

Press release

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FSB releases progress report on reducing misconduct risk in the finance industry

The Financial Stability Board (FSB) has today published a progress report for the G20 on the FSB's work on addressing misconduct in the financial sector. The progress report on the [Measures to reduce misconduct risk](#) sets out details about the FSB-coordinated work to address misconduct in the financial sector and the timeline for the actions. That work includes: considering whether post crisis reforms to incentives are sufficient to address misconduct risks; and whether steps are needed to improve global standards of conduct in the fixed income, commodities and currency (FICC) markets, including improvements in the integrity and reliability of benchmarks. Highlights from the reports include:

- The role of incentives in reducing misconduct in markets and institutions
 - The FSB will establish a working group to exchange good practices in the use of governance frameworks to address misconduct risks.
 - By the 2016 G20 Summit the FSB will examine the use of various compensation tools for addressing misconduct and, if appropriate, make recommendations on better practices.
 - In 2016 Q1 the FSB will hold a workshop to share national experiences on the role of bank regulators' enforcement powers in addressing misconduct by individuals, and on effective approaches to establishment of frameworks for individual accountability for misconduct risk.

- International coordination on conduct in FICC markets
 - By July 2016 the FSB will report on further progress in implementing the work plan on interest rate benchmarks.
 - In the first quarter of 2016 the International Organization of Securities Commissions (IOSCO) will conclude its follow-up review of key interest rate benchmark administrators and will start a follow-up review of major global FX benchmark providers.
 - By May 2017 the Bank for International Settlements Markets Committee will finalise its global foreign exchange (FX) code of conduct standards and principles, and proposals to ensure greater market adherence than to existing codes.

- Coordination in the application of conduct regulation and the need for credible deterrence
 - The FSB is encouraging senior officials from prudential and conduct financial authorities to share information on their respective powers and approaches to the supervision and enforcement of conduct rules.

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. Through the six regional groups, the FSB conducts outreach with another approximately 65 jurisdictions.

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.