



FINANCIAL
STABILITY
BOARD

FSB Work Programme for 2023



30 March 2023

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Introduction

The Financial Stability Board's (FSB) work programme for 2023 reflects the FSB's global and cross-sectoral approach to financial stability policy. This work programme was developed prior to the failure of Silicon Valley Bank and the strains on Credit Suisse that led to its takeover by UBS. In light of these events, the FSB will consider how best to prioritise its work to address financial challenges that are global in nature and affect the financial system as a whole, including digitalisation, climate change, and the consequences of shifts in the macroeconomic and interest rate environment. FSB members remain vigilant and stand ready to take policy measures to maintain the resilience of the global financial system.

This note summarises ongoing and planned FSB initiatives in 2023 organised by (1) initiatives in priority areas; (2) continuation of work in other areas; and (3) regular monitoring and reporting. The Annex provides an indicative timeline of the FSB's planned publications in 2023.

1. Initiatives in priority areas

Supporting global cooperation on financial stability. The past year has seen the sharpest tightening of financial conditions since the 2008 global financial crisis, heightened geopolitical tensions and record-high levels of debt. These challenges are increasingly affecting the functioning of certain segments of the financial system through various channels, and make global cooperation on financial stability matters as important now as it was after the financial crisis. The FSB, with its broad and diverse membership of national authorities, international standard setters and international bodies, continues to promote financial stability in a rapidly evolving financial market environment.

The FSB is intensifying its forward-looking monitoring to identify, assess and address new and emerging risks to global financial stability. This enhanced monitoring is based on the FSB's surveillance framework.¹

- Work will continue to more fully integrate monitoring of vulnerabilities associated with non-bank financial intermediation (NBFIs), technological innovation and climate change.
- The FSB will develop and run a global bank stress test, in cooperation with the Basel Committee on Banking Supervision (BCBS).

Enhancing the resilience of non-bank financial intermediation (NBFIs), while preserving its benefits. The NBFIs sector has grown much faster than the banking sector since 2008, and accounts for almost half of all financial assets globally. The FSB will advance its work programme for enhancing the resilience of NBFIs by assessing and addressing activities and types of entities that may contribute to aggregate liquidity imbalances and give rise to systemic risk. This work, set out in the FSB's latest NBFIs progress report,² will be carried out within the FSB as well as by standard-setting bodies (SSBs) and international organisations. It includes:

¹ FSB (2021), *FSB Financial Stability Surveillance Framework*, September.

² FSB (2022), *Enhancing the Resilience of Non-Bank Financial Intermediation: Progress report*, November.

- Assessing vulnerabilities associated with non-bank leverage, including completing a deep dive on forms of leverage that are harder for authorities to monitor ('hidden leverage'), and if relevant, consider policy approaches to any issues identified.
- Conducting follow-up policy work on addressing liquidity mismatch in open-ended funds, including revisions to the FSB 2017 recommendations;³ a data pilot initiative to enhance monitoring of open-ended fund vulnerabilities; and coordination with the International Organization of Securities Commissions (IOSCO) in its development of detailed guidance on liquidity management tools and in promoting the use of stress testing.
- Undertaking policy work on enhancing market participants' liquidity preparedness for margin and collateral calls. The FSB work will be coordinated with the follow-up work on margining practices of the BCBS, the Committee on Payments and Market Infrastructures (CPMI) and IOSCO.
- Carrying out a thematic peer review, working with IOSCO, to take stock of money market fund policy reform measures adopted by FSB member jurisdictions in response to the FSB's 2021 policy proposals.⁴
- Carrying out work with IOSCO to enhance the functioning and resilience of short-term funding markets.
- Monitoring and assessing the financial stability aspects of commodities markets.

Enhancing cross-border payments. The G20 roadmap for enhancing cross-border payments co-ordinated by the FSB⁵ contains a comprehensive set of actions, together with a framework for monitoring progress toward achieving the quantitative targets that have been set.⁶ Now that the foundations have been laid through stocktakes and analyses, the roadmap is moving to practical projects to enhance payment arrangements, collaborating closely with the private sector.

