

Press release

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Ref: 15/2021
28 June 2021

FSB launches thematic peer review on corporate debt workouts and invites feedback from stakeholders

The Financial Stability Board (FSB) is seeking feedback from stakeholders as part of its thematic peer review on corporate debt workouts. The objective of the review is to support COVID-19 response efforts by examining FSB member jurisdictions' practices, experiences and lessons from out of court debt workouts (OCWs), and the implications for financial stability.

The peer review will take stock of existing and planned OCW frameworks in FSB jurisdictions. It will examine the experience of particular mechanisms that have been or are being used to address corporate stress, including the role of financial sector authorities. The review will also seek to identify good practices and examples of how well OCW frameworks have worked in terms of preserving value for viable companies and how useful their debt restructurings are for resolving non-performing loans and dealing with a large number of distressed corporates.

The [Summary Terms of Reference](#) provide more details on the objectives, scope and process for this review. The FSB has circulated a questionnaire to its member jurisdictions to collect information in this area.

In addition, as part of this peer review, the FSB invites feedback from financial institutions, corporates, insolvency practitioners and other stakeholders on out of court corporate debt workouts. This could include comments on:

- the types of OCW frameworks (e.g. informal workouts, enhanced workouts and hybrid workouts) most often used in your jurisdiction and why;
- features of OCW frameworks that may be particularly helpful to minimise the economic and financial system damage caused by corporate defaults due to COVID-19;
- the appropriate role of financial sector authorities in facilitating debt restructuring, including to incentivise the participation of various stakeholders in an OCW; and
- experiences and challenges in the use of OCWs, including to manage the volume of non-performing loans in the financial system.

Feedback should be sent to fsb@fsb.org by 9 August 2021 under the subject heading "FSB Thematic Peer Review on Corporate Debt Workouts". Individual submissions will not be made public. The peer review report will be published in early 2022.

Notes to editors

The FSB began a regular programme of peer reviews in 2010, consisting of thematic reviews and country reviews. Thematic reviews focus on the implementation and effectiveness across the FSB membership of international financial standards developed by standard-setting bodies and policies agreed within the FSB in a particular area important for global financial stability. Thematic reviews may also analyse other areas important for global financial stability where international standards or policies do not yet exist. Peer reviews are conducted according to the objectives and guidelines set out in the *Handbook for FSB Peer Reviews*. All published peer review reports are available on the [FSB website](#).

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.