

FMI STANDARD 23: DISCLOSURE OF RULES, KEY PROCEDURES, AND MARKET DATA

FS23



DOCUMENT VERSION HISTORY

1 March 2024	First issue date
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INTRODUCTION

Application

- i. This standard applies to every operator of a designated FMI that was specified in its designation notice under section 29(2)(f) of the Financial Market Infrastructures Act 2021 (the **Act**) as falling within one or more of the following classes of designated FMIs:
 - (a) a pure payment system; or
 - (b) a securities settlement system; or
 - (c) a central securities depository; or
 - (d) a central counterparty.

Legal powers

- ii. Under section 8 of the Act the regulator is defined as the RBNZ and the FMA acting jointly (or the RBNZ acting on its own in relation to pure payment systems).
- iii. Section 12 of the Act provides the regulator's functions. These include regulating designated FMIs, dealing with designated FMIs that are distressed, and other functions under the Act.
- iv. Subject to certain statutory prerequisites, section 31 of the Act empowers the regulator to make standards for designated FMIs.
- v. Section 34 sets out the matters that standards may deal with or otherwise relate to. Section 34(1)(i) provides that a standard may deal with, or otherwise relate to, the public disclosure of information relating to operators or designated FMIs.

Interpretation

- vi. Words and phrases used in this standard have the same meaning as in the Act.

Commencement

- vii. This standard comes into force on 1 March 2024.

REQUIREMENTS

- 1) An operator must have, and publicly disclose, rules and procedures for the FMI that give participants and future participants sufficient information to have a reasonable understanding of the risks, fees, and other material costs they incur by participating in the FMI.
- 2) Further to the requirements in clause (1), an operator must:
 - a) publicly disclose, on an internet website maintained by, or on behalf of, the operator, clear descriptions of the system's design and operations, as well as the FMI's and participants' rights and obligations; and
 - b) provide all necessary and appropriate documentation and training to facilitate participants' understanding of the FMI's rules and procedures, and the risks they face from participating in the FMI; and
 - c) publicly disclose the FMI's fees at the level of individual services the FMI offers, the FMI's policies on any available discounts, and clear descriptions of priced services for comparability purposes; and
 - d) publicly disclose basic data on transaction volumes and values.

(See Guidance for Standard 23: 'Disclosure of rules, key procedures, and market data', in Guidance for the FMI Standards for more detail).