessing the Management Quality of a Credit Institution Performing Central Counterparty Function (Ordinance of 3 December, 2012 No2919-U)</p> <p><b>Scope of implementation of the principles</b></p> <p>See link to BOR – Recognition of Financial Market Infrastructures as systemically important (Ordinance of 25 June 2014 No. 3341-U)</p> <p>List of recognized systemically important FMIs  <a href="http://www.cbr.ru/press/PR.aspx?file=26092014_124143sbrfr2014-09-26T12_37_24.htm">http://www.cbr.ru/press/PR.aspx?file=26092014_124143sbrfr2014-09-26T12_37_24.htm</a></p> <p><b>Issues of concern</b></p> <p>BOR has recommended that CCPs observe the Principles, although there is no legal requirement to do so. Most of the requirements of the Principles have been implemented in the current Russian legislation. However, BOR is in the process of issuing further</p>

		regulations to fully adopt all of the Principles.
<b>Resp. E</b>	Partly Observed	<p><b>Issues of concern</b></p> <p>There are currently no procedures for notifying foreign regulators of the existence of cross-border or multicurrency CCPs.</p> <p>Information exchange with foreign regulators is done on requests that are sent in accordance with Articles 51 and 51.1 of the Federal Law No 86-FZ. The views of the central bank of issue are taken into account only on an informal level within the general relations among the central banks.</p>

### Detailed rating for Russia – CSD/SSS

Responsible authority: Bank of Russia		
	Responsibility rating	Identified issues of concern and/or links to main documents
<b>Resp. A</b>	Observed	<p><b>Criteria to identify FMIs that should be regulated/supervised/overseen</b></p> <p>President of the Russian Federation - The Federal Law of 7 December, 2011 No 414-FZ "On the Central Securities Depository"  <a href="http://pravo.gov.ru/proxy/ips/?searchres=&amp;bpas=cd00000&amp;a3=&amp;a3type=1&amp;a3value=&amp;a6=&amp;a6type=1&amp;a6value=&amp;a15=&amp;a15type=1&amp;a15value=&amp;a7type=1&amp;a7from=&amp;a7to=&amp;a7date=&amp;a8=414-%D4%C7&amp;a8type=2&amp;a1=&amp;a0=&amp;a16=&amp;a16type=1&amp;a16value=&amp;a17=&amp;a17type=1&amp;a17value=&amp;a4=&amp;a4type=1&amp;a4value=&amp;textpres=&amp;sort=7&amp;x=44&amp;y=11">http://pravo.gov.ru/proxy/ips/?searchres=&amp;bpas=cd00000&amp;a3=&amp;a3type=1&amp;a3value=&amp;a6=&amp;a6type=1&amp;a6value=&amp;a15=&amp;a15type=1&amp;a15value=&amp;a7type=1&amp;a7from=&amp;a7to=&amp;a7date=&amp;a8=414-%D4%C7&amp;a8type=2&amp;a1=&amp;a0=&amp;a16=&amp;a16type=1&amp;a16value=&amp;a17=&amp;a17type=1&amp;a17value=&amp;a4=&amp;a4type=1&amp;a4value=&amp;textpres=&amp;sort=7&amp;x=44&amp;y=11</a>            (initial version)</p> <p><a href="http://www.rg.ru/2013/07/31/centrobank-dok.html">http://www.rg.ru/2013/07/31/centrobank-dok.html</a>            (latest amendments)</p> <p><b>Authority's responsibilities</b></p> <p>President of the Russian Federation - The Federal Law of 22 April, 1996 No 39-FZ "On Securities Market"  <a href="http://pravo.gov.ru/proxy/ips/?docbody=&amp;nd=102040905&amp;intelsearch=%EE+%F0%FB%ED%EA%E5+%F6%E5%ED%ED%FB%F5+%E1%F3%EC%E0%E3">http://pravo.gov.ru/proxy/ips/?docbody=&amp;nd=102040905&amp;intelsearch=%EE+%F0%FB%ED%EA%E5+%F6%E5%ED%ED%FB%F5+%E1%F3%EC%E0%E3</a></p>

<b>Resp. B</b>	Observed	<p><b>Authority's powers: rule-making/information-gathering/enforcement</b></p> <p>See link to the President of the Russian Federation – The Federal Law of 22 April, 1996 No 39-FZ "On Securities Market"</p> <p>The Federal Law of 10 July, 2002 No 86-FZ  <a href="http://www.pravo.gov.ru/proxy/ips/?searchres=&amp;bpas=cd00000&amp;a3=&amp;a3type=1&amp;a3value=&amp;a6=&amp;a6type=1&amp;a6value=&amp;a15=&amp;a15type=1&amp;a15value=&amp;a7type=1&amp;a7from=&amp;a7to=&amp;a7date=10.07.2002&amp;a8=86-%F4%E7&amp;a8type=2&amp;a1=&amp;a0=&amp;a16=&amp;a16type=1&amp;a16value=&amp;a17=&amp;a17type=1&amp;a17value=&amp;a4=&amp;a4type=1&amp;a4value=&amp;textpres=&amp;sort=7&amp;x=27&amp;y=7">http://www.pravo.gov.ru/proxy/ips/?searchres=&amp;bpas=cd00000&amp;a3=&amp;a3type=1&amp;a3value=&amp;a6=&amp;a6type=1&amp;a6value=&amp;a15=&amp;a15type=1&amp;a15value=&amp;a7type=1&amp;a7from=&amp;a7to=&amp;a7date=10.07.2002&amp;a8=86-%F4%E7&amp;a8type=2&amp;a1=&amp;a0=&amp;a16=&amp;a16type=1&amp;a16value=&amp;a17=&amp;a17type=1&amp;a17value=&amp;a4=&amp;a4type=1&amp;a4value=&amp;textpres=&amp;sort=7&amp;x=27&amp;y=7</a></p> <p>BOR – Recognition of Financial Market Infrastructures as systemically important (Ordinance of 25 June 2014 No. 3341-U)  <a href="http://cbr.ru/publ/Vestnik/ves140731070.pdf">http://cbr.ru/publ/Vestnik/ves140731070.pdf</a></p>
<b>Resp. C</b>	Observed	<p><b>Regulatory/supervisory/oversight policies – objectives/roles</b></p> <p>See link to Federal Law of 10 July, 2002 No 86-FZ</p> <p>See link to BOR – Recognition of Financial Market Infrastructures as systemically important (Ordinance of 25 June 2014 No. 3341-U)</p> <p><b>Regulatory/supervisory/oversight policies – standards/rules</b></p> <p>See link to Federal Law of 22 April, 1996 No 39-FZ "On Securities Market"</p> <p><a href="http://pravo.gov.ru/proxy/ips/?docbody=&amp;nd=102040905&amp;intelsearch=%EE+%F0%FB%ED%EA%E5+%F6%E5%ED%ED%FB%F5+%E1%F3%EC%E0%E3">http://pravo.gov.ru/proxy/ips/?docbody=&amp;nd=102040905&amp;intelsearch=%EE+%F0%FB%ED%EA%E5+%F6%E5%ED%ED%FB%F5+%E1%F3%EC%E0%E3</a></p>
<b>Resp. D</b>	Partly Observed	<p><b>Approach to implementing the principles</b></p> <p>See link to Federal Law of 22 April, 1996 No 39-FZ "On Securities Market"</p> <p>BOR (policy statement) – The document of the Committee on Payment and Settlement Systems "The Principles for Financial Market Infrastructures"(Letter of 29 June, 2012 No 94-T)  <a href="http://www.cbr.ru/today/payment_system/P-sys/94-T.pdf">http://www.cbr.ru/today/payment_system/P-sys/94-T.pdf</a></p> <p>BOR (policy statement) – On compliance with recommendations of the Bank of Russia (Letter of 14 April, 2014 No 59-T)  <a href="http://www.cbr.ru/publ/Vestnik/ves140416037.pdf">http://www.cbr.ru/publ/Vestnik/ves140416037.pdf</a></p> <p><b>Scope of implementation of the principles</b></p> <p>BOR – Recognition of Financial Market Infrastructures as systemically important (Ordinance of 25 June 2014 No. 3341-U)  <a href="http://cbr.ru/publ/Vestnik/ves140731070.pdf">http://cbr.ru/publ/Vestnik/ves140731070.pdf</a></p>

		<p>List of recognized systemically important FMIs (<a href="http://www.cbr.ru/press/PR.aspx?file=26092014_124143sbrfr2014-09-26T12_37_24.htm">http://www.cbr.ru/press/PR.aspx?file=26092014_124143sbrfr2014-09-26T12_37_24.htm</a>)</p> <p><b>Issues of concern</b></p> <p>BOR has recommended that CSDs/SSSs observe the Principles, although there is no legal requirement to do so. Most of the requirements of the Principles have been implemented in the current Russian legislation. However, BOR is in the process of issuing further regulations to fully adopt all of the Principles.</p>
<b>Resp. E</b>	Broadly Observed	<p><b>Issues of concern</b></p> <p>There are currently no procedures for notifying foreign regulators of the existence of cross-border or multicurrency CSDs/SSSs. Information exchange with foreign regulators is done on requests that are sent in accordance with Articles 51 and 51.1 of the Federal Law No 86-FZ. The views of the central bank of issue are taken into account only on an informal level within the general relations between the central banks. While there are some agreements on cooperation with member states of the Eurasian Economic Community, there has been no consultation with other relevant foreign authorities such as the US Federal Reserve and the ECB.</p>

### Detailed rating for Russia – PS

<b>Responsible authority: Bank of Russia</b>		
	<b>Responsibility rating</b>	<b>Identified issues of concern and/or links to main documents</b>
<b>Resp. A</b>	Observed	<p><b>Criteria to identify FMIs that should be regulated/supervised/overseen</b></p> <p>Russian Federation Federal Law "On National Payment System" <a href="http://www.cbr.ru/eng/analytics/federal_law_161fz.pdf">http://www.cbr.ru/eng/analytics/federal_law_161fz.pdf</a></p> <p>BOR – On Establishing the Criteria for Recognising a Payment System as Important (Ordinance of 2 May 2012 No. 2815-U) <a href="http://www.cbr.ru/publ/Vestnik/ves120615030.pdf">http://www.cbr.ru/publ/Vestnik/ves120615030.pdf</a></p>
<b>Resp. B</b>	Observed	<p><b>Authority's powers: rule-making/information gathering/enforcement</b></p> <p>See link to Russian Federation Federal Law "On National Payment System"</p> <p>See link to BOR – On Establishing the Criteria for Recognising a Payment System as Important (Ordinance of 2 May 2012 No. 2815-U)</p>

		<p>BOR – Oversight procedures in national payment system (Regulation of 31 May, 2012 No 380-P)  <a href="http://www.cbr.ru/today/payment_system/P-sys/380-p.pdf">http://www.cbr.ru/today/payment_system/P-sys/380-p.pdf</a></p>
<b>Resp. C</b>	Observed	<p><b>Regulatory/supervisory/oversight policies – objectives/roles</b>  See link to BOR – Oversight procedures in national payment system (Regulation of 31 May, 2012 No 380-P)</p> <p><b>Regulatory/supervisory/oversight policies – standards/rules</b>  BOR (policy statement) – The Development Strategy of a National Payment System  <a href="http://www.cbr.ru/today/payment_system/P-sys/strategypsys.pdf">http://www.cbr.ru/today/payment_system/P-sys/strategypsys.pdf</a></p> <p>BOR (policy statement) – The document of the Committee on Payment and Settlement Systems “The Principles for Financial Market Infrastructures”(Letter of 29 June, 2012 No 94-T)  <a href="http://www.cbr.ru/today/payment_system/P-sys/94-T.pdf">http://www.cbr.ru/today/payment_system/P-sys/94-T.pdf</a></p> <p>BOR (policy statement) – On compliance with recommendations of the Bank of Russia (Letter of 14 April, 2014 No 59-T)  <a href="http://www.cbr.ru/publ/Vestnik/ves140416037.pdf">http://www.cbr.ru/publ/Vestnik/ves140416037.pdf</a></p>
<b>Resp. D</b>	Observed	<p><b>Approach to implementing the Principles</b>  See link to BOR (policy statement) – The Development Strategy of a National Payment System</p> <p>See link to BOR (policy statement) – The document of the Committee on Payment and Settlement Systems “The Principles for Financial Market Infrastructures”(Letter of 29 June, 2012 No 94-T)</p> <p>See link to BOR (policy statement) – On compliance with recommendations of the Bank of Russia (Letter of 14 April, 2014 No 59-T)</p> <p>BOR (regulation) – On methodology of assessment of SIPS operators, payment infrastructure services operators and SIPs against Bank of Russia recommendations (Order of 9 April, 2014 No OD-607)  <a href="http://www.cbr.ru/publ/Vestnik/ves140417038-39.pdf">http://www.cbr.ru/publ/Vestnik/ves140417038-39.pdf</a></p> <p><b>Scope of implementation of the Principles</b>  Assessment of socially important payment systems is established in Order of November 06, 2014 No. OD-3118.  <a href="http://www.cbr.ru/publ/Vestnik/ves141113103.pdf">http://www.cbr.ru/publ/Vestnik/ves141113103.pdf</a></p> <p>BOR (policy statement) – On typical payment system risks as risks of payment system smooth functioning failure and On implementation of the CPSS BIS document “Principles for financial market infrastructures” with regard to settlement finality in SIPs (Letter of 4 April, 2014 No 55-T No 56 T)  <a href="http://www.cbr.ru/publ/Vestnik/ves140409036.pdf">http://www.cbr.ru/publ/Vestnik/ves140409036.pdf</a></p>

		BOR – Oversight procedures in national payment system (Regulation of 31 May, 2012 No 380-P) <a href="http://www.cbr.ru/today/payment_system/P-sys/380-p.pdf">http://www.cbr.ru/today/payment_system/P-sys/380-p.pdf</a>
<b>Resp. E</b>	Partly Observed	<p><b>Issues of concern</b></p> <p>There are currently no procedures for notifying foreign regulators of the existence of cross-border or multicurrency PSs. As per the NPS Law the BOR is entitled to cooperate with other authorities to conduct supervision and oversight of payment systems.</p> <p>There are no arrangements in place covering international cooperation between competent authorities in times of market stress and crisis or for recovery, resolution, and reorganization or wind-down of an FMI.</p> <p>Relevant processes and procedures for considering views of central banks of issue have not been formalized yet.</p>

#### Detailed rating for Russia – TR

Responsible authority: The Bank of Russia (BOR)		
	Responsibility rating	Identified issues of concern and/or links to main documents
<b>Resp. A</b>	Observed	<p><b>Criteria to identify FMIs that should be regulated/supervised/overseen</b></p> <p>President of the Russian Federation – The Federal Law No. 39-FZ <a href="http://pravo.gov.ru/proxy/ips/?docbody=&amp;nd=102040905&amp;intelsearchh=%EE+%F0%FB%ED%EA%E5+%F6%E5%ED%ED%FB%F5+%E1%F3%EC%E0%E3">http://pravo.gov.ru/proxy/ips/?docbody=&amp;nd=102040905&amp;intelsearchh=%EE+%F0%FB%ED%EA%E5+%F6%E5%ED%ED%FB%F5+%E1%F3%EC%E0%E3</a></p> <p>Article 51.5 of Federal Law on Securities Market, BOR Ordinance No. 3253-U <a href="http://www.cbr.ru/sbrfr/contributors/repositories/3253-U.pdf">http://www.cbr.ru/sbrfr/contributors/repositories/3253-U.pdf</a></p> <p>Latest amendments: <a href="http://www.cbr.ru/sbrfr/contributors/repositories/3382-u.pdf">http://www.cbr.ru/sbrfr/contributors/repositories/3382-u.pdf</a></p> <p>Recognition of Financial Market Infrastructures as systemically important (Ordinance of 25 June 2014 No 3341-U) <a href="http://cbr.ru/publ/Vestnik/ves140731070.pdf">http://cbr.ru/publ/Vestnik/ves140731070.pdf</a></p>

<b>Resp. B</b>	Observed	<p><b>Authority's powers: rule-making/information-gathering/enforcement</b></p> <p>See Responsibility A</p> <p>Article 51.5 of Federal Law on Securities Market, BOR Ordinance No. 3253-U  <a href="http://www.cbr.ru/sbrfr/contributors/repositories/3253-U.pdf">http://www.cbr.ru/sbrfr/contributors/repositories/3253-U.pdf</a></p> <p>President of the Russian Federation – The Federal Law of 21 July, 2014 No. 218-FZ "On Amending Individual Legislative Acts of the Russian Federation"  <a href="http://www.rg.ru/2014/07/30/vklady-dok.html">http://www.rg.ru/2014/07/30/vklady-dok.html</a></p>
<b>Resp. C</b>	Observed	<p><b>Regulatory/supervisory/oversight policies-objectives/roles</b></p> <p>President of the Russian Federation – The Federal Law of 10 July, 2002 No 86-FZ  <a href="http://www.pravo.gov.ru/proxy/ips/?searchres=&amp;bpas=cd00000&amp;a3=&amp;a3type=1&amp;a3value=&amp;a6=&amp;a6type=1&amp;a6value=&amp;a15=&amp;a15type=1&amp;a15value=&amp;a7type=1&amp;a7from=&amp;a7to=&amp;a7date=10.07.2002&amp;a8=86-%F4%E7&amp;a8type=2&amp;a1=&amp;a0=&amp;a16=&amp;a16type=1&amp;a16value=&amp;a17=&amp;a17type=1&amp;a17value=&amp;a4=&amp;a4type=1&amp;a4value=&amp;textpres=&amp;sort=7&amp;x=27&amp;y=7">http://www.pravo.gov.ru/proxy/ips/?searchres=&amp;bpas=cd00000&amp;a3=&amp;a3type=1&amp;a3value=&amp;a6=&amp;a6type=1&amp;a6value=&amp;a15=&amp;a15type=1&amp;a15value=&amp;a7type=1&amp;a7from=&amp;a7to=&amp;a7date=10.07.2002&amp;a8=86-%F4%E7&amp;a8type=2&amp;a1=&amp;a0=&amp;a16=&amp;a16type=1&amp;a16value=&amp;a17=&amp;a17type=1&amp;a17value=&amp;a4=&amp;a4type=1&amp;a4value=&amp;textpres=&amp;sort=7&amp;x=27&amp;y=7</a></p>
<b>Resp. D</b>	Partly Observed	<p><b>Scope of implementation of the principles</b></p> <p>BOR – Recognition of Financial Market Infrastructures as systemically important (Ordinance of 25 June 2014 No. 3341-U)  <a href="http://cbr.ru/publ/Vestnik/ves140731070.pdf">http://cbr.ru/publ/Vestnik/ves140731070.pdf</a></p> <p><b>Issues of concern</b></p> <p>While some requirements are in place under existing law, further legislative changes are under development to adopt the remaining Principles with respect to TRs.</p>
<b>Resp. E</b>	Observed	

## Saudi Arabia

### Responsibilities assessment ratings for Saudi Arabia

#### Overview of Regulatory Framework/Regime

The authorities responsible for regulation, supervision and oversight of FMIs are the Saudi Arabian Monetary Agency (SAMA) and the Capital Market Authority (CMA).

