FSB FINANCIAL STABILITY BOARD

COVID-19 pandemic:

Financial stability implications and policy measures taken

15 April 2020

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1. Overview and key messages

The COVID-19 pandemic represents the biggest test of the post-crisis financial system to date. The pandemic constitutes an unprecedented global macro-economic shock, pushing the global economy into a recession of uncertain magnitude and duration. The global financial system faces the dual challenge to sustain the flow of credit amidst declining growth and to manage heightened risks.

This exogenous shock has placed the financial system under strain. Downward revisions of expected economic activity and heightened risk aversion have led to a major re-pricing and re-positioning in global financial markets. On the one hand, the providers of funding have an increasing preference for short-term safe assets. On the other hand, credit risks are rising sharply. As a consequence, the demands on the financial system's capital and liquidity have risen. Heightened operational risks are adding to vulnerabilities.

The global financial system is more resilient and better placed to sustain financing to the real economy as a result of the G20 regulatory reforms in the aftermath of the 2008 global financial crisis. In particular, greater resilience of major banks at the core of the financial system has allowed the system to date largely to absorb rather than amplify the current macroeconomic shock. Those forms of market-based finance that contributed to the 2008 financial crisis pose significantly lower financial stability risks. Financial market infrastructures, particularly CCPs, have functioned well, despite the challenging external financial and operational conditions.

Nevertheless, given the unprecedented scale of the shock, key funding markets experienced acute stress and authorities needed to take a wide range of measures to sustain the supply of credit to the real economy and to support financial intermediation. The actions taken have been determined and bold, including large-scale central bank liquidity support. However, continued uncertainty about the scale and duration of the economic impact of the pandemic continues to pose strains on the financial system. Internationally coordinated action to support a well-functioning, resilient financial system and well-functioning and open markets remains a priority.

The FSB is closely monitoring the resilience of the financial system, in particular key nodes in the system that are critical for financial stability. These include: the ability of financial institutions and markets to channel funds to the real economy; the ability of market participants around the world to obtain US dollar funding, particularly in emerging markets; the ability of financial intermediaries, such as investment funds, to effectively manage liquidity risk; and the ability of market participants and financial market infrastructures (including CCPs) to manage evolving counterparty risks. Weaknesses in these nodes, and their interaction, could tighten financial conditions, and could impact the provision of financial services and potentially the stability of the financial system.

The official sector community is providing a rapid and coordinated response to support the real economy, maintain financial stability and minimise the risk of market fragmentation. This response is underpinned by the following **principles**:

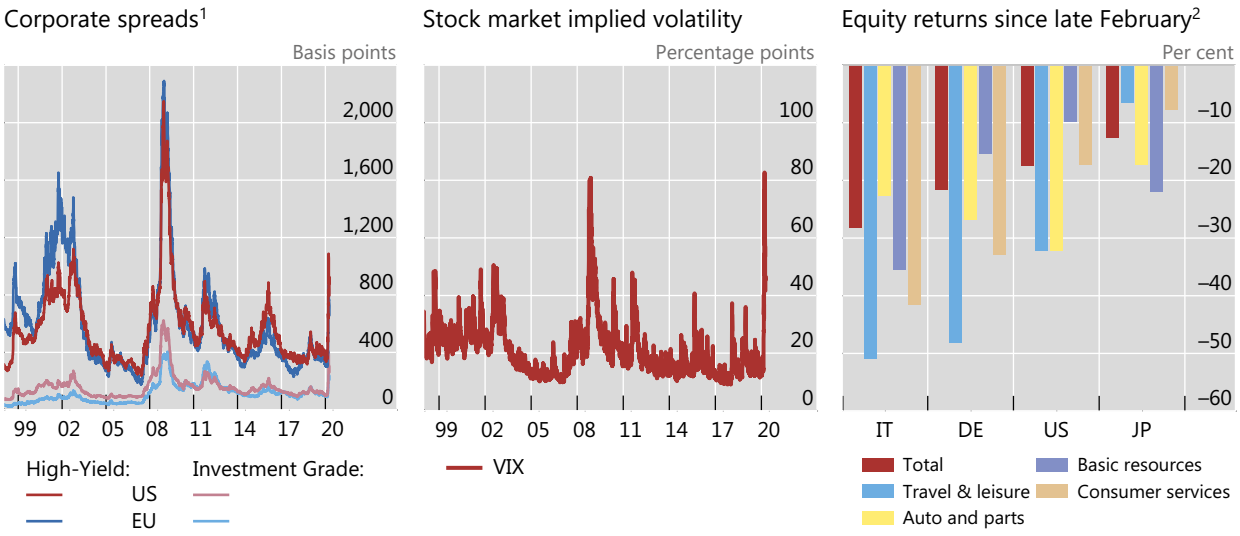
1. Authorities will, individually and collectively through the FSB and standard-setting bodies (SSBs), monitor and share information on a timely basis to assess and address financial stability risks from COVID-19, so as to maximise the benefit of a global policy response.
2. Authorities recognise, and will make use of, the flexibility built into existing financial standards – including through the use of firm-specific and macroprudential buffers – to sustain the supply of financing to the real economy, to support market functioning and to accommodate robust business continuity planning.
3. The FSB, SSBs and authorities will continue to seek opportunities to temporarily reduce operational burdens on firms and authorities, so as to assist them in focusing on COVID-19 response. This includes, for instance, delaying implementation deadlines, reprioritising timetables for initiatives in other policy areas, or providing flexibility in technical compliance rules.
4. Authorities' actions will be consistent with maintaining common international standards, given that these provide the resilience needed to sustain lending to the real economy, and preserve an international level playing field. Such actions will not roll back regulatory reforms or compromise the underlying objectives of existing international standards.
5. Authorities will coordinate through the FSB and SSBs the future timely unwinding of the temporary measures taken, to assist in returning financial conditions and firms' operations to normal in a smooth and consistent manner and to maintain financial stability in the longer term.

