

Press release

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FSB publishes further guidance on resolution planning and fifth report to the G20 on progress in resolution

The Financial Stability Board (FSB) published today two final guidance papers to assist the resolution planning work of authorities and firms, as part of the policy agenda to end “too-big-to-fail”:

- [Guiding Principles on the Temporary Funding Needed to Support the Orderly Resolution of a Global Systemically Important Bank \(G-SIB\)](#) – The guiding principles seek to address the risk of banks having insufficient liquidity to maintain critical operations during a resolution. They are intended to ensure that temporary funding is available to enable the effective resolution of G-SIBs without bail-out by the public sector. The guidance was issued for public consultation in [November 2015](#) and has been revised in light of the comments received during that consultation.
- [Guidance on Arrangements to Support Operational Continuity in Resolution](#) – The guidance sets out arrangements to support the continuity of critical shared services, such as information technology infrastructure and software-related services, that are necessary to maintain a firm’s critical functions in resolution. The guidance was issued for public consultation in [November 2015](#) and has been revised in light of the comments received during that consultation.

The guidance papers contribute to the removal of impediments to the orderly and effective resolution of firms. They complement the FSB’s [Key Attributes of Effective Resolution Regimes for Financial Institutions](#) (*Key Attributes*), which provide a policy framework for resolution of systemically important financial institutions. The FSB also published today its fifth report to the G20 on progress in resolution [Resilience through resolvability – moving from policy design to implementation](#). The report reviews what has been achieved so far and sets out further actions to fully implement the *Key Attributes* and ensure that all global systemically important financial institutions (G-SIFIs) are resolvable. It also reports the findings from the second round of the Resolvability Assessment Process (RAP) for global systemically important banks (G-SIBs) and the initial results from the first RAP for global systemically important insurers (G-SIIs).

The FSB identified the following priorities for the remainder of 2016 and 2017 to help further advance progress:

- Develop further guidance on central counterparty (CCP) resolution, building on the recently published discussion paper on [Essential Aspects of CCP Resolution Planning](#) which identifies elements that are considered to be core to the development of effective resolution strategies and plans for CCPs;
- Finalise the remaining elements of the Total Loss-absorbing Capacity (TLAC) standard, including guidance on the implementation of internal TLAC and final proposals on TLAC holdings and TLAC disclosures;
- Develop further guidance to support the resolution planning work of authorities and firms, including on ways in which access to financial market infrastructures can be maintained in resolution and on the operational execution of bail-in; and
- Develop a *Key Attributes* assessment methodology for insurers and monitor implementation of the guidance on [Developing Effective Resolution Strategies and Plans for Systemically Important Insurers](#).

Speaking about today's releases, Elke König, Chair of the FSB Resolution Steering Group and Chair of the European Single Resolution Board, said: "While good progress has been made, there is still some work necessary to put in place effective policies and regimes, in particular for central counterparties (CCPs) and systemic insurers. The steps outlined in our report to the G20, once implemented, will enable us to complete our task so that firms can be resolved at no cost to taxpayers."

Andrew Gracie, Chair of the FSB Cross-border Crisis Management Group for banks and Executive Director for Resolution at the Bank of England, said: "We have come a long way in making resolution work in practice, and the effective implementation of the guidance papers released today will be another important step into this direction. However, the RAP results for G-SIBs show that challenges remain in a number of important areas where we need to undertake renewed efforts during the remainder of the year and in 2017 to complete the job of ending 'too-big-to-fail'."

Notes to editors

The *Key Attributes* are the international standard for resolution regimes for financial institutions. They are a key component of the FSB's policy framework to address the moral hazard and systemic risks associated with institution that are "too-big-to-fail". They were released by the FSB in November 2011 following their endorsement by G20 Leaders at the Cannes Summit.

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 Resolution Steering Group leads the FSB's work on resolution and resolution planning for all sectors and developed the *Key Attributes*.

The FSB Cross-border Crisis Management Group for banks brings together representatives from Crisis Management Groups for G-SIBs and conducts work on guidance to support the resolution planning work for G-SIBs.

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.