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For the last decade, Banco de la República has provided oversight of the local financial infrastructure as an additional contribution to support the country's financial stability. This is a function performed by most central banks the world over, because they recognize infrastructure as being an essential component of financial markets. Infrastructure that functions properly helps to maintain and promote financial stability, being that it plays a fundamental role in the financial system and in the economy. In the Colombian case, the oversight of the country's financial infrastructures began formally a decade ago, when External Resolution 5/2009 was issued and the authority to oversight that infrastructures was given to Banco de la República by its Board of Directors. Since then, the oversight has been formal and systematic. To commemorate publication of the tenth edition of the Payment Systems Report, which is one of the products of financial infrastructure oversight, a section describing this function is included herein, explaining its need, responsibilities, scope, and activities.

On this occasion, in addition to the traditional section providing figures on the local financial infrastructure and describing its behavior (Section One), we have included several highlights that underscore the more relevant aspects of how infrastructure for clearing and settling financial assets has evolved in the last decade. Special emphasis is afforded to the Colombian Central Counterparty Clearing House (CRCC), marking its ten years of operation. There also is a box describing how the company has increased its supply of products for clearing and settlement, and how, as a result, the open positions of its settlement members have performed likewise. At the same time, its risk management model has evolved structurally in response to regulatory adjustments, compliance with international standards, or decisions taken unilaterally by the CRCC, the idea being to have the necessary resources to mitigate exposure to counterparty and liquidity risk. In this way, the CRCC has become a fundamentally important player in the Colombian financial market. Therefore, it is appropriate that the CRCC continue to be monitored by the country's financial authorities.

Another box included in this report offers an analysis of the advantages and disadvantages of lengthening the cash market settlement period in Colombia, which is another topic of interest. Currently, the clearing and settlement time for a cash transaction in most international markets is two business days ($t + 2$). In Colombia, nearly all peso/dollar and government and private debt transactions on the spot market are cleared and settled on the same trading day ($t + 0$). This box analyzes the possible implications of Colombia approximating the international standard.

Retail-value payment systems (understood as operations carried out within the circuit of private individuals and companies), such as the use of payment instruments (cash, debit and credit cards, checks and electronic funds transfers), also must be monitored to identify their availability and the public's preferences for these instruments and their acceptance by commercial establishments. With that in mind, three surveys have been conducted in the last decade to gauge how the use of payment instruments is perceived. A comparison of the findings of these three measurements is presented in a section of this report, and an analysis of that comparison indicates the use of payment instruments other than cash for daily payments is still low. Although their ownership and use by the general public is increasing, their acceptance by some commercial establishments remains limited.

In keeping with efforts to oversight innovations in payment processes, the report also includes a box that explores the participation of large, global technology companies in the retail-value payment market. The payment services they offer are associated with innovative payment methods, such as “non-contact” or indirect technology, or by means of devices such as mobile phones, the use of debit and credit cards via applications, and channels such as the mobile network, POS terminals, and the Internet. In other words, these innovations are concentrated in the first stage of the payment process, without altering the other stages, such as traditional payment instruments, channels and systems.

Finally, with respect to work in the area of applied research, the fourth section of this report describes how the cryptoasset system operates. It has two fundamental elements. The first is comprised of the agents who participate in the system; namely, cryptoasset users, and the agents who provide them with services. The second includes the digital asset and the underlying technology platform; together they support interaction between the agents in the crypto asset system. As explained in the respective box, the cryptoasset system is not isolated entirely from the financial system, which it pretends do without. In other words, users cannot extract themselves from the traditional financial system as long as cryptoassets have yet to be adopted on a mass scale, which so far assumes there is a connection between both systems.

Governor Juan José Echavarría
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