

Principles for Financial Market Infrastructures

28th January 2024

CORE VALUES: Integrity, Mutual Respect & Team Work, Accountability and Excellence



CONTENT



Communications Journey

- A. Regulation, Supervision, and Oversight of FMIs
- B. Regulatory, Supervisory, and Oversight powers and resources
- C. Disclosure of policies with respect to FMIs
- D. Application of the principles for FMIs
- E. Cooperation with other Authorities



A. Regulation, Supervision, and Oversight of FMIs

FMIs should be subject to appropriate and effective regulation, supervision, and oversight by a Central Bank, market regulator, or other relevant authority.

| KEY CONSIDERATIONS | IMPLEMENTATION |
|---|---|
| Authorities should clearly define and publicly disclose the criteria used to identify FMIs that should be subject to regulation, supervision, and oversight. | <ul style="list-style-type: none">▪ The criteria are publically disclosed in the laws and regulations at BNR website and in official gazette as laws and regulations are concerned. |
| FMIs that have been identified using these criteria should be regulated, supervised, and overseen by a central bank, market regulator, or other relevant authority. | <ul style="list-style-type: none">▪ FMIs that have been identified are RIPPS (RTGS, ACH,CSD, SSS) .▪ The National Bank of Rwanda regulate, supervise or oversee the Payment systems, CSD and Securities settlement systems.▪ BNR and CMA have an MoU with the aim of cooperation in the supervision of the CSD. |

B. Regulatory, Supervisory, and Oversight powers and resources



Central Banks,market regulators, and other relevant authorities should have the powers and resources to carry out effectively their responsibilities in regulating, supervising, and overseeing FMIIs.

| KEY CONSIDERATIONS | IMPLEMENTATION |
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| <ul style="list-style-type: none">▪ Authorities should have powers or other authority consistent with their relevant responsibilities, including the ability to obtain timely information and to induce change or enforce corrective action. | <ul style="list-style-type: none">▪ Pursuant to the article 4 of the Payment System Law, The National Bank of Rwanda has the power to regulate, oversee and supervise the payment systems and payment services being operated in Rwanda.▪ Article 5 of the Payment System Law “The National Bank of Rwanda may at any time request from payment service providers or payment system operators any information, document, clarification, proof and any other element it may require. |
| <ul style="list-style-type: none">▪ Authorities should have sufficient resources to fulfil their regulatory, supervisory, and oversight responsibilities. | <ul style="list-style-type: none">▪ In line with the expected outcome within a period, a business plan is developed in line with the available resources, and at the end of that period, the evaluation of the performance is carried out. |



C. Disclosure of policies with respect to FMIs

Central Banks, market regulators, and other relevant authorities should clearly define and disclose their regulatory, supervisory, and oversight policies with respect to FMIs.

| KEY CONSIDERATIONS | IMPLEMENTATION |
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| <ul style="list-style-type: none">▪ Authorities should clearly define their policies with respect to FMIs, which include the authorities’ objectives, roles, and regulations. | <ul style="list-style-type: none">▪ The Central Bank has put in place the Payment System Law, which defines the objectives, roles and regulatory functions of BNR. |
| <ul style="list-style-type: none">▪ Authorities should publicly disclose their relevant policies with respect to the regulation, supervision, and oversight of FMIs. | <ul style="list-style-type: none">▪ The BNR consult the stakeholders to discuss policies and which are disclosed on the website. |



