



Principles for Financial Markets Infrastructures. March 2011

The consultative report on Principles for Financial Market Infrastructures (FMIs) has been prepared by a joint task force of the Committee on Payment and Settlement Systems -CPSS- and the Technical Committee of the International Organization of Securities Commissions -IOSCO-.

It is intended that the principles, when finalized by early 2012, will replace the existing CPSS and CPSS-IOSCO standards for systemically important payment systems, central securities depositories, securities settlement systems, central counterparties and trade repositories.

CPSS and IOSCO believe that a single set of standards will provide greater consistency in the oversight and regulation of FMIs worldwide. Moreover, the committees believe that the new principles reflect the lessons learned from the recent financial crisis. Compared to the current standards, the report introduces a number of provisions on issues that are not addressed by the existing standards, for example on segregation and portability and general business risk.

While the CPSS and IOSCO request comments on all the proposed principles, comment with respect to the following points are particularly sought:

- a) Principle 4: credit risk
- b) Principle 7: liquidity risk
- c) Principle 14: segregation and portability
- d) Principle 15: general business risk
- e) Principles 18 to 20: access and interoperability

By the end of 2012, authorities -in accordance with the G20 recommendation- will strive to include the principles in their legal and regulatory framework and apply the principles as part of their supervisory and oversight activities. In addition, the FMIs will be expected to take appropriate actions to meet the principles

The consultative report does not contain an assessment methodology. This methodology, along with the key questions, will accompany the final report, when published and allow self assessment exercises.

Comments should be submitted by e-mail to both the CPSS secretariat - cpss@bis.org - and the IOSCO secretariat - fmi@iosco.org - no later than 29 July 2011.

All interested parties can download the consultative report at:

<http://www.iosco.org/library/pubdocs/pdf/IOSCOPD350.pdf>