Financial Stability Board
Charter

Having regard to:

(1) the initial mandate given to the Financial Stability Forum by the Finance Ministers and Central Bank Governors of the Group of Seven (20 February 1999);

(2) the broadened mandate given by the Heads of State and Government of the Group of Twenty (London Summit, 2 April 2009, "Declaration on Strengthening the Financial System");

(3) the call of the Heads of State and Government of the Group of Twenty to re-establish the Financial Stability Board "with a stronger institutional basis and enhanced capacity" (London Summit, 2 April 2009, "Declaration on Strengthening the Financial System"); and

Recognising the need to promote financial stability by developing strong regulatory, supervisory and other policies and fostering a level playing field through coherent implementation across sectors and jurisdictions.

We, the Members of the Financial Stability Board, have set forth the following Charter:

I. General provisions

Article 1. Objectives of the Financial Stability Board

The Financial Stability Board (FSB) is established to coordinate at the international level the work of national financial authorities and international standard setting bodies (SSBs) in order to develop and promote the implementation of effective regulatory, supervisory and other financial sector policies. In collaboration with the international financial institutions, the FSB will address vulnerabilities affecting financial systems in the interest of global financial stability.

Article 2. Mandate and tasks of the FSB

(1) As part of its mandate, the FSB will:

(a) assess vulnerabilities affecting the global financial system and identify and review on a timely and ongoing basis the regulatory, supervisory and related actions needed to address them, and their outcomes;

(b) promote coordination and information exchange among authorities responsible for financial stability;

(c) monitor and advise on market developments and their implications for regulatory policy;

(d) advise on and monitor best practice in meeting regulatory standards;

(e) undertake joint strategic reviews of the policy development work of the international standard setting bodies to ensure their work is timely, coordinated, focused on priorities and addressing gaps;

(f) set guidelines for and support the establishment of supervisory colleges;

(g) support contingency planning for cross-border crisis management, particularly with respect to systemically important firms;

(h) collaborate with the International Monetary Fund (IMF) to conduct Early Warning Exercises; and

(i) undertake any other tasks agreed by its Members in the course of its activities and within the framework of this Charter.

(2) The FSB will promote and help coordinate the alignment of the activities of the SSBs to address any overlaps or gaps and clarify demarcations in light of changes in national and regional regulatory structures relating to prudential and systemic risk, market integrity and investor and consumer protection, infrastructure, as well as accounting and auditing.

Article 3. Consultation

In the development of the FSB's medium- and long-term strategic plans, principles, standards and guidance, the FSB will consult widely amongst its Members and with other stakeholders including private sector and non-member authorities. The consultation process will include regional outreach activities to broaden the circle of countries engaged in the work to promote international financial stability.

II. Members

Article 4. Members

(1) The following bodies are eligible to be a Member:

(a) National and regional authorities responsible for maintaining financial stability, namely ministries of finance, central banks, supervisory and regulatory authorities;

(b) International financial institutions; and

(c) International standard setting, regulatory, supervisory and central bank bodies.

The eligibility of Members will be reviewed periodically by the Plenary in the light of the FSB objectives.

(2) Current Members of the FSB are listed in Annex A.

Article 5. Commitments of Members

(1) Member jurisdictions commit to:

(a) pursue the maintenance of financial stability;

(b) maintain the openness and transparency of the financial sector;

(c) implement international financial standards; and

(d) undergo periodic peer reviews, using among other evidence IMF/World Bank public Financial Sector Assessment Program reports.

The FSB will report on these commitments and the evaluation process.

(2) In support of the mission laid down in Article 2, (1) (e), the standard setting bodies will report to the FSB on their work without prejudice to their existing reporting arrangements or their independence. This process should not undermine the independence of the standard setting process but strengthen support for strong standard setting by providing a broader accountability framework.

(3) The international financial institutions will participate as Members in the FSB in accordance with their respective legal frameworks and policies.

III. Organisation

Article 6. Structure of the FSB

The FSB consists of the following internal structures:

(a) the Plenary;

(b) the Steering Committee;

(c) the Chairperson; and

(d) the Secretariat.

The Plenary

Article 7. Responsibilities of the Plenary

(1) The Plenary is the decision-making body of the FSB.

(2) Decisions by the Plenary shall be taken by consensus.

(3) The Plenary:

(a) decides on the manner in which the Plenary conducts its affairs;

(b) approves the work programme of the FSB;

(c) adopts reports, principles, standards, recommendations and guidance developed by the FSB;

(d) decides on Membership of the FSB;

(e) appoints the Chairperson;

(f) decides to amend this Charter; and

(g) decides on any other matter governing the business and affairs of the FSB.

