

Press release

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FSB RCG for Europe discusses global and regional vulnerabilities, crypto-assets and infrastructure finance

The Financial Stability Board (FSB) Regional Consultative Group (RCG) for Europe met in Vienna today.

The meeting started with an address from Ewald Nowotny, Governor of the Oesterreichische Nationalbank on the lessons learned ten years on from the financial crisis. The group then discussed sustainable finance developments in Europe and their policy implications.

Members of the RCG then discussed assessments of global and regional financial vulnerabilities including: the impact of the normalisation of interest rate policy; uncertainties around international trade policy; stresses in emerging markets; the resilience of the EU banking system and non-bank financial sector risks; and risks from foreign currency debt.

The group received an update on the FSB's work programme and deliverables for the G20 Leaders' Summit in Buenos Aires. The FSB's current priorities are: disciplined completion of the G20's outstanding financial reform priorities; rigorous evaluation of implemented reforms, to ensure the reform programme is efficient, coherent and effective; and vigilant monitoring to identify, assess and address new and emerging risks.

Discussion then moved to crypto-assets. The FSB has concluded that crypto-assets do not pose a material risk to global financial stability at this time. However, vigilant monitoring is needed in light of the speed of market developments. Should the use of crypto-assets continue to evolve, it could have implications for financial stability in the future. Members of the RCG discussed some of the broader policy issues that need to be considered for crypto-asset markets.

The group also discussed the FSB's evaluation of the effects of the financial reforms on infrastructure finance. They discussed the consultation report the FSB published in July on this topic, which concluded that the effects of the G20 financial reforms on infrastructure finance are of a second order relative to other factors, such as the macro-financial environment, government policy and institutional factors.

Finally, the group was updated on reforms in the United Kingdom to interest rate benchmarks, in particular on work related to LIBOR. Interest rate benchmarks play a key role in global financial markets.

The RCG Europe is co-chaired by Luigi Federico Signorini, Deputy Governor, Bank of Italy and Mojmir Hampl, Vice Governor, Czech National Bank. 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 and the Single Supervisory Mechanism also attended the meeting.

Notes to editors

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.

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 its six Regional Consultative Groups, the FSB conducts outreach with and receives input from almost 70 additional jurisdictions.

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.fsb.org.

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.