

PAYMENT SYSTEM OVERSIGHT AND RISK MANAGEMENT



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TRAINING CENTER



Introduction

The Payment System Oversight and Risk Management Training Course prepares supervisors and payment professionals to oversee payment systems with rigour and manage the risks that run through them. Payment systems carry the daily flow of value across an economy, and disruption or weakness in one system spreads quickly. This course explains how oversight frameworks work and how payment risks are identified, measured, and controlled. It covers the PFMI principles, settlement and liquidity risk, cyber resilience, and access policies. Furthermore, it applies supervision techniques, risk assessment, and crisis coordination. As a result, participants oversee payment systems that remain safe and efficient.

Payment System Oversight and Risk Management Course Objectives

- Explain payment system structures, participants, and interdependencies.
- Apply the PFMI principles to payment, clearing, and settlement systems.
- Assess settlement risk, liquidity risk, and credit risk in payment systems.
- Evaluate legal basis, governance, and framework requirements.
- Apply cyber resilience, operational risk, and business continuity expectations.
- Assess access, participation criteria, and tiering arrangements.
- Apply supervisory risk assessment and rating frameworks.
- Design data collection, monitoring, and oversight reporting tools.
- Prepare supervisory intervention and escalation approaches.
- Coordinate crisis management and communication across stakeholders.

Course Methodology

- Interactive lectures with real payment system incident and oversight case studies.

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- Risk assessment and rating workshops using oversight frameworks.
- Simulation of supervisory intervention and crisis coordination exercises.
- Data collection and oversight reporting design practice.
- Structured peer discussion with facilitator feedback on oversight issues.

Who Should Take This Course

- Payment system supervisors in central banks.
- Financial market infrastructure oversight officers.
- Payment scheme and operator risk managers.
- Compliance and cyber resilience professionals.
- Treasury and settlement operations managers.
- Internal auditors covering payment operations and controls.

Payment System Oversight and Risk Management Course Outlines

Day 1: Payment System Structures and Oversight Frameworks

- Payment system components, operators, and participants.
- Systemically important payment systems and designation criteria.
- The PFMI principles and their scope of application.
- Oversight objectives, mandates, and legal basis.
- Oversight powers, cooperation, and information sharing.
- Tiered participation and indirect access arrangements.



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- Case study: how oversight responded to a payment system failure.

Day 2: Settlement, Credit, and Liquidity Risk

- Settlement risk and finality of payment concepts.
- Credit risk, replacement cost, and principal risk.
- Liquidity risk, intraday liquidity, and funding arrangements.
- Payment-versus-payment and delivery-versus-payment mechanisms.
- Collateral arrangements, haircuts, and margin practice.
- Netting, deferred net settlement, and real-time gross settlement.
- Workshop: assessing settlement and liquidity risk in a system.

Day 3: Operational, Cyber, and Legal Risk

- Operational risk sources and control expectations.
- Cyber resilience frameworks and threat landscape.
- Incident response, recovery objectives, and continuity planning.
- Third-party, cloud, and utility dependency risk.
- Legal basis, settlement finality, and insolvency protection.
- Governance, risk committee, and board oversight expectations.
- Workshop: reviewing a system's resilience and control profile.

Day 4: Access, Governance, and Risk Assessment

- Access criteria, participation requirements, and risk-based tiering.
- Fair and open access, and exclusion considerations.
- Governance arrangements and stakeholder representation.
- Supervisory risk assessment and rating methodologies.



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- Data collection frameworks and reporting expectations.
- Performance metrics, availability, and service level monitoring.
- Workshop: running a supervisory risk assessment.

Day 5: Intervention, Crisis Coordination, and Reporting

- Escalation triggers, supervisory actions, and remediation plans.
- Enforcement tools and cooperative arrangements.
- Crisis management, coordination, and communication protocols.
- Oversight reporting to boards, committees, and the public.
- Supervisory technology and data analytics applications.
- Building an oversight improvement roadmap.
- Course review, assessment, and action planning.

Conclusion

By successfully completing Payment System Oversight and Risk Management, participants will gain a thorough understanding of oversight frameworks, PFMI principles, settlement and liquidity risk, operational and cyber resilience, access arrangements, and supervisory practice. They will also acquire practical skills in risk assessment, oversight reporting design, intervention planning, and crisis coordination. In addition, the course prepares them to oversee payment systems with authority and credibility. Gentex Training Center delivers this programme with a strong focus on real supervisory practice and measurable oversight improvement.





FAQs for Payment System Oversight and Risk Management course

Q1 What is the "Payment System Oversight and Risk Management" course about?

It is a five-day programme on supervising payment systems and controlling the risks they carry. It covers oversight frameworks and PFMI principles, settlement, credit and liquidity risk, operational and cyber resilience, access and governance arrangements, supervisory risk assessment, intervention, and crisis coordination.

Q2 What are the key benefits of the "Payment System Oversight and Risk Management" course?

Participants gain a structured oversight method rather than informal monitoring. The course improves risk identification across settlement, liquidity and operational exposure, strengthens resilience and continuity expectations, sharpens access and governance assessment, improves supervisory reporting quality, and prepares authorities to act early before a payment system problem spreads.

Q3 What skills will I gain from the "Payment System Oversight and Risk Management" course?

Participants gain oversight framework application and PFMI assessment, settlement, credit and liquidity risk evaluation, operational and cyber resilience review, and supervisory risk assessment, intervention planning and oversight reporting. These four skills cover the full oversight cycle from assessment to intervention.



Q4 What tools, methods, or standards are covered in the "Payment System Oversight and Risk Management" course?

The course covers the PFMI principles for financial market infrastructures, designation criteria for systemically important systems, oversight mandates and legal basis requirements, settlement finality and finality of payment concepts, principal and replacement cost risk analysis, intraday liquidity and funding arrangements, payment-versus-payment and delivery-versus-payment mechanisms, collateral haircuts and margin practice, netting and real-time gross settlement structures, cyber resilience frameworks, incident response and recovery objectives, third-party and cloud dependency assessment, access criteria and risk-based tiering, governance and risk committee arrangements, supervisory risk assessment and rating methodologies, data collection and reporting frameworks, performance and availability metrics, escalation triggers and enforcement tools, and crisis coordination and communication protocols.

Q5 How is the "Payment System Oversight and Risk Management" course applied in real-world practice?

Participants apply the frameworks in their own authorities. They assess systemically important systems, evaluate settlement and liquidity arrangements, review resilience and control profiles, run supervisory risk assessments, design oversight reporting, and prepare intervention plans. Many leave with an oversight framework outline and a risk assessment template ready for adoption.