On this basis, the FSB is supporting international cooperation and coordination on the COVID-19 response in three ways. First, the FSB is regularly sharing information among financial authorities on evolving financial stability threats, on the policy measures that financial authorities are taking or are considering, and on the effects of those policies. Second, the FSB is assessing potential vulnerabilities, including in the key nodes described above, in order to better understand the impacts of COVID-19 on financial markets in individual jurisdictions and across the globe and inform discussions of policy issues. Third, FSB members are coordinating on their responses to policy issues, including measures that SSBs and national authorities take to provide flexibility within international standards or reduce operational burdens.

2. Financial stability implications

The COVID-19 pandemic has led to **a major re-pricing and re-positioning in global financial markets** (Graph 1). Continued downward revisions of economic growth expectations and heightened risk aversion, combined with high uncertainty about the future development of the pandemic, have led to bouts of extreme volatility in equity and other markets for risky assets, capital outflows from EMDEs and sharp moves in foreign exchange rates. A number of stress metrics reached historically high levels. Funding markets have been under strain amid extreme demand for cash and near-cash assets, and there has been impaired activity and price discovery, including in some markets that are usually highly liquid. Since late March, some market stress has subsided in response to the unprecedented fiscal policy measures and central bank action taken to support financial markets. Unlike in 2008, the core banking system has remained resilient amidst these stresses.

A sharp adjustment in bond and equity markets — Graph 1



[1] Option-adjusted spreads. [2] Percentage change in equity prices since 21 February 2020 until 9 April 2020.