- The FSB, in coordination with CPMI and other international bodies, will implement the prioritisation plan and engagement model for the next phase of work under the roadmap. It has updated the roadmap accordingly, including detailed actions.⁷
- The FSB will provide a further annual progress report to the G20 on the overall roadmap.

Harnessing the benefits of digital innovation while containing its risks. Digitalisation is fundamentally changing the way finance works and the financial industry is organised. Harnessing the opportunities of this trend while containing associated risks is critical for financial stability and prosperity. The FSB will continue to monitor developments in crypto-asset markets and advance work on the global regulatory and supervisory framework for crypto-asset markets and activities. In 2023, the FSB will:

³ FSB (2017), *Policy Recommendations to Address Structural Vulnerabilities from Asset Management Activities*, January.

⁴ FSB (2021), *Policy proposals to enhance money market fund resilience: Final report*, October.

⁵ FSB (2020), *Enhancing Cross-border Payments: Stage 3 roadmap*, October.

⁶ FSB (2022), *Developing the Implementation Approach for the Cross-Border Payments Targets: Final report*, November.

⁷ FSB (2023), G20 Roadmap for Enhancing Cross-border Payments: Priority actions for achieving the G20 targets, February

- Assess the implications of crypto-assets for financial stability, including through ongoing monitoring, analysis of emerging themes or material incidents, and deep-dives on crypto-asset firms that vertically integrate different functions (“multifunction crypto-asset intermediaries”) and on the tokenisation of assets.
- Finalise the FSB recommendations on global stablecoin arrangements and FSB recommendations for crypto-asset activities and markets and conduct follow-up work to promote the effective and timely implementation of the recommendations across FSB and non-FSB jurisdictions.
- Analyse the financial stability implications of decentralised finance (DeFi) and conduct follow-up policy work, as appropriate, on addressing risks from DeFi and multifunction crypto-asset intermediaries.

Addressing financial risks from climate change. The events of the past year have reinforced the importance of addressing financial risks from climate change, including the need to manage transition risk. While work has progressed in all four areas of the FSB’s roadmap for addressing financial risks from climate change⁸ – disclosures, data, vulnerabilities assessment, and regulatory and supervisory policy – the importance of being able to assess such risks on a global scale has become even clearer. In 2023, the FSB will:

- Report on progress in achieving consistent climate-related financial disclosures, in coordination with the International Sustainability Standards Board, IOSCO and others.
- Embed climate-related vulnerabilities in the FSB’s ongoing vulnerabilities assessments, enhance the data infrastructure to support related analysis, and work to assess climate vulnerabilities in a forward-looking manner.
- Analyse the relevance of transition plans for managing transition risks and financial stability and for monitoring financial stability risks from transition, in coordination with the Network of Central Banks and Supervisors for Greening the Financial System.

2. Continuation of policy work in other areas

Cyber and operational resilience. Another feature of digital innovation is the ever-greater use by financial institutions of outsourcing to third-party providers. While outsourcing may have provided additional resilience during the pandemic, it has also reinforced the importance of effective policies for the oversight of financial institutions’ reliance on critical service providers. Greater interconnections in the financial system increase the surface for cyber attacks. Enhancing operational and cyber resilience therefore remain important items on the FSB agenda.

- In 2023, the FSB will finalise its report on achieving greater convergence in cyber incident reporting, reflecting feedback from the public consultation. It will also, in collaboration with relevant industry stakeholders, undertake work to determine pre-

⁸ FSB (2022), *FSB Roadmap for Addressing Climate-related Financial Risks*, July.

requisites for, and the feasibility of, developing a format for incident reporting exchange (FIRE) to standardise common information requirements for incident reporting.

- In addition, the FSB will report on strengthening financial institutions' ability to manage third-party risks and outsourcing, that includes: (i) expectations for financial authorities' oversight of financial institutions' reliance on critical service providers (including Big-Tech and FinTech firms); and (ii) common definitions and terminologies on third-party risk management and outsourcing.

