



Bank Of Zambia

OFFICE OF THE SENIOR DIRECTOR – SUPERVISORY POLICY

03rd February 2015

CB Circular No : 4 /2015

To : All Institutions operating Financial Market Infrastructures

PRINCIPLES FOR FINANCIAL MARKET INFRASTRUCTURES

The Bank of Zambia wishes to advise that the Committee on Payments and Settlement Systems and the International Organisation for Securities Commission (CPSS-IOSCO) of the Bank for International Settlementment (BIS) issued in April 2012 Principles for Financial Market Infrastructures (FMI). The Principles are aimed at harmonising and, where appropriate, strengthening the existing international standards for payment systems that are systemically important, central securities depositories (CSDs), securities settlement systems (SSSs), and central counterparties (CCPs). The Principles also incorporate additional guidance for over-the-counter (OTC) derivatives CCPs and trade repositories (TRs).

For the purposes of these Principles, a Financial Market Infrastructure is defined as a multilateral system among participating financial institutions, including the operator of the system, used for the purposes of recording, clearing, or settling payments, securities, derivatives, or other financial transactions.

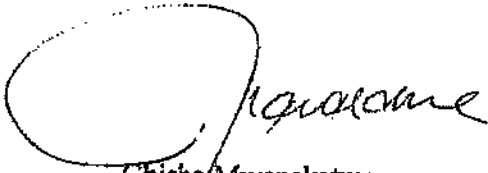
The Principles are expressed as broad principles in recognition that FMIs can differ in organisation, function, and design, and that there are often different ways to achieve a particular result. In some cases, the principles also incorporate a specific minimum requirement to ensure a common base-level of risk management across FMIs and countries.

To this end, all institutions that operate the above mentioned infrastructures are hereby required to comply with the applicable Principles for Financial Market Infrastructures.

In effecting these principles, the relevant institutions are required to conduct annual Self-Assessments in a prescribed format and submit these assessments to Bank of Zambia by 31st March of the following year. It is expected that all the relevant institutions will be fully compliant by end December 2016.

Please find attached the Principles and the Disclosure Framework and Assessment Methodology for your use.

Should you need any clarifications, do not hesitate to contact the Director – Banking
Currency and Payment Systems.



Chisha Mwanakatwe

Senior Director – Supervisory Policy

Cc: Governor
Deputy Governor – Administration
Senior Director – Monetary Policy
Director – Financial Markets
Acting Director – Banking Currency & Payment Systems