

Press release

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

Ref: 37/2019
18 October 2019

FSB sets out work to consider regulatory issues of stablecoins

The Financial Stability Board (FSB) today published an [issues note on regulatory issues of stablecoins](#). The paper was delivered to G20 Finance Ministers and Central Bank Governors for their meeting in Washington D.C. this week. It responds to the [G20 Leaders' Osaka Declaration](#), which noted the importance of monitoring developments in crypto-assets and remaining vigilant to existing and emerging risks, and asked the FSB and other standard-setting bodies to advise on additional multilateral responses as needed.

The launch of stablecoin-type arrangements for domestic and cross-border retail payments with the potential to reach global scale could alter the current assessment that crypto-assets do not pose a material risk to financial stability.

At the same time, the emergence of global stablecoins that could be used for cross-border payments and remittances by a large number of users in different countries could provide benefits to the financial system and the broader economy.

Harnessing those potential benefits, while containing associated risks for the financial system, requires adequate and comprehensive regulatory and oversight arrangements to ensure that any potential risks to financial stability and market functions can be identified and adequately addressed.

An effective regulatory and supervisory approach needs to be able to identify, monitor and address potential risks in a reasonable range of scenarios and use cases. In order to implement the G20 mandate, and building on [earlier work by the G7](#), the FSB will:

- Take stock of existing supervisory and regulatory approaches and emerging practices in this field, with a focus on cross-border issues and taking into account the perspective of emerging markets and developing economies.
- Based on the stocktake, consider whether existing supervisory and regulatory approaches are adequate and effective in addressing financial stability and systemic risk concerns that could arise from the individual components of a stablecoin arrangement or their interaction as an ecosystem as a whole.
- Advise on possible multilateral responses, if deemed necessary, including developing regulatory and supervisory approaches to addressing financial stability and systemic risk concerns at the global level.

The FSB will submit a consultative report to G20 Finance Ministers and Central Bank Governors in April 2020, and a final report in July 2020.

Notes to editors

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 Randal K. Quarles, Governor and Vice Chairman for Supervision, US Federal Reserve; its Vice Chair is Klaas Knot, President, 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.