

Committee on Payments
and Market Infrastructures



Committee on Payments and Market Infrastructures

Who we are and what we do

Morten Bech, Head of CPMI Secretariat

Payments are the new cool!

Disruption of financial services

- Banks were surfing ...
- From below from fintechs
- From above by Big techs
- Which financial services under threat?



Ask banks - What financial products & services are:

- **Most affected by technological developments now?**
- **Most affected by tech developments over the next 5y?**
- **Seeing the greatest competition?**

Petralia, K, T Philippon, T Rice and N Véron (2019): "Banking disrupted? Financial intermediation in an era of transformational technology", 22nd Geneva Report on the World Economy, September.

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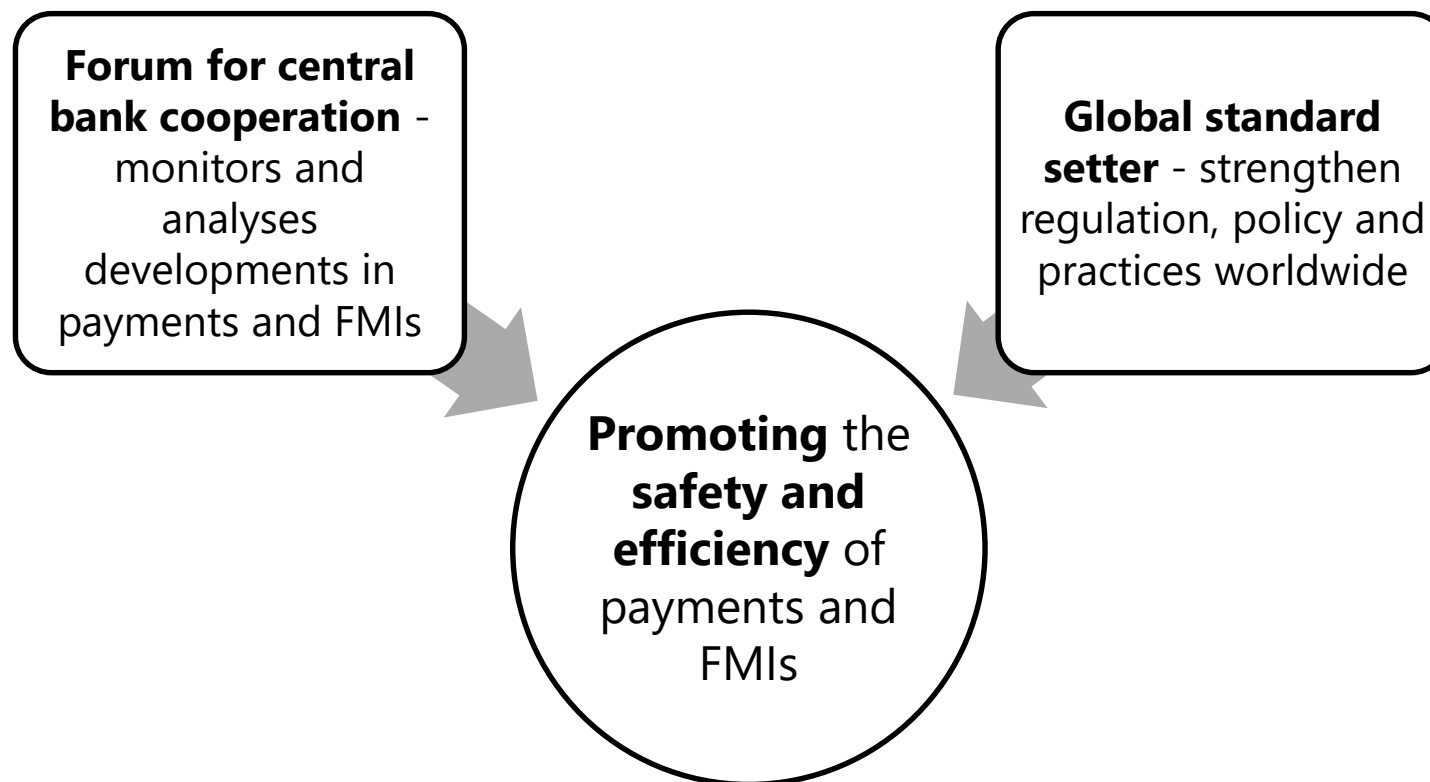


Source: Petralia, Philippon, Rice, Veron. 2019. Geneva Report on the World Economy. Preliminary and incomplete survey results (forthcoming Fall 2019).