SAMA is the sole competent authority for PSs and TRs and carries out its regulatory, supervisory and oversight responsibilities in accordance with the SAMA Charter (Charter) and the Banking Control Law (BCL). CMA is the sole competent authority for CSDs/SSSs and conducts regulation and supervision pursuant to Capital Market Law (CML), and the Securities Depository Centre Rules (SDCR), issued in accordance with the CMA's authority as per the CML.

In Saudi Arabia there are three PSs<sup>112</sup> and one CSD/SSS<sup>113</sup> which have been identified as being subject to the Principles. In addition, there is one TR<sup>114</sup> and two PS<sup>115</sup> that have been designated as non-systemically important in accordance with SAMA's relevant criteria. There is no CCP currently operating in Saudi Arabia or any relevant regulatory regime.

#### Key Observations

SAMA is assessed to observe all Responsibilities for PSs and TRs, while CMA is assessed to observe most Responsibilities for CSDs/SSSs. Since CMA is still in the process of publicly disclosing the measures to adopt the Principles into its regulatory framework for CSDs/SSSs, it is assessed as not observing Responsibility D.

SAMA and CMA apply clear criteria to identify FMIs that should be subject to regulation, supervision and oversight.

SAMA and CMA have appropriate powers, consistent with their regulatory, supervisory and oversight responsibilities in respect to FMIs. Furthermore, relevant oversight and operational functions of PSs and TRs are organized in a manner that potential conflicts of interest are avoided, and SAMA has the power and discretion to assess the operational function and induce change. Both authorities indicate that they have adequate resources to fulfil their responsibilities.

SAMA's relevant legal basis (i.e. Charter and BCL) containing its policy objectives is clearly defined and publicly available.

SAMA has also published a policy statement committing to fully adopt the Principles for PSs and TRs. CMA has not yet adopted the Principles for regulating CSDs/SSSs in Saudi Arabia. However, CMA is seeking measures to better align its regulatory measures with the Principles while applying subsets of the Principles to regulation of the CSD/SSS.

<sup>112</sup> The three PSs are: (i) the Saudi Arabian Riyal Interbank Express (SARIE) system, an RTGS system; (ii) the Saudi Payments Network (SPAN) system, an interbank ATM services and EFTPOS transactions system; (iii) the SADAD payment (SADAD) system, an electronic bill presentment and payment system. All of the systems are owned and operated by SAMA.

<sup>113</sup> Saudi Stock Exchange (Tadawul) including affiliated depository centre is the sole licensed CSD/SSS in Saudi Arabia.

<sup>114</sup> The Saudi Arabian Trade Repository (SATR), also owned and operated by SAMA. SAMA currently designates SATR as a non-systemically important FMI based on its internal criteria, and regulates and oversees the SATR in line with this status.

<sup>115</sup> Cheque ACH, which provides paper payment services and GCCNET, which provides cross-border payment services in and across Saudi Arabia.

SAMA cooperates with other relevant authorities, both domestic and cross border, through memoranda of understanding (MOUs) and multilateral cooperative oversight arrangements.<sup>116</sup> CMA has an MOU with SAMA to facilitate inter-institutional domestic cooperation. For example, both authorities share relevant information from their periodic assessments of their respective FMIs

#### Jurisdictional Comments

SAMA and CMA thank the CPMI-IOSCO Implementation Monitoring Standing Group for the assessment work and have no further comments on the findings.

<sup>116</sup> At the domestic level, SAMA and CMA in are close cooperation in the oversight and supervision of PSs and CSD/SSS based on mutual understanding about the interconnectedness of the systems. For cross border cooperation, SAMA participates in the formal cooperative arrangement of GCCNET, the cross border payment system covering a group of Gulf countries. However, GCCNET is not a systemically important payment system in Saudi Arabia.

## Detailed rating for Saudi Arabia – CSD/SSS

Responsible authority: Capital Market Authority (CMA)		
	Responsibility rating	Identified issues of concern and/or links to main documents
<b>Resp. A</b>	Observed	<p><b>Criteria to identify and list of FMIs identified for regulation/supervision/oversight; authorities' responsibilities</b></p> <p>Capital Market Law  <a href="http://cma.org.sa/En/AboutCMA/CMALaw/Pages/default.aspx">http://cma.org.sa/En/AboutCMA/CMALaw/Pages/default.aspx</a></p>
<b>Resp. B</b>	Observed	<p><b>Authority's powers – rule-making/information-gathering/enforcement</b></p> <p>See link provided for Responsibility A</p>
<b>Resp. C</b>	Observed	<p><b>Regulatory/supervisory/oversight policies – objectives/roles</b></p> <p>See link provided for Responsibility A.</p> <p><b>Regulatory/supervisory/oversight policies – standards/rules</b></p> <p>Securities Depository Centre Rules  <a href="http://www.tadawul.com.sa/static/pages/en/Regulation/SecuritiesDepositoryCenterRegulations_Tadawul_en.pdf">http://www.tadawul.com.sa/static/pages/en/Regulation/SecuritiesDepositoryCenterRegulations_Tadawul_en.pdf</a></p> <p><b>Regulatory/supervisory/oversight policies – guidance</b></p> <p>See link to Securities Depository Centre Rules</p>
<b>Resp. D</b>	Partly Observed	<p><b>Issues of concern</b></p> <p>CMA, the sole competent authority, is still in the process of publicly disclosing the measures to adopt the Principles into its regulatory framework. Consequently, a subset of the Principles is currently applied to regulation of the Tadawul, while relevant measures for implementing the Principles have not yet been publicly disclosed.</p>
<b>Resp. E</b>	Observed	<p><b>Domestic regulatory/supervisory/oversight cooperation – examples of arrangements</b></p> <p>CMA and SAMA Memorandum of Cooperation  <a href="http://www.cma.org.sa/En/MediaCenter/pr/Pages/CMAandSAMASignMoC.aspx">http://www.cma.org.sa/En/MediaCenter/pr/Pages/CMAandSAMASignMoC.aspx</a></p>

## Detailed rating for Saudi Arabia – PS

Responsible authority: Saudi Arabian Monetary Agency (SAMA)		
	Responsibility rating	Identified issues of concern and/or links to main documents
<b>Resp. A</b>	Observed	<p><b>Criteria to identify and list of FMIs identified for regulation/supervision/oversight; authorities' responsibilities</b></p> <p>Criteria for Systemically Important Payment Systems in KSA  <a href="http://www.sama.gov.sa/sites/samaen/RulesRegulationsandCirculars/Banking/Pages/Criteria%20for%20Systemically%20Important%20Payment%20Systems%20in%20KSA.pdf">http://www.sama.gov.sa/sites/samaen/RulesRegulationsandCirculars/Banking/Pages/Criteria%20for%20Systemically%20Important%20Payment%20Systems%20in%20KSA.pdf</a></p>
<b>Resp. B</b>	Observed	<p><b>Authority's powers – rule-making/information-gathering/enforcement</b></p> <p>See link provided for Responsibility A, and            SAMA Charter  <a href="http://www.sama.gov.sa/sites/samaen/RulesRegulation/BankingSystem/Pages/BankingSystemFD01.aspx">http://www.sama.gov.sa/sites/samaen/RulesRegulation/BankingSystem/Pages/BankingSystemFD01.aspx</a></p> <p>Banking Control Law  <a href="http://www.sama.gov.sa/sites/samaen/RulesRegulation/BankingSystem/Pages/BankingSystemFD03.aspx">http://www.sama.gov.sa/sites/samaen/RulesRegulation/BankingSystem/Pages/BankingSystemFD03.aspx</a></p>
<b>Resp. C</b>	Observed	<p><b>Regulatory/supervisory/oversight policies – objectives/roles</b></p> <p>See links provided for Responsibility A and B.</p> <p><b>Regulatory/supervisory/oversight policies – standards/rules</b></p> <p>See links provided for Responsibility A.</p>
<b>Resp. D</b>	Observed	<p><b>Approach to implementing and scope of implementation of the Principles</b></p> <p>SAMA Policy statement (Circular No 341000117728)  <a href="http://www.sama.gov.sa/sites/samaen/RulesRegulationsandCirculars/Banking/Pages/BPD%20Circular%20on%20PFMIs.pdf">http://www.sama.gov.sa/sites/samaen/RulesRegulationsandCirculars/Banking/Pages/BPD%20Circular%20on%20PFMIs.pdf</a></p>
<b>Resp. E</b>	Observed	<p><b>Domestic regulatory/supervisory/oversight cooperation – examples of arrangements</b></p> <p>CMA and SAMA Memorandum of Cooperation  <a href="http://www.cma.org.sa/En/MediaCenter/pr/Pages/CMAandSAMASignMoC.aspx">http://www.cma.org.sa/En/MediaCenter/pr/Pages/CMAandSAMASignMoC.aspx</a></p>

## Detailed rating for Saudi Arabia – TR

Responsible authority: Saudi Arabian Monetary Agency (SAMA)		
	Responsibility rating	Identified issues of concern and/or links to main documents
Resp. A	Observed	<p>SAMA Policy statement (Circular No 341000117728)  <a href="http://www.sama.gov.sa/sites/samaen/RulesRegulationsandCirculars/Banking/Pages/BPD%20Circular%20on%20PFMIs.pdf">http://www.sama.gov.sa/sites/samaen/RulesRegulationsandCirculars/Banking/Pages/BPD%20Circular%20on%20PFMIs.pdf</a></p> <p><b>Minor gap</b></p> <p>SAMA currently designates the Saudi Arabian Trade Repository (SATR) as a non-systemically important FMI, and regulates and oversees the SATR in line with the status. SATR is owned and operated by SAMA. However, the criterion for the designation of SATR has not yet been made public.</p>
Resp. B	Observed	<p><b>Authority's powers – rule-making/information-gathering/enforcement</b></p> <p>SAMA Charter  <a href="http://www.sama.gov.sa/sites/samaen/RulesRegulation/BankingSystem/Pages/BankingSystemFD01.aspx">http://www.sama.gov.sa/sites/samaen/RulesRegulation/BankingSystem/Pages/BankingSystemFD01.aspx</a></p> <p>Banking Control Law  <a href="http://www.sama.gov.sa/sites/samaen/RulesRegulation/BankingSystem/Pages/BankingSystemFD03.aspx">http://www.sama.gov.sa/sites/samaen/RulesRegulation/BankingSystem/Pages/BankingSystemFD03.aspx</a></p>
Resp. C	Observed	<p><b>Regulatory/supervisory/oversight policies – objectives/roles</b></p> <p>See Responsibility B.</p>
Resp. D	Observed	<p><b>Approach to implementing the Principles</b></p> <p>See link to SAMA Policy statement (Circular No 341000117728)</p> <p><b>Scope of implementation of the Principles</b></p> <p>See link to SAMA Policy statement (Circular No 341000117728).</p>
Resp. E	Observed	<p><b>Domestic regulatory/supervisory/oversight cooperation – examples of arrangements</b></p> <p>CMA and SAMA Memorandum of Cooperation  <a href="http://www.cma.org.sa/En/MediaCenter/pr/Pages/CMAandSAMASignMoC.aspx">http://www.cma.org.sa/En/MediaCenter/pr/Pages/CMAandSAMASignMoC.aspx</a></p>

# Singapore

## Responsibilities assessment ratings for Singapore

### Overview of Regulatory Framework/Regime

The sole authority responsible for regulation, supervision and oversight of FMIs in Singapore is the Monetary Authority of Singapore (MAS).

A policy statement (“Monograph on Supervision of Financial Market Infrastructures”) published in January 2013 (and revised in January 2015) describes MAS’s approach in supervising FMIs in Singapore. MAS derives its legal powers with respect to FMIs as follows:

- with regard to CCPs and SSSs, from Part III and IX of the Securities and Futures Act (SFA) and the Securities and Futures (Clearing Facilities) Regulation (SF(CF)R),
- with regard to CSDs, from the Companies Act and the Companies (Central Depository System) Regulations (CDS Regs),
- with regard to PSs, from the Payment Systems (Oversight) Act (PS(O)A), and
- with regard to TRs, from Part IIA and IX of the Securities and Futures Act (SFA) and the Securities and Futures (Trade Repositories) Regulation (SF(TR)R).

In Singapore there are three CCPs<sup>117</sup> one CSD/SSS,<sup>118</sup> one systemically important PS<sup>119</sup> and one TR.<sup>120</sup>

### Key Observations

MAS is assessed to observe all Responsibilities across all FMI types.

MAS has clearly defined and publicly disclosed the criteria used to identify FMIs that should be subject to its regulation, supervision, and oversight.

MAS has appropriate powers, consistent with its regulatory, supervisory and oversight responsibilities in respect of FMIs. It has also indicated that it has sufficient resources to fulfil its responsibilities.

MAS has clearly defined and publicly disclosed its objectives with respect to the regulation of FMIs. Its approach towards the supervision of FMIs is explained in the Monograph published on its website. In particular, MAS has adopted the PFMI and requires all systemically important FMIs to comply with them.

MAS cooperates with the relevant international authorities to promote the safety and efficiency of systemically important FMIs established in Singapore and abroad. Domestic cooperation is not required as MAS is the integrated financial services regulator (cum central bank) in Singapore. Regarding

<sup>117</sup> The Singapore Exchange Derivatives Clearing Limited (SGX-DC), The Central Depository (Pte) Limited (CDP), and ICE Clear Singapore Pte. Ltd.

<sup>118</sup> The Central Depository (Pte) Limited (CDP) is both Singapore’s only CSD and SSS. It is also licensed as a CCP.

<sup>119</sup> MAS Electronic Payment System (MEPS+) is Singapore’s only systemically important PS. MEPS+ is operated by MAS. Operational and supervisory functions are separated by a formal internal arrangement with distinct reporting lines. Other non-systemically important PSs include: Singapore Dollar Cheque Clearing System (SGDCCS), US Dollar Cheque Clearing System (USDCCS), Interbank GIRO System (IBG system), and NETS Electronic Fund Transfers at Point of Sale (EFTPOS).

<sup>120</sup> DTCC Data Repository (Singapore) Pte Ltd (DDRS).

international cooperation, MAS uses bilateral arrangements and MoUs for information sharing with other competent authorities, and mutual assistance with respect to FMI supervision.

#### Jurisdictional Comments

MAS welcomes CPMI-IOSCO's assessment on Singapore's observance of the responsibilities of authorities in the PFMI, and would like to express its appreciation to CPMI-IOSCO and the assessors for this assessment. Since the introduction of the PFMI in April 2012, MAS has reviewed its legislative framework, instituted legislation changes and published policies to reflect and encompass the PFMI standards. Through supervision of its FMIs, MAS monitors FMIs' implementation of the PFMI and continues to consider how it may improve the regulatory and supervisory framework to promote best practice implementation of the PFMI as necessary.

