FSB FINANCIAL STABILITY BOARD

Press release

Press enquiries:
+41 61 280 8477
press@fsb.org

Ref: 41/2021
7 December 2021

Resolution Report marks 10 years since the adoption of the FSB's Key Attributes of Effective Resolution Regimes

The Financial Stability Board (FSB) today published its 2021 Resolution Report. This year's report commemorates the tenth anniversary of the FSB Key Attributes of Effective Resolution Regimes for Financial Institutions ("Key Attributes") and takes stock of progress made in implementing FSB resolution policies and enhancing resolvability across the banking, financial market infrastructure, and insurance sectors. It also sets out the FSB's priorities in the resolution area going forward.

Since their adoption ten years ago, the Key Attributes have set the standard for the reform of resolution regimes and resolution planning across all sectors. Progress towards resolvability has been significant, but the FSB´s recent evaluation of the "too big to fail" reforms found that a number of gaps need to be addressed to fully realise the benefits of the resolution reforms. In addition, digital innovation is giving rise to new challenges for resolution planning, including in relation to the reliance on third-party service providers and cloud services, and the need to assess resolvability of non-traditional market participants.

- Banks – Work is under way to build up external TLAC for four emerging market economy G-SIBs due to comply with the TLAC standard by January 2025. All other G-SIBs report that they already meet or exceed the final TLAC requirement. Not all G-SIBs consistently disclose information on internal TLAC. Cross-border issues remain to be addressed, for instance in relation to funding in resolution and bail-in execution. The FSB will shortly publish a practices paper that summarises the issues on the latter.

- Central Counterparties (CCPs) – Uncertainty remains around the resolvability of CCPs given their systemic role in the financial system. A preliminary report will be published in early 2022 and will inform options for new or revised international policy on the use, composition or amount of financial resources for CCP recovery or resolution.

- Insurers – As in prior years, some jurisdictions have identified systemically important insurers and/or internationally active insurance groups. Work on resolution planning and resolvability assessments for these institutions has started or is under way. The FSB will soon publish two papers that present practices regarding financial and operational interconnectedness in resolution planning and funding in resolution.

Notes to editors

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 Klaas Knot, President of 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.