FSB FINANCIAL STABILITY BOARD

Press release

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FSB Europe Group discusses regional vulnerabilities, crypto-assets and climate change

The Financial Stability Board (FSB) Regional Consultative Group for Europe today in Stockholm held their first in-person gathering since the onset of the COVID-19 pandemic.

Members discussed the outlook for global and regional financial stability considering recent developments, including rising and volatile commodity prices triggered by Russia's invasion of Ukraine, higher inflation, vulnerabilities in the non-bank financial sector and other areas that warrant particular attention over the coming months. Members received an update on the FSB's 2022 work programme, and discussed items of particular relevance to the European region.

The group discussed regulatory and supervisory issues related to crypto-assets, and the associated challenges for policymakers. Members were briefed on the FSB's recently established workstream to examine supervisory and regulatory issues raised by "unbacked" crypto-assets which complements continuing FSB work on issues raised by stablecoins. The group provided feedback on the areas that could benefit most from international cooperation.

Finally, the group discussed work on a number of fronts to address financial risks related to climate change, which the FSB is coordinating through its Roadmap published in July 2021. This included an overview of the International Sustainability Standard Board's (ISSB) work on developing global baseline sustainability disclosure standards, beginning with climate. Members considered ways they could further support the ISSB in finalising its exposure draft. Members also provided feedback on the recommendations set out in the FSB's consultative report on regulatory and supervisory approaches to climate-related financial risks that was published last month. They also exchanged views on the financial stability implications of wider sustainability issues, including nature and biodiversity.

The meeting was preceded by an Informal Seminar on Climate Change and Energy Market Dynamics to discuss the implications for financial stability of climate transition risks and recent energy market challenges and the role the financial sector can play in supporting the climate transition.

Notes to editors

The FSB Regional Consultative Group for Europe is co-chaired by Henry Ohlsson, Deputy Governor, Sveriges Riksbank, and Lowri Khan, Director, Financial Stability at the UK Treasury.

Membership 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 (ECB) and the ECB Banking Supervision 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.

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.

[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.