## Detailed rating for Singapore – CCP

Responsible authority: MAS		
	Responsibility rating	Identified issues of concern and/or links to main documents
Resp. A	Observed	<p><b>Criteria to identify FMIs that should be regulated/ supervised/ overseen and authorities' responsibilities</b></p> <p>The SFA (refer to Part III and IX)  <a href="http://statutes.agc.gov.sg/aol/search/display/view.w3p;page=0;query=DocId%3A%2225de2ec3-ac8e-44bf-9c88-927bf7eca056%22%20Status%3Ainforce%20Depth%3A0;rec=0">http://statutes.agc.gov.sg/aol/search/display/view.w3p;page=0;query=DocId%3A%2225de2ec3-ac8e-44bf-9c88-927bf7eca056%22%20Status%3Ainforce%20Depth%3A0;rec=0</a></p> <p>The SF(CF)R  <a href="http://statutes.agc.gov.sg/aol/search/display/view.w3p;page=0;query=DocId%3A47295b9f-a88c-4d56-8ab0-28ec3c7db202%20Depth%3A0%20Status%3Ainforce;rec=0;whole=yes">http://statutes.agc.gov.sg/aol/search/display/view.w3p;page=0;query=DocId%3A47295b9f-a88c-4d56-8ab0-28ec3c7db202%20Depth%3A0%20Status%3Ainforce;rec=0;whole=yes</a></p> <p>Monograph on Supervision of FMIs  <a href="http://www.mas.gov.sg/News-and-Publications/Monographs-and-Information-Papers/2013/Supervision-of-Financial-Market-Infrastructures-in-Singapore.aspx">http://www.mas.gov.sg/News-and-Publications/Monographs-and-Information-Papers/2013/Supervision-of-Financial-Market-Infrastructures-in-Singapore.aspx</a></p>
Resp. B	Observed	<p><b>Authorities' powers – rule-making/information-gathering/enforcement</b></p> <p>See links provided for Responsibility A</p>
Resp. C	Observed	<p><b>Regulatory/supervisory/oversight policies – objectives/roles/standards/rules</b></p> <p>See link to Monograph on Supervision of FMIs</p>
Resp. D	Observed	<p><b>Approach to implementing the Principles</b></p> <p>See Responsibility C</p>
Resp. E	Observed	<p><b>Policies on cooperation with other authorities</b></p> <p>MAS International Cooperation  <a href="http://www.mas.gov.sg/About-MAS/International-Co-operation.aspx">http://www.mas.gov.sg/About-MAS/International-Co-operation.aspx</a></p> <p><b>International regulatory/supervisory/oversight cooperation and data-sharing arrangements</b></p> <p>MAS and CFTC MOU  <a href="http://www.cftc.gov/ucm/groups/public/@internationalaffairs/documents/file/masmou2013.pdf">http://www.cftc.gov/ucm/groups/public/@internationalaffairs/documents/file/masmou2013.pdf</a></p>

## Detailed rating for Singapore – CSD/SSS

Responsible authority: MAS		
	Responsibility rating	Identified issues of concern and/or links to main documents
<b>Resp. A</b>	Observed	<p><b>Criteria to identify FMI that should be regulated/supervised/overseen, and authorities' responsibilities</b></p> <p>See link to the SFA (refer to Part III)</p> <p>See link to the SF(CF)R</p> <p>The Companies Act (refer to Division 7A)  <a href="http://statutes.agc.gov.sg/aol/search/display/view.w3p;ident=ee089c06-7592-45b5-a732-31572ee8b3da;page=0;query=DocId%3Ac3063e4b-61ed-4faf-8014-fabd5b998ed7%20Depth%3A0%20Status%3Ainforce;rec=0">http://statutes.agc.gov.sg/aol/search/display/view.w3p;ident=ee089c06-7592-45b5-a732-31572ee8b3da;page=0;query=DocId%3Ac3063e4b-61ed-4faf-8014-fabd5b998ed7%20Depth%3A0%20Status%3Ainforce;rec=0</a></p> <p>The CDS Regs  <a href="http://statutes.agc.gov.sg/aol/search/display/view.w3p;query=DocId%3A3Af57a0395-39cd-43b2-8e8e-34d46030e6fd%20Depth%3A0%20Status%3Ainforce;rec=0">http://statutes.agc.gov.sg/aol/search/display/view.w3p;query=DocId%3A3Af57a0395-39cd-43b2-8e8e-34d46030e6fd%20Depth%3A0%20Status%3Ainforce;rec=0</a></p> <p>See link to Monograph on Supervision of FMIs</p>
<b>Resp. B</b>	Observed	<p><b>Authorities' powers – rule-making/information-gathering/enforcement</b></p> <p>See Responsibility A</p>
<b>Resp. C</b>	Observed	<p><b>Regulatory/supervisory/oversight policies – objectives/roles/standards/rules</b></p> <p>See link to Monograph on Supervision of FMIs</p>
<b>Resp. D</b>	Observed	<p><b>Approach to implementing the Principle</b></p> <p>See Responsibility C</p>
<b>Resp. E</b>	Observed	<p><b>Policies on cooperation with other authorities</b></p> <p>See link to MAS International Cooperation</p>

## Detailed rating for Singapore – PS

Responsible authority: MAS		
	Responsibility rating	Identified issues of concern and/or links to main documents
<b>Resp. A</b>	Observed	<p><b>Criteria to identify FMIs that should be regulated/supervised/overseen, and authorities' responsibilities</b></p> <p>The PS(O)A  <a href="http://statutes.agc.gov.sg/aol/search/display/view.w3p;page=0;query=DocId%3A23349004-82c6-4ca2-aba3-324d8ad824c1%20Depth%3A0%20Status%3Ainforce;rec=0">http://statutes.agc.gov.sg/aol/search/display/view.w3p;page=0;query=DocId%3A23349004-82c6-4ca2-aba3-324d8ad824c1%20Depth%3A0%20Status%3Ainforce;rec=0</a>            See link to Monograph on Supervision of FMIs</p>
<b>Resp. B</b>	Observed	<p><b>Authorities' powers – rule-making/information-gathering/enforcement</b></p> <p>See Responsibility A</p>
<b>Resp. C</b>	Observed	<p><b>Regulatory/supervisory/oversight policies – objectives/roles/standards/rules</b></p> <p>See link to Monograph on Supervision of FMIs</p>
<b>Resp. D</b>	Observed	<p><b>Approach to implementing the Principle</b></p> <p>See Responsibility C</p>
<b>Resp. E</b>	Observed	<p><b>Policies on cooperation with other authorities</b></p> <p>See link to MAS International Cooperation            MAS is a member of the CLS Oversight Committee  <a href="http://www.federalreserve.gov/paymentsystems/files/cls_protocol.pdf">http://www.federalreserve.gov/paymentsystems/files/cls_protocol.pdf</a></p>

## Detailed rating for Singapore – TR

Responsible authority: MAS		
	Responsibility rating	Identified issues of concern and/or links to main documents
<b>Resp. A</b>	Observed	<p><b>Criteria to identify FMIs that should be regulated/supervised/overseen, and authorities' responsibilities</b></p> <p>See link to the SFA (refer to Part IIA)</p> <p>The SF(TR)R  <a href="http://statutes.agc.gov.sg/aol/search/display/view.w3p;query=DocId%3A50efa6e4-7b59-4ca1-9165-d801d9c8357e%20Depth%3A0%20Status%3Ainforce;rec=0">http://statutes.agc.gov.sg/aol/search/display/view.w3p;query=DocId%3A50efa6e4-7b59-4ca1-9165-d801d9c8357e%20Depth%3A0%20Status%3Ainforce;rec=0</a></p> <p>See link to Monograph on Supervision of FMIs</p>
<b>Resp. B</b>	Observed	<p><b>Authorities' powers – rule-making/information-gathering/enforcement</b></p> <p>See Responsibility A</p>
<b>Resp. C</b>	Observed	<p><b>Regulatory/supervisory/oversight policies – objectives/roles/standards/rules</b></p> <p>See link to Monograph on Supervision of FMIs</p>
<b>Resp. D</b>	Observed	<p><b>Approach to implementing the Principle</b></p> <p>See Responsibility C</p>
<b>Resp. E</b>	Observed	<p><b>Policies on cooperation with other authorities</b></p> <p>See link to MAS International Cooperation</p> <p><b>International regulatory/supervisory/oversight cooperation and data-sharing arrangements</b></p> <p>MAS and ASIC MOU  <a href="http://asic.gov.au/about-asic/what-we-do/international-activities/international-regulatory-and-enforcement-cooperation/memoranda-of-understanding-and-other-international-agreements/">http://asic.gov.au/about-asic/what-we-do/international-activities/international-regulatory-and-enforcement-cooperation/memoranda-of-understanding-and-other-international-agreements/</a></p>

## South Africa

### Responsibilities assessment ratings for South Africa

#### Overview of Regulatory Framework/Regime

The authorities<sup>121</sup> responsible for regulation, supervision and oversight of FMIs in South Africa are the South African Reserve Bank (SARB) and the Financial Services Board (FSB).

For PSs the competencies are exclusively conferred upon the SARB, while for CCPs, CSDs/SSSs and TRs the competencies are assigned to the FSB. The objectives pursued by the SARB are assigned to the central bank by legislation. The Financial Markets Act (FMA) provides for the regulation and supervision of FMIs other than PSs and specifies the objectives to be pursued by the FSB in the discharge of its institutional tasks.

As of January 9, 2015, South Africa had not implemented a regulatory framework for TRs, apart from the designation of the FSB as the competent authority and the identification of requirements to operate as a TR.<sup>122</sup> Therefore, the South Africa TR regulatory framework was not ready to be assessed and reviewed for application of the Responsibilities during this assessment. Of note, there are no TRs currently operating in South Africa; however, should they be set-up in the future, supervisory competencies, including authorization, would be with the FSB.

Four PSs,<sup>123</sup> one CCP<sup>124</sup> and one CSD/SSS<sup>125</sup> have been identified to be subject to the PFMI in South Africa.

#### Key Observations

The SARB is assessed to observe all Responsibilities for PSs and the FSB is assessed to observe all of the Responsibilities for CCPs and CSDs/SSSs except Responsibility E, which is assessed to be partly observed.

The SARB and the FSB apply clear criteria to identify FMIs that should be subject to regulation, supervision and oversight.

The SARB and the FSB have appropriate powers, consistent with their regulatory, supervisory and oversight responsibilities in respect of FMIs. Both authorities also indicate that they have sufficient resources to fulfil their responsibilities.

The SARB's policies are disclosed through several publications, which include policy statements, information papers and oversight reports. These are published on the SARB website. The role, objectives and regulatory powers of the FSB are provided for in law and are published on the FSB website.

<sup>121</sup> In 2011, the Ministry of Finance announced a thorough financial sector reform. Once this reform is in place, South Africa will move to a Twin-Peaks supervisory model whereby SARB would be responsible for the prudential supervision of FMIs while the FSB would be responsible for their proper conduct of business. This has not occurred so far and no firm completion date has been indicated.

<sup>122</sup> South Africa received a "1" rating for TRs in the Level 1 Update 2 assessment.

<sup>123</sup> The four PSs are: (i) the South African Multiple Option Settlement (SAMOS) system, an RTGS system run by the SARB; (ii) the cash-leg settlement of securities transactions within STRATE, the South African SSS; (iii) BankservAfrica, the retail clearing house; and (iv) the Southern African Development Community (SADC) Integrated Regional Electronic Settlement System (SIRESS), the regional RTGS.

<sup>124</sup> JSE Clear is the sole licenced Clearing House in South Africa for listed derivatives and is approved as a *qualifying central counterparty by the Registrar of Securities Services*.

<sup>125</sup> STRATE is the sole licensed CSD/SSS in South Africa.

The SARB has implemented the Principles through a policy statement and moral suasion would be used to induce change. Should deficiencies be revealed during the process of assessing a PS, directives could be issued where non-compliance would be sanctioned. In the case of the FSB, CCPs and CSDs/SSSs are identified by law as being subject to the PFMI; therefore, no designation is needed.

The SARB cooperates with other relevant authorities, both domestic and cross border, through memoranda of understanding (MOUs) and multilateral cooperative oversight arrangements.<sup>126</sup> In the case of the FSB, the forms of cooperation identified in the Financial Markets Act are still to be established and formalised. The FSB, being the lead competent authority, cooperates with the SARB in the oversight and supervision of STRATE, the South African CSD/SSS. However, the assessment of STRATE against the Principles is conducted solely by the FSB and no other authority is consulted before the outcomes of such assessments are made public.

### Jurisdictional Comments

The Governors of the Global Economy Meeting (GEM) and the IOSCO Board, committed to the adoption of the PFMI in November 2012. In response to this commitment the jurisdiction incorporated various measures into the regulatory framework based on the Principles and Responsibilities. This assessment presented the SARB and FSB with an opportunity to reflect on the application of their respective responsibilities within the jurisdiction. Although the assessment was completed independently by the two authorities, a collective response was co-ordinated and submitted reflecting all the information for each type of FMI.

The assessment was completed using the questionnaires received from the CPMI-IOSCO Implementation Monitoring Standing Group (IMSG). The process involved the review of the regulatory measures, comparing it to the content of the Responsibilities and assessing whether it adheres to the outcome consistent to the Responsibility. The two authorities responsible for the FMIs have complimentary legislation that prescribes the regulatory responsibility of each. The authorities have distinct responsibilities for each FMI type and have a cooperative arrangement in the oversight and supervision of the SSS/CSD, namely STRATE. In this regard, the FSB regulates STRATE as the CSD while the SARB is responsible for the payment leg of securities transactions.

The SARB & FSB maintains its regulatory processes and intends to enhance these processes to adapt to an ever changing environment, which in turn will also ensure continuous compliance with the PFMI.

<sup>126</sup> At the domestic level, the SARB cooperates with the FSB in the oversight and supervision of STRATE. STRATE is supervised by the FSB, while the settlement of the cash leg of securities transactions is under the oversight responsibility of the SARB. For cross-border cooperation, the SARB is the lead overseer in the cooperative oversight arrangement for SIRESS. The SARB also participates in the CLS Oversight Committee chaired by the New York Federal Reserve Bank.

## Detailed rating for South Africa – CCP

Responsible authority: Financial Services Board (FSB)		
	Responsibility rating	Identified issues of concern and/or links to main documents
Resp. A	Observed	<p><b>Criteria to identify FMIs that should be regulated/supervised/overseen</b></p> <p>Financial Markets Act  <a href="http://us-cdn.creamermedia.co.za/assets/articles/attachments/43673_act_19_of_2012.pdf">http://us-cdn.creamermedia.co.za/assets/articles/attachments/43673_act_19_of_2012.pdf</a></p> <p><b>Authority's responsibilities</b></p> <p>See link to Financial Markets Act</p> <p>Financial Services Board Act  <a href="http://www.bu.edu/bucflp/files/2012/01/Financial-Services-Board-Act-No.-97-of-1990.pdf">http://www.bu.edu/bucflp/files/2012/01/Financial-Services-Board-Act-No.-97-of-1990.pdf</a></p> <p>FSB web site page dedicated to relevant legislation  <a href="https://www.fsb.co.za/Departments/capitalMarkets/Pages/legislation.aspx">https://www.fsb.co.za/Departments/capitalMarkets/Pages/legislation.aspx</a></p> <p><b>Published assessments of authorities against the Responsibilities</b></p> <p>IMF Technical Note on Reforms in the OTC derivatives market in South Africa  <a href="https://www.imf.org/external/pubs/ft/scr/2015/cr1552.pdf">https://www.imf.org/external/pubs/ft/scr/2015/cr1552.pdf</a></p>
Resp. B	Observed	<p><b>Authority's powers – rule-making/information-gathering/enforcement</b></p> <p>See links to Financial Markets Act and Financial Services Board Act</p> <p><b>Legal protections</b></p> <p>Act on the legal protections when discharging administrative functions:  <a href="http://www.saflii.org/za/legis/num_act/poaja2000396.pdf">http://www.saflii.org/za/legis/num_act/poaja2000396.pdf</a></p>
Resp. C	Observed	<p><b>Regulatory/supervisory/oversight policies – objectives/roles</b></p> <p>See links to Financial Markets Act and the Financial Services Board Act</p> <p><b>Regulatory/supervisory/oversight policies – standards/rules</b></p> <p>See link to FSB web site page dedicated to relevant legislation</p>

<b>Resp. D</b>	Observed	<p><b>Published assessments of FMIs against the Principles</b></p> <p>Assessment report on JSE (formerly SAFCOM) against the PFMI  <a href="https://www.fsb.co.za/Departments/capitalMarkets/international/Documents/SAFCOM%20Assessment%20Report.pdf">https://www.fsb.co.za/Departments/capitalMarkets/international/Documents/SAFCOM%20Assessment%20Report.pdf</a></p> <p>Approval of JSE Clear (formerly SAFCOM) as a qualifying central counterparty  <a href="https://www.fsb.co.za/Departments/capitalMarkets/international/Documents/SAFCOM%20Letter%201.pdf">https://www.fsb.co.za/Departments/capitalMarkets/international/Documents/SAFCOM%20Letter%201.pdf</a></p> <p>Request to JSE for a self-assessment against the PFMI with respect to equities  <a href="https://www.fsb.co.za/Departments/capitalMarkets/international/Documents/Self-Assessment.pdf">https://www.fsb.co.za/Departments/capitalMarkets/international/Documents/Self-Assessment.pdf</a></p>
<b>Resp. E</b>	Partly Observed	<p><b>Issues of concern</b></p> <p>The forms of cooperation identified in the Financial Markets Act are still to be established and formalised.</p>

#### Detailed rating for South Africa – CSD/SSS

<b>Responsible authority: Financial Services Board (FSB)</b>		
	<b>Responsibility rating</b>	<b>Identified issues of concern and/or links to main documents</b>
<b>Resp. A</b>	Observed	<p><b>Criteria to identify FMIs that should be regulated/supervised/overseen</b></p> <p>See link to Financial Markets Act</p> <p><b>Authority's responsibilities</b></p> <p>See link to Financial Services Board Act and FSB web site page dedicated to relevant legislation</p> <p><b>Published assessments of authorities against the Responsibilities</b></p> <p>See link to IMF Technical Note on Reforms in the OTC derivatives market in South Africa</p>
<b>Resp. B</b>	Observed	<p><b>Authority's powers – rule-making/information-gathering/enforcement</b></p> <p>See links to Financial Markets Act and the Financial Services Board Act</p> <p><b>Legal protections</b></p> <p>See link to Act on the legal protections when discharging administrative functions</p>

<b>Resp. C</b>	Observed	<p><b>Regulatory/supervisory/oversight policies – objectives/roles</b></p> <p>See links to Financial Markets Act and the Financial Services Board Act</p> <p><b>Regulatory/supervisory/oversight policies – standards/rules</b></p> <p>See link to FSB website page dedicated to relevant legislation</p>
<b>Resp. D</b>	Observed	<p><b>Published assessments of FMIs against the Principles</b></p> <p>FSB assessment report on STRATE’s observance of the PFMI</p> <p><a href="https://www.fsb.co.za/Departments/capitalMarkets/international/Documents/Final%20Strate%20FMI%20Principles%20Assessment%20report%20April%202014.pdf">https://www.fsb.co.za/Departments/capitalMarkets/international/Documents/Final%20Strate%20FMI%20Principles%20Assessment%20report%20April%202014.pdf</a></p>
<b>Resp. E</b>	Partly Observed	<p><b>Issues of concern</b></p> <p>The FSB, being the lead competent authority, cooperates with the SARB in the oversight and supervision of STRATE, the South African SSS. Such cooperation is based on an MoU. However, the assessment of STRATE against the Principles is conducted solely by the FSB and no other authority is consulted before the outcome of such assessment is made public. Given the involvement of the central bank and its mandate with regard to the settlement of the cash leg of securities transactions, this is considered a shortcoming.</p> <p>In addition, the forms of cooperation identified in the Financial Markets Act are still to be established and formalised.</p>

