

Press release

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FSB Americas Group discusses risks associated with the sovereign-bank nexus and crypto-asset arrangements

The Financial Stability Board (FSB) Regional Consultative Group (RCG) for the Americas met on 17 and 18 June in the British Virgin Islands.

On the first day, members participated in a roundtable discussion with representatives from the International Association of Deposit Insurers to discuss the role of deposit insurance and resolution frameworks in maintaining depositor confidence. Members look forward to the FSB's resolution work following up on lessons learned from the March 2023 banking turmoil.

Discussions on the second day began with an appraisal of recent developments and macrofinancial risks and vulnerabilities, including tight financing conditions against the backdrop of high public and private sector debt levels. Members exchanged views on links between the sovereign and banking sectors and discussed whether such interconnections could pose risks to financial stability.

Members also received an update on the FSB's work programme for 2024 and discussed ways they could contribute to the FSB's work programme to bring in additional perspectives from the region.

One initiative the RCG Americas has taken forward relates to the FSB's [global framework for crypto-asset activities](#). In May 2023, members agreed to review developments and the current state of regulations within the region. Members discussed this stocktake and ways to ensure effective, flexible, and coordinated implementation of the comprehensive policy response for crypto-assets and global stablecoin arrangements. Given the particularly acute risk of regulatory arbitrage in the crypto space, broad global implementation is crucial.

Members shared their experiences of the oversight and management of financial institutions' risks from outsourcing of critical services to third parties considering the FSB's [toolkit for financial authorities and financial institutions for enhancing their third-party risk management and oversight](#), which was published in December 2023.

Notes to editors

The FSB RCG for the Americas is co-chaired by Kenneth Baker, Managing Director and CEO, British Virgin Islands Financial Services Commission, and Tiff Macklem, Governor of the Bank of Canada. Tiff Macklem was represented at the meeting by Carolyn Rogers, Senior Deputy Governor of the Bank of Canada. Membership includes financial authorities from Argentina,

Bahamas, Barbados, Bermuda, Bolivia, Brazil, British Virgin Islands, Canada, Cayman Islands, Chile, Colombia, Costa Rica, Guatemala, Honduras, Jamaica, Mexico, Panama, Paraguay, Peru, Trinidad and Tobago, the United States of America and Uruguay.

The FSB has six Regional Consultative Groups, established under the FSB Charter, 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.¹ Typically, each Regional Consultative Group meets twice each year.

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 Klaas Knot, President of 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.

¹ 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.