

Press release

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FSB Chair writes to G20 Finance Ministers and Central Bank Governors

The Financial Stability Board (FSB) today published a [letter from its Chair Randal K. Quarles to G20 Finance Ministers and Central Bank Governors](#) ahead of their meeting in Washington DC this week. The letter provides an update on the FSB's work and discusses current vulnerabilities in the financial system.

The letter sets a number of key themes:

- **Addressing new and emerging vulnerabilities in the financial system** – the FSB will continue to scan the horizon to identify and assess emerging risks. While the core of the financial system is considerably more resilient than it was a decade ago, potential vulnerabilities in the financial system persist, and in some cases have built up further. Loosening lending standards, elevated asset values, and high corporate and public debt call for particular vigilance.
- **Finalising and operationalising post-crisis reforms** – the FSB will work with standard-setting bodies to complete the few remaining reform items. The FSB will continue to support full, timely and consistent implementation of the agreed post-crisis reforms. Work on addressing structural vulnerabilities from asset management activities will continue.
- **Evaluating the effects of the reforms** – the FSB is currently examining the effects on the financing of small and medium-sized enterprises, and has just started to evaluate the effects of too-big-to-fail reforms in the banking sector. The FSB, is exploring issues around market fragmentation, supporting the Japanese G20 Presidency's priority to address this topic.
- **Reinforcing outreach to stakeholders** – the FSB remains committed to improve communication and transparency with other external stakeholders, to increase understanding of the FSB's work and facilitate greater input from a wide array of stakeholders.

Notes to editors

The FSB coordinates at the international level the work of national financial authorities and international standard-setting bodies and develops and promotes 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 approximately 70 other jurisdictions through its six Regional Consultative Groups.

The FSB is chaired by Randal K. Quarles, Vice Chairman for Supervision, US Federal Reserve; its Vice Chair is Klaas Knot, President, De Nederlandsche Bank. The FSB 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.