

Press release

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FSB completes peer review of France

The Financial Stability Board (FSB) published today its [peer review of France](#).

The peer review examined two topics relevant for financial stability in France: the macroprudential policy framework, and public disclosures of financial sector data. The review focused on the steps taken by the French authorities to implement reforms in these areas.

The peer review finds that significant progress has been made on both topics in recent years, reflecting initiatives undertaken at both European Union (EU) and national level. In particular, the July 2013 Banking Reforms Act provided the inter-agency Haut conseil de stabilité financière (HCSF) with an explicit mandate for financial stability and a broad range of macroprudential powers. Financial stability mandates were also embedded in the objectives of the Banque de France (BdF), Autorité de Contrôle Prudentiel et de Résolution (ACPR) and the Autorité des marchés financiers (AMF). The HCSF has enhanced cooperation and information sharing amongst its member authorities.¹ Risk assessments have been strengthened through improved analytical tools. The authorities have expanded public communication on financial stability issues, including by using it to raise market participants' awareness of risks. Recent legislative initiatives have addressed gaps regarding HCSF powers for information collection and to impose credit standards on non-bank credit providers, and have provided the HCSF with innovative macroprudential tools for the insurance sector.

As regards public disclosures, recent initiatives have enhanced disclosure requirements for banks, insurers and other financial institutions, supported by guidance, reviews and assessments from European Supervisory Authorities and national authorities as well as by active interaction with stakeholders. The HCSF and BdF have expanded their public reporting of conditions and risks to the French financial system, while detailed bank-by-bank data (including for 12 French banks, which account for 91% of the domestic banking sector) is disclosed by the European Banking Authority (EBA).

Notwithstanding this progress, the review concludes that there is additional work to be done:

- On the macroprudential framework, this involves continuing to expand the scope of macroprudential policy in the insurance and asset management sectors; enhancing systemic risk assessments and disclosing the data, methodologies and assumptions underpinning them; and strengthening public communication on financial stability.
- On disclosures, this involves adopting EBA guidance to enhance the transparency of capital treatment in complex banking groups; establishing a programme to review and

¹ The HCSF is chaired by the Minister of Finance and includes the Governor of the BdF, the Vice-Chairman of the ACPR, the chairmen of the AMF and the Autorité des normes comptables, and three external members.

follow up on reports to be submitted by insurers under the EU's Solvency II Directive for insurance firms; and considering the publication on a regular basis of comparable insurance company information.

The peer review report includes recommendations to the French authorities in order to address these issues.

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 peer review of France is the twentieth country peer review conducted by the FSB. The review was based on the objectives and guidelines in the March 2015 version of the [Handbook for FSB Peer Reviews](#). FSB member jurisdictions have committed to undergo an International Monetary Fund (IMF)-World Bank assessment under the Financial Sector Assessment Program (FSAP) every five years and, to complement that cycle, an FSB peer review two to three years following an FSAP. As part of this commitment, France volunteered to undergo this peer review in 2016-17. The [schedule of completed and planned country peer reviews](#), as well as [all completed peer review reports](#), is available on the FSB website.

Country peer reviews focus on the implementation and effectiveness of regulatory, supervisory or other financial sector standards and policies agreed by the FSB, as well as their effectiveness in achieving desired outcomes. They examine the steps taken or planned by national authorities to address IMF-World Bank FSAP and Report on the Observance of Standards and Codes recommendations on financial regulation and supervision as well as on institutional and market infrastructure that are deemed most important and relevant to the FSB's core mandate of promoting financial stability. Country reviews can also focus on regulatory, supervisory or other financial sector policy issues not covered in the FSAP that are timely and topical for the jurisdiction itself and for the broader FSB membership. Unlike the FSAP, a peer review does not comprehensively analyse a jurisdiction's financial system structure or policies, or its compliance with international financial standards.

The report published today describes the findings and recommendations of the peer review of France. The draft report was prepared by a team of experts drawn from FSB member institutions and led by Pascual O'Dogherty, Director General of the Financial Stability Department at the Bank of Mexico. The review benefited from dialogue with the French authorities and private sector representatives as well as from discussion in the FSB Standing Committee on Standards Implementation.

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.