

Press release

Press enquiries:
+41 61 280 8138
Joe.Perry@fsb.org

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FSB Chair updates G20 Finance Ministers and Central Bank Governors on progress in advancing the FSB's 2016 priorities

The Financial Stability Board (FSB) today published a letter from Mark Carney, Chair of the FSB, which was sent to G20 Finance Ministers and Central Bank Governors ahead of their meeting in Chengdu on 23-24 July.

In the letter, the FSB Chair notes that, thus far this year, the global economy and financial system have weathered two spikes in uncertainty and risk aversion. In both cases, the global financial system continued to function effectively, and the financial system dampened aftershocks from these events rather than amplifying them. This resilience in the face of stress demonstrates the enduring benefits of G20 post-crisis reforms. It also reinforces the importance of finishing the job of implementing these reforms.

The letter outlines the progress the FSB is making in advancing its priorities for 2016:

- i. Promoting a coordinated programme of reforms to deliver resilient sources of market-based finance, including addressing structural vulnerabilities associated with asset management activities;
- ii. Developing robust financial market infrastructure, including assessing policies on central counterparty resilience, recovery and resolvability, and recommending any necessary improvements; and
- iii. Supporting effective macroprudential arrangements, by drawing lessons from national experiences of the practical application of macroprudential policy frameworks and tools working in partnership with the International Monetary Fund and Bank for International Settlements.

Alongside these current priorities, the FSB is also:

- i. Pursuing the full and consistent implementation of post-crisis reforms, while addressing material unintended consequences;
- ii. Addressing new and emerging vulnerabilities in the financial system, including those associated with conduct, correspondent banking and climate change; and
- iii. Monitoring the potentially systemic implications of financial technology innovations, and the systemic risks arising from operational disruptions.

Notes to editors

The FSB has been established to coordinate at the international level the work of national financial authorities and international standard setting bodies and to develop and promote the implementation of effective regulatory, supervisory and other financial sector policies in the interest of financial stability. It brings together national authorities responsible for financial stability in 24 countries and jurisdictions, international financial institutions, sector-specific international groupings of regulators and supervisors, and committees of central bank experts. The FSB also conducts outreach with 65 other jurisdictions through its six regional consultative groups.

The FSB is chaired by Mark Carney, Governor of the Bank of England. Its Secretariat is located in Basel, Switzerland, and hosted by the Bank for International Settlements. For further information on the FSB, visit the FSB website, www.fsb.org.