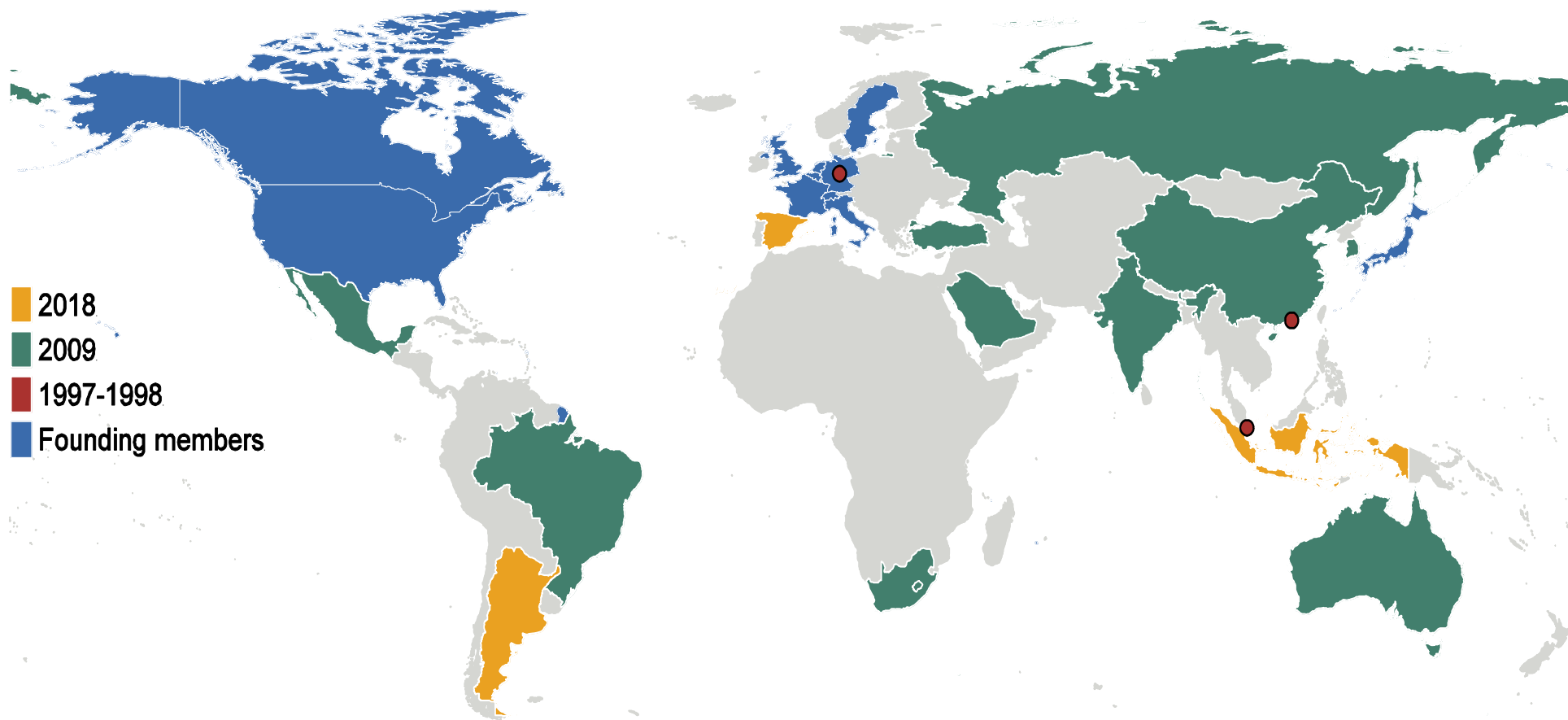
Who we are?

Dual mandate

Central banks operate payment systems and oversee/supervise FMIs



A global committee



- Complemented by active outreach and engagement with non-CPMI central banks and industry on strategic topics

