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## PRESS RELEASE

### ECB IDENTIFIES SYSTEMICALLY IMPORTANT PAYMENTS SYSTEMS

- Four systems were identified: TARGET2, EURO1, STEP2-T and CORE(FR);
- Goal is to ensure efficient management of risks and sound governance arrangements

The European Central Bank (ECB) has identified four key payment systems that are now under the new ECB Regulation on oversight requirements for systemically important payment systems (SIPS), which entered into force on 12 August 2014. The regulation covers large-value and retail payment systems in the euro area operated by both central banks and private entities, and aims at ensuring efficient management of legal, credit, liquidity, operational, general business, custody, investment and other risks as well as sound governance arrangements, namely with a view towards promoting the smooth operation of safe and efficient payment systems in the euro area.

The four systems identified today are: TARGET2, operated by the Eurosystem; EURO1 and STEP2-T, operated by EBA CLEARING; and CORE(FR), operated by STET, a joint initiative of six major French banks. They were identified according to the combination of at least two of four main criteria, i.e. the value of payments settled, market share, cross-border relevance and provision of services to other infrastructures. The Eurosystem will review this list annually on the basis of updated statistical data.

This is the first time that the ECB makes use of its regulatory powers in the field of payment systems oversight. The SIPS Regulation is stricter than previous oversight standards and provides for sanctions and corrective measures for system operators in case of non-adherence. Furthermore, it implements and is consistent with the “Principles for financial market infrastructures” (PFMIs), introduced in April 2012 by the Committee on Payment and Settlement Systems (CPSS) of the Bank for International Settlements and the International Organization of Securities Commissions (IOSCO). “With this regulation, Europe is consolidating international practice for the oversight of SIPS into EU law, as with past efforts for other financial market infrastructures, such as the European Market Infrastructure Regulation for the supervision of central counterparties and trade repositories, and the ongoing regulatory initiative for central securities depositories” says Benoît Cœuré, member of the ECB’s Executive Board and Chairman of the CPSS.

Competent authorities, i.e. Eurosystem central banks with primary oversight responsibilities for one or more payment systems, are expected to regularly assess compliance of these systems with the SIPS Regulation.

For consistency with international practice, and to take account of the increased integration of retail payment systems in the Single Euro Payments Area (SEPA), the Eurosystem has also undertaken a comprehensive review of the oversight standards for euro retail payment systems that are not SIPS initially adopted in June 2003. As the result of this review, the ECB has published today the “Revised Oversight Framework for Retail Payment Systems”.

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