

DECISION OF THE EUROPEAN CENTRAL BANK

of 4 May 2020

on the identification of MASTERCARD CLEARING MANAGEMENT SYSTEM as a systemically important payment system pursuant to Regulation (EU) No 795/2014 on oversight requirements for systemically important payment systems

(ECB/2020/26)

THE GOVERNING COUNCIL OF THE EUROPEAN CENTRAL BANK,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 127(2) thereof,

Having regard to the Statute of the European System of Central Banks and of the European Central Bank, and in particular Article 3.1, Article 22 and Article 34.1 thereof,

Having regard to Regulation (EU) No 795/2014 of the European Central Bank of 3 July 2014 on oversight requirements for systemically important payment systems (ECB/2014/28)¹, and in particular Articles 1(2) and 1(3) thereof,

Whereas:

- (1) The fourth indent of Article 127(2) of the Treaty and the fourth indent of Article 3.1 of the Statute of the European System of Central Banks and of the European Central Bank (hereinafter the 'Statute of the ESCB') empower the Eurosystem to promote the smooth operation of payment systems.
- (2) The Eurosystem promotes the smooth operation of payment systems, inter alia, by conducting oversight.
- (3) The European Central Bank (ECB) has implemented the principles for financial market infrastructures issued by the Committee on Payment and Settlement Systems (CPSS) of the Bank for International Settlements (BIS) and the Technical Committee of the International Organization of Securities Commission (IOSCO) (hereinafter the 'CPSS-IOSCO principles'), which harmonise and strengthen existing international oversight standards for, inter alia, systemically important payment systems, by means of Regulation (EU) No 795/2014.

¹ OJ L 217, 23.7.2014, p. 16.

- (4) In order to carry out the identification exercise per payment system pursuant to Article 1(2) of Regulation (EU) No 795/2014, the Governing Council is verifying that the criterion mentioned in Article 1(3)(a) of Regulation (EU) No 795/2014 is fulfilled, and that two out of four of the criteria mentioned in Article 1(3)(b) of Regulation (EU) No 795/2014 are fulfilled, as described in the annex to this Decision. For the verification exercise on which this Decision is based, public data for the calendar year 2017 has been used, combined with responses to ECB surveys.
- (5) The ECB and the national central banks may coordinate their actions as appropriate when carrying out the tasks entrusted to the European System of Central Banks.
- (6) As competent authorities, the ECB and the Nationale Bank van België/Banque Nationale de Belgique should coordinate their interactions with, and any requests addressed to, Mastercard Europe SA, and a request from either of them should be addressed by the system operator as if it originated from both. Such coordination should take place on the basis of procedural rules established by the Governing Council,

HAS ADOPTED THIS DECISION:

Article 1

Definitions

Terms used in this Decision have the same meaning as those in Regulation (EU) No 795/2014.

Article 2

Identification of SIPS and SIPS operator

1. MASTERCARD CLEARING MANAGEMENT SYSTEM shall be identified as a systemically important payment system for the purposes of Regulation (EU) No 795/2014.
2. In its capacity as operator of MASTERCARD CLEARING MANAGEMENT SYSTEM, Mastercard Europe SA shall ensure that this systemically important payment system complies with the requirements set out in Articles 3 to 21 of Regulation (EU) No 795/2014.

Article 3

Competent authorities

1. The European Central Bank (ECB) and the Nationale Bank van België/Banque Nationale de Belgique (NBB) shall be the competent authorities for the oversight of MASTERCARD CLEARING MANAGEMENT SYSTEM.
2. The ECB and the NBB shall coordinate their interactions with, and any requests addressed to, Mastercard Europe SA, on the basis of procedural rules established by the Governing Council.

3. In its capacity as operator of MASTERCARD CLEARING MANAGEMENT SYSTEM, Mastercard Europe SA shall address a request from either the ECB or the NBB as if it originated from both of them.

Article 4

Taking effect

This Decision shall take effect on the day of its notification to the addressee.

Article 5

Addressee

This Decision is addressed to MASTERCARD EUROPE SA (Société Anonyme) Chaussée de Tervuren 198A - 1410 Waterloo, Belgium, in its capacity as SIPS operator of MASTERCARD CLEARING MANAGEMENT SYSTEM.

Done at Frankfurt am Main, 4 May 2020.

[signed]

The President of the ECB

Christine LAGARDE

MASTER CARD EUROPE measured against the criteria set out in Article 1(3) of Regulation (EU) No 795/2014

Criterion	MASTERCARD CLEARING MANAGEMENT SYSTEM
(a) eligible to be notified as a system pursuant to Directive 98/26/EC of the European Parliament and of the Council ¹ by a Member State whose currency is the euro or operator is established in the euro area	Mastercard Europe SA is established in the Kingdom of Belgium Criterion fulfilled
(b)(i) total daily average value of euro-denominated payments processed exceeding EUR 10 billion	
(b)(ii) market share at least one of the following: - 15 % of total volume of euro-denominated payments; or - 5 % of total volume of euro-denominated cross-border payments; or - 75 % of total volume of euro-denominated payments at the level of a Member State whose currency is the euro	Market share: 52% of euro-denominated cross-border payments Criterion fulfilled
(b)(iii) cross-border activity (i.e. participants established in a country other than that of the SIPS operator and/or cross border links with other payment systems) involving five or more countries and generating a minimum of 33 % of the total volume of euro-denominated payments processed	MASTERCARD CLEARING MANAGEMENT SYSTEM has participants from: 54 different countries The cross-border activity of MASTERCARD CLEARING MANAGEMENT SYSTEM generates 99% of the total euro-denominated payments processed by it Criterion fulfilled
(b)(iv) use for the settlement of other FMIs	

¹ Directive 98/26/EC of the European Parliament and of the Council of 19 May 1998 on settlement finality in payment and securities settlement systems (OJ L 166, 11.6.1998, p. 45).