

Press release

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New measures to promote resolvability, including effective cross-border resolution

The Financial Stability Board (FSB) today released two finalised guidance papers and three consultative documents as part of its policy agenda to end “too-big-to-fail” and promote the resolvability of all financial institutions that could be systemic in failure through full implementation in substance and in scope of the *Key Attributes of Effective Resolution Regimes for Financial Institutions*.

The two finalised guidance papers are:

- [Principles for Cross-border Effectiveness of Resolution Actions](#) – These Principles set out statutory and contractual mechanisms that jurisdictions should consider including in their legal frameworks to give cross-border effect to resolution actions in accordance with the [Key Attributes](#). The guidance was issued for [public consultation in September 2014](#) and has been revised in light of the [comments received](#) during that consultation.
- [Guidance on Cooperation and Information Sharing with Host Authorities of Jurisdictions where a Global Systemically Important Financial Institution \(G-SIFI\) has a Systemic Presence that are Not Represented on its Crisis Management Group \(CMG\)](#) – This guidance promotes cooperation and information sharing between CMGs for G-SIFIs and authorities from jurisdictions not represented on the CMG where the firm is systemic for their market. CMGs only include a limited number of home and key host authorities and cooperation beyond the CMG membership is crucial for achieving effective resolution of a G-SIFI as a whole. The guidance was issued for [public consultation in October 2014](#) and has been revised in light of the [comments received](#) during that consultation.

The FSB issued the following documents for consultation:

- [Consultative document on the Temporary Funding Needed to Support the Orderly Resolution of a Global Systemically Important Bank \(G-SIB\)](#) – The proposed principles address the risk of banks having insufficient liquidity to maintain critical operations during a resolution. The document proposes Guiding Principles that are intended to ensure that temporary funding is available to enable the effective resolution of G-SIBs without bail-out by the public sector and in a way that reduces moral hazard, with a preference for private sector provision of liquidity. Public comments are welcome by 4 January 2016.

- [Consultative document on Arrangements to Support Operational Continuity in Resolution](#) – The proposed guidance sets out arrangements to ensure continuity of critical shared services, such as IT infrastructure and software-related services, that are necessary to maintain the continued provision, or facilitate the orderly wind down, of a firm’s critical functions in resolution. Addressing these issues will help to remove impediments to the orderly and effective resolution of firms. Public comments are welcome by 4 January 2016.
- [Consultative document on developing Effective Resolution Strategies and Plans for Systemically Important Insurers](#) – The proposed guidance should assist authorities in developing effective resolution strategies and plans for systemic insurers and should also assist CMGs of [Global Systemically Important Insurers \(G-SIIs\)](#) in their resolution planning work. It has been developed in consultation with the International Association of Insurance Supervisors (IAIS) and builds on the implementation guidance published by the FSB in October 2014 on how provisions of the [Key Attributes](#), including resolution powers and the details of recovery and resolution planning, should be interpreted for different types of financial institution, including insurers. The proposed guidance also incorporates guidance on the identification of critical insurance functions which reflects the [responses received](#) from the [public consultation of October 2014](#) and the. Public comments are welcome by 4 January 2016.

Speaking about today’s releases, Elke König, Chair of the European Union’s Single Resolution Board and Chair of the FSB Resolution Steering Group, said: “Cross-border resolution planning has come far from the state that existed in the wake of the global financial crisis. The results from the first round of the Resolvability Assessment Process that home and host authorities of globally systemic banks have completed this year have shown that we have more work to do before we can claim that such firms are truly resolvable. The consultations and final guidance will provide practical orientation in some of the areas where we identified impediments to resolvability, and are part of our continuing work within the FSB to insure that our resolution plans can be implemented in a timely manner and with certainty.”

Notes to editors

The *Key Attributes of Effective Resolution Regimes for Financial Institutions* are the international standard for resolution regimes for financial institutions. They are a key component of the FSB’s policy framework to address the moral hazard and systemic risks associated with institution that are “too-big-to-fail”. They were released by the FSB in November 2011 following their endorsement by G20 Leaders at the Cannes Summit.

The FSB Resolution Steering Group leads the FSB’s work on resolution and resolution planning and developed the *Key Attributes* standard.

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 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