

Press release

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FSB Chair updates Finance Ministers and Central Bank Governors on the FSB's key priorities for 2021

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 virtual meeting on 26 February.

The letter notes the unprecedented challenges faced by the FSB, like many others, due to the outbreak of COVID-19 and the imposition of containment measures across the globe (the "COVID Event"). Nevertheless, over the past year, FSB members' actions have demonstrated their responsiveness to crisis; coordination in action; and adaptability. These attributes remain as critical now, with a still uncertain pathway to a post-COVID world, as during the past year.

Against this backdrop, the FSB's ambitious work programme for 2021 seeks to address vulnerabilities directly related to COVID-19 and to increase resilience of non-bank financial intermediation (NBFI). It also aims to support strong, sustainable, and balanced growth in a post-COVID world. Key priorities are:

- **Addressing COVID-19 related vulnerabilities.** The FSB will produce an assessment of initial lessons learned from the COVID Event for financial stability. The FSB will report in April on factors needed for an orderly unwinding of support measures, as part of its work to support international coordination on COVID-19 policy responses. The FSB will also publish in April the final version of its evaluation of too-big-to-fail reforms for banks
- **Increasing the resilience of NBFI.** The FSB's work includes examining and addressing specific risk factors that contributed to amplification of the March 2020 market turmoil; enhancing understanding of systemic risks in NBFI; and investigating policies to address these risks. As part of this work, the FSB will deliver policy proposals to enhance the resilience of money market funds in July for public consultation.
- **Improving efficiency and access in cross-border payments.** As well as an overall progress report in October on the implementation of the FSB [roadmap to enhance cross-border payments](#), the FSB will deliver a final set of quantitative targets for making cross-border payments cheaper, faster, more transparent, and more inclusive. The FSB will also update on regulatory and supervisory approaches to global 'stablecoins'.
- **Bettering our understanding of climate-related risks.** Building on its report on the [financial stability implications of climate change](#), the FSB will assess the availability of

data through which climate-related risks to financial stability could be monitored, as well as any data gaps. The FSB will also coordinate with other SSBs to promote globally comparable, high-quality, and auditable standards of disclosure; and review regulatory and supervisory approaches to addressing climate-related risks at financial institutions. These initiatives will provide a meaningful contribution as market participants and financial authorities seek to ensure that financial markets have the information and tools they need to manage risks, and seize opportunities, stemming from climate change.

- **Addressing other financial stability topics of ongoing importance.** Addressing challenges to, and opportunities for, enhancing financial stability that existed before the COVID Event remain important. The FSB's work includes enhancing central counterparty resilience, recovery, and resolvability; exploring areas to harmonise cyber incident reporting; and ensuring a smooth transition away from LIBOR by end-2021 to more robust benchmarks.

The letter notes that the FSB, with its broad and diverse membership, is well positioned to tackle the global financial stability issues outlined above. The FSB will also continue to engage with external stakeholders through workshops, public consultations on key policy reports, and other mechanisms. The FSB's work will result in robust analysis and proposals to help define a path forward and highlight issues that may arise as we continue to navigate these unpredictable times.

Notes to editors

The FSB's 2021 work programme was published in January 2021.

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, 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.