Global Payments week

Western Hemisphere Payments and Securities Settlement Forum

Recent developments

October/2012
• Discussion on liquidity provision from BCB and resolution of FMIs
• Working group discussing needs for fulfill of PFMI
  • regulatory changes
  • oversight instruments
• Discussion on authority over trade repositories
• Study the adoption of IBAN for account identification for cross border usage
• Working group for mapping national message standards with ISO 20022
Securites market

- Cooperation with securities commission
- Trade repository and securities settlement system for interbank market of bank loans
- Possibility of entering of new trading platforms and clearing and settlement systems
- Competition concerns, interoperability and access
Securites market

• Initiative of securities commission on higher validation controls for registration of paper based assets
• Integration of equities, derivatives and forex systems and CCP
• Draft of regulation of capital requirement including exposures to CCPs
• CLS proposal
  • development of initial seminars
OTC derivatives reform

• Peculiarity of brazilian market
  • high degree of trades on trading platforms
  • high degree of settlement through CCP
• Discussions on need for regulation
• Bilateral collateral management for OTC derivatives
• Studies for risk additional risk management tools for OTC derivatives
• Development of intraday real time monitoring tools comparing real time data with historical patterns
• Development of an off line contingency module
• Working group mapping alternative solutions on case of a total failure
• Web based contingency platform
• Improvement of the optimization of liquidity usage
• Creation of pre scheduled transfer
• Intraday credit for non bank participants
Payment systems and instruments

• Cheque
  • Truncation
  • obligation of banks to educate clients on the cheque usage
  • provision of information
• Payment cards
  • multi scheme payment acquirers
  • new entrants on acquiring market
Payment systems and instruments

- Settlement of transfers above R$ 1 million (USD 500 thousand) only on Central Bank’s system
- EBPP and improvements on bills’ fund transfers
- Interdepartmental working group on regulation of payment institutions
- Standardization of banking fees
Financial System Assessment Program

- Pretest of PFMI and assessment methodology
- Conducted by the WB from November/11 to February/12
- Preliminary results
  - high compliance with international standards
  - mandatory reporting derivatives transactions
  - risks stemming from derivatives transactions are contained, as regulations are strict and risk mitigation mechanisms by the clearing houses work well
  - CB has data links with clearing houses and registrars to monitor financial system