3.5 Exposure Draft on Guidance Paper for Resolvability Assessment - Continuity of Access to Financial Market Infrastructures

Respondents are generally supportive of the proposed requirements to ensure continuity of access to FMI arrangements in resolution. Feedback focused primarily on implementation and clarification matters, including FMI dependency mapping, the application of the requirements to DTMs with indirect or cross-border FMI arrangements, the treatment of trade repositories, and the scope, frequency and flexibility of the proposed reporting requirements.

a. Identification and Mapping of FMI Relationships

Feedback Received
Industry feedback on the proposed guidance paper, self-assessment checklist and FMI reporting template was broadly supportive. Respondents generally viewed these materials as providing useful clarification of the PIDM's expectations relating to continuity of access to FMI arrangements. Some respondents sought further guidance on identification and mapping FMI dependencies, particularly in relation to foreign FMI contractual negotiations, practical implementation for smaller DTMs with indirect FMI participation models, and proportionality considerations in ensuring continuity of access to FMI. Respondents also sought clarification on whether trade repositories fall within the scope of continuity of access to FMIs for a DTM in resolution. In relation to implementation, respondents requested further clarification on the minimum scope of reporting requirements for DTMs that are subject to Tailored Requirements, the expected reporting frequency, including whether reporting would be periodic or on request, and the degree of flexibility permitted in the format of information submitted relative to prescribed reporting templates.

Preliminary Response by PIDM
PIDM notes the feedback provided. PIDM clarifies that trade repositories are not within the scope of continuity of access to FMIs, consistent with the Financial Stability Board's Guidance on Continuity of Access to FMIs for a Firm in Resolution. PIDM notes that identifying and documenting FMI dependencies may be practically challenging, particularly where access to FMI is facilitated through group entities, affiliates or other financial intermediaries. DTMs are expected to identify FMI dependencies that may

Preliminary Response by PIDM
affect the continuity of critical functions or the effective execution of their transfer strategy, including dependencies arising from both direct and indirect access arrangements. For DTMs that are subject to Tailored Requirements, PIDM notes the feedback on the reporting scope, frequency and submission requirements and the flexibility in the format of information submitted. As the guidance paper on Access to FMI will be issued at a later date, PIDM will take into account the feedback received when reviewing and finalising the guidance for issuance.

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