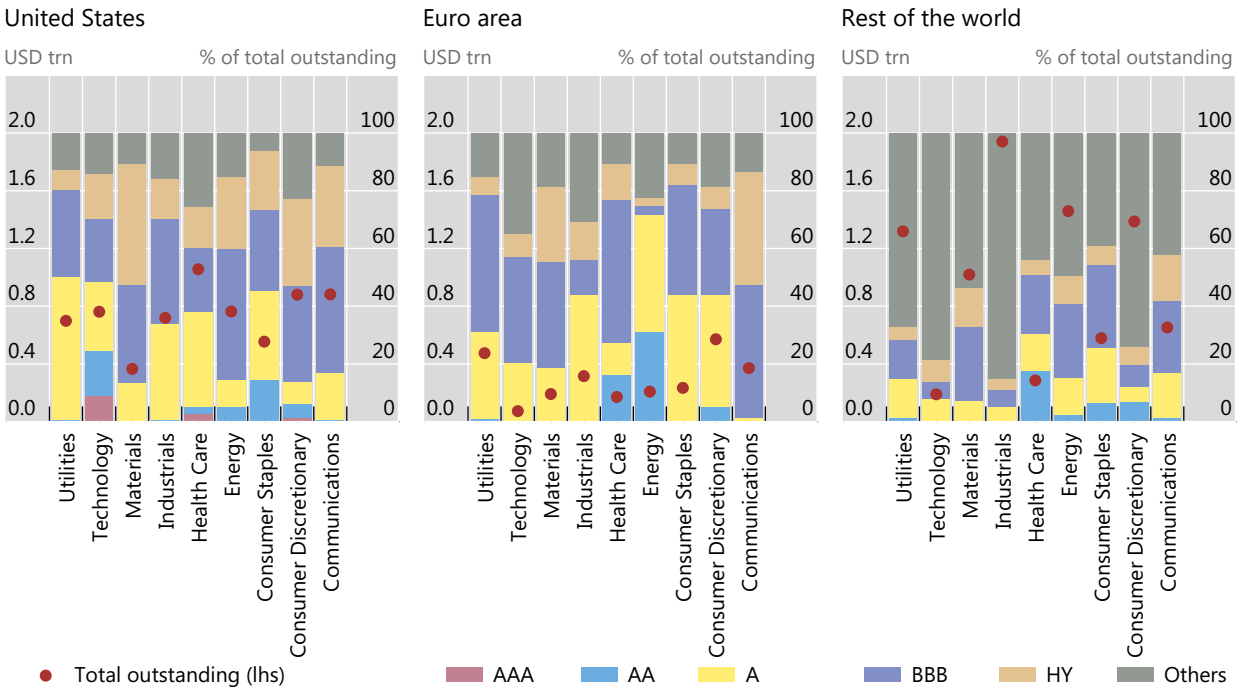
Sources: Bloomberg; Datastream; ICE BofAML indices; FSB calculations

The pandemic constitutes an unprecedented global macro-economic shock of uncertain magnitude and duration. Activity in a number of sectors – including tourism, transportation, automotive and services – has collapsed in the economies most affected by the pandemic and is spreading to the other parts of the economy as demand is falling. The depth of the downturn, and the timing and shape of the recovery remain uncertain. A global recession seems imminent, with the potential to create lasting damage to global growth. The impact on firms will differ depending on their sector, size, leverage, funding sources and credit quality. Some sectors of the real economy may also face reductions in their activity that cannot be recouped (e.g. those engaged in services or the production of non-durable goods) or may be permanent in nature. Knowledge about the virus and the resulting dynamics of the pandemic remains incomplete and seem highly dependent on the effectiveness of policy responses. The pandemic, and the containment measures that have followed it, are affecting both the supply and the demand side in a highly interconnected global economy. The economic effects of past epidemics provide therefore little guidance for the impact of COVID-19. All this increases uncertainty and makes the confidence of investors and consumers more fragile.

Pressures on the supply of credit to the real economy have become a major concern. As the pandemic continues, non-financial corporates face increasing funding shortfalls as cash flows from operations diminish or dry up. Demand for bank credit – including via existing credit lines tapped by corporates – has increased materially, and is likely to remain elevated in the short term. At the same time, tightening credit supply, especially in the nonbank sector, could significantly add to funding strains in the corporate sector. Indeed, credit spreads have widened sharply for riskier borrowers, including those who borrow from leveraged loan and high-yield bond markets and those operating in sectors particularly impacted by the pandemic.

Non-financial corporate bonds rating breakdown by sector[1]

As a percentage of total outstanding bonds per sector — Graph 2



[1] Others include non-rated bonds and other non-applicable issues. HY = high yield (i.e. below BBB-rated) bond.