Article 8. Representation and attendance

(1) Representation at the Plenary shall be at the level of central bank governor or immediate deputy; head or immediate deputy of the main supervisory/regulatory agency; and deputy finance minister or deputy head of finance ministry.

Plenary representatives also include the chairs of the main SSBs and committees of central bank experts, and high-level representatives of the IMF, the World Bank, the Bank for International Settlements (BIS) and the Organisation for Economic Co-operation and Development.

(2) All Members shall be entitled to attend the Plenary Meetings. The Chair shall preside over the Plenary Meetings.

(3) The Chair can extend, after consultation with Members, ad-hoc invitations to representatives of non-FSB Members to attend the whole or part of the Plenary Meetings. In the context of specific sessions of the Plenary, the Chair can also invite, after consultation with Members, representatives of the private sector.

Article 9. Convocation

(1) The Chair shall convene at least two Plenary Meetings every calendar year, normally in March and in September.

(2) Additional extraordinary meetings may be held as circumstances arise, at such time and place as the Chair may designate, following consultation with Members.

(3) Regional Meetings of the FSB may also be held, as appropriate.

Article 10. Seat assignments

(1) The number of seats in the Plenary assigned to Member jurisdictions reflects the size of the national economy, financial market activity and national financial stability arrangements of the corresponding Member jurisdiction.

(2) Delegations with more than one seat have one representative seated at the back. Representatives sitting at the back have the rights of the table. Representation at the table can be changed according to the topic discussed.

Article 11. Standing Committees and working groups

(1) To support the FSB's missions, the Plenary may establish Standing Committees and working groups as necessary and mandate them.

(2) The chairs of Standing Committees are selected from and appointed by the Plenary at the Chair's recommendation. They report to the Plenary on their work programs. The chairs of working groups are appointed by the Plenary at the Chair's recommendation.

(3) Membership in Standing Committees and working groups is decided by the respective chairs in consultation with the Chair with due regard to the effectiveness, balanced representation and the mandate of the respective Standing Committee or working group. Membership is normally drawn from the Members of the Plenary.

(4) A Member jurisdiction can, in consultation with the Chair, decide whether its representation in a Standing Committee is through a Member or through a relevant agency of the Member jurisdiction that is not a designated FSB Member.

(5) The chairs of Standing Committees and working groups can extend ad-hoc invitations to non-members to attend the whole or part of their meetings.

(6) The FSB Secretariat supports the work of Standing Committees and working groups.

(7) Current Standing Committees and working groups of the FSB are listed in Annex B of the Charter.

Steering Committee

Article 12. Composition and appointment

(1) The composition of the Steering Committee is decided by the Plenary at the proposal of the Chair in a manner that ensures maximum effectiveness in taking forward the FSB's work while having regard to balanced representation in terms of geographic regions and institutional functions.

(2) The composition of the Steering Committee shall be reviewed periodically in accordance with the criteria set out in the previous section.

Article 13. Responsibilities and authorities of the Steering Committee

(1) The Steering Committee shall provide operational guidance between the Plenary Meetings to carry forward the directions of the FSB.

(2) The Chair shall convene at least four Steering Committee Meetings every calendar year at such time and place as the Chair may designate.

(3) The Steering Committee may establish working groups as needed which may include representatives of non-FSB members.

(4) The duties of the Steering Committee include the following:

(a) to monitor and guide the progress of FSB's ongoing work;

(b) to promote coordination across and commission work from the Standing Committees and other working groups;

(c) to ensure effective information flow to all Members;

(d) to conduct for the consideration of the Plenary joint strategic reviews of the policy development work of the international SSBs; and

(e) to take forward, in consultation with the Plenary, directly any other work necessary for the FSB to fulfil its mandate.

Chairperson

Article 14. Appointment and Responsibilities

(1) The Chair is appointed by the Plenary from Members for a term of three years renewable once.

(2) The Chair shall have recognised expertise and standing in the international financial policy arena.

(3) The Chair convenes and chairs the meetings of the Plenary and of the Steering Committee. The Chair oversees the Secretariat.

(4) The Chair is the principal spokesperson for the FSB and represents the FSB externally. The Chair shall be informed of all significant matters that concern the FSB.

More generally, the Chair shall take all decisions and act as necessary to achieve the objectives of the FSB in accordance with the directions given by the Plenary.

(5) The Chair, in the discharge of the functions as the Chair, shall owe the duty entirely to the FSB and to no other authorities or institutions.

Secretariat

Article 15. Secretariat

(1) The Secretariat shall be directed by the Secretary General.

