



Recent developments Financial Market Infrastructures

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Summary

- IMF & FMI
- Financial Sector Assessment Program (FSAP)
- New Principles for Financial Market Infrastructures

The International Monetary Fund (IMF): working to foster global monetary cooperation, secure financial stability, facilitate international trade, promote high employment and sustainable economic growth, and reduce poverty around the world.

Activities:

- Surveillance (includes FSAPs and use of international standards)
- Technical Assistance
- Lending

FSAPs are joint responsibility of the IMF and World Bank

Financial Sector Assessment Program (FSAP)

- Established in 1999: comprehensive and in-depth analysis of a country's financial sector
- Revamp of program in light of crisis
 - Improve the quality and incorporate the lessons from the recent crisis.
 - More flexible
 - Better integrated with the IMF's surveillance
 - Clearer delineation of institutional responsibilities for stability and development
- Countries with systemically important financial sectors are required to undergo financial stability assessments every five years (G20 commitment)
- Boards of IMF and World Bank endorsed use of CPSS-IOSCO Principles for FMIs

FMI Principles - Objectives

Harmonize existing standards

- Core Principles for systemically important payment systems
- Recommendations for securities settlement systems
- Recommendations for central counterparties

Strengthen existing standards

- Lessons from the crisis
- Experience in applying standards

Ensure consistent applications

- CPSS-IOSCO members commit to apply 'to the fullest extent possible'

Enhance safety and efficiency in payment, clearing, settlement and recording arrangements – **limit systemic risk!**

FMI Principles – Implementation

Implementation in legal and regulatory framework by the end of 2012

Self assessments by FMI

- Ongoing basis
- Discuss findings with authorities
- Complete the CPSS-IOSCO disclosure framework (Principle 23)

Assessments by authorities (central bank, regulators,...)

- Assessment of FMIs in jurisdiction
- Promote observance

Assessments by international financial institutions (IMF, World Bank)

- Financial Sector Assessment Program (FSAP)
- Technical assistance