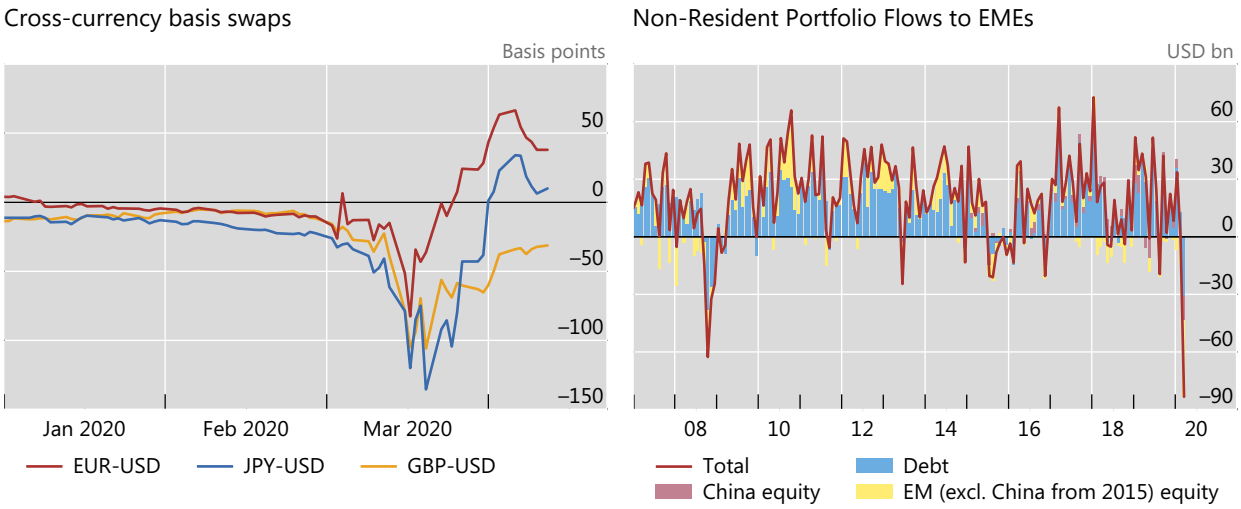
Sources: Bloomberg; FSB calculations.

The financial system is more resilient and better placed to sustain financing to the real economy as a result of the G20 regulatory reforms in the aftermath of the financial crisis. These reforms have improved the resilience of the core of the financial system. Large banks are better capitalised, less leveraged, and hold more liquidity and have remained resilient through this market stress. Over-the-counter (OTC) derivatives markets are simpler and more transparent. The use of central clearing has increased, and collateralisation is more widespread. Non-bank financial intermediation (NBFI) has grown, diversifying sources of capital. Those aspects of NBFI that contributed to the 2008 financial crisis, including certain forms of structured finance, have declined and pose significantly lower financial stability risks.

However, financial intermediaries and markets face growing challenges in lending and funding. Bank and non-bank financing providers have to cope with rising credit risks. Credit quality will deteriorate as the global economy enters a recession, affecting corporate bonds with an already high share of low investment grade or high-yield ratings (Graph 2). Credit rating agencies have started downgrading corporates, pushing some of them into the high-yield segment, and have revised their outlook for other firms to negative, with potential procyclical effects. At the same time, growing risk aversion and heightened demand for cash, including to meet increasing margin calls on derivatives positions, has led investors to shift towards cash and cash-like securities. Alongside this, a reduction in intermediation caused some markets to jump to illiquidity, including those that are normally considered highly liquid. Some emerging market economies have also seen very large capital outflows. A preference for liquidity and safety appears to be reflected in significant outflows from investment funds that invest in less liquid fixed-income assets, such as corporate and emerging-market bond funds, corporate bond exchange-traded funds (ETFs) and loan funds as well as certain money market funds. Some

large corporates have increased their cash holdings, which may have contributed to strains in funding markets. These strains can impair the ability of some parts of the system of market-based finance from serving the real economy.

Cross-currency basis swaps and net flows into emerging markets Graph 3



Sources: Bloomberg; IIF; FSB calculations

Operating financial firms in contingency mode may add to vulnerabilities. Precautionary lock-down measures are testing the contingency plans of financial institutions, market infrastructures and market participants. Remote and split-site working and limited staff availability may challenge the execution of complex market operations and centralised functions, e.g. market making may be less effective and loan origination may be impeded. Disruption to telecoms or third-party service providers could also affect financial institutions.

The resilience of key nodes in the global financial system is critical for financial stability. The effective provision of financial services to the real economy – including providing credit to borrowers in need as well as providing liquidity and safe assets to investors – depends on the availability and functioning of key nodes in the global financial systems. Several of these nodes have gained importance in the aftermath of the global financial crisis, and are related to the increased participation of NBFI in credit markets and evolving connections between banks, non-banks and financial markets:

(1) The ability of financial institutions and markets to channel funds to the real economy. Resilience built over the past decade has allowed the banking sector to meet demand from corporate drawing down on existing lines. But liquidity strains have grown. The key challenge over the coming time period is to keep credit flowing amidst deteriorating credit quality and rising defaults and this may require further government action. Critical to support this activity are banks' continued ability to raise funds and willingness to provide credit, which in turn would depend on market perceptions of their and their borrowers' solvency. Similarly, the ability of non-bank financial intermediaries to continue lending to the real economy – or intermediating in credit markets – would depend on their ability to raise funds or redirect funds to these markets, which may be particularly challenging for financing to riskier borrowers (high yield bonds and leveraged loans). To the extent that credit supply by certain non-banks

tightens, the ability of banks to act as a 'spare tyre' and whether other non-banks enter or expand their activity in these markets becomes critical.