### Detailed rating for South Africa – PS

<b>Responsible authority: South African Reserve Bank (SARB)</b>		
	<b>Responsibility rating</b>	<b>Identified issues of concern and/or links to main documents</b>
<b>Resp. A</b>	Observed	<p><b>Criteria to identify FMIs that should be regulated/supervised/overseen</b></p> <p>National Payment System Act</p> <p><a href="https://www.resbank.co.za/RegulationAndSupervision/NationalPaymentSystem%28NPS%29/Legal/Documents/NPS%20Act.pdf">https://www.resbank.co.za/RegulationAndSupervision/NationalPaymentSystem%28NPS%29/Legal/Documents/NPS%20Act.pdf</a></p> <p><b>List of FMIs identified for regulation/supervision/oversight</b></p> <p>National Payment System Framework and Strategy</p> <p><a href="https://www.resbank.co.za/RegulationAndSupervision/NationalPaymentSystem%28NPS%29/Documents/Overview/Vision2015.pdf">https://www.resbank.co.za/RegulationAndSupervision/NationalPaymentSystem%28NPS%29/Documents/Overview/Vision2015.pdf</a></p>

		<p><b>Authority's responsibilities</b></p> <p>Reserve Bank Act  <a href="https://www.resbank.co.za/BanknotesandCoin/Upgrade1Banknotes/Documents/SA%20Reserve%20Bank%20Act%2090%20of%201989.pdf">https://www.resbank.co.za/BanknotesandCoin/Upgrade1Banknotes/Documents/SA%20Reserve%20Bank%20Act%2090%20of%201989.pdf</a></p> <p>See link to National Payment System Act</p> <p><b>Published assessments of authorities against the Responsibilities</b></p> <p>See link to IMF Technical Note on Reforms in the OTC derivatives market in South Africa</p>
<b>Resp. B</b>	Observed	<p><b>Authority's powers – rule-making/information-gathering/enforcement</b></p> <p>See links to Reserve Bank Act and to the National Payment System Act under Responsibility A</p> <p><b>Legal protections</b></p> <p>See link to Act on the legal protections when discharging administrative functions</p>
<b>Resp. C</b>	Observed	<p><b>Regulatory/supervisory/oversight policies – objectives/roles</b></p> <p>See links to Reserve Bank Act and to the National Payment System Act</p> <p><b>Regulatory/supervisory/oversight policies – standards/rules</b></p> <p>Endorsement of the PFMI (SARB Position paper and Information paper)  <a href="https://www.resbank.co.za/RegulationAndSupervision/NationalPaymentSystem%28NPS%29/Legal/Documents/Position%20Paper/PPNPS012013PFMIs.pdf">https://www.resbank.co.za/RegulationAndSupervision/NationalPaymentSystem%28NPS%29/Legal/Documents/Position%20Paper/PPNPS012013PFMIs.pdf</a></p> <p><a href="https://www.resbank.co.za/RegulationAndSupervision/NationalPaymentSystem%28NPS%29/Legal/Documents/Information%20Papers/InfoPaperNPS06%20-%20PFMIs.pdf">https://www.resbank.co.za/RegulationAndSupervision/NationalPaymentSystem%28NPS%29/Legal/Documents/Information%20Papers/InfoPaperNPS06%20-%20PFMIs.pdf</a></p> <p>Annual Oversight Report  <a href="https://www.resbank.co.za/RegulationAndSupervision/NationalPaymentSystem%28NPS%29/Documents/Oversight/Annual%20oversight%20Report%202013-2014.pdf">https://www.resbank.co.za/RegulationAndSupervision/NationalPaymentSystem%28NPS%29/Documents/Oversight/Annual%20oversight%20Report%202013-2014.pdf</a></p>
<b>Resp. D</b>	Observed	<p><b>Approach to implementing the Principles</b></p> <p>See links to SARB position paper, information paper and Annual Oversight Report</p>
<b>Resp. E</b>	Observed	<p><b>Policies on cooperation with other authorities</b></p> <p>See pages 10 to 14 of the Annual Oversight Report</p>

## Spain

### Responsibilities assessment ratings for Spain

#### Overview of Regulatory Framework/Regime

The authorities responsible for regulation, supervision and oversight of FMIs in Spain are the Banco de España (BDE) and the Comisión Nacional del Mercado de Valores (CNMV).

CCPs and CSDs/SSSs are supervised by the CNMV and overseen by the BDE. For CCPs, the CNMV is the national competent authority responsible for the authorization and supervision of CCPs in Spain pursuant to EMIR. In addition, the CNMV also has supervisory authority for CCPs in the context of the Spanish Securities Markets Act 24/1988 (SMA), as amended. While the CNMV is primarily responsible for the supervision of CCPs, it coordinates closely with the BDE which is responsible for conducting oversight of CCPs in its capacity as a member of the Eurosystem and as a participant in colleges organized under EMIR. For CSDs/SSSs, the CNMV is responsible for the authorization and supervision of CSDs. The BDE oversees CSDs/SSSs as a member of the Eurosystem and cooperates with CNMV regarding the oversight of a systemically important CSD. TRs established in the EU are under the sole supervision of ESMA. The BDE, as a member of the Eurosystem, conducts its oversight activities in accordance with the policies defined by the Eurosystem.

In Spain, FMIs are subject to regulation, supervision, and oversight under both national and European Union (EU) law or Eurosystem regulation. CCPs are subject to the European Market Infrastructure Regulation (EMIR) and its associated technical standards. CSDs/SSSs currently are subject to national regulation, and in due course, CSDs/SSSs will be required to comply with the Central Securities Depositories Regulation (CSDR). Within the Euro area, systemically important PSs are subject to the Eurosystem regulation. TRs are subject to EMIR and its associated technical standards.

In Spain, there is one CCP,<sup>127</sup> one CSD/SSS<sup>128</sup> and no systemically important PSs<sup>129</sup> or TRs.<sup>130</sup>

#### Key Observations

The CNMV and the BDE (the Spanish authorities) are assessed to observe all Responsibilities for CCPs and CSDs/SSSs as well as the Responsibilities relevant for PSs (Responsibilities B and E; the remaining Responsibilities are assessed at the European Union level).

The Spanish authorities apply clear criteria to identify CCPs and CSDs/SSSs that should be subject to regulation, supervision and oversight.

The Spanish authorities have appropriate powers, consistent with their regulatory, supervisory, and oversight responsibilities in respect of FMIs. Both authorities also indicate that they have sufficient resources to fulfil their responsibilities.

<sup>127</sup> BME Clearing.

<sup>128</sup> Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A., the commercial name of which is Iberclear. Iberclear is the only systemically important CSD in Spain. There are three local SSSs operated by three regional stock exchanges and supervised by the corresponding Autonomous Community Governments. However, these SSSs plan to close early in 2016 and Iberclear will take over the registration and settlement of securities.

<sup>129</sup> The Spanish component of the European TARGET2 system is considered to be an integral component of TARGET2. Bank of Spain contributes to the Eurosystem oversight of systemically important PSs on a no prohibition / no compulsion basis.

<sup>130</sup> Regis-TR is a joint venture launched by the Spanish central securities depository Iberclear and Clearstream. It is incorporated under the law of Luxembourg, where it is headquartered. ESMA is responsible for the supervision of Regis-TR.

The Spanish authorities have also defined their policies with respect to CCPs and CSDs/SSSs, and publicly disclosed them for CCPs. However, the disclosures with respect to CSDs/SSSs could be enhanced.

The Spanish authorities apply the PFMI to all CCPs and CSDs/SSSs. Moreover, the Spanish authorities and the Eurosystem have published statements regarding the adoption of the PFMI and apply the principles to CCPs and CSDs/SSSs operating in Spain.<sup>131</sup>

The Spanish authorities cooperate with each other and other relevant authorities to promote safe and efficient CCPs, CSDs/SSSs, and systemically important PSs in Spain and the Euro area, as appropriate. Domestically, the Spanish authorities coordinate and consult one another formally and informally on CCPs and CSDs/SSSs matters and have signed a memorandum of understanding to facilitate cooperation between the two agencies. In addition, BDE participates in cooperative oversight arrangements for systemically important PSs.

### Jurisdictional Comments

Bank of Spain and CNMV thank the CPMI-IOSCO Implementation Monitoring Standing Group for the assessment work and have no comments on the findings.

<sup>131</sup> In November 2014, in addition to adopting the ESMA Guidelines and Recommendations, the CNMV also announced “that it will encourage comprehensive observance with all the CPMI-IOSCO’s PFMI by CCPs established in Spain, and will oversee such compliance as part of its supervisory activities.” Likewise, in December 2014, the CNMV adopted the PFMI for CSDs and “will be guided by those Principles in performing its supervisory functions.”

## Detailed rating for Spain – CCP

Responsible authorities: CNMV and Banco de España		
	Responsibility rating	Identified issues of concern and/or links to main documents
Resp. A	Observed	<p><b>Criteria to identify FMIs that should be regulated/supervised/overseen</b></p> <p>European Market Infrastructure Regulation (EMIR)  <a href="http://ec.europa.eu/finance/financial-markets/derivatives/index_en.htm">http://ec.europa.eu/finance/financial-markets/derivatives/index_en.htm</a></p> <p>ESMA Technical Standards:  <a href="http://www.esma.europa.eu/page/Central-Counterparties">http://www.esma.europa.eu/page/Central-Counterparties</a></p> <p>ESMA Guidelines and Recommendations on PFMI Implementation:  <a href="http://www.esma.europa.eu/system/files/2014-1133_en.pdf">http://www.esma.europa.eu/system/files/2014-1133_en.pdf</a></p> <p><b>List of competent authorities</b></p> <p>List of competent authorities under EMIR  <a href="http://www.esma.europa.eu/page/Competent-authorities-responsible-authorisation-and-supervision-central-counterparties-CPPs">http://www.esma.europa.eu/page/Competent-authorities-responsible-authorisation-and-supervision-central-counterparties-CPPs</a></p> <p><b>List of CCPs identified for regulation/supervision/oversight</b></p> <p><a href="http://www.esma.europa.eu/system/files/ccps_authorized_under_emir.pdf">http://www.esma.europa.eu/system/files/ccps_authorized_under_emir.pdf</a></p>
Resp. B	Observed	<p><b>Authorities powers</b></p> <p>Securities Market Act (English version dated May 2012):  <a href="http://www.cnmv.es/docportal/legislacion/leymercado/LMV_May2012_EN.pdf">http://www.cnmv.es/docportal/legislacion/leymercado/LMV_May2012_EN.pdf</a></p> <p>Securities Market Act – current version (Spanish only):  <a href="http://www.boe.es/buscar/act.php?id=BOE-A-1988-18764">http://www.boe.es/buscar/act.php?id=BOE-A-1988-18764</a></p>
Resp. C	Observed	<p><b>Regulatory/supervisory/oversight policies – standards / rules</b></p> <p>See link to European Market Infrastructure Regulation (EMIR)</p> <p>See link to ESMA Technical Standards</p> <p>See link to Securities Market Act</p> <p>ESMA Guidelines and Recommendations  <a href="http://www.esma.europa.eu/content/Guidelines-and-Recommendations-regarding-implementation-CPSS-IOSCO-Principles-Financial-Mark">http://www.esma.europa.eu/content/Guidelines-and-Recommendations-regarding-implementation-CPSS-IOSCO-Principles-Financial-Mark</a></p> <p>CNMV adoption of the ESMA Guidelines and Recommendations:  <a href="http://www.cnmv.es/portal/AIDia/Comunicaciones.aspx?com=N">http://www.cnmv.es/portal/AIDia/Comunicaciones.aspx?com=N</a>            (Select 2014 and see communication published on 11 July 2014)</p>

<b>Resp. D</b>	Observed	<p><b>Approach to implementing the Principles</b></p> <p>See link to CNMV adoption of the ESMA Guidelines and Recommendations</p>
<b>Resp. E</b>	Observed	<p><b>Policies on cooperation with other authorities</b></p> <p>ESMA Technical Standards for CCP Colleges:  <a href="http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:244:0019:0022:EN:PDF">http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:244:0019:0022:EN:PDF</a></p> <p>ESMA Guidelines and Recommendations on Written Agreements between CCP College Members:  <a href="http://www.esma.europa.eu/system/files/2013-661_report_gr_on_college_written_agreement_-_final_for_publication_20130604.pdf">http://www.esma.europa.eu/system/files/2013-661_report_gr_on_college_written_agreement_-_final_for_publication_20130604.pdf</a></p> <p>See link to Securities Market Act, Article 88</p>

#### Detailed rating for Spain – CSD/SSS

<b>Responsible authorities: CNMV and Banco de España</b>		
	<b>Responsibility rating</b>	<b>Identified issues of concern and/or links to main documents</b>
<b>Resp. A</b>	Observed	<p><b>Authorities' responsibilities</b></p> <p>See links to Securities Market Act</p>
<b>Resp. B</b>	Observed	<p><b>Authorities powers</b></p> <p>See link to Securities Market Act, Articles 44 bis 6 and 85:</p>
<b>Resp. C</b>	Observed	<p><b>Regulatory/supervisory/oversight policies: standards/rules</b></p> <p>Eurosystem – Adoption of the PFMI, June 2013  <a href="http://www.ecb.europa.eu/press/govcdec/otherdec/2013/html/gc130621.en.html">http://www.ecb.europa.eu/press/govcdec/otherdec/2013/html/gc130621.en.html</a></p> <p>Eurosystem Oversight Policy Framework  <a href="https://www.ecb.europa.eu/pub/pdf/other/eurosystemoversightpolicyframework2011en.pdf">https://www.ecb.europa.eu/pub/pdf/other/eurosystemoversightpolicyframework2011en.pdf</a></p> <p>The CNMV adoption of the PFMI in respect of CSDs  <a href="http://www.cnmv.es/portal/AIDia/Comunicaciones.aspx?com=N">http://www.cnmv.es/portal/AIDia/Comunicaciones.aspx?com=N</a>            (Select 2014 and see communication published on 19 December 2014).</p>

<b>Resp. D</b>	Observed	<b>Approach to implementing the Principles</b> See link to the CNMV adoption of the PFMI in respect of CSDs
<b>Resp. E</b>	Observed	<b>Policies on cooperation with other authorities</b> See link to Securities Market Act, Article 88

### Detailed rating for Spain – PS

<b>Responsible authorities: Banco de España</b>		
	<b>Responsibility rating</b>	<b>Identified issues of concern and/or links to main documents</b>
<b>Resp. A</b>	See EU/Eurosystem	
<b>Resp. B</b>	Observed <i>See EU/Eurosystem</i>	
<b>Resp. C</b>	See EU/Eurosystem	
<b>Resp. D</b>	See EU/Eurosystem	
<b>Resp. E</b>	Observed <i>See EU/Eurosystem</i>	

## Sweden

### Responsibilities assessment ratings for Sweden

#### Overview of Regulatory Framework/Regime

The authorities responsible for regulation, supervision and oversight of FMI's in Sweden are the Riksbank and the Finansinspektionen (FI).

FMI's are subject to regulation by both national and EU law. FMI's are overseen by the Riksbank and authorized, supervised, and monitored by FI. The Riksbank's oversight responsibilities are based on the Sveriges Riksbank Act (1988). FI's powers are set out by the Securities Market Act (2007) and the Financial Instruments Accounts Act (1998).

CCPs and TRs are regulated by EMIR, which is directly applicable in Sweden. Currently, there are no TRs established in Sweden, and if a TR would be established it would according to EMIR, not be subject to supervision by national authorities but by ESMA,

In Sweden, there is one PS,<sup>132</sup> one CSD/SSS,<sup>133</sup> and one CCP.<sup>134</sup> In addition, there is a PS<sup>135</sup> operated and overseen by the Riksbank which is not subject to supervision by FI.

#### Key Observations

The Riksbank and FI are assessed to observe all Responsibilities across all FMI types.

The Riksbank and FI apply clear criteria to identify FMI's that should be subject to regulation, supervision and oversight.

The Riksbank and FI have appropriate powers, consistent with their regulatory, supervisory and oversight responsibilities in respect of FMI's. Both authorities also indicate that they have sufficient resources to fulfil their responsibilities.

The Riksbank and FI have also clearly defined, and publicly disclosed, their oversight and supervision of FMI's in policy documents and in laws (including Swedish ordinances and EU regulations). The role of the Riksbank as an overseer of FMI's is further described in the report *The Riksbank's oversight of the financial infrastructure* (2012).

The Riksbank and FI have implemented the Principles through policy documents and regulations. Both authorities apply the PFMI in carrying out their respective work.

The two authorities have a joint agreement on cooperation and information sharing that enables efficient handling of the FMI's that they oversee and supervise. There is an MoU that regulates the authorities and covers issues relating to cooperation regarding FMI's. This MoU also includes other authorities, such as the National Debt Office and the Ministry of Finance. The Riksbank and FI also cooperate internationally via EMIR colleges, MoUs, and cooperative oversight arrangements to promote the safety and efficiency of FMI's that are either located in or operate in Sweden.

<sup>132</sup> Bankgirot.

<sup>133</sup> Euroclear Sweden.

<sup>134</sup> NASDAQ OMX Clearing.

<sup>135</sup> RIX.

## Jurisdictional Comments

The Swedish authorities appreciate the detailed assessment of our framework for fulfilling our responsibilities with regards to the regulation and oversight of FMIs conducted by the CPMI and IOSCO. We thank the CPMI-IOSCO review team for their insight and professionalism throughout this process.

The Riksbank and Finansinspektionen consider the IMSG assessments as a valuable tool to promote consistency of the implementation and outcome of the PFMI and to promote transparency across jurisdictions. The IMSG finds that the Swedish authorities observe the Responsibilities, which the Riksbank and Finansinspektionen agree to be an appropriate rating.

