

**The CNMV has adopted ESMA's Guidelines and Recommendations regarding the implementation of CPMI-IOSCO's Principles for Financial Market Infrastructures in respect of central counterparties and will apply those international principles when discharging its supervisory duties.**

7 November 2014

## **Adoption of ESMA's Guidelines and Recommendations**

Spain's National Securities Market Commission (CNMV) has decided to adopt ESMA's Guidelines and Recommendations regarding the implementation of CPMI-IOSCO's Principles for Financial Market Infrastructures (PFMI) in respect of central counterparties (CCP), published on 4 September 2014.

The "Principles for Financial Market Infrastructures" (hereinafter, PFMI), drafted jointly by the Technical Committee of the International Organization of Securities Commissions (IOSCO) and the Committee on Payments and Market Infrastructures (CPMI, formerly CPSS), were published in April 2012. The document reviewed international standards for the functioning of market infrastructures and, specifically, central counterparty services, such as those currently provided in Spain by BME Clearing.

On 14 December 2012, the document "Disclosure Framework and Assessment Methodology" was published, establishing the method by which market infrastructures' compliance with the principles should be evaluated, and indicating how such evaluations should be disclosed publicly to all interested parties.

Both EMIR and its regulatory and implementing technical standards establish requirements that are consistently aligned with the PFMI, although the regulatory framework under EMIR does not always use the same operational language as the Principles. ESMA drafted the above-mentioned guidelines to clarify that the objective of the legislator and of ESMA in developing legislation applicable to all central counterparties is for their application to be consistent with the PFMI. As a result, the sole guideline and recommendation in that document states:

*"EMIR and the regulatory and implementing technical standards made under it establish requirements which are consistent with the Principles for Financial Market Infrastructures published by CPMI-IOSCO. When carrying out the duties resulting from EMIR for the authorisation and supervision of CCPs, competent authorities should ensure that CCPs established in their territory comply with these requirements in accordance with the PFMIs and operate in a manner that is consistent with them."*

The CNMV has written to the Spanish institutions that currently provide central counterparty services to inform them that it will take those guidelines into account when performing its authorisation and supervision duties.

## **CNMV's use of PFMI as a reference in discharging its supervisory duties in connection with CCPs**

Additionally, and in line with the adoption of ESMA's Guidelines and Recommendations, the CNMV announces that it will encourage comprehensive observance with all the CPMI-IOSCO's PFMI's by CCPs established in Spain, and will oversee such compliance as part of its supervisory activities.

The CNMV has used CPMI-IOSCO's international principles in their various versions as a reference in supervising CCPs and has participated actively in their development. In January 2013, following the publication of the new PFMI and the evaluation methodology, the relevant CCPs were informed that the CNMV expected them to comply fully with those Principles.

In this communiqué, the CNMV reiterates its commitment to the adoption of international standards by Spanish infrastructures so as to ensure a more secure environment for the performance of their activities and full international convergence of those infrastructures with their counterparts in other jurisdictions.