

**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 (i.e. name of the company or association)	SOCIETE GENERALE	ISO code of the country of the originator	FR
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**Comments on the draft Regulation of the European Central Bank amending the Regulation (EU) No 795\_2014 on oversight requirements for systemically important payment systems`**

Issue	Comment	Reasoning
General Comment / Amendment	Choose an item.	The revised draft regulation further enhances the difference of requirements for the four SIPS (and in particular for the two "retail" SIPS) and the other categories of payment systems which are active on the market. We are concerned that the proposed changes, which would unavoidably mean higher liquidity, management and development costs at SIPS, could result in traffic moving to payment systems which are not defined as being systemically important. We therefore recommend the application of a strict level playing field between the different existing payment systems, as systemic risks ("domino effect") could also derive from participants in other payment systems types.
Article 2	Clarification	The definition of the moment when "financial obligations" are established should be clarified, in particular for payment orders that will have an impact on the payer bank and which can be entered in the system days before the final net settlement positions are established (this is for example the case for SDD which can be sent from D-14 up to D-1).

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Article 8	Clarification	The fact that the “financial obligation” would start at the moment the payment order enters the payment system would induce major process changes for the system’s participants. Indeed, as each participant would have to guarantee its positions from the moment in which the financial obligations are established, liquidity optimization by each participant would result in changing day-profiles and a lesser fluidity of the exchanges. This could in turn bring higher operational risks as participants could decide to delay the submission of their orders during the day, with peaks of exchanges happening just before cut-off times or before certain periods of the day.
Final provisions / Amendment	Choose an item.	“SIPS operators shall have one year from the date of entry into force to comply with the requirements laid down in this Regulation.” We recommend that entry into force be further delayed since one year does not seem to be an adequate timing (neither for system operators nor for their participants) to make the so structural changes implied by the revised SIPS regulation. Please also take note that SIPS participants will be involved in other major regulatory or public policy driven reforms that are due to be delivered in 2018 (e.g. PSD2/RTS and instant payments).