

FSB taskforce on legal, regulatory, and supervisory matters (LRS Taskforce)

Monday, 10 July 2023, virtual meeting (13:00 – 14:30 CEST)

Summary and Action Points

The LRS's first meeting focused on establishing a shared understanding of the goals of the G20 Roadmap for Enhancing Cross-border Payments, the role of the LRS within the programme, and starting the conversation about practical ways in which the taskforce could contribute to informing the public sector's deliberations and actions

The FSB Secretariat provided an overview of the Roadmap, the operational organisation of the programme within the FSB, key aspects of the LRS taskforce's terms of reference, and the types of legal, regulatory and supervisory issues that had been preliminarily identified as creating frictions over the course of the G20 Roadmap work to date.

The Chair noted that legal, regulatory and supervisory issues were ultimately matters for public sector action. She and the FSB Secretariat explained the objective of the taskforce to inform the work on these issues under the Roadmap, including as a sounding board for papers being developed and issues being discussed under the Roadmap in the FSB while in the formative stages, and as a contributor of new perspectives on legal, regulatory and supervisory frictions for standard-setting bodies (SSBs) and other public-sector entities to consider.

Against that background, LRS members were invited to share their goals for the taskforce and their perspectives on the issues on which the taskforce could focus its time and attention and how it might make practical contributions to moving the Roadmap work forward. Members noted, among other things, the following:

- Fostering a level playing field among market participants would be a useful route for reducing frictions, by promoting more convergence among and greater clarity and certainty about requirements and supervisory expectations, including as they relate to anti-money laundering and countering the financing of terrorism (AML/CFT), and sanctions screening across the payments chain and jurisdictions.
- Opportunities should be sought to increase standardisation of data requirements and reduce data sharing constraints in support of advancing goals related to anti-fraud, straight-through-processing, and cost reduction, while maintaining necessary data-privacy and risk-management goals.
- The areas of focus of the taskforce would be defined, in some respects, by the deliverables expected by the FSB from the LRS. In deciding the most productive

issues for the LRS to focus on, the taskforce should consider both the benefits of addressing an issue and the time and effort required to do so; some of the issues that are likely to achieve the greatest benefit will also likely take the longest time to achieve. This may include identifying specific corridors or regions, possibly informed by the FSB's annual KPI report, that are currently far from the global targets and with the greatest potential for making gains by the target date of 2027.

Action points:

- FSB Secretariat to publish materials and summary of this LRS meeting on the FSB website.
- For future meetings, LRS member will be able to share meeting materials with others to obtain wider input and the documents will subsequently be published on the FSB website, except for papers that, on a case-by-case basis, LRS members are informed should be treated confidentially.
- FSB Secretariat to organise the next LRS meeting for September or October of 2023.