

Corporate & Financial Weekly Digest

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CPSS and IOSCO Publish Principles for Financial Market Infrastructures

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The Committee on Payment and Settlement Systems (CPSS) and the Technical Committee of the International Organization of Securities Commissions (IOSCO) have released for public comment a report proposing a set of 24 new "principles" intended to ensure the global stability of "financial markets infrastructures" that facilitate the recording, clearing and settlement of financial transactions (including all systemically important payment systems, central securities depositories, securities settlement systems, central counterparties and trade repositories) in the event of market stress and financial crises. CPSS-IOSCO's goal in issuing the report is to bring consistency to the oversight and regulation of financial market infrastructures. The principles are designed to harmonize and strengthen current risk management standards, in particular: (1) the financial resources and risk management procedures a financial markets intermediary uses to cope with the default of participants; (2) the mitigation of operational risk; and (3) the links and other interdependencies between financial markets intermediaries through which operational and financial risks can spread. The report also introduces new principles with respect to segregation and portability, tiered participation and general business risk. The CPSS-IOSCO cover letter requests comment on a number of issues with respect to the proposed principles.

Comments on the new principles are due by July 29.

The report is available [here](#).

The cover letter is available [here](#).

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