(2) The ability of market participants around the world to obtain US dollar funding, particularly in emerging market economies (EMEs). Capital outflows from EMEs observed in late March have been much larger than during 2008 in the financial crisis, or during 2013 with the taper tantrum (Graph 3). These larger outflows reflect the shift in USD funding gaps during the past decade from advanced economies to EMEs, and from banks to non-financial corporates. On the supply side, non-bank financial intermediaries are now providing a larger share of USD funding to foreign borrowers. Central bank facilities have addressed acute funding strains, but resilience of complex dollar funding chains and the ability to go the "last mile" and channel USD liquidity to the foreign exchange market is important to prevent defaults. The availability of funding depends on a functioning intermediation chain, including foreign exchange swap markets, and the channelling of funds to end users.

(3) The ability of financial intermediaries, such as certain investment funds, to effectively manage liquidity risk. Increased risk aversion together with surging demand for safe assets have been reflected in outflows from a subset of open-ended funds, including ETFs that invest in less liquid assets, and prime institutional US money market funds (MMFs) and similar non-US MMFs, which invest in instruments that are usually highly liquid. Large amounts of central bank support has been required to improve liquidity in these markets. Yet overall market uncertainty persists, and the expected materialisation of economic downside risk through credit downgrades, defaults and declining market values has the potential to increase redemption pressure on the investment fund sector. Critical for this activity are the liquidity of funds' underlying assets and the ability of fund managers to assess their value, as well as funds' liquidity risk management practices.

(4) The ability of market participants to manage effectively evolving counterparty credit risks. COVID-19 related developments have resulted in modest volatility in repo markets (thanks in large part to the swift actions taken by central banks) and a surge in volumes cleared in central counterparties (CCPs), along with increased margin calls. One consequence of OTC derivatives reforms is that counterparty risk has become more concentrated and financial market participants more interconnected though a point of strength is that CCPs and their large clearing members have shown resilience during COVID-19 developments. Procyclical changes to margin requirements and collateral haircuts could increase liquidity pressures on clearing members and their clients, though such pressures have not been observed so far. Critical elements to ensure resilience include: CCPs' risk management frameworks; initial margin models that are correctly calibrated and are not excessively procyclical; a sufficient default waterfall; and the ability of markets (including the repo market) to provide sufficient liquidity for clearing members and their clients in meeting margin calls.

Weaknesses in these nodes, and their interactions, could disrupt the provision of financial services and adversely affect the stability of the financial system. The impact of the shock on pre-existing vulnerabilities, including high levels of private and public sector debt, elevated asset price levels, and greater interconnectedness between banks and non-banks, warrants particular attention. Authorities also need to prepare for more severe adverse scenarios. These include potential operational disruptions. Widespread remote working seems to have been followed by a growing number of cyber incidents. More generally, the pandemic is making the financial system more sensitive to additional shocks, while the sharp decline in oil prices since

early March has contributed to increased financial market volatility. Over the coming weeks the FSB will work to deepen and draw together these risk assessments.

3. Policy action taken

Authorities in G20 and FSB jurisdictions have taken a wide range of measures to sustain the supply of credit to the real economy, support financial intermediation, and preserve the resilience of the global financial system. (See Annex 1 for an overview).

At the **level of individual firms**, the measures aim at strengthening resilience through operational readiness and contingency planning of financial institutions; protecting the health and safety of staff and customers; and maintaining the continuity of financial services and critical financial market infrastructures.

Authorities are monitoring and reviewing firms' pandemic plans, and have reduced or postponed aspects of their supervisory activity (e.g. supervisory reporting, stress tests, postponement of onsite visits) in light of measures taken to contain the spread of the virus (e.g. extensive work-from-home arrangements). Some authorities have focused scrutiny on cybersecurity arrangements, particularly in light of remote working arrangements and possible exploitations of security weaknesses by cyber threat actors.

At the **system-wide level**, central banks have used monetary policy tools and supported market liquidity by reducing policy rates, expanding funding operations and asset purchases. Governments have also announced large-scale fiscal stimulus and support measures to corporates and households.

The policy measures taken have buttressed resilience in the four critical nodes discussed above.

