

Press release

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FSB Europe group discusses global vulnerabilities and addressing risks related to money market funds and climate change

The Financial Stability Board (FSB) Regional Consultative Group (RCG) for Europe held a virtual meeting yesterday to discuss global and regional macroeconomic and financial market developments, and their potential impact on European economies.

The group exchanged views on financial stability issues during the recovery from the COVID-19 pandemic, including potential threats to regional financial stability arising from the pandemic. Members also discussed authorities' considerations in exiting from temporary public support measures, when conditions allow.

The group discussed the most recent FSB initiatives to address climate-related risks to financial stability, including promoting consistent regulatory and supervisory approaches to climate risk and identifying gaps in data for monitoring financial stability. Members also discussed promoting greater uptake and consistency in national and regional climate-related disclosures, using the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations as the basis with respect to climate-related financial risks. Members were informed of the FSB's ongoing work to develop a coordinated roadmap to address climate-related financial risks, which will be submitted to the G20 and published in July.

Members exchanged views on how to strengthen the resilience of money market funds (MMFs) and discussed the FSB's policy work on assessing and addressing vulnerabilities in MMFs which is a part of the FSB's overall work programme to strengthen the resilience of non-bank financial intermediation. Given the cross-border nature of MMFs, members discussed the best ways to coordinate regarding reforms to MMFs. Members were informed about the FSB's upcoming public consultation on policy options for MMFs to be published ahead of the July G20 meetings.

The group also received an update on the FSB's work programme, including planned deliverables to the G20 in 2021.

Notes to editors

The FSB RCG for Europe is co-chaired by Katharine Braddick, Director General, Financial Services at the UK Treasury and Henry Ohlsson, Deputy Governor, Sveriges Riksbank. 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, 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.

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 25 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 Board; its Vice Chair is 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.