

## Press release

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### **FSB consults on proposed guidance to support resolution planning and promote resolvability**

The Financial Stability Board (FSB) has today issued for consultation two proposals for guidance on the implementation of particular aspects of its *Key Attributes of Effective Resolution Regimes* for global systemically important banks (G-SIBs), thereby supporting the application of the overall policy framework to end “too-big-to-fail”.

#### **Consultation on [Principles on Bail-in Execution](#)**

Bail-in within resolution is a core part of resolution strategies of global systemically important banks (G-SIBs). It refers to the write-down and/or conversion of liabilities into equity and helps implement a creditor-financed recapitalisation as part of an orderly resolution that minimises impacts on financial stability, ensures the continuity of critical functions, and avoids exposing taxpayers to loss.

The consultative document proposes a set of principles to assist authorities as they make G-SIB bail-in resolution strategies operational. The principles cover:

- disclosures on the instruments and liabilities within the scope of bail-in;
- valuations to inform and support the application of bail-in;
- processes to suspend or cancel the listing of securities, to notify creditors, and to deliver new securities or tradeable certificates following the entry into resolution;
- securities law and securities exchange requirements during the bail-in;
- processes for transferring governance and control rights and establishing a new board for the firm in resolution; and
- market and creditor communications.

#### **Consultation on [Funding Strategy Elements of an Implementable Resolution Plan](#)**

This consultative document sets out proposed guidance on the development of a plan for funding in resolution that builds on the FSB’s August 2016 [Guiding Principles on the temporary funding needed to support the orderly resolution of a global systemically important bank \(G-SIB\)](#) and existing supervisory and resolution guidance on liquidity risk management and resolution planning. It identifies a set of key funding strategy elements covering:

- a firm’s capabilities to support monitoring, reporting and estimating funding needs in resolution and to facilitate execution of the funding strategy;

- the development of a resolution funding plan by the authorities;
- the use of firm assets and private sources of funding;
- access to temporary public sector backstop funding mechanisms and ordinary central bank facilities; and
- information sharing and coordination between authorities.

The FSB welcomes comments and responses to the questions set out in the consultative documents by Friday, 2 February 2018. Responses should be sent to [fsb@fsb.org](mailto:fsb@fsb.org). Responses will be published on the FSB website unless respondents expressly request otherwise.

### **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 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](http://www.fsb.org).