

# Cross-Border Cooperation - the role of the FSB

---

**Rupert Thorne**, Deputy Secretary General, Financial Stability Board

IOSCO/PIFS-Harvard Law School

*Global Certificate Program for Regulators of Securities Markets*

Friday 17 December 2021

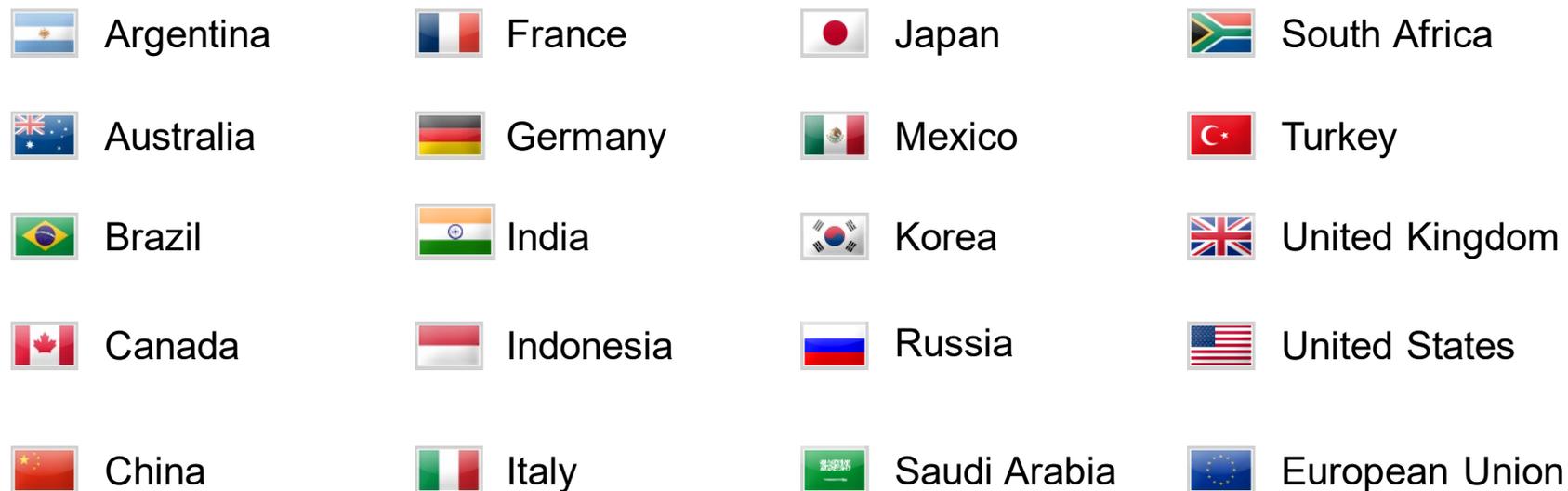


## Who is in the FSB?

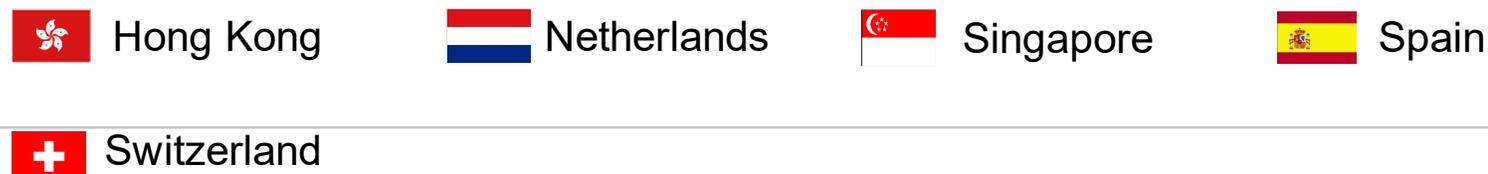
- FSB brings together senior officials of:
  - National financial authorities (24 jurisdictions)
    - Ministries of finance
    - Central banks
    - Supervisory and regulatory authorities
  - Chairs of international regulatory and supervisory groups (BCBS, CPMI, IAIS, IASB, IOSCO)
  - Chairs of committees of central banks (CGFS)
  - International/regional bodies (BIS, IMF, World Bank, OECD, ECB, European Commission)

# Our member jurisdictions

The G20 includes 19 countries and the European Union



The FSB includes representation from G20 plus:



# What does the FSB do?

- International body established to promote financial stability through:
  - Joint diagnosis of problems
  - Policy development and coordination
  - Monitoring and follow-up on implementation
- Successor to Financial Stability Forum initiated in 1999 by G7 following Asian crisis. FSB re-launched by G20 in April 2009 with expanded membership, broader mandate and enhanced operating structure
- Chaired by Klaas Knot (President of De Nederlandsche Bank) with Secretariat in Basel hosted by BIS

# FSB Regional Consultative Groups

- Outreach to 70 additional countries beyond FSB/G20 membership
- Six Regional Consultative Groups formed
  - Americas, Asia, Commonwealth of Independent States, Europe, Middle East & North Africa and Sub-Saharan Africa
  - Began meeting late 2011
- Format: six-monthly meetings
- Two-way dialogue with FSB
- Opportunity for feedback from non-FSB countries on FSB policy initiatives, including implementation challenges and any unintended consequences

## COVID-19 – FSB Principles

1. Share information rapidly
2. Use the flexibility in international standards
3. Temporarily reduce operational burdens
4. Consistency with standards – don't roll back reforms
5. Coordinate the unwinding of measures

# COVID-19 – FSB work

- **Lessons learnt from COVID-19:**

- Market and institutional resilience
  - capital and liquidity buffers
  - resilience in the NBFIs sector
  - procyclicality
  - flexibility in international regulatory standards
- Operational resilience
- Crisis preparedness

- **Future work on COVID-19:**

- Exit strategies to support equitable recovery for financial stability
- Addressing the effects of COVID-19 scarring in the financial sector

# NBFI work programme

- FSB in cooperation with IOSCO
- Objective: To enhance the resilience of the NBFI sector while preserving its benefits
  - Builds on the lessons from the March 2020 market turmoil
- Two main elements
  - Analytical and policy work to examine and, where appropriate, address specific issues that contributed to amplification of the shock (focus to date)
  - Enhancing understanding and strengthening the monitoring of systemic risks in NBFI, and assessing policies to address systemic risks in NBFI (focus in 2022)
- Enhancing NBFI resilience is intended to ensure a more stable provision of financing to the economy and reduce the need for extraordinary central bank interventions

# New frontiers for cross-border cooperation

- Digital finance
  - Crypto assets
  - Cyber risks
  - Cross-border payments
- Climate change
  - Corporate disclosures
  - Comprehensive FSB Roadmap
- Virtual cooperation

---

 +41 61 280 8844

 [fsb@fsb.org](mailto:fsb@fsb.org)

 [www.fsb.org/contact](http://www.fsb.org/contact)

 @FinStbBoard

 FinancialStabilityBoard

The Financial Stability Board (FSB) is established to coordinate at the international level the work of national financial authorities and international standard-setting bodies in order to develop and promote the implementation of effective regulatory, supervisory and other financial sector policies. Its mandate is set out in the FSB Charter, which governs the policymaking and related activities of the FSB. These activities, including any decisions reached in their context, shall not be binding or give rise to any legal rights or obligations under the FSB's Articles of Association.

