

Strengthening global financial resilience: The FSB and G20's shared mission

Advancing global cooperation to build a financial system capable of withstanding shocks and enabling sustainable growth is essential to shaping frameworks that underpin global stability and shared prosperity

**Andrew Bailey, chair,
Financial Stability Board**





// ANDREW BAILEY

Andrew Bailey assumed the role of chair of the Financial Stability Board on 1 July 2025. He has been the governor of the Bank of England since 2020. He previously served as chief executive officer of the United Kingdom's Financial Conduct Authority, and was a member of the Prudential Regulation Committee, the Financial Policy Committee and the Board of the Financial Conduct Authority.

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The Financial Stability Board was established during the global financial crisis with a clear purpose: to ensure global cooperation on financial regulation and to improve the resilience of the global financial system. Over the years, the FSB's reforms have proven their worth, helping to contain the fallout from stresses such as the Covid-19 pandemic, Russia's illegal invasion of Ukraine and the banking turmoil of 2023. These events have underscored a fundamental truth: financial stability is not just a safeguard against crises but a foundation for sustainable growth.

Today, the need for global cooperation is as critical as it was 15 years ago. This principle has guided the FSB's efforts in support of South Africa's G20 presidency theme of 'Solidarity, Equality, Sustainability'. Our priorities – enhancing resilience, addressing vulnerabilities and fostering innovation – are closely aligned with the G20's vision of a fairer and more sustainable global economy.

ENHANCING RESILIENCE IN A CHANGING WORLD

The global financial system has evolved significantly since the FSB's inception. Non-bank financial intermediation now accounts for nearly half of all financial assets globally. Although this sector brings diversification and innovation, it also entails risks. Recent market disruptions have highlighted vulnerabilities in leveraged activities and data gaps within the non-bank sector. To address these challenges, the FSB has delivered a report on NBFI leverage, offering policy recommendations on the former to mitigate risks and improve transparency, and is also commencing work to address NBFI data challenges.

These efforts are critical to ensuring

the stability of markets that are central to the global financial system, such as sovereign bond markets, where leveraged investors are increasingly active. By addressing vulnerabilities in the non-bank sector, we strengthen the resilience of the financial system and create a stable foundation for growth.

ADDRESSING VULNERABILITIES

As the financial system evolves, so too must our tools for monitoring and responding to risks. Surveillance is at the heart of the FSB's mission, enabling us to identify vulnerabilities and respond with targeted, evidence-based action. Whether it is the rise of private finance, the impact of geopolitical tensions, the impact of climate-related weather events, or the increasing role of stablecoins for payment and settlement purposes, our ability to detect and address emerging threats is critical.

To this end, the FSB is committed to enhancing its surveillance capabilities. Robust tools and data are essential for understanding vulnerabilities across the financial system and ensuring that potential problems are addressed before they materialise. This proactive approach is vital in preventing crises, safeguarding stability and supporting the G20's focus on sustainable growth.

FOSTERING INNOVATION

Efficient, affordable and secure cross-border payment systems are essential for reducing financial exclusion, lowering remittance costs and fostering economic growth. South Africa has identified this as a key focus for its presidency, and the FSB's G20 Cross-Border Payments Roadmap is central to this effort. The rationale for this work has become increasingly evident. Frictions in international payments not only hinder economic

activity but also risk fragmenting the global financial system.

Cross-border payments are just one example of how the FSB is working to ensure that global supervisory and regulatory approaches provide a solid foundation for harnessing the benefits of digital innovation while managing risks. Other examples include our Format for Incident Reporting Exchange (FIRE) to address cyber risks and reduce fragmentation in incident reporting, and peer review to support the consistent adoption of our global regulatory framework for crypto-asset activities.

A SHARED VISION FOR RESILIENCE AND GROWTH

The G20's theme of 'Solidarity, Equality, Sustainability' reflects a recognition that global challenges require collective solutions. In an interconnected world, global cooperation is not optional – it is essential. The broad range of the FSB's work that spans cross-border payments, the non-bank sector and more novel areas such as stablecoins and artificial intelligence supports this vision by strengthening the financial system to create the conditions for inclusive and sustainable growth. A key part of this effort is ensuring the effective implementation of globally agreed standards. The FSB's Implementation Monitoring Review, commissioned by the South African G20 presidency, will help identify improvements to strengthen implementation monitoring and enhance reporting to the G20, reinforcing our collective commitment to financial stability.

The FSB is committed to supporting the G20's broad goals by working to build a financial system where stability is safeguarded, providing a foundation for an equitable and sustainable future. 