

Secretariat to the Financial Stability Board  
Bank for International Settlements  
Centralbahnplatz 2  
CH-4002 Basel  
Switzerland

Your ref	Our ref	Date
	EBACL 170169	8 February 2017

**Classification:** Public

**Re. Consultation on Guidance on Continuity of Access to FMIs for a Firm in Resolution**

Dear Madam, Dear Sir,

EBA CLEARING welcomes the opportunity provided by the Financial Stability Board to reply to the consultative report on Guidance on Continuity of Access to FMIs for a Firm in Resolution. EBA CLEARING generally supports the guidance, the definitions and the structure of addressing guidance to both FMIs, FMI Participants (Firms) and the relevant authorities.

EBA CLEARING below provides comments to a small number of the described arrangements.

#### Section 1

EBA CLEARING, as provider of pan-European payment infrastructure solutions, fully supports the idea that the FMI's rules and contracts should be generally applicable and should not discriminate between domestic and foreign FMI participants.

EBA CLEARING further supports the notion that FMIs should retain the ability to terminate, suspend or restrict participation where the Firm in Resolution fails to meet its obligations under the rules of the system, or where the safe and orderly operations could be compromised. In EBA CLEARING's view entry into resolution is not a reason for automated termination or suspension.

EBA CLEARING would support additional guidance on the channels for information sharing - which may be time critical - between FMIs and the relevant authorities, in the lead up-to, at the time of entry into, and during, resolution.

One particular comment relates to section 1.4 which requires FMIs to regularly test the effectiveness of rules, arrangements etc. addressing resolution scenarios. To ensure truly effective testing this requirement should be extended to FMI Participants and authorities as well and the requirement should encompass joint tests.

### Section 3


In EBA CLEARING's view there could indeed be tension between various financial stability objectives achieved through vigorous risk management at the level of FMIs, either inherent to the FMI operations or otherwise required through the FMI authorities' standards, and Firms in Resolution continuing providing services to their clients through participation in an FMI. Stating in the guidance document that conflicting priorities exist and that authorities should consider them as part of resolution planning, and that they should discuss matters affecting continuity of access to FMIs periodically, if meant as guidance, lacks any concrete measure. EBA CLEARING suggests that the FSB provides further guidance to authorities of FMIs and those of Firms which addresses how the authorities should resolve any conflict, e.g. by setting principles for determining priorities.

In addition to the information sharing by resolution authorities of a Firm with the relevant authorities of providers of critical FMI services, EBA CLEARING would welcome the development of practical solutions for timely pushed information by resolution authorities to all FMIs concerned, preferably through a uniform channel, on the entry into resolution of a Firm.

Yours faithfully,



Hays Littlejohn  
Chief Executive Officer



Caroline Neyrinck  
General Council

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## About EBA CLEARING

EBA CLEARING is a bank-owned provider of pan-European payment infrastructure solutions. The Company was established in June 1998 by 52 major European and international banks with the mission to own and operate EURO1, the only privately owned RTGS-equivalent large-value payment system on a multilateral net basis. Since 2000, EBA CLEARING has been running the STEP1 single payment service on the EURO1 platform, which is geared at medium-sized and smaller banks. EBA CLEARING also owns and operates STEP2-T, a Pan-European Automated Clearing House (PE-ACH) for processing euro retail payments. Today, EBA CLEARING counts over fifty shareholder banks and, through its EURO1 and STEP2-T systems, offers both high-value and low-value clearing and settlement services to a wide community of banks in the European Union.

Both EURO1 and STEP2-T have been classified by the Eurosystem as systemically important payment systems. The systems are held to the highest oversight requirements as laid down in Regulation of the European Central Bank (EU) No 795/2014 of 3 July 2014 on oversight requirements for systemically important payment systems (ECB/2014/28), which implements and is consistent with the “Principles for financial market infrastructures” (PFMIs), introduced in April 2012 by the Committee on Payment and Settlement Systems (CPSS) of the Bank for International Settlements and the International Organization of Securities Commissions (IOSCO). The European Central Bank is the Competent Authority for the oversight of the EURO1 and STEP2-T systems.