## Detailed rating for Sweden – CCP, CSD/SSS, PS

Responsible authorities: Riksbank (oversight) and Finansinspektionen (supervision)		
	Responsibility rating	Identified issues of concern and/or links to main documents
<b>Resp. A</b>	Observed	<p><b>Criteria to identify FMI's that should be regulated/supervised/overseen</b></p> <p>The Riksbank's oversight of the financial infrastructure  <a href="http://www.riksbank.se/Documents/Rapporter/Fin%20infra/2012/rap_fin_infrastrukturen_120530_eng.pdf">http://www.riksbank.se/Documents/Rapporter/Fin infra/2012/rap_fin_infrastrukturen_120530_eng.pdf</a></p> <p>Financial Infrastructure Report 2014  <a href="http://www.riksbank.se/Documents/Rapporter/Fin%20infra/2014/rap_finansiell_infrastruktur_140415_eng.pdf">http://www.riksbank.se/Documents/Rapporter/Fin infra/2014/rap_finansiell_infrastruktur_140415_eng.pdf</a></p> <p>The Securities Market Act (2007:528)  <a href="https://www.riksdagen.se/sv/Dokument-Lagar/Lagar/Svenskforfattningssamling/Lag-2007528-om-vardepappers_sfs-2007-528/">https://www.riksdagen.se/sv/Dokument-Lagar/Lagar/Svenskforfattningssamling/Lag-2007528-om-vardepappers_sfs-2007-528/</a></p> <p>The Financial Instruments Account Act  <a href="http://www.riksdagen.se/sv/Dokument-Lagar/Lagar/Svenskforfattningssamling/Svensk-forfattningssamling-201_sfs-1998-1479/">http://www.riksdagen.se/sv/Dokument-Lagar/Lagar/Svenskforfattningssamling/Svensk-forfattningssamling-201_sfs-1998-1479/</a></p> <p>Regulation (EU) No 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories (EMIR)  <a href="http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2012:201:0001:0059:EN:PDF">http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2012:201:0001:0059:EN:PDF</a></p> <p><b>Authorities' responsibilities</b></p> <p>The Sveriges Riksbank Act  <a href="http://www.riksbank.se/en/The-Riksbank/Legislation/The-Sveriges-Riksbank-Act/">http://www.riksbank.se/en/The-Riksbank/Legislation/The-Sveriges-Riksbank-Act/</a></p> <p>See link to Securities Market Act</p> <p>See link to Financial Instrument Account Act</p>
<b>Resp. B</b>	Observed	<p><b>Authorities' powers – rule-making/information-gathering/enforcement</b></p> <p>See link to Riksbank's oversight of the financial infrastructure</p> <p>See link to Financial Infrastructure Report 2014</p> <p>See link to Securities Market Act (2007:528)</p> <p>See link to Financial Instruments Account Act</p> <p>See link to Regulation (EU) No 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories (EMIR)</p>

		<p>Financial Stability Report  <a href="http://www.riksbank.se/en/Press-and-published/Published-from-the-Riksbank/Financial-stability/Financial-Stability-Report/">http://www.riksbank.se/en/Press-and-published/Published-from-the-Riksbank/Financial-stability/Financial-Stability-Report/</a></p> <p>Financial Stability Council  <a href="http://www.riksbank.se/en/Financial-stability/The-Financial-Stability-Council/">http://www.riksbank.se/en/Financial-stability/The-Financial-Stability-Council/</a></p>
<b>Resp. C</b>	Observed	<p><b>Regulatory/supervisory/oversight policies – standards/rules</b></p> <p>See link to Financial Infrastructure Report 2014  See link to Securities Market Act (2007:528)  See link to Financial Instruments Account Act</p> <p>The Riksbank's oversight of the financial infrastructure:  <a href="http://www.riksbank.se/en/Financial-stability/Financial-infrastructure/The-Riksbanks-oversight-of-the-financial-infrastructure/">http://www.riksbank.se/en/Financial-stability/Financial-infrastructure/The-Riksbanks-oversight-of-the-financial-infrastructure/</a></p> <p>CPMI-IOSCO principles form part of the supervision of financial infrastructure companies:  <a href="http://www.fi.se/Folder-EN/Startpage/Supervision/FIs-supervision/CPMI-IOSCO-principles-form-part-of-the-supervision-of-financial-infrastructure-companies/">http://www.fi.se/Folder-EN/Startpage/Supervision/FIs-supervision/CPMI-IOSCO-principles-form-part-of-the-supervision-of-financial-infrastructure-companies/</a></p>
<b>Resp. D</b>	Observed	<p><b>Approach to implementing the Principles</b></p> <p>See link to Financial Infrastructure Report 2014  See link to Securities Market Act (2007:528)  See link to Financial Instruments Account Act  See link to Riksbank's oversight of the financial infrastructure  See link to CPMI-IOSCO principles that form part of the supervision of financial infrastructure companies</p> <p><b>Published assessments of FMIs against the Principles</b></p> <p><a href="http://www.riksbank.se/Documents/Riksbanken/RIX/2014/rb_rix_assessment_December%2031,%202013.pdf">http://www.riksbank.se/Documents/Riksbanken/RIX/2014/rb_rix_assessment_December%2031,%202013.pdf</a></p> <p><a href="http://www.nasdaqomx.com/digitalAssets/96/96670_disclosure-framework-nasdaq-omx-clearing-ab-december-2014---clean.pdf">http://www.nasdaqomx.com/digitalAssets/96/96670_disclosure-framework-nasdaq-omx-clearing-ab-december-2014---clean.pdf</a>  <a href="https://www.euroclear.com/dam/ESw/News/ES%20CPSS_IOSCOAssessment%20Report%202013.pdf">https://www.euroclear.com/dam/ESw/News/ES%20CPSS_IOSCOAssessment%20Report%202013.pdf</a></p> <p><a href="http://www.bankgirot.se/upload/Bankgirot/Self_assessment/SV/Bankgirots_Self_Assessment_%20CPSS_IOSCO_Principles_SE_updated_2014.pdf">http://www.bankgirot.se/upload/Bankgirot/Self_assessment/SV/Bankgirots_Self_Assessment_%20CPSS_IOSCO_Principles_SE_updated_2014.pdf</a></p>

<b>Resp. E</b>	Observed	<p><b>Domestic regulatory/supervisory/oversight cooperation</b></p> <p>Memorandum of Understanding between the Government Offices (Ministry of Finance), Sveriges riksbank, Finansinspektionen and the Swedish National Debt Office regarding cooperation in the fields of financial stability and crisis management:</p> <p><a href="http://www.riksbank.se/Upload/Dokument_riksbank/Kat_AFS/ENGRisMOU_29042009EB%203.pdf">http://www.riksbank.se/Upload/Dokument_riksbank/Kat_AFS/ENGRisMOU_29042009EB%203 .pdf</a></p>

## Switzerland

### Responsibilities assessment ratings for Switzerland

#### Overview of Regulatory Framework/Regime

The authorities responsible for regulation, supervision and oversight of FMIs in Switzerland are the Swiss National Bank (SNB) and the Swiss Financial Markets Supervisory Authority (FINMA).

The SNB is the sole authority responsible for the oversight and regulation of payment systems. FINMA is the supervisor and regulator of Swiss CCPs and CSDs. CCPs and CSDs in Switzerland are supervised by FINMA and – if systemically important – overseen by the SNB. As of January 9 2015, Switzerland had not implemented a regulatory framework for TRs and there were no existing TRs operational in Switzerland.<sup>136</sup> Therefore, Switzerland's TR regulatory framework was not ready to be assessed and reviewed for application of the Responsibilities during this assessment.

In Switzerland, there is one CCP,<sup>137</sup> one systemically important PS,<sup>138</sup> and one CSD/SSS.<sup>139</sup>

#### Key Observations

The SNB and FINMA are assessed to observe all Responsibilities across relevant FMI types.

SNB and FINMA apply clear criteria to identify FMIs that should be subject to authorities' regulation, supervision, and oversight.

Both authorities have appropriate powers, consistent with their regulatory, supervisory and oversight responsibilities in respect of FMIs.

Authorities' policies with respect to FMIs have been clearly defined and are publicly disclosed. The approach of the SNB towards the oversight of systemically important FMIs is explained in reports published on an annual basis on its website.

The SNB adopted the National Bank Ordinance, which implements the PFMI and requires all systemically important FMIs to publish information according to the CPMI-IOSCO disclosure framework. The future Act on Financial Market Infrastructures (FMIA), which is expected to enter into force beginning of 2016, will establish rules for TRs ensuring compliance with the PFMI for TRs, will bring existing rules for FMIs into a single act and enhance coherence with the National Bank Ordinance, will introduce a specific licencing regime for FMIs by FINMA, and will clarify and provide more detailed requirements for FMIs.

In terms of domestic cooperation, the SNB and FINMA work together in exercising their functions to ensure that each is able to advance its objectives; these arrangements are codified in statutory laws and ordinances. Regarding international cooperation, the authorities set up bilateral and multilateral arrangements based on MoUs for information sharing on Swiss FMIs with other competent

<sup>136</sup> Switzerland received a "2" rating for TRs in the Level 1 Update 2 assessment.

<sup>137</sup> SIX x-clear Ltd. In addition, both LCH.Clearnet Ltd (UK) and Eurex Clearing AG (Germany) are also considered systemically important for the Swiss financial system; however, both non-domestic CCPs have been discharged from domestic compliance since there is equivalent oversight by the foreign authority and cooperative oversight arrangements are in place.

<sup>138</sup> Swiss Interbank Clearing (SIC). Continuous Linked Settlement (CLS), operated by CLS Bank International, NY, has also been designated as systemically important for the Swiss financial system; however, CLS has been discharged from domestic compliance since there is equivalent oversight by the foreign authority and a cooperative oversight arrangement is in place.

<sup>139</sup> SIX SIS Ltd.

authorities. They further participate in cooperative arrangements for foreign FMIs and other platforms, such as T2S.

Jurisdictional Comments:

FINMA and SNB thank the CPMI-IOSCO Implementation Monitoring Standing Group for the assessment work and have no comments on the findings.

## Detailed rating for Switzerland – CCP

Responsible authorities: SNB and FINMA		
	Responsibility rating	Identified issues of concern and/or links to main documents
Resp. A	Observed	<p><b>Criteria to identify FMI that should be regulated/supervised/overseen; and authorities responsibilities</b></p> <p>FMIA  <a href="https://www.sif.admin.ch/sif/en/home/dokumentation/finweb/regulierungsprojekte/finanzmarktinfrastrukturgesetz.html">https://www.sif.admin.ch/sif/en/home/dokumentation/finweb/regulierungsprojekte/finanzmarktinfrastrukturgesetz.html</a></p> <p>FINMASA  <a href="http://www.admin.ch/ch/e/rs/c956_1.html">http://www.admin.ch/ch/e/rs/c956_1.html</a></p> <p>SNB – National Bank Act  <a href="http://www.snb.ch/en/iabout/snb/legal/id/snb_legal_law#t3">http://www.snb.ch/en/iabout/snb/legal/id/snb_legal_law#t3</a></p> <p>SNB – National Bank Ordinance  <a href="http://www.snb.ch/en/iabout/snb/legal/id/snb_legal_law#t4">http://www.snb.ch/en/iabout/snb/legal/id/snb_legal_law#t4</a></p> <p><b>List of FMIs identified for regulation/supervision/oversight</b></p> <p>Systemically important financial market infrastructures in Switzerland  <a href="http://www.snb.ch/en/iabout/finstab/id/finstab_systems">http://www.snb.ch/en/iabout/finstab/id/finstab_systems</a></p> <p>Swiss financial market infrastructures  <a href="https://www.finma.ch/en/authorisation/financial-market-infrastructures-and-foreign-market-members/swiss-financial-market-infrastructures/">https://www.finma.ch/en/authorisation/financial-market-infrastructures-and-foreign-market-members/swiss-financial-market-infrastructures/</a></p> <p>Supervision of financial market infrastructures  <a href="https://www.finma.ch/en/supervision/financial-market-infrastructures/">https://www.finma.ch/en/supervision/financial-market-infrastructures/</a></p>
Resp. B	Observed	<p><b>Authorities' powers – rule-making/information-gathering/enforcement</b></p> <p>See links provided for Responsibility A and:</p> <p>MoU between SNB and FINMA  <a href="http://www.snb.ch/en/mmr/reference/mofu/source/MoU_EN.pdf">http://www.snb.ch/en/mmr/reference/mofu/source/MoU_EN.pdf</a></p> <p>MoU among national authorities  <a href="http://www.snb.ch/en/mmr/reference/tripartite/source/tripartite.en.pdf">http://www.snb.ch/en/mmr/reference/tripartite/source/tripartite.en.pdf</a></p> <p>FINMASA  <a href="http://www.admin.ch/ch/e/rs/c956_1.html">http://www.admin.ch/ch/e/rs/c956_1.html</a></p>

<p><b>Resp. C</b></p>	<p>Observed</p>	<p><b>Regulatory/supervisory/oversight policies – objectives/roles/standards/rules</b></p> <p>See link to FMIA</p> <p>Annual Reports</p> <p><a href="http://www.snb.ch/en/iabout/pub/annrep/id/pub_annrep_2014">http://www.snb.ch/en/iabout/pub/annrep/id/pub_annrep_2014</a></p> <p><a href="https://www.finma.ch/finmaarchiv/gb2014/index_en.html">https://www.finma.ch/finmaarchiv/gb2014/index_en.html</a></p>
<p><b>Resp. D</b></p>	<p>Observed</p>	<p>See links provided for Responsibility A.</p>
<p><b>Resp. E</b></p>	<p>Observed</p>	<p><b>Domestic regulatory/supervisory/oversight cooperation – examples of arrangements</b></p> <p>See link to MOU between FINMA and SNB</p> <p>FINMA Coordination with Other Swiss Agencies</p> <p><a href="https://www.finma.ch/en/finma/national-cooperation/">https://www.finma.ch/en/finma/national-cooperation/</a></p> <p>Both FINMA and the SNB have MoUs with other countries' authorities.</p> <p><b>International regulatory/supervisory/oversight cooperation – examples of arrangements</b></p> <p>List of foreign systemically important FMIs:</p> <p><a href="http://www.snb.ch/en/iabout/finstab/id/finstab_systems#t3">http://www.snb.ch/en/iabout/finstab/id/finstab_systems#t3</a></p> <p><a href="https://www.finma.ch/en/finma/international-activities/">https://www.finma.ch/en/finma/international-activities/</a></p> <p><b>Minor Gap</b></p> <p>Inter-agency arrangements for FMI resolution have not yet been developed; these plans will be developed once the new FMIA enters into force. However, the authorities are in the process of reviewing, and – if necessary – updating arrangements for cooperation with respect to crisis management</p>

## Detailed rating for Switzerland – CSD/SSS

Responsible authorities: SNB and FINMA		
	Responsibility rating	Identified issues of concern and/or links to main documents
Resp. A	Observed	<p><b>Criteria to identify FMIs that should be regulated/supervised/overseen; and authorities responsibilities</b></p> <p>FMIA  <a href="https://www.sif.admin.ch/sif/en/home/dokumentation/finweb/regulierungsprojekte/finanzmarktinfrastrukturgesetz.html">https://www.sif.admin.ch/sif/en/home/dokumentation/finweb/regulierungsprojekte/finanzmarktinfrastrukturgesetz.html</a></p> <p>FINMASA  <a href="http://www.admin.ch/ch/e/rs/c956_1.html">http://www.admin.ch/ch/e/rs/c956_1.html</a></p> <p>SNB – National Bank Act  <a href="http://www.snb.ch/en/iabout/snb/legal/id/snb_legal_law#t3">http://www.snb.ch/en/iabout/snb/legal/id/snb_legal_law#t3</a></p> <p>SNB – National Bank Ordinance  <a href="http://www.snb.ch/en/iabout/snb/legal/id/snb_legal_law#t4">http://www.snb.ch/en/iabout/snb/legal/id/snb_legal_law#t4</a></p> <p><b>List of FMIs identified for regulation/supervision/oversight</b></p> <p>Systemically important financial market infrastructures in Switzerland  <a href="http://www.snb.ch/en/iabout/finstab/id/finstab_systems">http://www.snb.ch/en/iabout/finstab/id/finstab_systems</a></p> <p>Swiss financial market infrastructures  <a href="https://www.finma.ch/en/authorisation/financial-market-infrastructures-and-foreign-market-members/swiss-financial-market-infrastructures/">https://www.finma.ch/en/authorisation/financial-market-infrastructures-and-foreign-market-members/swiss-financial-market-infrastructures/</a></p> <p>Supervision of financial market infrastructures  <a href="https://www.finma.ch/en/supervision/financial-market-infrastructures/">https://www.finma.ch/en/supervision/financial-market-infrastructures/</a></p>
Resp. B	Observed	<p><b>Authorities' powers – rule-making/information-gathering/enforcement</b></p> <p>See links provided for Responsibility A; and</p> <p>MoU between SNB and FINMA  <a href="http://www.snb.ch/en/mmr/reference/mofu/source/MoU_EN.pdf">http://www.snb.ch/en/mmr/reference/mofu/source/MoU_EN.pdf</a></p> <p>MoU among national authorities  <a href="http://www.snb.ch/en/mmr/reference/tripartite/source/tripartite.en.pdf">http://www.snb.ch/en/mmr/reference/tripartite/source/tripartite.en.pdf</a></p>
Resp. C	Observed	<p><b>Regulatory/supervisory/oversight policies – objectives/roles/standards/rules</b></p> <p>See link for FMIA</p> <p>Annual Reports  <a href="http://www.snb.ch/en/iabout/pub/annrep/id/pub_annrep_2014;">http://www.snb.ch/en/iabout/pub/annrep/id/pub_annrep_2014;</a>  <a href="https://www.finma.ch/finmaarchiv/gb2014/index_en.html">https://www.finma.ch/finmaarchiv/gb2014/index_en.html</a></p>

