

FSB Chair updates Finance Ministers and Central Bank Governors on COVID-19 response

14 April 2020

The Financial Stability Board (FSB) today published [a letter from its Chair](#), Randal K. Quarles, to G20 Finance Ministers and Central Bank Governors ahead of their virtual meeting on 15 April.

The letter highlights the twin challenge that the global financial system must respond to in the face of COVID-19: First, a dramatically increased need for credit throughout the global economy, to bridge this period of highly restricted activity. Second, marked uncertainty about the value of a wide range of assets, which greatly complicates the operation of markets and the intermediation of this heightened credit need.

The FSB and its member jurisdictions have taken swift, coordinated and decisive actions to support local and global market functioning. The FSB is employing its experience in tackling ongoing and emerging risks to the global financial system:

- **Assessing vulnerabilities.** The FSB is drawing on its diverse membership to assess current vulnerabilities in the financial system and providing risk assessments to policymakers. It is analysing the resilience of critical nodes in the global financial system. These include the ability of the financial system to finance the real economy, including businesses and households; obtain US dollar funding, including in emerging markets; meet liquidity demands without forced asset sales; and effectively manage counterparty risks.
- **Information sharing.** FSB members are exchanging information daily on their financial policy responses. These comprise to date about 850 discrete actions to address the financial and economic fallout related to COVID-19, including actions to support lending, funding, and market functioning.
- **Coordinating policy responses.** The FSB and standard-setting bodies (SSBs) are working to ensure that efforts to combat economic and financial fallout from the crisis are coordinated. This includes guiding authorities on ways to use the existing flexibility built into international standards, while also preserving collective support for these standards.

Looking beyond COVID-19, the letter also sets out ongoing FSB policy work in several areas to promote a global financial system that supports a strong recovery after the pandemic. This includes: non-bank financial intermediation; supporting a smooth transition away from LIBOR; harnessing the benefits of technological innovation; and promoting efficient and resilient cross-border payments.

Notes to editors

The FSB coordinates at the international level the work of national financial authorities and international standard-setting bodies and develops and promotes 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 also conducts outreach with approximately 70 other jurisdictions through its six Regional Consultative Groups.

The FSB is chaired by Randal K. Quarles, Vice Chairman, US Federal Reserve; its Vice Chair is Klaas Knot, President, De Nederlandsche Bank. The FSB Secretariat is located in Basel, Switzerland, and hosted by the Bank for International Settlements.