Measures to support the provision of credit to non-financial corporates. Authorities have adopted a range of measures to support bank lending to those affected most, in particular SMEs:

- One set of measures includes **direct fiscal support and government guarantee schemes**. Jurisdictions have also put in place public guarantee schemes to incentivise bank lending, including to SMEs[1], as well as direct fiscal measures, including deferrals of tax obligations.
- Another set of measures includes **measures to provide regulatory flexibility or other macroprudential support**. Some jurisdictions have reduced countercyclical buffers and provided waivers with respect to capital requirements. Firms have been encouraged to make full use of flexibility embedded in existing regulation and to use their capital and liquidity buffers as they lend to affected households and businesses. Some authorities have recommended that banks do not pay dividends and do not buy back shares for a given time period.[2]
- Central banks have **taken a series of measures to provide liquidity to banks and markets**, including through additional longer-term refinancing operations or a

[1] Switzerland has for example developed a scheme focused on providing rapid liquidities to SMEs. As part of this initiative, the Swiss National Bank provides the necessary liquidity.

[2] For example see the European Central Bank (ECB) recommendation issued on 27 March 2020: https://www.bankingsupervision.europa.eu/press/pr/date/2020/html/ssm.pr200327~d4d8f81a53.en.html.

reduction of minimum reserve requirements. The U.S. Federal Reserve has also re-activated the commercial paper funding facility to facilitate the flow of funding to corporates through short-term funding markets and established two facilities to support credit to large employers through loan and bond purchases in primary and secondary markets, and another facility to support lending to small businesses. In order to safeguard the smooth transmission of monetary policy within the euro area, the ECB has launched the Pandemic Emergency Purchase Program (PEPP), a temporary asset purchase programme for private and public sector securities. The Bank of England has launched a term funding scheme to support SME lending, a Covid Corporate Financing Facility to support liquidity among larger firms, and is providing liquidity to the banking sector through expanding its liquidity facilities.

Measures to alleviate US dollar funding shortages. The Federal Reserve has standing swap arrangements with the Bank of Canada, the Bank of England, the ECB, the Bank of Japan, and the Swiss National Bank.[3] To lessen strains in global US dollar funding markets, on 19 March the Federal Reserve added temporary swap arrangements with nine more central banks, to be in place for at least six months. These additions concern central banks that established swap lines during the global financial crisis of 2008, which expired after the crisis subsided. These new facilities will support the provision of US dollar liquidity in amounts up to $60 billion for each central bank. On 31 March, the Federal Reserve established a temporary repurchase agreement facility for foreign and international monetary authorities.

Measures to alleviate funding constraints from the shift of investors to safe assets. The Federal Reserve established a Money Market Liquidity Facility (MMLF) to provide liquidity to market intermediaries purchasing assets from certain types of US money market funds. MMLF is intended to help money market funds to meet demands for redemptions. The Federal Reserve also established a Term Asset-Backed Securities Loan Facility (TALF), enabling the issuance of asset-backed securities backed by different types of assets, as well as a Primary Dealer Credit Facility (PDCF) to support the credit needs of households and businesses.

Measures to **support market functioning and ensure market integrity** have gained in importance as market functioning has deteriorated. Authorities are keeping close contact with market infrastructures and monitoring measures taken by exchanges, central counterparties and other market infrastructures to maintain their robustness and business continuity, and thereby mitigate the risk of contagion so that they would function without any disruption. Some authorities have tightened short-selling rules or imposed a temporary ban on short-selling.

Acknowledging the extraordinary circumstances, the international SSBs have themselves taken steps to address the financial and supervisory implications of COVID-19 (see Annex 2 for announcements). Key steps taken include:

- The Basel Committee on Banking Supervision's (BCBS) extended by one year the implementation timeline of the outstanding Basel III standards – namely, the standards finalised in December 2017 and accompanying transitional arrangements for the output floor, the revised market risk framework, and revised Pillar III disclosure requirements.

[3] In a coordinated action, these central banks agreed on 20 March to increase the frequency of 7-day maturity operations from weekly to daily, commencing on Monday, 23 March 2020, at least through the end of April.