<b>Resp. D</b>	Observed	See links provided for Responsibility A.
<b>Resp. E</b>	Observed	<p><b>Domestic regulatory/supervisory/oversight cooperation – examples of arrangements</b></p> <p>See link for MOU between FINMA and SNB</p> <p>FINMA Coordination with Other Swiss Agencies  <a href="https://www.finma.ch/en/finma/national-cooperation/">https://www.finma.ch/en/finma/national-cooperation/</a></p> <p>Both FINMA and the SNB have MoUs with other countries' authorities.</p> <p><b>International regulatory/supervisory/oversight cooperation – examples of arrangements</b></p> <p>List of foreign systemically important FMI's:  <a href="http://www.snb.ch/en/i/about/finstab/id/finstab_systems#t3">http://www.snb.ch/en/i/about/finstab/id/finstab_systems#t3</a></p> <p><a href="https://www.finma.ch/en/finma/international-activities/">https://www.finma.ch/en/finma/international-activities/</a></p> <p><b>Minor Gap</b></p> <p>Inter-agency arrangements for FMI resolution have not yet been developed; these plans will be developed once the new FMIA enters into force. However, the authorities are in the process of reviewing, and – if necessary – updating arrangements for cooperation with respect to crisis management</p>

### Detailed rating for Switzerland – PS

Responsible authority: SNB		
	Responsibility rating	Identified issues of concern and/or links to main documents
<b>Resp. A</b>	Observed	<p><b>Criteria to identify FMI's that should be regulated/supervised/overseen; and authorities responsibilities</b></p> <p>SNB – National Bank Act  <a href="http://www.snb.ch/en/i/about/snb/legal/id/snb_legal_law#t3">http://www.snb.ch/en/i/about/snb/legal/id/snb_legal_law#t3</a></p> <p>SNB – National Bank Ordinance  <a href="http://www.snb.ch/en/i/about/snb/legal/id/snb_legal_law#t4">http://www.snb.ch/en/i/about/snb/legal/id/snb_legal_law#t4</a></p>
<b>Resp. B</b>	Observed	<p><b>Authorities' powers – rule-making/information-gathering/enforcement</b></p> <p>Recognised payment systems using the criteria  <a href="http://www.snb.ch/en/i/about/finstab/id/finstab_systems#t2">http://www.snb.ch/en/i/about/finstab/id/finstab_systems#t2</a></p>

<b>Resp. C</b>	Observed	<p><b>Regulatory/supervisory/oversight policies – standards/rules</b></p> <p>See links provided for Responsibility A and:</p> <p>SNB Terms of Business, 2014  <a href="http://www.snb.ch/en/mmr/reference/snb_legal_gb_2015/source/snb_legal_gb_2015.en.pdf">http://www.snb.ch/en/mmr/reference/snb_legal_gb_2015/source/snb_legal_gb_2015.en.pdf</a></p> <p>See link to Annual Report</p>
<b>Resp. D</b>	Observed	See links provided for Responsibility A and Responsibility C
<b>Resp. E</b>	Observed	<p><b>International regulatory/supervisory/oversight cooperation – examples of arrangements</b></p> <p>Memoranda of Understanding with competent authorities from other countries  <a href="http://www.snb.ch/en/iabout/finstab/id/finstab_systems#t3">http://www.snb.ch/en/iabout/finstab/id/finstab_systems#t3</a></p>

## Turkey

### Responsibilities assessment ratings for Turkey

#### Overview of Regulatory Framework/Regime

The authorities responsible for the regulation, supervision and oversight of all FMIs in Turkey are the Central Bank of the Republic of Turkey (CBRT) and the Capital Markets Board of Turkey (CMB).

The CMB is responsible for the supervision of CCPs, CSDs and TRs. The CBRT is responsible for supervision of SSSs and PSs. There are currently no TRs operating in Turkey. FMIs in Turkey are subject to relevant national regulations such as the Capital Market Law No. 6362 (CML), the Law on the Central Bank of the Republic of Turkey and the Payment Systems Law No. 6493, as well as all secondary regulations pursuant to these laws.

In Turkey, there is one CCP,<sup>140</sup> three CSDs,<sup>141</sup> three SSSs,<sup>142</sup> three PSs<sup>143</sup> and no TRs.

#### Key Observations

The CBRT and the CMB are assessed to observe or broadly observe most of the Responsibilities for CCPs, CSDs/SSSs and PSs. The CMB is assessed to broadly observe Responsibility D for CCPs and Responsibility E for CSDs. Regarding TRs, the CMB is assessed to partly observe Responsibility A and B, and not observe Responsibility C and D.

The CBRT and the CMB apply clear criteria to identify FMIs that should be subject to regulation, supervision and oversight. However, in the case of TRs, there is currently no regulation in place on the authorization of an FMI as a TR, procedures concerning TRs' activities, or on the supervision of TRs.

The CBRT and the CMB have appropriate powers, consistent with their regulatory, supervisory and oversight responsibilities in respect of CCPs, CSDs/SSSs and PSs. Both authorities also indicate that they have sufficient resources to fulfil their responsibilities. In the case of TRs, the powers of the CMB consistent with the Responsibilities are not yet defined.

The CBRT and the CMB have also defined and publicly disclosed their objectives and roles with respect to CCPs, CSDs/SSSs and PSs. However, as noted, there are no specific objectives and regulations in place for TRs. Although the CML provides general powers to the CMB in the regulation and oversight of TRs, there is no detailed legal framework in place for the regulation and supervision of TRs. In the Level 1 assessment, the CMB has indicated that they have the legal capacity to implement the Responsibilities. However, the absence of detailed requirements regarding TR supervision reveals a gap in the current framework.

The CBRT has implemented the Principles for SSSs and PSs through the issuance of a policy statement. In the case of CCPs, CSDs and TRs, the CMB had not implemented the Principles as of the assessment date. Although the Capital Market Law was written with reference to the Principles, the Principles have not yet been formally adopted by the CMB. Further, the FMI types, and specific FMIs, to which the Principles are expected to apply have not yet been specified or disclosed by the CMB.

<sup>140</sup> The Istanbul Clearing and Settlement Bank (Takasbank).

<sup>141</sup> The Central Registry Agency, the Istanbul Settlement and Custody Bank Inc. (Takasbank) for physically printed securities, and the Electronic Securities Transfer System (operated by the CBRT) for the government bonds in Turkey.

<sup>142</sup> The Central Registry Agency, the Istanbul Settlement and Custody Bank Inc. (Takasbank) and the Electronic Securities Transfer System.

<sup>143</sup> Electronic Funds Transfer System, Interbank Card Center and Interbank Clearing Houses.

The CBRT and the CMB cooperate with one another through the Financial Stability Committee and ad hoc cooperative methods. However, in the case of the Central Registry Agency that functions as both a CSD and a SSS, the CMB has not conducted periodic assessment against the PFMI.

#### Jurisdictional Comments

In terms of "CPMI-IOSCO Monitoring of the Implementation of the PFMI: Responsibilities Level 2 and 3 Assessments", responses for the survey questions for TRs have been provided as to capture developments and implementation measures that have taken place from January 2014 up to the as-of-date of 9 January 2015. And only implementation measures that were in place as at 9 January 2015 were taken into consideration; any implementation measures that were established after this date has not been taken into account.

However, CMB would like to draw attention that since the assessment is based on the responses covering the information as of 9 January, it does not reflect the current developments in Turkey regarding TRs. CMB would like to notify that the Central Registration Agency (CRA) has been authorized by CMB to operate as a TR in Turkey as of 3rd of April 2015.

Following the authorization of CRA, the Implementing Regulation on Procedures Concerning TR's has been drafted by CMB. During the writing process of the regulation, PFMI were taken into account, targeting full compliance with the principles. After finalizing the draft, the regulation is planned to be published for public consultation or proposal before the end of 2015.

## Detailed rating for Turkey – CCP

Responsible authority: Capital Market Board (CMB)		
	Responsibility rating	Identified issues of concern and/or links to main documents
Resp. A	Observed	<p><b>Criteria to identify FMIs that should be regulated/supervised/overseen and authorities' responsibilities</b></p> <p>Links to capital market laws: art 35 and 78  <a href="http://cmb.gov.tr/displayfile.aspx?action=displayfile&amp;pageid=87&amp;fn=87.pdf&amp;submenuheader=null">http://cmb.gov.tr/displayfile.aspx?action=displayfile&amp;pageid=87&amp;fn=87.pdf&amp;submenuheader=null</a></p> <p><i>(All regulations regarding financial market infrastructures are publicly disclosed under the subtitle "Financial Market Infrastructures" on CMB's website in Turkish.</i>  <a href="http://www.spk.gov.tr/apps/Mevzuat/?submenuheader=-1">http://www.spk.gov.tr/apps/Mevzuat/?submenuheader=-1</a>)</p> <p>Web site page dedicated to relevant legislation  <a href="http://www.bddk.org.tr/WebSitesi/English.aspx">http://www.bddk.org.tr/WebSitesi/English.aspx</a></p>
Resp. B	Observed	<p><b>Authority's powers: rule making/information gathering/enforcement and legal protections</b></p> <p>See link to capital market laws: art 77 and 78</p> <p>See link to regulations under the subtitle "Financial Market Infrastructures" on CMB's website (in Turkish)</p> <p>See link to web site page dedicated to relevant legislation</p> <p>Link to Bylaw CCP services of Takasbank:  <a href="http://www.takasbank.com.tr/en/Yonetmelikler/Central%20Counter%20Party%20arty%201.pdf">http://www.takasbank.com.tr/en/Yonetmelikler/Central%20Counter%20Party%20arty%201.pdf</a></p>
Resp. C	Observed	<p><b>Regulatory/supervisory/oversight policies: objectives and roles, standards/rules</b></p> <p>See link to web site page dedicated to relevant legislation</p>
Resp. D	Broadly Observed	<p><b>Issues of concern</b></p> <p>While the Capital Market Law was written with reference to the Principles, these have not yet been formally adopted by the CMB. Further, the FMI types, and specific FMIs, to which the Principles are expected to apply have not yet been specified or disclosed. A policy statement and public announcement from the CMB is still pending, which will specify the adoption of the Principles and their application to relevant FMIs.</p>
Resp. E	Observed	<p><b>Policies on Cooperation with other authorities, domestic cooperation, and data sharing arrangements</b></p> <p>See link to capital market laws: article 78, 87 and 128</p>

## Detailed rating for Turkey – CSD/SSS

<b>Responsible authorities: Capital Market Board (CMB) and Central Bank of the Republic of Turkey (CBRT)</b>		
	<b>Responsibility rating</b>	<b>Identified issues of concern and/or links to main documents</b>
<b>Resp. A</b>	Observed	<p><b>Criteria to identify FMIs that should be regulated/supervised/overseen and authorities' responsibilities</b></p> <p>See link to capital market laws: art 81</p> <p>English version of the CBRT Law  <a href="http://www.tcmb.gov.tr/wps/wcm/connect/94d352d1-0d45-45a9-99c7-b64eab088e09/law.pdf?MOD=AJPERES&amp;CACHEID=94d352d1-0d45-45a9-99c7-b64eab088e09">http://www.tcmb.gov.tr/wps/wcm/connect/94d352d1-0d45-45a9-99c7-b64eab088e09/law.pdf?MOD=AJPERES&amp;CACHEID=94d352d1-0d45-45a9-99c7-b64eab088e09</a></p> <p>English version of the Payment Systems Law  <a href="http://www.tcmb.gov.tr/wps/wcm/connect/TCMB+EN/TCMB+EN/Bottom+Menu/About+The+Bank/Regulations/The+Payment+Systems+Law">http://www.tcmb.gov.tr/wps/wcm/connect/TCMB+EN/TCMB+EN/Bottom+Menu/About+The+Bank/Regulations/The+Payment+Systems+Law</a></p>
<b>Resp. B</b>	Observed	<p><b>Authorities' powers: rule making/information gathering/enforcement and legal protections</b></p> <p>See link to capital market laws</p> <p>See link to English version of the CBRT Law</p> <p>See link to English version of the Payment Systems Law</p>
<b>Resp. C</b>	Observed	<p><b>Regulatory/supervisory/oversight policies: objectives and roles, standards/rules</b></p> <p>CMB web-site page on capital market laws  <a href="http://www.cmb.gov.tr">www.cmb.gov.tr</a></p> <p>CBRT policy statement  <a href="http://www.tcmb.gov.tr/wps/wcm/connect/TCMB+EN/TCMB+EN/Main+Menu/PAYMENT+SYSTEMS/Objectives+and+Policies">http://www.tcmb.gov.tr/wps/wcm/connect/TCMB+EN/TCMB+EN/Main+Menu/PAYMENT+SYSTEMS/Objectives+and+Policies</a></p>
<b>Resp. D</b>	<p>CBRT : Observed</p> <p>CMB : Broadly Observed</p>	<p><b>Issues of concern</b></p> <p>While the Capital Market Law was written with reference to the Principles, these have not yet been formally adopted by the CMB. Further, the FMI types, and specific FMIs, to which the Principles are expected to apply have not yet been specified or disclosed. A policy statement and public announcement from the CMB is still pending, which will specify the adoption of the Principles and their application to relevant FMIs. On the contrary, the CBRT has formally adopted the Principles.</p>

		<b>Approach to implementing the Principles/Scope of implementation</b> CBRT policy statement regarding PS and SSS supervision <a href="http://www.tcmb.gov.tr/wps/wcm/connect/TCMB+EN/TCMB+EN/Main+Menu/PAYMENT+SYSTEMS/Objectives+and+Policies">http://www.tcmb.gov.tr/wps/wcm/connect/TCMB+EN/TCMB+EN/Main+Menu/PAYMENT+SYSTEMS/Objectives+and+Policies</a>
<b>Resp. E</b>	Observed	

### Detailed rating for Turkey – PS

<b>Responsible authority: Central Bank of the Republic of Turkey (CBRT)</b>		
	<b>Responsibility rating</b>	<b>Identified issues of concern and/or links to main documents</b>
<b>Resp. A</b>	Observed	<b>Criteria to identify FMI that should be regulated/supervised/overseen and authority's responsibilities</b> See link to English version of the CBRT Law See link to English version of the Payment Systems Law
<b>Resp. B</b>	Observed	<b>Authority's powers: rule making/information gathering/enforcement and legal protections</b> See link to English version of the CBRT Law See link to English version of the Payment Systems Law
<b>Resp. C</b>	Observed	<b>Regulatory/supervisory/oversight policies: objectives and roles, standards/rules</b> See link to CBRT policy statement
<b>Resp. D</b>	Observed	<b>Approach to implementing the Principles/scope of implementation</b> See link to CBRT policy statement regarding PS supervision
<b>Resp. E</b>	Observed	<b>Policies on cooperation with other authorities, domestic cooperation, and data sharing arrangements</b> See link to English version of the CBRT Law See link to English version of the Payment Systems Law

## Detailed rating for Turkey – TR

Responsible authority: Capital Market Board (CMB)		
	Responsibility rating	Identified issues of concern and/or links to main documents
<b>Resp. A</b>	Partly Observed	<p><b>Criteria to identify FMIs that should be regulated/supervised/overseen and authority’s responsibilities</b></p> <p>See link to capital market laws</p> <p><b>Issues of concern</b></p> <p>The CMB is responsible for the authorization and supervision of TRs. However, regulation on the authorization of an FMI as a TR, procedures concerning a TR’s activities, and supervision of TRs is not currently in place.</p>
<b>Resp. B</b>	Partly Observed	<p><b>Issues of concern</b></p> <p>The CMB is responsible for the authorization and supervision of TRs, but the detailed procedures are still in the course of elaboration and there is currently no authorised TR in operation. The powers of CMB consistent with the Responsibilities are not yet defined.</p>
<b>Resp. C</b>	Not Observed	<p><b>Issues of concern</b></p> <p>The policies regarding TRs have not yet been implemented. Article 87 of Capital Market Law grants CMB a general power in relation to the supervision of TRs. This law is publicly disclosed. However, there are no specific objectives and regulations in place.</p>
<b>Resp. D</b>	Not Observed	<p><b>Issues of concern</b></p> <p>The Principles have not yet been formally adopted by the CMB. There is no detailed implementing regulation for TRs in force in Turkey. Consequently, there is no specification of the name and nature of institutions that have to comply with the PFMI and no disclosure of the FMI to which the PFMI apply. A policy statement and public announcement of the CMB is still pending specifying the adoption of the PFMI and their application to relevant institutions. The Capital Market Law only provides general powers to the CMB regarding TRs, and a detailed framework still has to be implemented for their oversight and supervision.</p>
<b>Resp. E</b>	NA	

## United Kingdom

### Responsibilities assessment ratings for United Kingdom

#### Overview of Regulatory Framework/Regime

The authority responsible for regulation, supervision and oversight of FMIs in the United Kingdom is the Bank of England ('the Bank').

FMIs are subject to regulation under both UK and EU law. Recognised payment systems are supervised by the Bank under the Banking Act 2009. CCPs are a type of recognised clearing house (RCH) subject to the Financial Services and Markets Act 2000 (FSMA) and secondary legislation made under it, as well as EU requirements set out in the European Market Infrastructure Regulation (EMIR) and its associated technical standards. The UK SSS is also an RCH subject to FSMA and the Uncertificated Securities Regulations 2001. In due course, CSDs – including the UK SSS – will be required to comply with the EU Central Securities Depositories Regulation (CSDR). The Bank is the resolution authority for UK CCPs. The European Securities and Markets Authority (ESMA) is the sole supervisor of TRs established in the EU.

Other UK authorities have mandates that are relevant to the Bank's supervisory responsibilities for FMIs. The Financial Conduct Authority (FCA) is responsible for the regulation of organised financial markets, including exchanges and other trading platforms, and the conduct of participants in relation to the financial instruments and derivatives contracts traded both in those markets and in over-the-counter financial markets. A new economic regulator for payment systems in the UK (the Payment Systems Regulator (PSR)) became fully operational on 1 April 2015. The PSR has objectives to promote competition, innovation and the interests of service users. As the PSR was not fully operational as of the assessment cut-off date (9 January 2015), it has not been included in this assessment.

