

Press release

Press enquiries:
+41 61 280 8138
press@fsb.org

Ref: 23/2021
11 October 2021

FSB Chair updates the G20 on enhancing resilience in non-bank financial intermediation and addressing challenges in cross-border payments

The Financial Stability Board (FSB) today published a [letter from the FSB Chair, Randal K. Quarles, to G20 Finance Ministers and Central Bank Governors](#) ahead of their meeting on 13 October. The letter focuses on two key areas of the FSB's work on which the FSB has submitted reports to the upcoming G20 meeting.

Developing a more resilient non-bank financial intermediation (NBFi) sector

The letter notes that, following the market turmoil in March 2020, the FSB agreed on an ambitious multi-year workplan to enhance NBFi resilience.

A key priority of this workplan has been work to address vulnerabilities in money market funds (MMFs), conducted in collaboration with the International Organization of Securities Commission (IOSCO). The FSB has delivered to the G20 a [final report with policy proposals to enhance money market fund resilience](#). FSB members are assessing, or will assess, MMF vulnerabilities in their jurisdiction and will address them using the framework and policy toolkit in the report, in line with their domestic legal frameworks. The FSB, working with IOSCO, will then take stock of progress made and assess the effectiveness of the measures taken. The FSB and IOSCO will also carry out further work, complementing MMF policy reforms, to enhance the functioning and resilience of short-term funding markets.

The letter also notes the considerable progress made on assessing vulnerabilities and identifying policy considerations in other areas within NBFi, including open-ended funds; the impact of margin calls; and the structure of core funding markets. The FSB will leverage insights from the analysis in these areas to develop a systemic risk perspective on NBFi and policies to address such risks. The FSB will submit to G20 Leaders later this month a full progress report on its work to enhance resilience of NBFi, including areas where continued focus is needed.

Addressing challenges in cross-border payments

The COVID Event has brought into even sharper focus the need to address the limitations of current arrangements for cross-border payments. Last year, the FSB delivered a roadmap to enhance cross-border payments, so they are faster, more inclusive, less expensive and more transparent. Taking forward work on the roadmap, the FSB is submitting to the G20:

- a progress report on the roadmap to enhance cross-border payments, which also confirms steps for next year and beyond;
- quantitative targets for addressing the challenges of cost, speed, transparency and access experienced by end-users; and
- a report on the progress made on the implementation of the FSB's high-level recommendation for the regulation, supervision and oversight of "global stablecoin" arrangements;

The letter notes that the FSB will also be submitting its latest work on cyber incident reporting, which brings together cross-sectoral expertise to explore whether harmonisation in cyber reporting can be achieved and what additional work needs to be undertaken.

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, Governor and Vice Chair for Supervision, US Federal Reserve; its Vice Chair is Klaas Knot, President of 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.