

Press release

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

Ref: 33/2019
13 October 2019

FSB Chair reports to G20 Finance Ministers and Central Bank Governors

The Financial Stability Board (FSB) today published a [letter from its Chair Randal K. Quarles](#) to G20 Finance Ministers and Central Bank Governors ahead of their meetings in Washington D.C. this week.

The letter notes that the development of post-crisis reform policies is nearly complete and implementation is well underway. Yet it emphasises that the FSB's mission is far from complete. Implementation progress on agreed G20 reforms remains uneven across key reform areas, and the FSB is in the process of evaluating that reforms are working as intended. Looking ahead, authorities need to be ready to address evolving risks to global financial stability, be they related to current downside risks to growth and uncertainties around Brexit, or structural changes in the financial system.

The letter highlights three areas of the FSB's work:

- **Ensuring resilience in the face of new risks.** Increasing risks meet a financial system that is much more resilient than it was before the financial crisis. However, the long period of sustained global growth and rising asset prices may have weakened the incentives to take precautions against unforeseen events. The FSB is conducting an in-depth analysis of the markets for leveraged loans and collateralized loan obligations. The FSB is also assessing the financial stability implications of structural changes in the financial system, including non-bank finance and technological innovation.
- **Potential financial stability issues from global stablecoins.** Stablecoin projects of potentially global reach and magnitude must meet the highest regulatory standards and be subject to prudential supervision and oversight. Possible regulatory gaps should be assessed and addressed as a matter of priority. The FSB has formed a working group, to inform regulatory policy approaches that harness the benefits of financial innovation, while containing associated risks for the financial system, and advise on multilateral responses as necessary. The FSB will submit a consultative report to the G20 in April and a final report in July 2020.
- **Promoting a financial system that supports strong and sustainable global growth.** Following its June report on addressing instances of harmful market fragmentation the FSB has submitted a progress report to the G20 on its further work in this area. The FSB is also taking forward its multi-year programme of rigorous evaluation of post-crisis reforms. The evaluation of the effects of those reforms on small and medium-sized enterprises, is nearing completion, while the evaluation of the effects of too-big-to fail reforms for banks is underway.

Notes to editors

The FSB will publish its annual report on implementation and effects of the G20 financial regulatory reforms on 16 October.

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.