

Press release

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

Today, Bank Negara Malaysia hosted the second meeting of the Financial Stability Board (FSB) Regional Consultative Group for Asia in Kuala Lumpur, Malaysia. The group was established pursuant to the FSB's announcement in November 2010 that it intends to expand and formalise outreach beyond its membership. To this end, six regional consultative groups¹ were established to bring together financial authorities from FSB member and non-member economies to exchange views on vulnerabilities affecting financial systems and on initiatives to promote financial stability.

At their meeting today, members of the FSB Regional Consultative Group for Asia discussed issues relating to vulnerabilities and regional financial stability, particularly the implications on the macroeconomy, markets and funding liquidity arising from the deleveraging of European financial institutions. In this context, they also discussed policy options to address the impact and negative consequences of external and domestic developments. The group also reviewed the FSB's activities and initiatives since it last met and discussed implementation challenges facing the region. More specifically, members discussed issues relating to the work on systemically important financial institutions, strengthening the monitoring and regulation of shadow banking and improving oversight of over-the-counter derivatives. The group also discussed the consequences of the global financial reforms on emerging markets and developing economies.

The FSB Regional Consultative Group for Asia is co-chaired by Governor Choongsoo Kim, Bank of Korea and Governor Zeti Akhtar Aziz, Bank Negara Malaysia. 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 inaugural meeting of this group was held on 14 November 2011 in Korea.

Notes to editors

The FSB Charter stipulates that the FSB "will consult widely amongst its Members and with other stakeholders including private sector and non-member authorities. The consultation process will include regional outreach activities to broaden the circle of countries engaged in

¹ Regional consultative groups were established for the following regions: Americas, Asia, Commonwealth of Independent States, Europe, Middle East and North Africa, and Sub-Saharan Africa.

the work to promote international financial stability”.² 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 G-20 to reflect the global nature of our financial system”.³

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 in a more inclusive process.

The FSB is chaired by Mark Carney, Governor of the Bank of Canada. 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.

² http://www.financialstabilityboard.org/publications/r_090925d.pdf

³ <http://canadainternational.gc.ca/g20/summit-sommet/2010/toronto-declaration-toronto.aspx?lang=eng>