

Press release

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FSB to review foreign exchange benchmarks

The Financial Stability Board was tasked by the G20 in 2013 to co-ordinate and guide work on the necessary reforms to short-term interest rate benchmarks, to ensure that widely-used benchmarks are held to appropriate standards of governance, transparency and reliability. Within its broader mandate, the FSB will promote adoption and implementation of principles and good practices that emerge regarding the benchmark setting process. A high-level Official Sector Steering Group (OSSG) of regulators and central banks is taking this work forward¹.

Recently, a number of concerns have been raised about the integrity of foreign exchange (FX) rate benchmarks. The FSB has consequently decided to incorporate an assessment of FX benchmarks into its ongoing programme of financial benchmark analysis.

To take this work forward, a new sub-group on Foreign Exchange Benchmarks has been established. The new group will be chaired by Guy Debelle (Assistant Governor, Financial Markets, Reserve Bank of Australia) and Paul Fisher (Executive Director for Markets, Bank of England), both members of the OSSG.

The FX Benchmarks Group will undertake a review of FX benchmarks and will analyse market practices in relation to their use and the functioning of the FX market as relevant. Conclusions and recommendations will be transmitted by the FSB to the Brisbane Summit.

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

¹ See 'Progress Report on the Oversight and Governance of Financial Benchmark Reform' 29 August 2013
http://www.financialstabilityboard.org/publications/r_130829f.pdf

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.financialstabilityboard.org.