FINANCIAL STABILITY FORUM

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Press release

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First FSF regional meeting with central and eastern European authorities

The Financial Stability Forum (FSF) today held its first regional meeting with central and eastern European countries at the European Bank for Reconstruction and Development (EBRD) in London. Senior representatives from finance ministries, central banks, and supervisory and regulatory authorities from 13 FSF member and regional countries attended the meeting. A list of participating institutions is attached.

The meeting exchanged views on potential **vulnerabilities in financial systems** in the current economic situation and noted that financial systems had well withstood recent shocks. They also agreed that the improved outlook for growth is creating a more benign financial stability environment in the period ahead. They noted that appreciating exchange rates in EU accession countries heighten the importance of adequate safeguards in the banking system.

Participants also discussed issues raised by **recent large corporate failures**, and noted that many bear relevance for regional transition economies. They underscored the importance of reinforcing market foundations through sound practices in corporate governance, improved audit quality, and strengthened independence of oversight and enforcement institutions.

The meeting also reviewed the focus of ongoing **work to strengthen financial systems.** These efforts centre on EU accession requirements and the implementation international bank and insurance supervisory standards, and international principles for securities market regulation.

Participants thanked the EBRD for its hospitality and expressed interest in future regional FSF meetings.

Note for editors. The FSF was established in February 1999 to promote international financial stability through enhanced information exchange and international cooperation in financial market supervision and surveillance. It brings together on a regular basis national authorities responsible for financial stability in significant international financial centres, international financial institutions, sector-specific international groupings of regulators and supervisors, and committees of central bank experts. The FSF is chaired by Andrew Crockett, General Manager of the Bank for International Settlements, in a personal capacity.

The objective of bringing together Forum members and regional representatives is to allow an exchange of views on potential vulnerabilities from a regional perspective, brief regional authorities on the Forum's discussions and enable them to inject their views and perspectives on the Forum's work.

For further information on the FSF, its membership, the activities of its working groups and previous FSF meetings, please visit the FSF website at ***www.fsforum.org***.

Central and Eastern European Regional Meeting
List of Participants

Chairman	Mr Andrew Crockett Financial Stability Forum
Bulgaria	Bulgarian National Bank
Czech Republic	Czech National Bank
	Czech Securities Commission
	Ministry of Finance
France	Commission des Opérations de Bourse
Hungary	Magyar Nemzeti Bank
	Hungarian Financial Supervisory Authority
	Ministry of Finance
Netherlands	De Nederlandsche Bank
Poland	National Bank of Poland
Russia	Central Bank of the Russian Federation
	Federal Commission for the Securities Market
Slovakia	National Bank of Slovakia
	Financial Market Authority
Slovenia	Bank of Slovenia
	Securities Market Agency
Turkey	Central Bank of the Republic of Turkey
	Prime Ministry, Undersecretariat of the Treasury
Ukraine	National Bank of Ukraine
United Kingdom	Financial Services Authority
	HM Treasury

European Bank for Reconstruction and Development

Bank for International Settlements

Basel Committee on Banking Supervision

International Association of Insurance Supervisors

Financial Stability Institute