The Bank supervises four CCPs,<sup>144</sup> a CSD/SSS<sup>145</sup> and seven PSs.<sup>146</sup>

#### Key Observations

The Bank is assessed to observe all Responsibilities for CSDs/SSSs, PSs and CCPs.

The Bank applies clear criteria to identify FMIs that should be subject to regulation, supervision and oversight.

The Bank has appropriate powers, consistent with its regulatory, supervisory and oversight responsibilities in respect of FMIs. The Bank also indicates that it has sufficient resources to fulfil its responsibilities.

The Bank has defined and publicly disclosed its approach towards the supervision of FMIs in reports published on an annual basis on its website. The most recent such report was published in March 2015.

The Bank applies the PFMI in its supervision of FMIs and requires FMIs to assess themselves against the PFMI annually. These self-assessments are reviewed by the Bank and the results are shared with the relevant authorities both inside and outside the UK.

<sup>144</sup> The four CCPs are LCH.Clearnet Limited, CME Clearing Europe Limited, LME Clear Limited and ICE Clear Europe Limited. ICE Clear Europe Limited was recognized under the previous domestic regime (pre-2013) and has applied for authorisation under EMIR.

<sup>145</sup> There is one CSD, Euroclear UK & Ireland Limited (EUI) and it operates the UK's only SSS, CREST.

<sup>146</sup> The seven PSs are Bacs, CHAPS, CLS, CREST, LCH.Clearnet Ltd, Faster Payment Service and ICE Clear Europe

The Bank cooperates with both relevant domestic and international authorities to promote the safety and efficiency of UK FMIs. In terms of domestic cooperation, the Bank, the FCA and the Prudential Regulation Authority work together in exercising their functions to ensure each is able to advance its objectives; these arrangements are codified in relevant MoUs. For international cooperation (in particular, for information sharing), at a minimum the Bank uses bilateral arrangements and MoUs with several jurisdictions, and organises periodic meetings to facilitate coordination. It also participates in colleges for payment and settlement systems, takes part in and chairs CCP supervisory colleges mandated by EMIR as well as 'global' CCP supervisory colleges that the UK set up at its own initiative and maintains a close relationship with relevant foreign authorities concerning the supervision of CSDs.

### Jurisdictional Comments

The Bank of England ('the Bank') takes note of, and agrees, with the ratings provided by CPMI-IOSCO. Effective supervision of UK FMIs is important in achieving the Bank's mission to promote the good of the people of the United Kingdom by maintaining monetary and financial stability.<sup>147</sup>

The Bank places particular emphasis on Responsibility E in light of the significance of a number of UK FMIs in international markets. The Bank is one of the few authorities that operate 'global' multilateral college arrangements for FMIs that have material activities in a number of different jurisdictions, to achieve both "level 2" and "level 3" compliance with Responsibility E of the PFMI.

These multilateral college arrangements are important in allowing us to inform our international counterparts of developments at UK FMIs in an efficient and effective manner, and for our supervision to benefit from their input, expertise and experience in supervising FMIs and firms in many other jurisdictions.

We see this collegiate model as the most effective cooperative arrangements for FMIs that have material operations in multiple jurisdictions and we advocate the use of such arrangements more widely to meet both the letter and the spirit of Responsibility E of the PFMI.

<sup>147</sup> In addition to the list of supervised firms on the previous page, the Bank has supervised VISA Europe since 19 March 2015.

## Detailed rating for United Kingdom – CCP

Responsible authority: Bank of England		
	Responsibility rating	Identified issues of concern and/or links to main documents
Resp. A	Observed	<p><b>Criteria to identify FMIs that should be regulated/supervised/overseen</b></p> <p>Section 285(1)(b) of the Financial Services and Markets Act 2000  <a href="http://www.legislation.gov.uk/ukpga/2000/8/part/XVIII">http://www.legislation.gov.uk/ukpga/2000/8/part/XVIII</a></p> <p>Register of authorised CCPs  <a href="http://www.bankofengland.co.uk/financialstability/Pages/fmis/supervised_sys/rch.aspx">http://www.bankofengland.co.uk/financialstability/Pages/fmis/supervised_sys/rch.aspx</a></p>
Resp. B	Observed	<p><b>Authority's powers – rule-making/information-gathering/enforcement</b></p> <p>The Bank of England's website on the supervision of financial market infrastructures  <a href="http://www.bankofengland.co.uk/financialstability/Pages/fmis/default.aspx">http://www.bankofengland.co.uk/financialstability/Pages/fmis/default.aspx</a></p> <p><b>Authority's resources</b></p> <p>The Bank of England's supervision of financial market infrastructures – Annual Report  <a href="http://www.bankofengland.co.uk/publications/Documents/fmi/annualreport2015.pdf">http://www.bankofengland.co.uk/publications/Documents/fmi/annualreport2015.pdf</a></p>
Resp. C	Observed	<p><b>Regulatory/supervisory/oversight policies – objectives/roles</b></p> <p>See link to The Bank of England's website on the supervision of financial market infrastructures</p> <p>See link to The Bank of England's supervision of financial market infrastructures – Annual Report</p>
Resp. D	Observed	<p><b>Approach to implementing the Principles</b></p> <p>The Bank of England supervisory approach to FMIs:  <a href="http://www.bankofengland.co.uk/financialstability/Documents/fmi/fmisupervision.pdf">http://www.bankofengland.co.uk/financialstability/Documents/fmi/fmisupervision.pdf</a></p>
Resp. E	Observed	<p><b>Domestic and international regulatory/supervisory/oversight cooperation – examples of arrangements</b></p> <p>MoUs with the Financial Conduct Authority and international</p>

		<p>regulators:  <a href="http://www.bankofengland.co.uk/about/Pages/mous/default.aspx">http://www.bankofengland.co.uk/about/Pages/mous/default.aspx</a></p> <p><b>Comment</b></p> <p>One authority expressed the view that at a particular point in time in 2012, during stressed markets conditions, the Financial Services Authority did not provide accurate information to that authority in accordance with a long-standing documented MoU. It should be noted that the Financial Services Authority disagreed with this account and communicated this to the authority at the time. The Financial Services Authority ceased to exist in April 2013. The Bank of England is now the relevant authority in the UK and as of 9th of January 2015, no authorities have reported concerns over the Bank's cooperation.</p>

#### Detailed rating for United Kingdom – CSD/SSS

Responsible authority: Bank of England		
	Responsibility rating	Identified issues of concern and/or links to main documents
<b>Resp. A</b>	Observed	<p><b>Criteria to identify FMIs that should be regulated/supervised/overseen</b></p> <p>See link to Section 285(1)(b) of the Financial Services and Markets Act 2000</p> <p>Uncertificated Securities Regulations 2001:  <a href="http://www.legislation.gov.uk/uksi/2001/3755/contents/made">http://www.legislation.gov.uk/uksi/2001/3755/contents/made</a></p>
<b>Resp. B</b>	Observed	<p><b>Authority's powers – rule-making/information-gathering/enforcement</b></p> <p>See link to The Bank of England's website on the supervision of financial market infrastructures</p> <p><b>Authority's resources</b></p> <p>See link to The Bank of England's supervision of financial market infrastructures – Annual Report</p>
<b>Resp. C</b>	Observed	<p><b>Regulatory/supervisory/oversight policies – objectives/roles</b></p> <p>See link to the Bank of England's website on the supervision of financial market infrastructures</p> <p>See link to The Bank of England's supervision of financial market infrastructures – Annual Report</p>

<b>Resp. D</b>	Observed	<b>Approach to implementing the Principles</b> See link to Bank of England supervisory approach to FMIs
<b>Resp. E</b>	Observed	<b>Domestic and international regulatory/supervisory/oversight cooperation – examples of arrangements</b> See link to MoUs with the Financial Conduct Authority and international regulators

### Detailed rating for United Kingdom – PS

<b>Responsible authority: Bank of England</b>		
	<b>Responsibility rating</b>	<b>Links to documents</b>
<b>Resp. A</b>	Observed	<b>List of FMIs identified for regulation/supervision/oversight</b> Recognised payment systems <a href="http://www.bankofengland.co.uk/financialstability/Pages/fmis/supervised_sys/rps.aspx">http://www.bankofengland.co.uk/financialstability/Pages/fmis/supervised_sys/rps.aspx</a>
<b>Resp. B</b>	Observed	<b>Authority's powers – rule-making/information-gathering/enforcement</b> See link to The Bank of England's website on the supervision of financial market infrastructures <b>Authority's resources</b> See link to The Bank of England's supervision of financial market infrastructures – Annual Report
<b>Resp. C</b>	Observed	<b>Regulatory/supervisory/oversight policies – objectives/roles</b> See link to The Bank of England's website on the supervision of financial market infrastructures See link to The Bank of England's supervision of financial market infrastructure – Annual Report
<b>Resp. D</b>	Observed	<b>Approach to implementing the Principles</b> See link to Bank of England supervisory approach to FMIs

<b>Resp. E</b>	Observed	<p><b>Domestic and international regulatory/supervisory/oversight cooperation – examples of arrangements</b></p> <p>See link to MoUs with the Financial Conduct Authority and international regulators</p>

## United States

### Responsibilities assessment ratings for United States

#### Overview of regulatory Framework/Regime

The authorities responsible for regulation, supervision, and oversight of FMIs in the United States are the Commodity Futures Trading Commission (CFTC), the Securities and Exchange Commission (SEC) and the Board of Governors of the Federal Reserve System (FRB).

CCPs currently are regulated by the CFTC and the SEC. In the United States, there are three parallel regimes – the CFTC's, the SEC's, and the FRB's – that may apply to a particular CCP.<sup>148</sup> Several factors determine which regime may apply to a particular CCP, including the product(s) a CCP clears and whether the CCP has been designated systemically important.<sup>149</sup> The objectives pursued by the CFTC, the SEC and the FRB are assigned to them in legislation under several legal acts, including the Dodd-Frank Wall Street Reform and Consumer Protection Act (DFA). In addition, the DFA has provided the FRB with certain authorities and responsibilities for all designated Financial Market Utilities (FMUs), including those that are CCPs regulated and supervised by the CFTC or the SEC.<sup>150</sup> The CFTC and the SEC cooperate and share information with the FRB for designated FMUs.

CSDs/SSSs are regulated by the SEC and the FRB. A CSD/SSS can be under the responsibility of one or both of the authorities, depending on the activities of the CSD/SSS and how it is organised (e.g. as a state-member bank). In addition, the DFA has provided the FRB with certain authorities and responsibilities for all designated FMUs, including those that are CSDs/SSSs regulated and supervised by the SEC. The SEC cooperates and shares information with the FRB for designated FMUs. PSs are exclusively regulated by the FRB.

TRs are regulated by the CFTC and the SEC. There are two parallel regimes that may apply to a particular TR. The regime applicable to a TR depends on the kind of collected data. The CFTC is responsible for TRs collecting swap data (called swap data repositories, SDRs), and the SEC is responsible for TRs collecting securities-based swap data (called securities-based swap data repositories, SBSDRs). A TR could be subject to both regimes at the same time if it collects data falling into both the CFTC's and the SEC's regimes. The objectives pursued by the CFTC and the SEC are assigned to them in legislation, in the DFA.

<sup>148</sup> For further information, see the Level 2 assessment report for central counterparties and trade repositories for the United States: <http://www.bis.org/cpmi/publ/d126.pdf> and <https://www.iosco.org/library/pubdocs/pdf/IOSCOPD477.pdf>.

<sup>149</sup> Currently, all CCPs in the United States are regulated by either the CFTC or the SEC. The FRB would regulate a CCP that was not otherwise subject to the jurisdiction of the CFTC, SEC, or another federal banking agency; currently, no such CCPs exist.

<sup>150</sup> DFA defines a "financial market utility" (FMU) as any person that manages or operates a multilateral system for the purpose of transferring, clearing, or settling payment, securities, or other financial transactions among financial institutions or between financial institutions and the person. CCPs, CSDs/SSSs, and PSs are encompassed within the definition of FMU, but TRs are excluded.

In the United States, regulatory regimes based on the PFMI apply to eight CCPs,<sup>151</sup> two CSD/SSS,<sup>152</sup> three PSs<sup>153</sup> and four registered SDRs.<sup>154</sup>

## Key observations

The CFTC, the SEC and the FRB are assessed to observe or broadly observe most Responsibilities across all FMI types. However, the SEC is assessed to partly observe Responsibility C and D for TRs. The CFTC is also assessed to partly observe Responsibility D for TRs.

The CFTC, the SEC and the FRB apply clear criteria to identify FMIs that should be subject to regulation, supervision and oversight. The criteria for designating systemically important FMIs are also clearly defined. In the case of CCPs and TRs, the criteria are set out in the Commodity Exchange Act, the Exchange Act and the DFA. In the case of CSDs/SSSs the criteria are set out in, amongst other legal acts, the Exchange Act, the Federal Reserve Act and the DFA. In the case of PSs the criteria are set out in, amongst other legal acts, the Federal Reserve Act and the DFA.

The CFTC, the SEC and the FRB have appropriate powers consistent with their regulatory, supervisory, and oversight responsibilities. All three authorities also indicate that they have sufficient resources to fulfil their responsibilities.

The CFTC, the SEC and the FRB have also defined their policies with respect to FMIs. The authorities' rules, regulations and policies relevant to FMIs are publically available at the authorities' respective webpages. The objectives, roles and regulations of the authorities are included in the publically available regulations and policies. However, the SEC had at the time of this assessment not finalised all rules regarding SBSDRs, which partly set out the policies for TRs.<sup>155</sup>

The FRB has implemented the Principles for CCPs, CSDs/SSSs and PSs through regulations and policy statements. The CFTC has also implemented the Principles for CCPs but additional measures are necessary to complete the implementation for TRs. The SEC has taken some measures to implement the Principles for CCPs, CSDs/SSSs and TRs, but additional measures are necessary to complete the implementation. The SEC has adopted new rules for TRs which improve the adoption of the Principles. However, these were not adopted or publicly available at the time of this assessment and therefore have not been taken into consideration.

The US framework provides for cooperation between or among domestic authorities and with foreign authorities. All necessary legal and regulatory tools are available and several examples of both domestic and international cooperative arrangements exist. For example, the FRB takes responsibility for the extensive global cooperative arrangement among authorities regarding CLS. The framework for domestic cooperation is governed by the domestic legal framework and, in certain cases, MoUs. International cooperation takes a variety of forms, including MoUs.

<sup>151</sup> Five of these have been designated systemically important: Chicago Mercantile Exchange Inc, Fixed Income Clearing Corporation, ICE Clear Credit LLC, The National Securities Clearing Corporation, and The Options Clearing Corporation. Three others have elected to be held to standards applicable to CCPs that have been so designated: ICE Clear US, LCH Clearent LLC, and Minneapolis Grain Exchange.

<sup>152</sup> There is one CSD/SSS that has been designated systemically important, The Depository Trust Company, and one CSD/SSS that is operated by the Reserve Banks, Fedwire Securities Service.

<sup>153</sup> There are three PSs that are designated systemically important or operated by the Reserve Banks: The Clearing House Interbank Payments System (CHIPS), CLS Bank International (CLS), and the Fedwire Funds Service.

<sup>154</sup> There are four registered SDRs: ICE Trade Vault LLC, DTCC Data Repository, Chicago Mercantile Exchange Inc., and BSR LLC. At the date of this assessment no SBSDR was registered.

<sup>155</sup> The SEC adopted rules that further define the SEC's policies with respect to SBSDRs, including the SEC's objectives, supervision, oversight, and regulation on 14 January 2015, just after the assessment cut-off date (9 January 2015).

## Jurisdictional Comments

The staffs of the FRB, CFTC, and SEC (“US authorities”) appreciate the opportunity to respond to the CPMI-IOSCO assessment of PFMI Responsibilities for authorities (“Responsibilities Assessment”). The staffs of the US authorities actively participated in the development of the PFMI, and the US authorities have taken steps to incorporate measures consistent with the Responsibilities into their respective legal and regulatory frameworks, policies, and procedures, pursuant to their participation in the CPMI and IOSCO. Indeed, the Responsibilities Assessment has found that the US authorities have observed or broadly observed most of the Responsibilities across all FMI types: CCPs, CSD/SSSs, PS, and TRs. The US authorities remain committed to the effective regulation, supervision, and oversight of FMIs in furtherance of their safety and efficiency and, more broadly, financial stability.

The SEC notes that, in connection with TRs, Title VII of the Dodd-Frank Wall Street Reform and Consumer Protection Act (“Dodd-Frank Act”) provides a framework clearly defining and disclosing the SEC’s regulatory, supervisory, and oversight policies for security-based swap data repositories (SBSDRs). The assessment report should reflect that the “Partly Observed” rating assigned to the SEC under Responsibility C with respect to TRs is largely attributable to the assessment cut-off date, and that soon after the cut-off date, the SEC adopted rules that further define the SEC’s policies with respect to SBSDRs, including the SEC’s objectives, supervision, oversight, and regulation. The SEC continues to implement rules and regulations consistent with its statutory obligations under the Securities Exchange Act of 1934 (Exchange Act) and the Dodd-Frank Act and will, as appropriate, be informed by the comments provided by the assessment team, among other things.

