

Press release

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Third Meeting of the Financial Stability Board Regional Consultative Group for Asia

Today, the Bank of Korea hosted the third meeting of the Financial Stability Board (FSB) Regional Consultative Group for Asia in Seoul, Korea. The group was established pursuant to the FSB's announcement in November 2010 that it intends to expand and formalise outreach beyond its membership. To this end, six regional consultative groups¹ were established to bring together financial authorities from FSB member and non-member economies to exchange views on vulnerabilities affecting financial systems and on initiatives to promote financial stability.

At their meeting today, members of the FSB Regional Consultative Group for Asia began by reviewing the FSB's policy priorities and work plan. During discussions on issues relating to vulnerabilities and regional financial stability, members deliberated on the short-term and long-term implications on financial stability and financial infrastructure in Asia following prolonged uncertainty in the resolution of sovereign and financial sector issues in Europe and recent policy developments in the United States. Members also discussed developments in the area of macroprudential policy tools and potential challenges associated with their use in Asia.

Another major area of focus during the meeting was the impact of the financial regulatory reforms on Asia. Discussion under this heading focused on the potential unintended consequences arising from their implementation and possible measures to mitigate the negative effects. Policy priorities and challenges with respect to shadow banking in Asia and the FSB-led initiative to take forward the development of a global Legal Entity Identifier for financial markets also received a significant degree of attention.

The FSB Regional Consultative Group for Asia is co-chaired by Governor Choongsoo Kim, Bank of Korea and Governor Zeti Akhtar Aziz, Bank Negara Malaysia. Membership includes financial authorities from Australia, Cambodia, China, Hong Kong SAR, India, Indonesia, Japan, Korea, Malaysia, New Zealand, Pakistan, Philippines, Singapore, Sri Lanka, Thailand and Vietnam.

¹ Regional consultative groups were established for the following regions: Americas, Asia, Commonwealth of Independent States, Europe, Middle East and North Africa, and Sub-Saharan Africa.

Notes to editors

The FSB Charter stipulates that the FSB “should consult widely amongst its Members and with other stakeholders including private sector and non-member authorities. This process shall include engaging with the FSB Regional Consultative Groups and include an outreach to countries not included in the Regional Consultative Groups”.² At the Toronto Summit in June 2010, the G20 Leaders endorsed such a process by calling on the FSB “to expand upon and formalize its outreach activities beyond the membership of the G20 to reflect the global nature of our financial system”.³

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 Canada. 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.

² http://www.financialstabilityboard.org/publications/r_120809.pdf

³ <http://canadainternational.gc.ca/g20/summit-sommet/2010/toronto-declaration-toronto.aspx?lang=eng>