- BCBS and the International Organization of Securities Commissions (IOSCO) extended by one year the deadline for completing the final two implementation phases of the margin requirements for non-centrally cleared derivatives.
- BCBS published technical clarifications to ensure that banks reflect the risk-reducing effect of exceptional measures by governments and banks when calculating their regulatory capital requirements. The BCBS also amended its transitional arrangements for the regulatory capital treatment of expected credit loss accounting, and postponed the implementation of the revised global systemically important bank framework by one year.
- IAIS announced it will review, in consultation with the FSB, the 2020 timelines for the implementation of its Holistic Framework for the mitigation of systemic risk in the global insurance sector. It will review and adjust the timelines for the data collections for the Insurance Capital Standard in 2020 and for the Aggregation Method. The IAIS will also postpone development of material providing guidance on supervisory practices, with public consultations generally deferred by at least six months.
- The International Accounting Standards Board (IASB) published a document regarding the application of IFRS 9 'Financial Instruments' during the period of enhanced economic uncertainty arising from the COVID-19 pandemic. IOSCO also released a statement on the application of accounting standards during the pandemic.

4. Future work and international cooperation

The FSB is supporting international cooperation and coordination on the COVID-19 response in three ways. First, the FSB will continue to regularly share information among financial authorities on evolving financial stability threats and on the policy measures that financial authorities are taking or are considering. Second, the FSB is assessing vulnerabilities and providing risk assessments in key areas that warrant particular attention. Third, the FSB is coordinating on the response to policy issues, including measures that SSBs may take to provide, or give guidance on, flexibility available to authorities and firms within existing international financial standards.

(1) Information sharing. The FSB is sharing information:

- on vulnerabilities and on channels for risks to financial stability, through conference calls and written reports.
- together with CPMI, on issues related to payment and market infrastructures.
- on policy measures taken (updated and shared daily). This information is being shared with all FSB members, with BCBS, the IAIS Executive Committee and the IOSCO Board, and with the member authorities of the FSB's six Regional Consultative Groups.

This information sharing aims at taking stock of evolving financial system risks and informing the design of national policy responses. The repository of policy measures is accompanied by a systematic analysis that will facilitate assessment of their effectiveness, and any impacts on market fragmentation and other side effects. Annex 1 is based on the information that has been shared.

(2) Financial stability risk assessments. The FSB is assessing the macro-financial implications of the rapidly evolving market environment. These assessments have informed discussions of financial stability risks, the identification of areas that warrant close monitoring and further investigation in the coming months, and discussions of potential policy implications.

The FSB is examining the potential financial stability risks that may lie ahead as the impact of COVID-19 on the global economy unfolds. Going forward, the FSB intends to monitor the resilience of the critical nodes on a frequent basis, so as to identify any emerging issues in a timely manner. It also intends to identify and assess in a forward-looking manner the specific vulnerabilities that may materialise during this major global economic downturn, including potential sources of procyclicality.

From a medium-term perspective, the FSB also intends to examine how likely far-reaching changes in the global financial system associated with the COVID-19 crisis may affect the nature of financial stability risks going forward.

(3) Coordination of responses on policy issues. FSB members, including the SSBs, are cooperating closely to coordinate action, including financial policy responses in their jurisdictions, to maintain global financial stability, keep markets open and functioning, and preserve the financial system's capacity to finance growth.

Many policy areas will be for individual national authorities or for sectoral standard-setters to consider. In cases where such requests have cross-border and cross-sectoral implications, a coordinated approach within the FSB to ease implementation expectations or to reaffirm existing implementation goals, will be sought.

SSBs are continuing to closely monitor developments and have all announced policy and operational measures aimed at supporting these goals. The FSB is actively coordinating with SSBs on issues that cut across sectors.

Guided by the five principles laid out above that underpin national and international regulatory and supervisory responses, the FSB and SSBs are:

- sharing information on, and considering whether there are areas for collaboration to promote the effectiveness of, the steps authorities and the private sector are taking to temporarily mitigate lending terms for borrowers.
- coordinating steps to support the business continuity of financial services firms, both through facilitating remote working and enabling those essential staff who need to work onsite to do so.
- coordinating their responses to enable firms and authorities to focus their resources on COVID-19 response by delaying existing deadlines for implementation of international reforms and of other international regulatory initiatives, where this can be done in a way that remains consistent with the underlying objectives of the reforms.

The FSB will provide an update on authorities' and SSBs' COVID-19 response, its financial stability risk assessment and its systematic analysis of policy measures by July 2020.The FSB will also engage with stakeholders on the effects and effectiveness of the policy actions.

Annex 1: Financial policy measures taken in response to COVID-19 pandemic (as of 11 April 2020)

The table provides a high-level overview of the policy measures taken by authorities in FSB jurisdictions in response to the COVID-19 pandemic outbreak. The table is based on information collected by FSB, through a template compiled by SRC members.