## Detailed rating for United States – CCP

Responsible authorities: The Board of Governors of the Federal Reserve System (FRB), the Commodity Futures Trading Commission (CFTC), and the Securities and Exchange Commission (SEC)		
	Responsibility rating	Identified issues of concern and/or links to main documents
Resp. A	Observed	<p><b>Criteria to identify FMIs that should be regulated/supervised/overseen</b></p> <p>Dodd-Frank Act Titles VII, VIII:  <a href="http://www.gpo.gov/fdsys/pkg/PLAW-111publ203/html/PLAW-111publ203.htm">http://www.gpo.gov/fdsys/pkg/PLAW-111publ203/html/PLAW-111publ203.htm</a></p> <p>Commodity Exchange Act:  <a href="http://www.cftc.gov/lawregulation/commodityexchangeact/index.htm">http://www.cftc.gov/lawregulation/commodityexchangeact/index.htm</a></p> <p>The Exchange Act: <a href="http://www.sec.gov/about/laws/sea34.pdf">http://www.sec.gov/about/laws/sea34.pdf</a></p> <p>Federal Reserve Act § 9 for authority over state member banks:  <a href="http://www.federalreserve.gov/aboutthefed/fract.htm">http://www.federalreserve.gov/aboutthefed/fract.htm</a>;</p> <p>Federal Reserve Act § 25A for authority over Edge and agreement corporations: <a href="http://www.federalreserve.gov/aboutthefed/fract.htm">http://www.federalreserve.gov/aboutthefed/fract.htm</a>;</p> <p><b>Authorities' responsibilities</b></p> <p>See link to Dodd-Frank Act Titles VII, VIII.</p> <p>See link to Commodity Exchange Act.</p> <p>See link to the Exchange Act.</p> <p>See links to the Federal Reserve Act.</p>
Resp. B	Observed	<p><b>Authorities' powers – rule-making/information-gathering/enforcement</b></p> <p>See link to Dodd-Frank Act Titles VII, VIII.</p> <p>See link to Commodity Exchange Act.</p> <p>See link to the Exchange Act.</p> <p>See links to Federal Reserve Act §§ 9 and 25A.</p> <p>Federal Deposit Insurance Act (12 U.S.C. 1818(b)) for enforcement authority for state member banks and Edge and agreement corporations:  <a href="http://www.gpo.gov/fdsys/pkg/USCODE-2013-title12/pdf/USCODE-2013-title12-chap16-sec1818.pdf">http://www.gpo.gov/fdsys/pkg/USCODE-2013-title12/pdf/USCODE-2013-title12-chap16-sec1818.pdf</a></p>

<p><b>Resp. C</b></p>	<p>Observed</p>	<p><b>Regulatory/supervisory/oversight policies – objectives/roles</b></p> <p>See link to Commodity Exchange Act.</p> <p>See link to the Exchange Act.</p> <p>Federal Reserve Policy on Payment System Risk (PSR policy):  <a href="http://www.federalreserve.gov/paymentsystems/files/psr_policy.pdf">http://www.federalreserve.gov/paymentsystems/files/psr_policy.pdf</a></p> <p><b>Regulatory/supervisory/oversight policies – standards/rules</b></p> <p>See link to Commodity Exchange Act.</p> <p>See link to the Exchange Act.</p> <p>See link to PSR policy.</p> <p>Regulation H (12 CFR § 208):  <a href="http://www.ecfr.gov/cgi-bin/text-idx?c=ecfr&amp;sid=635f26c4af3e2fe4327fd25ef4cb5638&amp;tpl=/ecfrbrowse/Title12/12cfr208_main_02.tpl">http://www.ecfr.gov/cgi-bin/text-idx?c=ecfr&amp;sid=635f26c4af3e2fe4327fd25ef4cb5638&amp;tpl=/ecfrbrowse/Title12/12cfr208_main_02.tpl</a></p> <p>Regulation HH (12 CFR § 234):  <a href="http://www.ecfr.gov/cgi-bin/text-idx?c=ecfr&amp;sid=74d9708a8834717f77a422d23fff0ab6&amp;rgn=div5&amp;view=text&amp;node=12:4.0.1.1.5&amp;idno=12">http://www.ecfr.gov/cgi-bin/text-idx?c=ecfr&amp;sid=74d9708a8834717f77a422d23fff0ab6&amp;rgn=div5&amp;view=text&amp;node=12:4.0.1.1.5&amp;idno=12</a></p>
<p><b>Resp. D</b></p>	<p>CFTC: Observed  FRB: Observed  SEC: Broadly Observed</p>	<p><b>Approach to implementing the Principles</b></p> <p><i>The CFTC</i></p> <p>Derivatives Clearing Organization General Provisions and Core Principles Final Rule (Part 39, Subparts A and B), 76 FR 69334  <a href="http://www.gpo.gov/fdsys/pkg/FR-2011-11-08/pdf/2011-27536.pdf">http://www.gpo.gov/fdsys/pkg/FR-2011-11-08/pdf/2011-27536.pdf</a></p> <p>Enhanced Risk Management Standards for Systemically Important Derivatives Clearing Organizations (Part 39, Subpart C), 78 FR 49663  <a href="http://www.gpo.gov/fdsys/pkg/FR-2013-08-15/pdf/2013-19791.pdf">http://www.gpo.gov/fdsys/pkg/FR-2013-08-15/pdf/2013-19791.pdf</a></p> <p>Derivatives Clearing Organizations and International Standards (Part 39, Subpart C), 78 FR 72476  <a href="http://www.gpo.gov/fdsys/pkg/FR-2013-12-02/pdf/2013-27849.pdf">http://www.gpo.gov/fdsys/pkg/FR-2013-12-02/pdf/2013-27849.pdf</a></p> <p><i>The SEC</i></p> <p>Clearing Agency Standards, Exchange Act Release No. 34-68080 (22 October 2012), 77 Federal Register 66219 (2 November 2012) (in particular Rule 17Ad-22)  <a href="http://www.gpo.gov/fdsys/pkg/FR-2012-11-02/pdf/2012-26407.pdf">http://www.gpo.gov/fdsys/pkg/FR-2012-11-02/pdf/2012-26407.pdf</a></p> <p>Regulation Systems Compliance and Integrity; Exchange Act Release No. 34-73639, 79 Federal Register 72251 (in particular Rule 1000(b))  <a href="http://www.gpo.gov/fdsys/pkg/FR-2014-12-05/pdf/2014-27767.pdf">http://www.gpo.gov/fdsys/pkg/FR-2014-12-05/pdf/2014-27767.pdf</a></p> <p><i>The FRB</i></p> <p>See link to Regulation HH.</p> <p>See link to PSR policy.</p>

		<p><b>Issues of concern</b></p> <p>The Principles have been adopted by the CFTC and the FRB and are applied to systemically important CCPs and to CCPs that elect to be held to the standards applicable to systemically important CCPs. The SEC has adopted elements of the Principles but additional measures are required to adopt the Principles in full.</p>
<b>Resp. E</b>	Observed	<p><b>Policies on cooperation with other authorities</b></p> <p>See link to Dodd-Frank Act Title VIII.</p> <p><b>International regulatory/supervisory/oversight cooperation – examples of arrangements</b></p> <p>CFTC website with MoUs:  <a href="http://www.cftc.gov/International/MemorandaofUnderstanding/index.htm">http://www.cftc.gov/International/MemorandaofUnderstanding/index.htm</a></p> <p>SEC website with MoUs:  <a href="http://www.sec.gov/about/offices/oia/oia_cooparrangements.shtml">http://www.sec.gov/about/offices/oia/oia_cooparrangements.shtml</a></p> <p><b>Comments</b></p> <p>The CFTC, the SEC and the FRB cooperate both domestically and internationally. There are cooperative arrangements in respect of individual CCPs with different authorities. However, not all requests from foreign authorities to the CFTC on cooperative arrangements in respect of individual CCPs have resulted in cooperative arrangements to date.</p>

### Detailed rating for United States – CSD/SSS

<b>Responsible authorities: The Board of Governors of the Federal Reserve System (FRB) and the Securities and Exchange Commission (SEC)</b>		
	<b>Responsibility rating</b>	<b>Identified issues of concern and/or links to main documents</b>
<b>Resp. A</b>	Observed	<p><b>Criteria to identify FMIs that should be regulated/supervised/overseen</b></p> <p>See link to Dodd-Frank Act Title VIII.</p> <p>See link to the Exchange Act.</p> <p>See link to Federal Reserve Act § 9 for authority over state member banks.</p> <p>Federal Reserve Act § 11(j) for authority over the Federal Reserve Banks:  <a href="http://www.federalreserve.gov/aboutthefed/fract.htm">http://www.federalreserve.gov/aboutthefed/fract.htm</a></p> <p><b>Authorities' responsibilities</b></p> <p>See links under "Criteria to identify FMIs that should be regulated/supervised/overseen" for CSD/SSS.</p>

<b>Resp. B</b>	Observed	<p><b>Authorities' powers – rule-making/information-gathering/enforcement</b></p> <p>See link to the Exchange Act.</p> <p>See link to Federal Reserve Act § 11(a) and (j) for authority over the Federal Reserve Banks.</p> <p>See links to Federal Reserve Act § 9 and Federal Deposit Insurance Act (12 U.S.C. § 1818(b)) for authority over state member banks.</p>
<b>Resp. C</b>	Observed	<p><b>Regulatory/supervisory/oversight policies – objectives/roles</b></p> <p>See link to the Exchange Act.</p> <p>See link to PSR policy.</p> <p><b>Regulatory/supervisory/oversight policies – standards/rules</b></p> <p>See link to the Exchange Act.</p> <p>See link to Regulation HH.</p> <p>See link to PSR Policy.</p> <p>See link to Regulation H.</p>
<b>Resp. D</b>	FRB: Observed SEC: Broadly Observed	<p><b>Approach to implementing the Principles</b></p> <p>See link to PSR policy.</p> <p>See link to Regulation HH.</p> <p><b>Issues of concern</b></p> <p>SEC has not yet fully adopted the Principles in respect of CSDs/SSSs. Some measures are in place, but additional measures are required.</p>
<b>Resp. E</b>	Observed	<p><b>Policies on cooperation with other authorities</b></p> <p>See link to Dodd-Frank Act Title VIII.</p> <p><b>Domestic regulatory/supervisory/oversight cooperation – examples of arrangements</b></p> <p>See link to SEC website with MoUs.</p>

## Detailed rating for United States – PS

Responsible authority: The Board of Governors of the Federal Reserve System (FRB)		
	Responsibility rating	Identified issues of concern and/or links to main documents
<b>Resp. A</b>	Observed	<p><b>Criteria to identify FMI's that should be regulated/supervised/overseen</b></p> <p>See link to Federal Reserve Act § 11 for authority over the Federal Reserve Banks.</p> <p>See link to Federal Reserve Act § 25A for authority over Edge Act Corporations and agreement corporations.</p> <p>Dodd-Frank § 804(a)(2) for criteria for designation of systemic importance:  <a href="http://www.gpo.gov/fdsys/pkg/USCODE-2013-title12/pdf/USCODE-2013-title12-chap53-subchapIV-sec5463.pdf">http://www.gpo.gov/fdsys/pkg/USCODE-2013-title12/pdf/USCODE-2013-title12-chap53-subchapIV-sec5463.pdf</a></p> <p><b>Authority's responsibilities</b></p> <p>See links to Federal Reserve Act §§ 11 and 25A.</p> <p>See link to Dodd Frank Act Title VIII.</p>
<b>Resp. B</b>	Observed	<p><b>Authority's powers – rule-making/information-gathering/enforcement</b></p> <p>Dodd-Frank Act Title VIII §§ 805 and 807:  <a href="http://www.gpo.gov/fdsys/pkg/USCODE-2013-title12/pdf/USCODE-2013-title12-chap53-subchapIV-sec5464.pdf">http://www.gpo.gov/fdsys/pkg/USCODE-2013-title12/pdf/USCODE-2013-title12-chap53-subchapIV-sec5464.pdf</a> and  <a href="http://www.gpo.gov/fdsys/pkg/USCODE-2013-title12/pdf/USCODE-2013-title12-chap53-subchapIV-sec5466.pdf">http://www.gpo.gov/fdsys/pkg/USCODE-2013-title12/pdf/USCODE-2013-title12-chap53-subchapIV-sec5466.pdf</a></p> <p>See links to Federal Reserve Act §§ 11 and 25A.</p>
<b>Resp. C</b>	Observed	<p><b>Regulatory/supervisory/oversight policies – objectives/roles</b></p> <p>See link to PSR policy.</p> <p><b>Regulatory/supervisory/oversight policies – standards/rules</b></p> <p>See link to PSR policy.</p> <p>See link to Regulation HH.</p> <p>Regulation J, subpart B:  <a href="http://www.ecfr.gov/cgi-bin/text-idx?SID=7afe50b7e90b089c18750005000a286a&amp;node=sp12.2.210.b&amp;rgn=div6">http://www.ecfr.gov/cgi-bin/text-idx?SID=7afe50b7e90b089c18750005000a286a&amp;node=sp12.2.210.b&amp;rgn=div6</a>.</p>

<b>Resp. D</b>	Observed	<p><b>Approach to implementing the Principles</b></p> <p>See link to PSR policy.</p> <p>See link to Regulation HH.</p>
<b>Resp. E</b>	Observed	<p><b>Domestic regulatory/supervisory/oversight cooperation – examples of arrangements</b></p> <p>MDPS program</p> <p><a href="http://ithandbook.ffiec.gov/it-booklets/supervision-of-technology-service-providers-(tsp)/supervisory-programs/mdps-program.aspx">http://ithandbook.ffiec.gov/it-booklets/supervision-of-technology-service-providers-(tsp)/supervisory-programs/mdps-program.aspx</a></p> <p><b>International regulatory/supervisory/oversight cooperation – examples of arrangements</b></p> <p>The CLS Protocol</p> <p><a href="http://www.federalreserve.gov/paymentsystems/cls_protocol.htm">http://www.federalreserve.gov/paymentsystems/cls_protocol.htm</a></p>

#### Detailed rating for United States – TR

<b>Responsible authorities: The Commodity Futures Trading Commission (CFTC) and the Securities and Exchange Commission (SEC)</b>		
	<b>Responsibility rating</b>	<b>Identified issues of concern and/or links to main documents</b>
<b>Resp. A</b>	Observed	<p><b>Criteria to identify FMIs that should be regulated/supervised/overseen</b></p> <p>See link to Commodity Exchange Act.</p> <p>See link to the Exchange Act.</p> <p>See link to Dodd-Frank Act Title VII.</p> <p><b>Authorities’ responsibilities</b></p> <p>See links under “Criteria to identify FMIs that should be regulated/supervised/overseen” for TR.</p>
<b>Resp. B</b>	Observed	<p><b>Authorities’ powers – rule-making/information-gathering/enforcement</b></p> <p>See link to Commodity Exchange Act.</p> <p>See link to the Exchange Act.</p> <p>See link to Dodd-Frank Act.</p>

<b>Resp. C</b>	CFTC: Observed SEC: Partly Observed	<p><b>Regulatory/supervisory/oversight policies – objectives/roles</b></p> <p>See link to Commodity Exchange Act.</p> <p>See link to The Exchange Act.</p> <p>See link to Dodd-Frank Act.</p> <p><b>Regulatory/supervisory/oversight policies - standards/rules</b></p> <p>See links under “Regulatory/supervisory/oversight policies – objectives/roles” for TR.</p> <p><b>Issues of concern</b></p> <p>The SEC adopted rules for SBSDRs which include detailed requirements on SBSDRs and the supervisory approach in respect of SBDRS only after 9 January 2015 (assessment cut-off date). Therefore they have not been considered in the assessment. At the time of the assessment, the regulatory and supervisory policies were not clearly defined.</p>
<b>Resp. D</b>	Partly Observed	<p><b>Approach to implementing the Principles</b></p> <p>See link to Commodity Exchange Act.</p> <p>See link to the Exchange Act.</p> <p><b>Issues of concern</b></p> <p>The CFTC and the SEC have not adopted the Principles for TRs. Some limited measures have been taken and additional measures are needed.</p>
<b>Resp. E</b>	Observed	<p><b>International regulatory/supervisory/oversight cooperation – examples of arrangements</b></p> <p>See link to CFTC website with MoUs.</p> <p>See link to SEC website with MoUs.</p>

## Annex 4 – Members of the CPMI-IOSCO Implementation Monitoring Standing Group (IMSG) and assessment teams

Those members who led an assessment team have an asterisk next to their name.

### *IMSG co-chairs*

Reserve Bank of Australia	Mark Manning
Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin, German Federal Financial Supervisory Authority)	Thomas Eufinger (from September 2015)
US Securities and Exchange Commission	Haimera Workie (until September 2015)

### *Members*

Reserve Bank of Australia	Jenny Hancock
Bank of Canada	Sophie Lefebvre
European Central Bank	Tom Kokkola* Chryssa Papathanassiou
European Commission	Julien Jardelot
European Securities and Markets Authority	Maud Timon
Bank of France	Audrey Metzger*
Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin, German Federal Financial Supervisory Authority)	Edip Acat Christian Schindler Robert Duebbers
Hong Kong Monetary Authority	Stephen Pang
Securities and Exchange Board of India	Maninder Cheema (from October 2015) Shashi Kumar (until October 2015)
Bank of Italy	Veronica Fucile
Bank of Japan	Tomohiro Usui*
Financial Services Agency, Japan	Kazunari Mochizuki
Bank of Korea	Young-Seok Kim
Central Bank of the Russian Federation	Mikhail Myznikov
Monetary Authority of Singapore	Ken Nagatsuka
Sveriges Riksbank	Johanna Stenkula von Rosen*
Capital Markets Board of Turkey	Nalan Sahin Urkan
Bank of England	Andrew Powell Sarah Parkinson
Board of Governors of the Federal Reserve System	Emily Caron (from September 2015) Jennifer Lucier (until September 2015)

Federal Reserve Bank of New York	Aaron Sherman (until July 2015)
US Commodity Futures Trading Commission	Robert Wasserman Natalie Markman Radhakrishnan
US Securities and Exchange Commission	Natasha Greiner* Stephanie Kim Park (from September 2015)
International Monetary Fund	Froukelien Wendt
World Bank	Maria Teresa Chimienti
IOSCO assessment committee	Steven Bardy
IOSCO Secretariat	Manabu Kishimoto Tajinder Singh
CPMI Secretariat	Philippe Troussard Umar Faruqui Emanuel Di Stefano Bezerra Freire Tze Hon Lau Vijayakumar Kandiyil (until September 2015) Ayn du Bazane (until May 2015)

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