Financial Reform Agenda for G20 Turkey Summit
Quick Guide to FSB Reports for Antalya

November 2015

FSB Progress Report

November 9, 2015 - FSB publishes report on implementation and effects of the G20 financial regulatory reforms. The Financial Stability Board (FSB) published its first annual report to the G20 on the Implementation and effects of the G20 financial regulatory reforms. The report describes progress by FSB member jurisdictions in implementing the financial reforms agreed in the wake of the global financial crisis; presents early analysis on the effects of those reforms; and highlights areas for closer monitoring. Related publications:

1) Implementation of the G20 financial regulatory reforms – Dashboard: This table provides a snapshot of the status of implementation progress by FSB jurisdiction across priority reform areas, based on information collected by FSB and standard-setting bodies’ monitoring mechanisms.

2) Chair’s letter to the G20: Financial Reforms – Achieving and Sustaining Resilience for All

Too-Big-To-Fail

November 3, 2015 - FSB publishes the 2015 update of the G-SIB list. The Financial Stability Board (FSB) published the 2015 update of list of global systemically important banks (G-SIBs). The updated list comprises a total of 30 banks with one new bank, China Construction Bank, being added and one bank, BBVA, being removed from the list, and with Royal Bank of Scotland being moved down into the 1% bucket for required higher loss absorbency. The next update to the list will be published in November 2016.

November 3, 2015 - FSB publishes the 2015 update of the G-SII list. The Financial Stability Board (FSB) published the 2015 update of list of global systemically important insurers (G-SIIs). The updated list comprises a total of nine insurers with one new insurer, Aegon, being added and with Generali being removed. The next list will be published in November 2016.

**Total Loss Absorbing Capacity (TLAC)**

**November 9, 2015 - FSB issues final Total Loss-Absorbing Capacity standard for global systemically important banks** - The Financial Stability Board (FSB) issued the final Total Loss-Absorbing Capacity (TLAC) standard for global systemically important banks (G-SIBs). The TLAC standard has been designed so that failing G-SIBs will have sufficient loss-absorbing and recapitalization capacity available in resolution for authorities to implement an orderly resolution that minimizes impacts on financial stability, maintains the continuity of critical functions, and avoids exposing public funds to loss.

Related publications:
1) Total Loss-Absorbing Capacity (TLAC) Principles and Term Sheet
2) Overview of the post-consultation revisions to the TLAC Principles and Term Sheet
3) Summary of Findings from the TLAC Impact Assessment Studies
4) TLAC Quantitative Impact Study Report
5) Assessing the economic costs and benefits of TLAC implementation
6) Historical Losses and Recapitalisation Needs findings report
7) Removing Remaining Obstacles to Resolvability

**Cross-border Resolution**

**November 3, 2015 - New measures to promote resolvability, including effective cross-border resolution** - The Financial Stability Board (FSB) released two finalized guidance papers and three consultative documents as part of its policy agenda to end “too-big-to-fail” and promote the resolvability of all financial institutions that could be systemic in failure through full implementation in substance and in scope of the Key Attributes of Effective Resolution Regimes for Financial Institutions. The two finalized guidance papers are:

1) Principles for Cross-border Effectiveness of Resolution Actions
2) Guidance on Cooperation and Information Sharing with Host Authorities of Jurisdictions where a Global Systemically Important Financial Institution (G-SIFI) has a Systemic Presence that are Not Represented on its Crisis Management Group (CMG)

**Public Consultation**

In conjunction with its work on cross-border resolution, the FSB issued the following documents for consultation:

1) Consultative document on the Temporary Funding Needed to Support the Orderly Resolution of a Global Systemically Important Bank (G-SIB)
2) Consultative document on Arrangements to Support Operational Continuity in Resolution
3) Consultative document on developing Effective Resolution Strategies and Plans for Systemically Important Insurers
November 12, 2015 - **FSB welcomes extension of industry initiative to promote orderly cross-border resolution of G-SIBs** - The Financial Stability Board (FSB) welcomes the announcement by ISDA, SIFMA, ICMA and ISLA of the execution by 21 global systemically important banks (G-SIBs) of a revised ISDA Resolution Stay Protocol (the “Protocol”). The Protocol builds on the version developed in 2014, which focused on amending ISDA Master Agreements for over-the-counter (OTC) bilateral derivatives to improve the effectiveness of cross-border resolution actions. The coverage of the Protocol has now been extended to securities finance transaction master agreements.

**Over-the-Counter Derivatives**

November 4, 2015 - **FSB reports describe progress in implementing OTC derivatives market reforms, and highlight where further work is needed**. The Financial Stability Board (FSB) released two reports on implementation of the reforms to over-the-counter (OTC) derivatives market agreed by the G20:

1. Thematic Peer Review of OTC Derivatives Trade Reporting
2. OTC Derivatives Market Reforms: Tenth Progress Report on Implementation

**Misconduct in Financial Sector**

November 6, 2015 - **FSB releases progress report on reducing misconduct risk in the finance industry**. The Financial Stability Board (FSB) has published a progress report for the G20 on the FSB’s work on addressing misconduct in the financial sector. The progress report on the *Measures to reduce misconduct risk* sets out details about the FSB-coordinated work to address misconduct in the financial sector and the timeline for the actions. That work includes: considering whether post crisis reforms to incentives are sufficient to address misconduct risks; and whether steps are needed to improve global standards of conduct in the fixed income, commodities and currency (FICC) markets, including improvements in the integrity and reliability of benchmarks.

November 6, 2015 - **FSB releases report to G20 on the decline in correspondent banking**. The Financial Stability Board (FSB) has published a *Report to the G20 on actions taken to assess and address the decline in correspondent banking*. This report provides an update on work by the FSB in partnership with other organisations to examine the extent and causes of banks’ withdrawal from correspondent banking and the implications for affected jurisdictions, including risks of financial exclusion, particularly where it affects flows such as remittances which are a key source of funds for people in many developing countries.

November 9, 2015 - **FSB proposes creation of disclosure task force on climate-related risks** - The Financial Stability Board (FSB) published a proposal to the G20 for the creation of an industry-led *Disclosure task force on climate-related risks*. The proposal is in response to a request by the G20 in April to review how the financial sector can take account of climate-related issues.

issued in 2009, aim to reduce incentives for excessive risk-taking that may arise from the structure of compensation schemes in significant financial institutions.

**Shadow Banking**

November 12, 2015 - FSB publishes reports on transforming shadow banking into resilient market-based finance - The FSB published:

1) **Transforming Shadow Banking into Resilient Market-based Finance**: This report sets out actions taken to implement the FSB’s two-pronged strategy to address financial stability concerns associated with shadow banking over the past year, and next steps.

2) **Global Shadow Banking Monitoring Report 2015**: This report presents the results of the FSB’s fifth annual monitoring exercise to assess global trends and risks of the shadow banking system, reflecting data as of end-2014. It covers 26 jurisdictions and the euro area, representing about 80% of global GDP and 90% of global financial system assets.

3) **Regulatory framework for haircuts on non-centrally cleared securities financing transactions**: This report finalises policy recommendations in the framework for haircuts on certain non-centrally cleared securities financing transactions published in October 2014 to apply numerical haircut floors to non-bank-to-non-bank transactions and update the implementation dates of these recommendations. The framework aims to address financial stability risks in securities financing transactions.