

Press release

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FSB Chair reports to G20 Leaders ahead of Osaka Summit

The Financial Stability Board (FSB) today published [FSB Chair Randal K. Quarles' letter](#) to G20 Leaders ahead of their Summit in Osaka on 28-29 June, together with a [progress report](#) on implementation of the G20 financial regulatory reforms.

The letter provided a number of key themes:

- **Addressing new and emerging vulnerabilities** – the FSB will remain vigilant in identifying emerging risks. Potential vulnerabilities persist and, in some cases, have built up further. Corporate and public debt levels have continued to rise. The FSB is closely monitoring leveraged loan and collateralised loan obligation markets in order to obtain a fuller picture of the pattern of exposures to these assets globally.
- **Harnessing the benefits of financial innovation while containing risks** – a deep and early understanding of how technological innovation may transform financial institutions and markets is key for harnessing benefits while containing risks. One example is crypto-assets. A wider use of new types of crypto-assets for retail payment purposes would warrant close scrutiny by authorities to ensure that they are subject to high standards of regulation. The FSB and standard-setting bodies will monitor risks very closely and in a coordinated fashion, and consider additional multilateral responses as needed.
- **Completing implementation of the agreed reforms and ensuring that the reforms work as intended** – the implementation progress report published together with the letter shows that the new financial regulatory framework called for by the G20 is now largely in place. However, despite continued progress, implementation is not complete and remains uneven across reform areas. G20 Leaders' continued support in implementing the agreed reforms is needed. Finalising post-crisis reforms and monitoring their effective implementation remains a focus of FSB work.
- **Promoting an integrated global financial system** – an open and resilient financial system, grounded in agreed international standards, is crucial to support sustainable growth. The FSB's report on market fragmentation identified several areas where further work may help to strengthen mechanisms and approaches to address market fragmentation through more efficient and effective cooperation going forward. This includes mechanisms to avoid future fragmentation.
- **Strengthening the FSB's outreach and accountability** – reaching out beyond its membership is key for the FSB to achieve its mandate of promoting global financial

stability. The FSB is taking steps to improve communication and transparency, to facilitate wider input to the FSB's work and increase understanding of what it does.

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, 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.