

Press release

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Chair sets out FSB priorities for the Argentine G20 Presidency

The Financial Stability Board (FSB) today published [a letter from FSB Chair Mark Carney to G20 Finance Ministers and Central Bank Governors](#) ahead of their meetings in Buenos Aires on 19-20 March. The letter notes that the current backdrop of strong and balanced global growth is underpinned by a resilient global financial system that is the product of determined efforts by the G20 and FSB over the past decade.

The letter sets out the FSB's priorities under the Argentine Presidency, which are designed to reinforce the G20's objective of strong, sustainable and balanced growth through:

- **Vigilant monitoring to identify, assess and address new and emerging risks.** The FSB will continue to regularly scan the horizon to identify and assess emerging risks, including through the bi-annual Early Warning Exercise conducted jointly with the IMF.

Responding to the concerns of members, the FSB has undertaken a review of the financial stability risks posed by the rapid growth of crypto-assets. The FSB's initial assessment is that crypto-assets do not pose risks to global financial stability at this time. The market continues to evolve rapidly, however, and this initial assessment could change if crypto-assets were to become significantly more widely used or interconnected with the core of the regulated financial system. For example, wider use and greater interconnectedness could, if it occurred without material improvements in conduct, market integrity and cyber resilience, pose financial stability risks through confidence effects. The FSB will identify metrics for enhanced monitoring of the financial stability risks posed by crypto-assets and update the G20 as appropriate.

Crypto-assets raise a host of issues around consumer and investor protection, as well as their use to shield illicit activity and for money laundering and terrorist financing. At the same time, the technologies underlying them have the potential to improve the efficiency and inclusiveness of both the financial system and the economy. Relevant national authorities have begun to address these issues. Given the global nature of these markets, further international coordination is warranted, supported by international organisations such as the Committee on Payments and Market Infrastructures, Financial Action Task Force and International Organization of Securities Commissions.

- **Disciplined completion of the G20's outstanding financial reform priorities.** The FSB is making significant progress on the G20's outstanding financial reform priorities, with a large number of initiatives on track to be completed by or before the Buenos Aires Summit. During the course of the year the deliverables to the G20 will include the following areas: the correspondent banking Action Plan including improving the access of remittance providers to banking services; a toolkit for firms and supervisors on the

use governance frameworks to reduce misconduct in the financial sector; leverage measures for investment funds to support resilient market-based finance; guidance on financial resources available to support central counterparty (CCP) resolution to deliver resilient and resolvable CCPs; a cyber security lexicon to support consistency in the work of the FSB, standard-setting bodies, authorities and private sector participants; and the private sector-led Task Force on Climate-related Financial Disclosures' report on voluntary implementation of its recommendations to highlight good practice and foster wider adoption.

- **Pivoting to policy evaluation to ensure the reform programme is efficient, coherent and effective.** The FSB is increasingly pivoting away from design of new policy initiatives towards dynamic implementation and rigorous evaluation of the effects of the agreed G20 reforms. The objective is to assess whether reforms are operating as intended, and to identify and deliver adjustments where appropriate, without compromising on either the original objectives of the reforms or the agreed level of resilience. The FSB will deliver the first two of these evaluations to the Buenos Aires Summit, one on the effects of financial reforms on infrastructure investment and the other on incentives to centrally clear over-the-counter derivatives.
- **Optimising how the FSB works in order to maximise its effectiveness.** The FSB has developed the international reforms necessary to fix the fault lines that caused the financial crisis through a collaborative, consensus-based approach that relies on the expertise of its members in order to deliver efficient and decisive analysis and action. To make sure it is fit for the next phase, the FSB's membership is undertaking a thorough review of how the FSB works. The review will consider FSB transparency, consultation, mechanisms for setting its strategic agenda, and how to ensure discipline and efficiency in the FSB's member-led groups charged with analysis and policy development, implementation and evaluation.

Notes to editors

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.