

## Press release

Press enquiries:  
+41 61 280 8477  
[press@fsb.org](mailto:press@fsb.org)

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### FSB Asia group discusses financial stability outlook and risks from outsourcing and third-party relationships

The Financial Stability Board (FSB) Regional Consultative Group (RCG) for Asia held a virtual meeting today to discuss vulnerabilities and financial stability issues affecting the region.

Members discussed global and regional macroeconomic and financial market developments and their potential impact on the region, including risks to financial stability arising from the COVID-19 pandemic and potential policy adjustments to aid the recovery. Members further reflected on the challenges arising from debt overhang and possible policy measures to address them.

Members also considered financial stability implications arising from rapid financial and technological innovation, and how the benefits of financial innovation could be harnessed while containing risks.

Members discussed financial stability, regulatory and supervisory issues related to outsourcing and third-party relationships. Points covered included any adjustments that authorities might be considering to address the concentration risk arising from the dependence on one or a small number of outsourced or third-party service providers of critical services.

The group received an update on the FSB's work programme and the planned deliverables to the G20 in during the Indonesian Presidency in 2022. Members discussed areas of importance for RCG Asia member jurisdictions and how members could contribute to the FSB's work programme.

#### Notes to editors

The FSB RCG for Asia is co-chaired by Benjamin E. Diokno, Governor, Bangko Sentral ng Pilipinas and M. Rajeshwar Rao, Deputy Governor, Reserve Bank of India. Membership of the RCG for Asia comprises financial authorities from Australia, Brunei Darussalam, Cambodia, China, Hong Kong SAR, India, Indonesia, Japan, Korea, Malaysia, New Zealand, Pakistan, Philippines, Singapore, Sri Lanka, Thailand and Vietnam.

The FSB has six Regional Consultative Groups, established under the FSB Charter, to bring together financial authorities from FSB member and non-member countries to exchange views

on vulnerabilities affecting financial systems and on initiatives to promote financial stability.<sup>1</sup> Typically, each Regional Consultative Group meets twice each year.

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, 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](http://www.fsb.org).

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<sup>1</sup> The FSB Regional Consultative Groups cover the following regions: Americas, Asia, Commonwealth of Independent States, Europe, Middle East and North Africa, and sub-Saharan Africa.