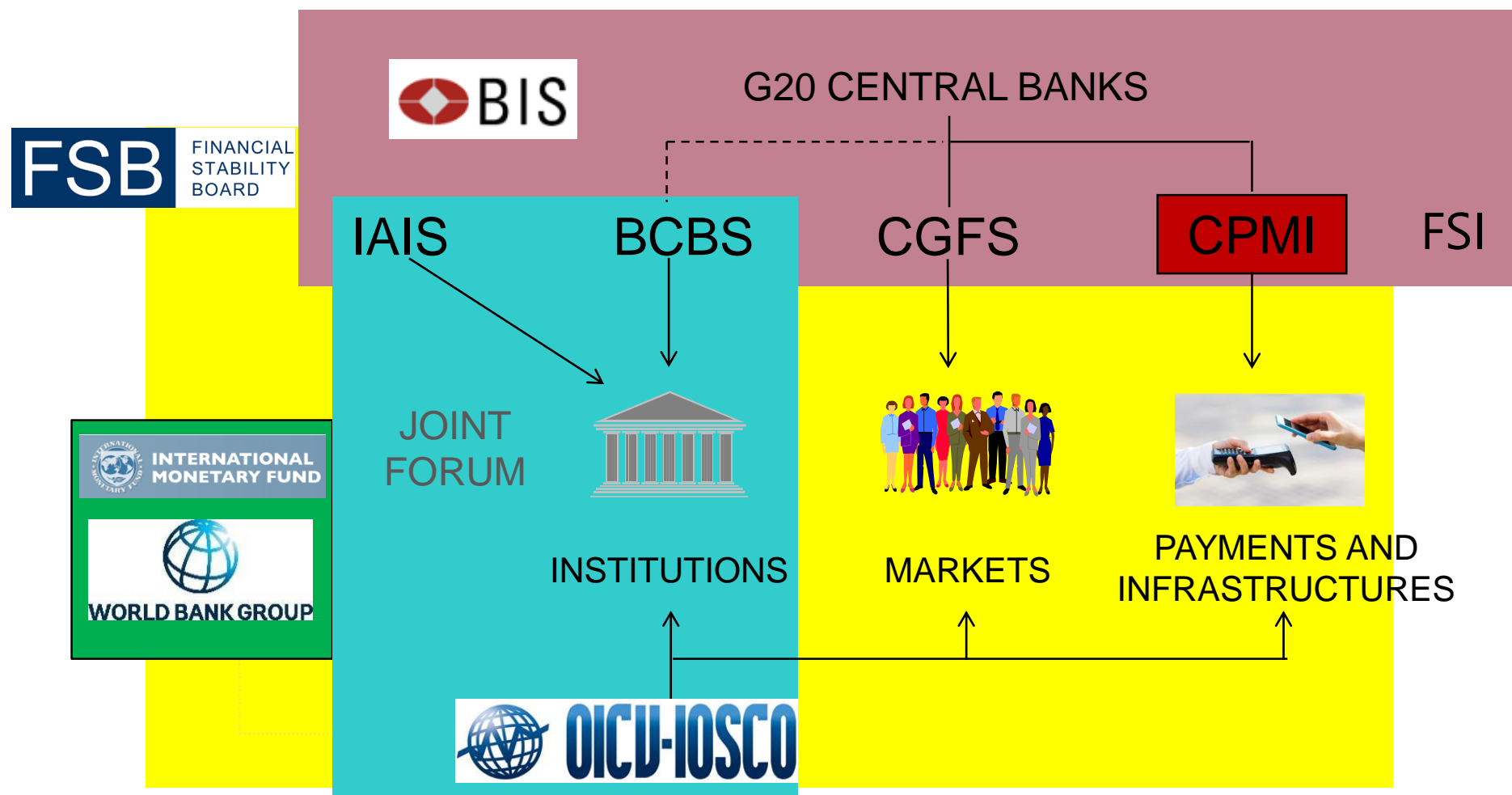
Chairs

- Sir Jon Cunliffe, Deputy Governor of the Bank of England (2020-)



- Benoît Cœuré, Member of the Executive Board of the ECB (2013-2019)
- Paul Tucker, Deputy Governor of the Bank of England (2012-13)
- William C Dudley, President of the FRB New York (2009-12)
- Timothy Geithner, President of the FRB New York (2005-09)
- Tommaso Padoa-Schioppa, Member of the Executive Board of the ECB (2000-05)
- Wendelin Hartmann, Member of the Board of the Bundesbank (1998-2000)
- William McDonough, President and CEO of the FRB New York (1994-98)
- Wayne Angell, Member of the Board of Governors of the FRS (1990-94)

Interactions with other international bodies



Overview of current CPMI work

Our game plan for 2020

1. Shape the future of payments

2. Address immediate risks in FMIs

3. Prevent future risks through effective implementation of international standards

4. Expand data collection, survey and risk analysis

1. Shape the future of payments

- 1) Investigate the cost structure and frictions of cross-border payments and potential private- and public-sector actions (roadmaps) to address the **shortcomings of current cross-border payments**
- 2) Monitor developments and provide an analytical framework for issues related to private-sector and **central bank digital currencies**
- 3) Monitor and analyse initiatives to **improve RTGS systems**

2. Address immediate risks in FMIs

- 1) Operationalise the May 2018 CPMI strategy to reduce the risk of **wholesale payments fraud** related to endpoint security
- 2) Foster broad adoption of the June 2016 CPMI-IOSCO **cyber resilience** guidance for FMIs
- 3) Address significant **FX settlement risks** through fostering broad adoption of the 2013 BCBS supervisory guidance

3. Prevent future risks through effective implementation of international standards

- 1) Facilitate the implementation of the PFMI by providing **further guidance** and sharing **emerging practices**
- 2) Continue **monitoring the implementation** of the PFMI in CPMI-IOSCO member jurisdictions
- 3) Contribute to the work of the FSB on **CCP resolution** and **LEI**

4. Expand data collection, survey and risk analysis

- 1) Collect and publish the **Red Book statistics** with the new methodology
- 2) Monitor **correspondent banking data** in cooperation with the FSB and SWIFT
- 3) **Exchange views and information** on current topics