

Press release

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Sixth Meeting of the Financial Stability Board Regional Consultative Group for Asia

Today, the Bangko Sentral ng Pilipinas (central bank of the Philippines) hosted the sixth meeting of the Financial Stability Board (FSB) Regional Consultative Group for Asia in Cebu, Philippines.

At their meeting today, members of the FSB Regional Consultative Group for Asia began by discussing the unwinding of unconventional monetary policy, particularly in the US, and the potential implications for Asia.

Members next discussed financial market infrastructure reforms, including those relating to payment systems, central counterparties and trade repositories. The new international standards, which are still being worked on, are designed to strengthen the essential infrastructure supporting global financial markets. Members considered various cross-border issues arising from OTC derivatives reforms and the need for continued work in this area. Implementation of the reforms poses significant challenges and issues for Asia considering the varying stages of development of its financial markets.

Resolution and the FSB's Key Attributes of Effective Resolution Regimes for Financial Institutions¹ (Key Attributes) were the focus of the next session. In this context, members were first briefed on the discussions at a workshop on resolution matters, held on 23-24 April in Cebu. The workshop, which was attended by senior staff responsible for the development and implementation of policies as they relate to resolution and industry practitioners, covered the Key Attributes and their implementation from a regional perspective, as well as cross-border cooperation in resolution and recovery planning. Members then discussed the Key Attributes assessment methodology², the adequacy of loss absorbing capacity in resolution, cross-border recognition of resolution actions and cooperation and information sharing with host supervisors who are not members of crisis management groups.

Members next turned their attention to natural disasters and contingency planning for the financial sector. Recent disasters in Japan and the Philippines – including the Great East

¹ See http://www.financialstabilityboard.org/publications/r_111104cc.pdf.

² The Key Attributes are a set of standards against which the IMF and World Bank will conduct assessments of their member jurisdictions (as one set of standards by which a Report on the Observance of Standards and Codes are performed). See http://www.financialstabilityboard.org/publications/r_130828.pdf and http://www.financialstabilityboard.org/publications/c_131121.htm.

Japan Earthquake and Typhoon Haiyan in the Philippines – served as case studies, from which members considered lessons learned and plans that could be put in place to mitigate the impact of future events on the financial sector.

Finally, members reviewed the FSB’s policy priorities and work plan.

The FSB Regional Consultative Group for Asia is co-chaired by Mr Masamichi Kono, Vice Commissioner for International Affairs at the Financial Services Agency and Mr Amando Tetangco, Governor, Bangko Sentral ng Pilipinas. Membership includes financial authorities from Australia, Cambodia, China, Hong Kong SAR, India, Indonesia, Japan, Korea, Malaysia, New Zealand, Pakistan, Philippines, Singapore, Sri Lanka, Thailand and Vietnam. The list of members of the Regional Consultative Group for Asia is available at: <http://www.financialstabilityboard.org/about/rcgasia.pdf>.

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”.³ At the Toronto Summit in June 2010, the G20 Leaders endorsed such a process by calling on the FSB “to expand upon and formalize its outreach activities beyond the membership of the G20 to reflect the global nature of our financial system”.⁴

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 will be able to develop global financial policy initiatives through a more inclusive process.

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.

³ See http://www.financialstabilityboard.org/publications/r_120809.pdf

⁴ See <http://canadainternational.gc.ca/g20/summit-sommet/2010/toronto-declaration-toronto.aspx?lang=eng>