

Press release

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Ref no: 38/2016
12 December 2016

FSB Regional Consultative Group for the Americas discusses fintech, correspondent banking and regional vulnerabilities

The Financial Stability Board (FSB) Regional Consultative Group (RCG) for the Americas met in Nassau today at a meeting hosted by the Central Bank of The Bahamas.

At their meeting, members of the FSB RCG for the Americas began by reviewing the FSB's workplan and policy priorities for 2017. In particular the group discussed the FSB work on implementation and effects of the G20 financial reforms. The RCG discussed the findings of the second annual report for G20 Leaders on the implementation and effects of reforms published by the FSB in August 2016.

Members of the group discussed regional macroeconomic and financial market developments, and key financial stability issues in the region, including possible policy responses to these developments. A discussion took place on the impact of the low interest rate environment on financial stability, including the impact on bank profitability and possible spillovers for emerging market and developing economies.

The group next discussed developments in fintech including the implications of distributed ledger technology and peer-to-peer lending and relevant developments in the insurance industry. The group considered the benefits these developments could provide in terms of deepening access to financial services and promoting financial inclusion. However, they also discussed possible risks that could emerge from fintech developments and potential issues for authorities.

The RCG discussed the FSB's action plan to assess and address the withdrawal of correspondent banking services. In particular the group considered the impact of reductions in correspondent banking relationships in the Americas and a proposal for the RCG to establish a new working group on the broader issues of "de-risking" in some parts of the region.

The group received an update on the work of the RCG working group on shadow banking. The working group will publish a report in the coming months and is discussing its workplan for 2017. The group also discussed work on long-term investment financing in the region.

The FSB RCG for the Americas is co-chaired by Carolyn Wilkins, Senior Deputy Governor, Bank of Canada and DeLisle Worrell, Governor, Central Bank of Barbados. Membership includes financial authorities from Argentina, Bahamas, Barbados, Bermuda, Bolivia, Brazil, British Virgin Islands, Canada, Cayman Islands, Chile, Colombia, Costa Rica, Guatemala, Jamaica, Mexico, Panama, Paraguay, Peru, Uruguay and the United States of America.¹

¹ The list of members of the RCG for the Americas is available at: <http://www.fsb.org/about/organisation-and-governance/list-of-members-of-the-fsb-regional-consultative-group-for-the-americas/>

Notes to editors

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.^{2,3}

The FSB has been established to coordinate at the international level the work of national financial authorities and international standard setting bodies and to develop and promote 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. Through its six Regional Consultative Groups, the FSB conducts outreach with and receives input from an additional approximately 65 jurisdictions.

The FSB is chaired by Mark Carney, Governor of the Bank of England. Its 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/.

² See http://www.fsb.org/wp-content/uploads/r_120809.pdf.

³ 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.