

Press release

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FSB publishes annual report on its work to promote global financial stability

The Financial Stability Board (FSB) today published its latest [Annual Report](#). The report, which was delivered to the G20 Leaders ahead of their Bali Summit, describes the FSB's work to promote global financial stability.

The report warns that the *outlook for global financial stability* is particularly challenging amidst high inflationary pressures, elevated debt levels, lower growth, and much tighter global financial conditions. So far global financial markets have proved to be resilient. However, many authorities have limited policy space to intervene should a shock materialise. This amplifies the need to remain vigilant and take policy measures to maintain the resilience of the financial system.

Market turbulence could be amplified by still elevated valuations of some assets, forced sales from sudden unwinding of leveraged positions of non-bank financial institutions, and liquidity mismatches in some types of funds. Debt servicing pressures may surface across the sovereign, non-financial corporate and household sectors. The FSB has also intensified monitoring of vulnerabilities and has continued support of international cooperation and coordination in the aftermath of COVID-19 and Russia's invasion of Ukraine.

The report highlights the *analytical and policy work* the FSB is carrying out to tackle current and emerging vulnerabilities. This includes, amongst others, work to enhance: the resilience of non-bank financial intermediation; the reporting and sharing of information related to cyber incidents; and to achieve internationally consistent and comprehensive regulation of crypto-asset activities and markets.

The report finds that progress in *implementing G20 reforms* continues but remains uneven. Jurisdictions' adoption of Basel III continues, though there is uneven progress in implementing the final reforms to the capital framework. Implementation of OTC derivatives reforms is well advanced but further progress continues to be incremental. Work is still ongoing to close gaps in the operationalisation of banks' resolution plans and to implement effective resolution regimes for insurers and central counterparties.

The report emphasises that, in the face of the current challenges for financial stability, timely and consistent implementation of G20 reforms remain as relevant as when they were initially agreed. The FSB and standard-setting bodies will continue to promote approaches to deepen international cooperation, coordination and information-sharing.

Notes to editors

The FSB has published annual reports on the implementation and effects of the G20 financial regulatory reforms since 2015. Their main purpose was to highlight progress made by FSB members in implementing regulatory reforms to fix the fault lines that led to the 2008 global financial crisis and build a safer, more resilient financial system.

With the FSB's overall work shifting increasingly to new topics and the assessment of new and emerging risks, last year, the annual report was revamped to be more forward-looking and encompassing. The current version of the report presents the FSB's high-level assessment of current vulnerabilities in the global financial system; describes the main findings of the FSB's ongoing financial stability work and implications for the functioning and resilience of the global financial system; and takes stock of progress by FSB members in implementing G20 reforms and reports on the findings of evaluations on the effects of those reforms.

The FSB coordinates at the international level the work of national financial authorities and international standard-setting bodies and develops and promotes 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 approximately 70 other jurisdictions through its six Regional Consultative Groups.

The FSB is chaired by Klaas Knot, President of De Nederlandsche Bank. The FSB 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.