

Press release

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FSB completes peer review of Mexico

The Financial Stability Board (FSB) published today the [report on the peer review of Mexico](#). This is the first country peer review by the FSB and follows the publication in March 2010 of the FSB's first thematic peer review, which examined compensation practices across the FSB's member jurisdictions.

Country peer reviews focus on the implementation and effectiveness in individual FSB member jurisdictions of financial sector standards and policies agreed within the FSB, notably through systematic and timely follow-up to relevant recommendations from the IMF-World Bank Financial Sector Assessment Program (FSAP). The report presents the findings of the peer review, including the key elements of the discussion in the FSB Standing Committee on Standards Implementation.

Mexico has made impressive progress in recent years in upgrading its financial regulatory and supervisory framework to bring it further in line with international standards and good practices. Due to this enhanced framework and the strength of the financial system coming into the crisis, Mexico weathered the recent global financial crisis relatively well.

FSB members reviewed the actions taken by the Mexican authorities in response to the 2006 FSAP recommendations. The crisis led to a broad rethinking of some of the key ingredients of financial regulation and resulted in new approaches to address the related challenges, such as the adoption of a system-wide, macroprudential approach to financial oversight and of additional steps to address the challenge of deepening financial markets.

Going forward, a number of issues highlighted by the FSAP deserve further consideration by the Mexican authorities. These include enhancing the credibility and financial capacity of the deposit insurance agency by dealing with the "legacy" debt associated with the Tequila Crisis; further strengthening the supervisory structure and powers; and rethinking the future role of development banks in the mortgage market.

In addition to Mexico, the peer reviews of Italy and Spain are being undertaken in 2010. In keeping with the FSB's commitment to lead by example in demonstrating adherence to standards, these peer review reports will be published once they are approved by the FSB Plenary in early 2011.

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. It brings together national authorities responsible for financial stability in significant international financial centres, international financial institutions, sector-specific international groupings of regulators and supervisors, and committees of central bank experts.

The peer review of Mexico was prepared by a team of experts drawn from FSB member institutions and led by Michael Callaghan, Executive Director, Macroeconomic Group, at the Australian Treasury. The review benefited from extensive dialogue with the Mexican financial authorities during the drafting of the report and from the discussion within the FSB Standing Committee on Standards Implementation.

The FSB is chaired by Mario Draghi, Governor of the Bank of Italy. 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.financialstabilityboard.org.