Policy Measure	Monetary and Fiscal Policy		Lending support						Funding support						Market functioning		Supporting operational resilience	
									Domestic currency				Foreign currency					
	Reduction of policy rates	Fiscal stimulus	Government guarantees	Corporate relief (tax deferrals, wage caps etc)	Restructuring of loan terms	CCyB release	Encouragement to use Capital and Liquidity buffers	Other prudential easing	Bank Funding Facilities	Market funding facilities	Asset purchases	Other funding support	Central bank Swap lines	Central bank repo facility	Short selling ban	Circuit breakers	Business continuity	Reducing operational burden
Argentina		■	■		■		■	■				■					■	■
Australia	■	■		■	■		■		■	■	■		■				■	■
Brazil	■	■		■			■	■		■		■	■	■		■	■	■
Canada	■	■	■	■		■	■	■	(%)	■	■	■	■			■	■	■
China	■	■			■				■	■		■					■	
France ([1])		■	■	■	(*)	■						■			■		■	
Germany ([1])		■	■			■	■	■	■	■	■	■	■				■	■
Hong Kong	■	■	■		■	■			■			■					■	■
India	■	■						■	■	■	■		(&)			■	■	
Indonesia	■	■	■	■	■			■	■	■	■		■	■	■	■	■	■
Italy ([1])		■	■	■	■			■							■			
Japan		■	■	■	■		■		■	■	■		■			■	■	■
Korea	■	■	■	■	■		■	■	(%)	■	■	■	■		■	■	■	■
Mexico	■				■		■	■	■			■	■				■	■
Netherlands ([1])			■	■	■			■				■					■	
Russia		■	■	■	■		■	■	■		■	■	(&)				■	■
Saudi Arabia	■	■	■	■	■				■								■	
Singapore		■	■	■	■		■	■				■	■	■			■	■
South Africa	■				■		■	■	■		■					■	■	■
Spain ([1])		■	■	■	■		■	■				■			■	■	■	■
Switzerland		■	■	■		■	■	■	■				■				■	■
Turkey	■	■	■	■	■		■	■	■	■	■	■	(&)		■	■	■	■
UK	■	■	■	■		■	■		■	■	■	■	■	■			■	■
US	■	■					■	■		■	■	■	(^)	■		■	■	■
Euro Area							■	■	(%)	■	■		(^)				■	■
EU		■	■				■											■

([1]) All the measures decided at the Euro Area level or at the EU level apply at the level of the jurisdictions that are members of the Euro Area or the EU.

(*) Private initiative of Banking Federation

(&) India: 6 Months US $ sell/buy swaps – not with a CB Swap line; Russia: increased limit on FX swap operations to provide US dollars; Turkey: Turkish lira currency swap auctions with a maturity of 1 year against US dollars, euros and gold; (%) Canada, Korea and Euro Area: Including expansion of eligible collateral

(^) US Dollar liquidity – Swap lines: Bank of Canada, Bank of England, Bank of Japan, European Central Bank, Swiss National Bank from weekly to daily. New swap lines with the central banks of Australia, Brazil, Denmark, Korea, Mexico, Norway, New Zealand, Singapore.

Annex 2: COVID-19 statements by standard-setting bodies

BCBS

- Basel Committee and IOSCO announce deferral of final implementation phases of the margin requirements for non-centrally cleared derivatives, 3 April 2020
- Basel Committee sets out additional measures to alleviate the impact of Covid-19, 3 April 2020
- Governors and Heads of Supervision announce deferral of Basel III implementation to increase operational capacity of banks and supervisors to respond to Covid-19, 27 March 2020
- Basel Committee coordinates policy and supervisory response to Covid-19, 20 March 2020

FSB

- FSB members take action to ensure continuity of critical financial services functions, 2 April 2020
- FSB coordinates financial sector work to buttress the economy in response to COVID-19, 20 March 2020

IAIS

- IAIS Executive Committee takes steps to address impact of COVID-19 on the insurance sector, 27 March 2020

IASB (IFRS Foundation)

- Application of IFRS 9 in the light of the coronavirus uncertainty, 27 March 2020
- The coronavirus and the Foundation's work, 27 March 2020

IOSCO

- IOSCO Statement on Application of Accounting Standards during the COVID-19 Outbreak, 3 April 2020
- Securities regulators coordinate responses to COVID-19 through IOSCO, 25 March 2020