

Press release

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FSB publishes framework for monitoring and reporting on the implementation of G20 financial reforms

The Financial Stability Board (FSB) published today a framework for monitoring and reporting on the implementation of G20 financial reforms.

Following the financial crisis, the FSB has coordinated effectively with standard-setting bodies in developing the international regulatory policies that are critical for strengthening global financial stability. Going forward, the success of these reforms depends on their full and globally consistent implementation. This implementation process is increasingly the focus of public and financial industry attention, and FSB member jurisdictions have made a commitment to lead by example. It is important to monitor, assess and report on the implementation of agreed reforms so that FSB member jurisdictions are accountable for whether they are living up to their commitments.

The FSB is responsible for coordinating and promoting the monitoring of the implementation of agreed G20 and FSB financial reforms and for reporting on it to the G20. In order to strengthen the coordination and effectiveness of this monitoring, the FSB, in collaboration with standard-setting bodies, has established a Coordination Framework for Implementation Monitoring. The Framework addresses the questions of what to monitor; how to monitor; who should monitor; and to whom the information should be reported and disseminated.

The Framework highlights priority areas where consistent and comprehensive implementation of reforms, as determined by the G20, is most critical for global financial stability. These areas will undergo more intensive monitoring and detailed reporting, including on implementation progress on a country-by-country basis. The initial priority areas for monitoring are: the Basel III framework; over-the-counter derivatives market reforms; compensation practices; policy measures for global systemically important financial institutions; resolution frameworks; and shadow banking. The priority areas will be updated annually in light of international policy developments. Reports on implementation progress in each of these areas will be published at least once a year (more frequently in some cases).

Mario Draghi, Chairman of the FSB, said “This framework is a key element of the FSB’s future work programme and comes at a crucial juncture as the reform process increasingly moves from global policy development to national implementation.”

The FSB Standing Committee on Standards Implementation (SCSI) will play a coordinating role within the FSB in monitoring these implementation efforts. Tiff Macklem, Chairman of the SCSI, said “We will work closely with the standard-setting bodies to establish comprehensive, rigorous and timely monitoring processes that will promote full and consistent implementation of agreed reforms.”

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 is chaired by Mario Draghi, Governor of the Bank of Italy. 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.