D. Application of the principles for FMIs

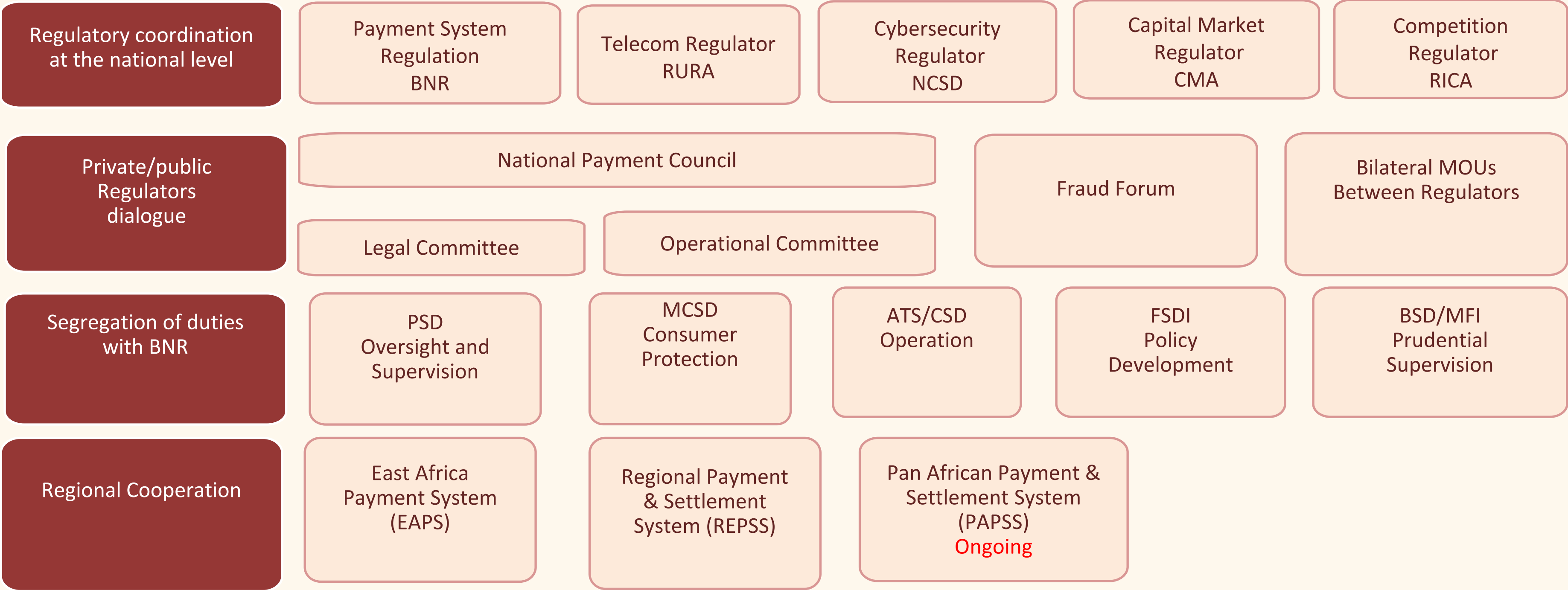
Central Banks, market regulators, and other relevant authorities should adopt the CPSS-IOSCO Principles for financial market infrastructures and apply them consistently.

| KEY CONSIDERATIONS | IMPLEMENTATION |
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| ▪ Authorities should adopt the CPSS-IOSCO Principles for financial market infrastructures. | Under the Oversight Policy Framework, the BNR clearly adopted the PFMI. The Oversight Policy Framework states that The Principles for Financial markets Infrastructure and the Disclosure and Assessment Methodology (BIS/IOSCO: 2012) shall be the current de facto standards, in assessing financial market infrastructure in Rwanda. |
| ▪ Authorities should ensure that these principles are, at a minimum, applied to all systemically important payment systems, CSDs, SSSs, CCPs, and TRs. | BNR applies PFMI to all FMIs identified in the Oversight Policy Framework. Thus, the Central Bank applies the PFMI to Payment systems such as Automated Transfer systems which include RTGS and ACH. The Central bank also applies the PFMI to CSD which also performs securities settlement services. |
| ▪ Authorities should apply these principles consistently within and across jurisdictions, including across borders, and to each type of FMI covered by the principles. | The principles are applied to the FMIs operating in the Republic of Rwanda. |



E. Cooperation with other Authorities

Central Banks,market regulators, and other relevant authorities should cooperate with each other, both domestically and internationally, as appropriate, in promoting the safety and efficiency of FMIs.



Challenges and Way Forward



| KEY CONSIDERATIONS | IMPLEMENTATION |
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| ▪ Harmonization of regulatory frameworks for cross border payment systems. | ▪ Work closely with regulatory bodies in each Country to harmonize regulations. |
| ▪ Cooperation with other regulators for supervision of payment systems. | ▪ Establish a Joint Working Group |
| ▪ Operations and oversight functions being in the same institution may affect the supervision process. | ▪ To define clearly, layers of supervision for FMIs. |

THANK YOU

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