FSB launches evaluation of too-big-to-fail reforms and invites feedback from stakeholders

The Financial Stability Board (FSB) is seeking feedback from stakeholders as part of its evaluation of the effects of the too-big-to-fail (TBTF) reforms for banks that were agreed by the G20 in the aftermath of the global financial crisis. The evaluation, which is being carried out by a working group chaired by Claudia Buch (Vice-President of the Deutsche Bundesbank), will assess whether the implemented reforms are reducing the systemic and moral hazard risks associated with systemically important banks (SIBs). It will also examine the broader effects of the reforms to address TBTF for SIBs on the overall functioning of the financial system. More details on the evaluation can be found in the summary terms of reference.

Stakeholder outreach will be an important aspect of the evaluation, including through workshops to exchange views with stakeholders on this topic and through this call for public feedback. In particular, the FSB invites feedback from banks, other financial institutions, academics, think tanks, industry and consumer associations on the following issues:

1. To what extent are TBTF reforms achieving their objectives as described in the terms of reference? Are they reducing the systemic and moral hazard risks associated with SIBs? Are they enhancing the ability of authorities to resolve systemic banks in an orderly manner and without exposing taxpayers to loss, while maintaining continuity of their economic functions? What evidence can be cited in support of your assessment?

2. Which types of TBTF policies (e.g. higher loss absorbency, more intensive supervision, resolution and resolvability, other) have had an impact on SIBs and how? What evidence can be cited in support of your assessment?

3. Is there any evidence that the effects of these reforms differ by type of bank (e.g. global vs domestic SIBs)? If so, what might explain these differences?

4. What have been the broader effects of these reforms on financial system resilience and structure, the functioning of financial markets, global financial integration, or the cost and availability of financing? What evidence can be cited in support of your assessment?

5. Have there been any material unintended consequences from the implementation of these reforms to date? What evidence is available to substantiate this?

6. Are there other issues relating to the effects of TBTF reforms that are not covered in the questions above and on which you would like to provide your views? Please substantiate your comments with evidence.

Feedback, including evidence in support of the responses, should be submitted by 21 June 2019 to fsb@fsb.org under the subject heading “TBTF evaluation”. Responses will be
published on the FSB’s website unless respondents expressly request otherwise. The feedback will be considered by the FSB as it prepares the draft report, which will be issued for public consultation in June 2020. The final report will be published in late 2020.

**Notes to editors**

Following the global financial crisis, the G20 launched a comprehensive programme of financial reforms to increase the resilience of the global financial system, while preserving its open and integrated structure. With the post-crisis reforms nearly complete and their implementation well under way, an analysis of the effects of these reforms is becoming possible. To that end, the FSB published in July 2017 a [framework for the post-implementation evaluation of the effects of the G20 financial regulatory reforms](https://www.fsb.org).

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](https://www.fsb.org).