

## Press release

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### FSB completes peer review of Argentina

The Financial Stability Board (FSB) published today its [peer review of Argentina](#).

The peer review examined two topics relevant for financial stability in Argentina: the macroprudential policy framework, and the framework for crisis management and resolution. The review focused on the steps taken by the Argentine authorities to implement reforms in these areas, including by following up on relevant International Monetary Fund (IMF)-World Bank Financial Sector Assessment Program (FSAP) recommendations and FSB initiatives.

The peer review finds that some progress has been made in recent years on both topics. In particular, the Central Bank of the Republic of Argentina (BCRA) established in 2016 a department within the Regulation Division for macroprudential monitoring. Data used in risk analysis have been improved and efforts are ongoing to enhance the granularity of corporate sector data as well as to improve systemic risk analysis and enhance stress testing models. Commendable improvements recently in the quality of macroeconomic data have provided a solid platform for this analysis. The authorities have a broad range of banking sector tools at their disposal for macroprudential purposes, including certain innovative tools introduced in response to the lessons from previous crises (e.g. restrictions on banks' lending in foreign currency). The authorities have also submitted to Congress a new Capital Markets Law that provides an explicit financial stability mandate to the National Securities Commission and a more robust framework for financial market infrastructures.

Some, albeit limited, progress has been made in developing the crisis management and resolution framework to address the FSAP recommendations and incorporate elements of the FSB [Key Attributes of Effective Resolution Regimes for Financial Institutions](#). Recovery planning is underway for most domestic systemically important banks (D-SIBs) and the resolution regime benefits from a well-funded deposit insurance fund. The draft Capital Markets Law includes a proposal to introduce powers to temporarily stay early termination rights.

Notwithstanding this progress, the review concludes that there is additional work to be done:

- On the macroprudential policy framework:
  - strengthening the institutional set-up for financial stability within the BCRA in terms of mandate, internal structures and resources;
  - establishing a coordination forum for authorities to discuss regulatory issues, share information and analysis on systemic risks and related macroprudential policies, and develop crisis preparedness protocols;
  - developing a framework for the identification and collection of data for systemic risk analysis; and
  - refining stress tests as well as publishing more information on them.

- On crisis management and resolution:
  - incorporating additional elements of the Key Attributes in the resolution regime;
  - strengthening the operational independence of the resolution function within the BCRA and establishing mechanisms for cooperation and information sharing with domestic and foreign authorities on resolution;
  - enhancing resolution funding arrangements; and
  - further developing recovery and resolution planning for all D-SIBs.

The peer review report includes recommendations to the Argentine authorities in order to address these issues. These recommendations are meant to address future challenges as macroeconomic stability is restored and the financial system develops further.

### **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 peer review of Argentina is the twenty-first country peer review conducted by the FSB. The review was based on the objectives and guidelines in the March 2015 version of the [Handbook for FSB Peer Reviews](#). FSB member jurisdictions have committed to undergo an IMF-World Bank assessment under the FSAP every five years and, to complement that cycle, an FSB peer review two to three years following an FSAP. As part of this commitment, Argentina volunteered to undergo this peer review in 2016-17. The [schedule of country peer reviews](#), as well as [all completed peer review reports](#), is available on the FSB website.

Country peer reviews focus on the implementation and effectiveness of regulatory, supervisory or other financial sector standards and policies agreed by the FSB, as well as their effectiveness in achieving desired outcomes. They examine the steps taken or planned by national authorities to address IMF-World Bank FSAP and Report on the Observance of Standards and Codes recommendations on financial regulation and supervision as well as on institutional and market infrastructure that are deemed most important and relevant to the FSB's core mandate of promoting financial stability. Country reviews can also focus on regulatory, supervisory or other financial sector policy issues not covered in the FSAP that are timely and topical for the jurisdiction itself and for the broader FSB membership. Unlike the FSAP, a peer review does not comprehensively analyse a jurisdiction's financial system structure or policies, or its compliance with international financial standards.

The report published today describes the findings and recommendations of the peer review of Argentina. The draft report was prepared by a team of experts from FSB member institutions and led by Francois Groepe, Deputy Governor of the South African Reserve Bank. The review benefited from dialogue with the Argentine authorities and private sector representatives as well as from discussion in the FSB Standing Committee on Standards Implementation.

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).