

Press release

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FSB Europe group discusses responses to COVID-19 and non-bank financial intermediation

The Financial Stability Board (FSB) Regional Consultative Group (RCG) Europe held a virtual meeting today to discuss the challenges in addressing the evolving financial stability issues as a result of the COVID-19 pandemic, including the resilience of the banking sector in continuing to finance the real economy, as well as the findings of the FSB's too-big-to-fail evaluation. Members also discussed the market turmoil in March that highlighted vulnerabilities in the non-bank financial intermediation sector (NBFI) related to liquidity mismatches, leverage and interconnectedness. Members reiterated the importance of understanding risk, risk transmission and policy implications in NBFI, and welcomed the FSB's holistic review of the March turmoil that will be published later this month.

The members received an update on the FSB deliverables to the G20 Riyadh Summit on 21-22 November and the FSB's work programme for 2021, including the Italian G20 Presidency's financial sector priorities.

The Group also discussed work being undertaken by the Bank for International Settlements Innovation Hub which is focused on measures to leverage innovation to enhance the functioning of the global financial system.

Notes to editors

The RCG Europe is co-chaired by Katharine Braddick, Director General, Financial Services at the UK Treasury and Henry Ohlsson, Deputy Governor, Sveriges Riksbank. The membership of the FSB Regional Consultative Group for Europe includes financial authorities from Austria, Belgium, Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Luxembourg, Netherlands, Norway, Poland, Portugal, Romania, Spain, Sweden, Switzerland, Ukraine, United Kingdom and the Group of International Finance Centre Supervisors. The European Commission, the European Central Bank, the ECB Banking Supervision and European Banking Authority also attended the meeting.

The FSB has six Regional Consultative Groups, established under the FSB Charter, to bring together financial authorities from FSB member and non-member countries to exchange views on vulnerabilities affecting financial systems and on initiatives to promote financial stability.¹ Typically, each Regional Consultative Group meets twice each year.

¹ The FSB Regional Consultative Groups cover the following regions: Americas, Asia, Commonwealth of Independent States, Europe, Middle East and North Africa, and sub-Saharan Africa.

The FSB coordinates at the international level the work of national financial authorities and international standard-setting bodies and develops and promotes 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 approximately 70 other jurisdictions through its six Regional Consultative Groups.

The FSB is chaired by Randal K. Quarles, Vice Chairman, US Federal Reserve; its Vice Chair is Klaas Knot, President, De Nederlandsche Bank. The FSB 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.