FSB FINANCIAL STABILITY BOARD

Press release

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FSB publishes resolution planning guidance for global banks and reports on the implementation of resolution reforms

The Financial Stability Board (FSB) published today two guidance documents to assist authorities in implementing the FSB's standard on Total Loss-Absorbing Capacity ('the TLAC standard') and facilitating the continued access to critical financial market infrastructure services in resolution. It also published its sixth report on the implementation of post-crisis resolution reforms.

Guiding Principles on the Internal Total Loss-Absorbing Capacity of G-SIBs ('Internal TLAC') – The TLAC standard defines a minimum requirement for the instruments and liabilities that should be held by global systemically important banks (G-SIBs) and readily available for bail-in within resolution. It also requires a certain amount of those loss-absorbing resources to be committed to subsidiaries or sub-groups that are located in host jurisdictions and deemed material for the resolution of the G-SIB as a whole ('internal TLAC'). The guiding principles support the implementation of the internal TLAC requirement, and provide guidance on the size and composition of the internal TLAC requirement, cooperation and coordination between home and host authorities and the trigger mechanism for internal TLAC. The guiding principles were issued for public consultation in December 2016 and have been revised in light of the comments received during that consultation.

Guidance on Continuity of Access to Financial Market Infrastructures (FMIs) for a Firm in Resolution – A key objective of effective resolution is to maintain the continuity of a firm's critical functions. This requires a firm in resolution to maintain the continued access to clearing, payment, settlement, custody and other services by FMIs. The guidance sets out arrangements and safeguards to facilitate continuity of access to FMIs for a firm in resolution that apply at the level of the providers of FMI services, at the level of FMI participants and at the level of the relevant resolution and FMI authorities. It was issued for public consultation in December 2016 and has been revised in light of the comments received during that consultation.

The sixth report on the implementation of resolution reforms, ***Ten years on – taking stock of post-crisis resolution reforms***, describes the reform progress since the onset of the global financial crisis. It reports the findings from the Resolvability Assessment Processes (RAPs) for G-SIBs and global systemically important insurers (G-SIIs) and sets out the further actions necessary to fully implement the Key Attributes and ensure that all global systemically important financial institutions (G-SIFIs) are resolvable. The focus going forward will be on the comprehensive and consistent implementation of agreed resolution policies and on the evaluation of the effects of resolution reforms.

Speaking about today's releases, Elke König, Chair of the FSB Resolution Steering Group and Chair of the European Single Resolution Board, said: "We continue to make progress in addressing barriers to the resolvability of global banks and the effective implementation of the guidance papers released today will be another important step in making G-SIBs resolvable and ending 'too-big-to-fail'. However, we must not lose the reform momentum. Significant work remains to remove obstacles to cross-border resolution and to implement the resolution reforms in a comprehensive and consistent manner across all sectors, including for central counterparties and insurers."

Notes to editors

The FSB Resolution Steering Group leads the FSB's work on resolution and resolution planning for all sectors and developed the *Key Attributes of Effective Resolution Regimes for Financial Institutions*.

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.