

Press release

Press enquiries:
+41 76 350 8024

press@bis.org

Ref no: 23/2015

06 May 2015

Eighth Meeting of the Financial Stability Board Regional Consultative Group for Europe

Today, the German Federal Ministry of Finance and Deutsche Bundesbank jointly hosted the eighth meeting of the FSB Regional Consultative Group for Europe (RCG Europe) in Berlin, Germany.

At the meeting, members of the RCG Europe began by reviewing vulnerabilities in the global financial system, including the economic and financial impacts of the recent decline in oil prices and financial stability risks for both banks and non-banks arising from the current low interest rate environment. Members were also updated on the FSB's work plan and policy priorities, namely: full, consistent and prompt implementation of the agreed reforms; finalising the design of the remaining post-crisis reforms; and addressing new risks and vulnerabilities, such as the asset management industry.

Members then discussed banking sector specific issues. Initially, they discussed the regulatory treatment of sovereign debt, given the large volume of it held by European banks, and its weighting in the Basel capital framework. Members then discussed the EU Banking Union project, with a particular focus on the Single Supervisory Mechanism (SSM). With respect to the SSM, members reviewed progress since its inception in November 2014, notably the creation of joint supervisory teams and balance sheet strengthening efforts related to the Comprehensive Assessment, and next steps. The pros and cons of joining the Banking Union from a non-Eurozone country perspective were also considered.

Moving to the insurance sector, members discussed developments with respect to insurance supervision, including progress to develop a global risk-based insurance capital standard, refinements to the methodology for identifying global systemically important insurers, and associated Higher Loss Absorption capacity requirements.

The meeting was preceded by an informal seminar that considered how the financial reforms have changed bank business models and more specifically, capital strategies and capital structures.

The FSB Regional Consultative Group for Europe is currently co-chaired by Andreas Dombret, Member of the Executive Board, Deutsche Bundesbank and Per Callesen, Governor, Danmarks Nationalbank. As the terms of the co-chairs expire on 30 June 2015, the FSB members of the RCG Europe have elected Anne Le Lorier, First Deputy Governor of the Banque de France as the FSB member co-chair. Similarly, the non-FSB members have

elected Jon Nicolaisen, Deputy Governor, Central Bank of Norway as the non-FSB member co-chair. The terms of the new co-chairs are for two years, commencing on 1 July 2015.

Membership of the RCG Europe includes financial authorities from Austria, Belgium, Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Luxembourg, Netherlands, Norway, Poland, Portugal, Spain, Sweden, Switzerland, United Kingdom and the Group of International Finance Centre Supervisors. The European Commission and the European Central Bank are permanent observers.¹

Notes to editors

The FSB Charter stipulates that the FSB “should consult widely amongst its Members and with other stakeholders including private sector and non-member authorities. This process shall include engaging with the FSB Regional Consultative Groups and include an outreach to countries not included in the Regional Consultative Groups”.² The FSB established six Regional Consultative Groups³ to bring together financial authorities from FSB member and non-member countries to exchange views on vulnerabilities affecting financial systems and on initiatives to promote financial stability.

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. Through the six regional groups, the FSB conducts outreach with another approximately 65 jurisdictions.

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.financialstabilityboard.org.

¹ The list of members of the RCG Europe is accessible at: <http://www.financialstabilityboard.org/wp-content/uploads/rcgeurope.pdf>.

² See: http://www.financialstabilityboard.org/wp-content/uploads/r_120809.pdf.

³ The FSB regional consultative groups cover the following regions: Americas, Asia, Commonwealth of Independent States, Europe, Middle East and North Africa, and Sub-Saharan Africa.