

## Press release

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### **FSB publishes updated data on correspondent banking relationships**

The Financial Stability Board (FSB) today published [updated data on correspondent banking relationships](#) using data provided by SWIFT. The data is published as part of the FSB's action plan to assess and address the decline in correspondent banking relationships.

A decline in the number of correspondent banking relationships is a concern because in impacted jurisdictions it may affect the ability to send and receive international payments or drive payments underground with potential adverse impacts for trade, growth, financial inclusion, financial stability and the integrity of the financial system.

The report finds that that the reduction in the total number of active correspondents, as measured by the number of banks that have sent or received messages, continued in the first half of 2017. While there may be some seasonality in the changes in the latest six months, the number of active correspondents in June 2017 is also lower than in June 2016.

There are regional variations in the figures. The twelve-month rates of change between June 2016 and June 2017 appear to confirm increases in the average number of active corridors per country (i.e. of direct relationships with other countries, measured by the flow of SWIFT messages) for North America and Eastern Europe and slower declines than in the year June 2015 to June 2016 in Africa and Oceania. On the other hand, the rate of decline between June 2016 and June 2017 increased in the Americas (excl. North America), Asia and Europe (excluding Eastern Europe) compared with the change from June 2015 to June 2016.

In line with previous analysis by the Committee on Payments and Market Infrastructures and the *FSB Correspondent Banking Data Report* of July 2017, data continues to show that, at the global level, the decline in the number of active correspondents has not resulted in a lower number of payment messages (volume) or a lower underlying value of the messages processed through SWIFT. The higher volume of messages could in part reflect a lengthening of payment chains, as discussed in the July 2017 report.

A fuller analysis, including methodological enhancements, will be published by mid-2018, based on end-2017 data.

#### **Notes to editors**

The FSB launched its [four-point action plan in November 2015](#) to assess and address the decline in correspondent banking. The plan covers:

- i. Further examining the dimensions and implications of the issue;
- ii. Clarifying regulatory expectations, including guidance from FATF and BCBS;
- iii. Domestic capacity-building in jurisdictions that are home to affected correspondent banks; and
- iv. Strengthening tools for due diligence in correspondent banks.

The FSB published a first [data report](#) in July 2017 together with a [progress report](#) to G20 Leaders on implementation of the action plan.

The next progress report to the G20 on the FSB action plan to address the decline in correspondent banking relationships will be published later this month, including a description of measures by the public sector and the financial industry to facilitate correspondent banking.

To strengthen tools for due diligence, [a statement is being published today](#) by the Basel Committee on Banking Supervision, Committee on Payments and Markets Infrastructures, Financial Action Task Force and the FSB welcoming the Correspondent Banking Due Diligence Questionnaire published by the Wolfsberg Group (an association of thirteen global banks which aims to develop frameworks and guidance for the management of financial crime risks).

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. The FSB also conducts outreach with 65 other jurisdictions through its six regional consultative groups.

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](http://www.fsb.org).