



Paris, 26<sup>th</sup> March 2018

## 2017 Oversight Report- Press Release

The Banque de France reports to the public on the performance of its duty to oversee financial market infrastructures and cashless payment instruments. [This report covers the 2015-2017 period.](#)

The Banque de France's tasks were conducted in a shifting regulatory environment with the amendment of the ECB Regulation on oversight requirements for systemically important payment systems (SIPS) published on 16 November 2017, and the first review – still underway – by the European Commission of the European market and infrastructure regulation (EMIR) on the requirements applicable to central counterparties and central data repositories, focusing in particular on the supervision of third-country central counterparties. In this respect, the United Kingdom's decision to leave the European Union and the European Economic Area makes these tasks particularly important. At the international level, work has centred on the recovery and resolution of CCPs, in order to complete the international arrangements introduced to ensure the resilience of CCPs, given the systemic importance of these infrastructures. The growing significance of cybersecurity risks for infrastructures and payment instruments has also led to the definition of new requirements regarding both data integrity and the implementation of specific prevention and response arrangements, involving all stakeholders, from users to critical service providers.

The Banque de France's oversight of financial market infrastructures operating in France was punctuated by a review of major developments: renewal of the derivatives markets clearing contract between LCH SA and Euronext, migration to the pan-European securities settlement platform (T2S) for Euroclear France, and the go-live of SEPA.EU. The assessment of CORE(FR), as required by the regulation on systemically important payment systems (SIPS), deemed that the retail payment system was broadly compliant with Eurosystem requirements.

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In the area of cashless payment instruments, work largely focused on the creation of the *Comité national des paiements scripturaux* (“CNPS” – National Cashless Payments Committee) in April 2016, followed by the broadening of the remit of the *Observatoire de la Sécurité des Cartes de Paiement* (“OSCP” – Observatory for Payment Card Security) to all cashless payment instruments. In December 2016, the OSCP became the *Observatoire de la Sécurité des Moyens de Paiement* (“OSMP” – Observatory for the Security of Payment Means). France now has a governance structure capable of steering key political choices to ensure the development of innovative and effective payment instruments and their security, as a precondition to their development. These tasks contributed notably to defining security requirements in the framework of the second European directive on payment services (“PSD2”), which entered into force on 13 January 2018. In particular, these requirements concern the strong customer authentication of critical transactions and secure communication interfaces.

As an independent institution, **the Banque de France** has three main tasks: monetary strategy, financial stability, and services to the economy. It contributes to the definition of monetary policy in the euro area and its implementation in France; it supervises banks and insurance companies and ensures the sound management of risk; it provides many services to businesses and individuals.

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