

Press release

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FSB Chair sets out focus for Saudi Arabian G20 Presidency

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 meetings in Riyadh later this week.

The letter notes that the global financial system is constantly facing new challenges. Technology is changing the nature of traditional finance; the non-bank sector has grown and requires deeper understanding and coordination among the supervisory and regulatory community. Pressures that can lead to market fragmentation exist. Concurrently, important supervisory and regulatory issues require attention.

Against this backdrop, focus areas for the FSB's work for the Saudi Arabian G20 include:

- **LIBOR transition.** LIBOR is facing cessation in less than two years, but the official and private sectors have much to accomplish to ensure a smooth transition to a post-LIBOR world. The FSB welcomes the increased G20 focus on the issue of LIBOR transition and will publish reports on this transition in July and December.
- **Technology.** Building on work published last year, the FSB will provide a report on the implications of the provision of financial services by large technology firms (BigTechs) for emerging market and developing economies. The G20 Presidency has also asked the FSB to submit a report on the range of practices in the use of technology in regulation ('RegTech') and supervision ('SupTech').
- **So-called 'stablecoins'.** The FSB is resolved to quicken the pace of developing the necessary regulatory and supervisory responses to these new instruments. It will issue a draft report on regulatory issues and possible responses for public consultation in April.
- **Cross-border payments.** Recognising the importance of efficient and inclusive payment services for global growth, the Saudi G20 Presidency has requested the FSB to coordinate the development of a roadmap for improving cross-border payments. The FSB will deliver this roadmap to the G20 in October.
- **Non-bank financial intermediation (NBFi).** NBFi now accounts for roughly half of global financial assets. As this sector grows and evolves, there may be new vulnerabilities that need assessment. The FSB is considering what work is appropriate and whether to reorganize existing work on NBFi.
- **Evaluating the post-crisis regulatory framework.** The FSB is continuing to evaluate whether the post-crisis financial regulatory reforms are working as intended. In June it will publicly consult on an evaluation to assess the extent to which too-big-to-fail

reforms are reducing the systemic and moral hazard risks associated with systemically important banks. The FSB will also continue its work to address unintended, negative effects of fragmentation started under the previous G20 presidency.

- **Implementation monitoring.** Finalising post-crisis reforms and monitoring their effective implementation remains a priority. Much of the new financial regulatory framework called for by the G20 is largely in place, but implementation is not complete. The FSB will deliver its annual report on progress in implementation ahead of the G20 Summit.

Notes to editors

The FSB's [2020 work programme](#) was published in December.

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 Chairman 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.