

## Press release

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### **FSB Chair sets out to the G20 the FSB work programme for 2016**

The Financial Stability Board (FSB) today published a letter from Mark Carney, Chair of the FSB, which was sent to G20 Finance Ministers and Central Bank Governors in advance of their meeting in Shanghai on 26-27 February.

In the letter, the FSB Chair notes that more difficult economic and financial conditions since the start of this year reflect in part downward revisions to the expected medium-term growth prospects of the world economy as a result of renewed appreciation of the structural challenges facing a number of advanced and emerging economies. More specifically in the financial sector they also reflect concerns that many banks have more to do to adjust their long-term business models to the lower growth/lower nominal interest rate environment and to the strengthened international regulatory framework.

At the same time the greater resilience of the financial system resulting from that new regulatory framework will ensure that the financial system can better support jobs and growth in the short, medium and long term. Recent market turbulence really serves to underline the importance of continued progress in building resilient financial institutions and markets.

The imperative now is to implement fully and consistently the G20's past agreements. Authorities also need to remain vigilant to new risks and vulnerabilities and to ensure that markets are supported by robust financial infrastructure. In this manner the G20 can develop a diverse and open global financial system that can finance investment in the real economy throughout the economic cycle.

The letter sets out the FSB's priorities for 2016 which are:

- i. Supporting the full and consistent implementation of post crisis reforms, while remaining ready to address any material unintended consequences.
- ii. Addressing new and emerging vulnerabilities in the financial system, including potential risks associated with market-based finance, asset management activities, conduct, correspondent banking and climate change.
- iii. Promoting robust financial infrastructure, working with the Committee on Payments and Market Infrastructures and the International Organization of Securities Commissions to

assess policies on central counterparty (CCP) resilience, recovery and resolvability, and recommending any necessary improvements.

The FSB will also be supporting the objectives of the Chinese G20 Presidency by:

- iv. Drawing lessons, working with the International Monetary Fund and the Bank for International Settlements, from the practical application of macroprudential policy frameworks and tools.
- v. Assessing the systemic implications of financial technology innovations, and the systemic risks that may arise from operational disruptions.

The letter describes in more detail the FSB's work programme to advance these and other goals during the Chinese G20 Presidency in 2016.

### **Notes to editors**

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. The FSB also conducts outreach with 65 other jurisdictions through its six regional consultative groups.

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.fsb.org](http://www.fsb.org).