

## Press release

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### **FSB consults on guidance on cooperation and information sharing with non-CMG host authorities**

The FSB issued today for public consultation [draft guidance](#) on cooperation and information sharing with host authorities of jurisdictions not represented on crisis management groups (CMGs) where a global systemically important financial institution (G-SIFI) has a systemic presence (non-CMG host authorities).

The [FSB Key Attributes of Effective Resolution Regimes for Financial Institutions](#) ('Key Attributes') require home and key host authorities of G-SIFIs to maintain CMGs, with the objective of enhancing preparedness for, and facilitating the management and resolution of, a cross-border financial crisis affecting the firm. Because CMG membership is generally limited for reasons of operational efficiency and effective decision-making, it is possible that some jurisdictions where operations of the firm are locally systemic to the host jurisdiction but not material to the resolution of the overall group are not represented on the CMG (non-CMG host jurisdictions). However, those jurisdictions may be directly impacted by a failure of the firm. The Key Attributes therefore require cooperation and information sharing between CMGs and non-CMG host jurisdictions.

The draft guidance sets out: the process for identifying non-CMG host jurisdictions; criteria for assessing the systemic nature of a G-SIFI's presence in a non-CMG host jurisdiction; cooperation and information sharing arrangements with a non-CMG host jurisdiction; and classes of information to be shared between home authorities and non-CMG host jurisdictions.

Christine Cumming, First Vice President of the Federal Reserve Bank of New York and Chair of the FSB Cross-Border Crisis Management Group said: "Arrangements for effective communication, cooperation and information sharing are critical to build the trust and dialogue among home and host authorities of G-SIFIs that are needed to achieve an orderly cross-border resolution. We have made much progress with the establishment of Crisis Management Groups for global systemic firms. We need to make sure that we also address

the information needs of jurisdictions not represented on these groups. The guidance issued for consultation today, together with the Key Attributes guidance on legal gateways and confidentiality arrangements to support the exchange of non-public information, will assist in this effort.”

## **Comments on the consultative document**

The FSB welcomes comments and responses to the questions set out in the consultative document by **Monday, 1 December 2014**. Responses should be sent to [fsb@bis.org](mailto:fsb@bis.org). Responses will be published on the FSB website unless respondents expressly request otherwise.

## **Notes to editors**

The [Key Attributes of Effective Resolution Regimes for Financial Institutions](#) are the international standard for resolution regimes for financial institutions. They are a key component of the FSB's policy framework to address the moral hazard and systemic risks associated with institution that are “too big to fail”. They were released by the FSB in November 2011 following their endorsement by G20 Leaders at the Cannes Summit. Annex I to the *Key Attributes*, on Information Sharing for Resolution Purposes, sets out principles for the design of national legal gateways and confidentiality regimes to allow the exchange with domestic and foreign authorities of non-public information that is necessary for planning and carrying out resolution.

The FSB's report to the G20 on [Progress and Next Steps Towards “Ending Too Big To Fail” \(TBTF Report\)](#) of September 2013 set out the further actions required from the G20, the FSB and other international bodies to complete the policy initiative to end “too-big-to-fail”. It noted the need for the FSB to develop recommendations for cooperation and sharing information with host authorities of jurisdictions where a G-SIFI has a systemic presence but that do not participate in the CMG of that G-SIFI.

The FSB Cross-Border Crisis Management Working Group brings together representatives from CMGs and conducts work on guidance to support the resolution planning work within CMGs.

The FSB was 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.financialstabilityboard.org](http://www.financialstabilityboard.org).