



EUROPEAN CENTRAL BANK

EUROSYSTEM

7 June 2013

PRESS RELEASE

ECB CONSULTS ON DRAFT REGULATION ON OVERSIGHT REQUIREMENTS FOR SYSTEMICALLY IMPORTANT PAYMENT SYSTEMS

The European Central Bank (ECB) today publishes for public consultation a draft of its regulation on oversight requirements for systemically important payment systems. The draft regulation aims to implement in the euro area the “Principles for financial market infrastructures”, introduced in April 2012 by the Committee on Payment and Settlement Systems (CPSS) of the Bank for International Settlements and the Technical Committee of the International Organization of Securities Commissions (IOSCO). It will replace the “Core principles for systemically important payment systems”, developed by the CPSS, which the Eurosystem adopted in 2001 and has since been implementing.

The CPSS-IOSCO principles, which harmonise and strengthen existing international oversight standards, stipulate that in view of their potential to trigger systemic risks, payment systems of systemic importance should be subject to effective oversight against clearly defined and publicly disclosed criteria. In addition, competent authorities should have sufficient powers and resources to carry out their oversight tasks, including taking corrective action. The CPSS-IOSCO recommends implementing these principles to the fullest extent allowed under national legal and regulatory frameworks.

The draft regulation, which implements the CPSS-IOSCO principles in a legally binding way, covers both large-value and retail payment systems of systemic importance, whether operated by Eurosystem national central banks or private entities. It defines the criteria for qualifying a payment system as systemically important. The list identifying such payment systems and their respective operators and competent oversight authorities will be adopted by the Governing Council and published on the ECB’s website. The requirements defined in the draft regulation are aimed at ensuring efficient management of legal, credit, liquidity, operational, general business, custody, investment and other risks as well as sound governance arrangements, objective and open access and the efficiency and effectiveness of systemically important payment systems. These requirements are proportionate to the specific risks to which such systems are exposed.

The draft regulation is fully consistent with the CPSS-IOSCO principles. Where necessary, the wording of the CPSS-IOSCO principles has been revised to ensure the level of detail needed for legal certainty.

In order to ensure that payment systems operators implement the requirements effectively, the draft regulation allows oversight authorities to request corrective measures to remedy or avoid repetition of non-compliance with the regulation, and to impose effective, proportionate and dissuasive sanctions for infringements.

The draft regulation provides a transitional period of one year, allowing for the operators to familiarise themselves with and implement the requirements.

The ECB's draft regulation on oversight requirements for systemically important payment systems can be downloaded from the ECB's website. The ECB invites all interested parties to comment on the draft regulation by 9 August 2013, using the attached template. Any comments received will be made public on the internet, unless it is clearly indicated that the author does not consent to such publication. Comments should be submitted to the ECB in English, or in the relevant official Union language, at the following address:

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Comments may also be sent to the respective national central bank of the Eurosystem.

European Central Bank

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