

**DRAFT "REGULATION OF THE EUROPEAN CENTRAL BANK AMENDING REGULATION (EU) No 795\_2014 OF THE EUROPEAN CENTRAL BANK ON OVERSIGHT REQUIREMENTS FOR SYSTEMICALLY IMPORTANT PAYMENT SYSTEMS"**

Name of the originator (e.g. name of the company or association)	BANCO BILBAO VIZCAYA ARGENTARIA S.A.	ISO code of the country of the originator	ES
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Issue	Comment	Reasoning
<b>Article 1.6 2.a</b>	Amendment	<p>The newly proposed changes to the definition of ‘deferred net settlement system’ should be removed. The proposed amendment of the definition of a “deferred net settlement system” is not consistent with the PFMI and the related objectives of previous reports by the CPMI (formerly CPSS).</p> <p>A specific definition that would apply solely to a single type of FMIs (payment systems as opposed to other types of FMIs such as securities settlement systems) and to SIPS operators that are located in the Eurozone only, would lead to undesirable uncertainty regarding the interpretation of the requirements that the PFMI seek to apply globally to ensure a level playing field.</p> <p>The proposed changes are not consistent with previous CPMI (formerly CPSS) reports. Delivery versus Payment deferred net settlement systems should be permitted.</p>
<b>Article 1.6 – draft changes to Article 8 on Liquidity risk</b>	<b>Modification</b>	<p>The proposed imposition of a "financial obligation" for Deferred net settlement systems with “Delivery versus Payment” would be unduly prescriptive and inconsistent with the principle of proportionality. It would create unnecessary liquidity and credit risk and is neither necessary nor appropriate to ensure same-day settlement if any one participant fails to settle. This risk could be equally and more efficiently mitigated by alternative arrangements.</p>