Completing resolution reforms. The main focus of continuing work is on the full implementation of the Key Attributes of Effective Resolution Regimes for financial institutions across all sectors. The FSB will continue to promote resolution planning and resolvability assessments, the availability and allocation of loss-absorbing resources, and the access to funding in resolution. ReSG will place a particular focus on resolvability in the non-bank sector, including resolution resources for central counterparties (CCPs) and insurers.

- The FSB will continue its work on CCP financial resources and tools for CCP resolution, in coordination with CPMI and IOSCO.
- The FSB will develop a toolbox proposal for CCP resolution authorities to have access to a combination of resources and/or tools as readily available options to use in CCP resolution, while preserving authorities' flexibility to select which ones to implement in their jurisdiction.

Evaluating the effectiveness and effects of G20 financial reforms. The FSB will conduct a targeted evaluation on the effects of G20 reforms on securitisation.

3. Regular monitoring and reporting on financial stability issues

The FSB will:

- continue its annual review and publication of the list of designated G-SIBs.
- identify insurers subject to the FSB resolution planning standards of the *Key Attributes of Effective Resolution Regimes for Financial Institutions* in a discretionary self-reporting process.
- continue to monitor and support the remaining efforts to produce a smooth transition to the alternative financial benchmarks.
- continue to contribute to the joint FSB-IMF Early Warning Exercise.
- publish its annual Global Monitoring Report on NBFIs.
- working with the SSBs, continue to monitor implementation of G20 reforms in a streamlined manner, through regular progress reports and peer reviews.
- publish its comprehensive Annual Report on work to promote global financial stability.
- continue to encourage consistent application of accounting standards, auditing of financial statements and enhanced audit quality.

Annex: Indicative timeline of key FSB publications planned for 2023

Date	Work Programme Item	Comment
February	Report on financial stability aspects of commodities markets	G20 Deliverable
	Report on the financial stability implications of DeFi	G20 Deliverable
	Updated set of prioritised actions under Cross-border Payments Roadmap	G20 Deliverable
April	Achieving greater convergence for reporting cyber incidents to financial authorities – Final report	G20 Deliverable
	Report on the pre-requisites for, and feasibility of, developing a format for incident reporting exchange (FIRE) to standardise common information requirements for incident reporting	G20 Deliverable
July	Annual progress report on FSB Roadmap for Addressing Financial Risks from Climate Change	G20 Deliverable
	FSB high-level recommendations on the regulation, supervision and oversight of global stablecoin arrangements – Final report	G20 Deliverable
	FSB high-level recommendations on the regulation, supervision and oversight of crypto-asset activities and markets – Final report	G20 Deliverable
	Revisions to FSB 2017 recommendations on addressing liquidity mismatch in open-ended funds – Consultative document	G20 Deliverable
	Strengthening financial institutions' ability to manage third-party risks and outsourcing – Consultative document	G20 Deliverable
September	Synthesis paper on macroeconomic and regulatory perspectives on crypto-assets (jointly with IMF)	G20 Deliverable
	Toolbox of financial resources and tools for CCP resolution – Consultative document	
	Enhancing resilience in NBFIs: Progress report	G20 Deliverable
	Financial stability implications of leverage in the non-bank sector	G20 Deliverable
October	Annual report on implementation of the cross-border payments roadmap	G20 Deliverable
	Progress report on achieving the cross-border payments quantitative targets	
	Report on progress in achieving consistent climate-related financial disclosures, in coordination with the ISSB and IOSCO	G20 Deliverable
	Promoting Global Financial Stability: 2023 FSB Annual Report	G20 Deliverable
	Strengthening financial institutions' ability to manage third-party risks and outsourcing – Final report	G20 Deliverable
November	Identification of G-SIBs for 2023	
December	2023 Resolution Report	
	Thematic review on money market fund policy reform measures	

Date	Work Programme Item	Comment
	Revisions to FSB 2017 recommendations on addressing liquidity mismatch in open-ended funds – final report	
	Global Monitoring Report on NBFIs	
	Country peer review of Italy	
	Country peer review of Switzerland	