(2) The Secretary General shall be appointed by the Plenary at the proposal of the Chair.

(3) The Secretary General shall be under the responsibility, and shall act in accordance with the instructions, of the Chair. The Chair is responsible for providing general direction to the Secretary General, in accordance with any directions given by the Plenary.

(4) In appointing the Secretariat staff, the Secretary General shall, subject to the importance of securing the highest standards of efficiency and of technical competence, pay due regard to the importance of a balanced composition in terms of geographic regions and institutional functions.

(5) The Secretary General and the Secretariat staff, in the discharge of their functions, shall owe their duty entirely to the FSB and to no other authorities or institutions.

(6) The main responsibilities of the Secretariat shall be the following:

(a) to support the activities of the FSB, including its Standing Committees and working groups;

(b) to facilitate cooperation between Members and between the FSB and other institutions;

(c) to ensure efficient communication to Members and others;

(d) to manage the financial, material and human resources allocated to the FSB (including the appointment of staff who may be seconded by Members);

(e) to maintain the records, administer the website and deal with the correspondence of the FSB; and

(f) to carry out all other functions that are assigned by the Chair or the Plenary.

(7) The Secretariat shall be located in Basel at the BIS.

IV. Final provisions

Article 16. Legal Effect

This Charter is not intended to create any legal rights or obligations.

Article 17. Effective date

This Charter shall come into effect on 25 September 2009.

Annex A

List of FSB Members

A. Member Jurisdictions

Argentina

- Central Bank of Argentina

Australia

- Department of the Treasury
- Reserve Bank of Australia

Brazil

- Ministry of Finance
- Central Bank of Brazil
- Securities and Exchange Commission of Brazil

Canada

- Department of Finance
- Bank of Canada
- Office of the Superintendent of Financial Institutions (OSFI)

China

- Ministry of Finance
- People's Bank of China
- China Banking Regulatory Commission

France

- Ministry of Economy, Industry and Employment
- Bank of France
- Autorité des Marchés Financiers (AMF)

Germany

- Ministry of Finance
- Deutsche Bundesbank
- Bundesanstalt für Finanzdienstleistungsaufsicht (Bafin)

Hong Kong SAR

- Hong Kong Monetary Authority

India

- Ministry of Finance
- Reserve Bank of India
- Securities and Exchange Board of India

Indonesia

- Bank Indonesia

Italy

- Ministry of the Economy and Finance
- Bank of Italy
- Commissione Nazionale per le Società e la Borsa (CONSOB)

Japan

- Ministry of Finance
- Bank of Japan
- Financial Services Agency

Korea

- Bank of Korea
- Financial Services Commission

Mexico

- Ministry of Finance and Public Credit
- Bank of Mexico

Netherlands

- Ministry of Finance
- Netherlands Bank

Russia

- Ministry of Finance
- Central Bank of the Russian Federation
- Federal Financial Markets Service

Saudi Arabia

- Saudi Arabian Monetary Agency

Singapore

- Monetary Authority of Singapore

South Africa

- Ministry of Finance

Spain

- Ministry of Economy and Finance
- Bank of Spain

Switzerland

- Swiss Federal Department of Finance
- Swiss National Bank

Turkey

- Central Bank of the Republic of Turkey

United Kingdom

- HM Treasury
- Bank of England
- Financial Services Authority

United States

- Department of the Treasury
- Board of Governors of the Federal Reserve System
- Securities and Exchange Commission

European Central Bank

European Commission

B. International Financial Institutions[1]

- Bank for International Settlements (BIS)
- International Monetary Fund (IMF)
- Organisation for Economic Co-operation and Development (OECD)
- World Bank

C. International Standard-Setting, Regulatory, Supervisory and Central Bank Bodies

- Basel Committee on Banking Supervision (BCBS)
- Committee on Payment and Settlement Systems (CPSS)
- Committee on the Global Financial System (CGFS)
- International Accounting Standards Board (IASB)
- International Association of Insurance Supervisors (IAIS)
- International Organization of Securities Commissions (IOSCO)

[1] The acceptance of membership by the international financial institutions in the FSB is subject to the approval of their respective governing bodies.

Annex B

List of Standing Committees and ad-hoc working groups

Standing Committees (3)

- Standing Committee on Assessment of Vulnerabilities
- Standing Committee for Supervisory and Regulatory Cooperation
- Standing Committee for Standards Implementation

Ad-hoc working groups (3)

- Cross-border Crisis Management Working Group
- Expert Group on Non-cooperative Jurisdictions
- Working Group on Compensation