

Press release

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Financial Stability Forum concludes fifth Asia-Pacific regional meeting

The Financial Stability Forum (FSF) has just concluded its fifth regional meeting in the Asia-Pacific region, held over the past two days in Hong Kong SAR. Senior representatives from finance ministries, central banks and supervisory and regulatory authorities of ten FSF member economies and seven regional non-member economies attended the meeting.

Participants exchanged views on current conditions in financial markets and efforts to contain the crisis. Financial systems in the Asia-Pacific region have been broadly resilient to the crisis – largely because Asian banks were less dependent on wholesale funding and less exposed to problem assets. Nevertheless, a number of strains have become apparent in the past few months. The financial turmoil and the global economic slowdown have affected capital flows, export demand and financing availability (including trade finance), and are starting to impact the real economy and financial institutions in the region. In this context, it is essential that credit flows to the economy be maintained.

Concerning authorities' responses, participants emphasized the need to supplement liquidity and capital support with measures that address the overhang of distressed assets as well as through fiscal stimulus packages to boost domestic demand. To increase policy effectiveness, participants highlighted the benefits of a broadly co-ordinated approach to the design and implementation of policy responses including, in due course, exit strategies.

Considering ways to build a stronger financial system, and in line with the G20 Leaders' declaration at the Summit on Markets and the World Economy, participants took stock of work underway and priorities in fulfilling the G20 Action Plan. They discussed progress with enhancing financial reporting and transparency, strengthening the Basel II capital framework, addressing pro-cyclicality, and regulating and overseeing credit rating agencies. Participants also discussed reform agendas in national regulatory systems and options for reinforcing international co-operation, including through supervisory colleges and co-operation in crisis management, as well as efforts to promote integrity in financial markets.

The FSF and meeting participants thanked the Hong Kong Monetary Authority for its hospitality in hosting the meeting. They looked forward to the next meeting in the region.

A list of institutions that attended the meeting is attached.

About the FSF: The FSF brings together national authorities responsible for financial stability in significant international financial centres, international financial institutions, sector-specific international groupings of regulators and supervisors, and committees of central bank experts. It was established by the G7 finance ministers and central bank governors in 1999 to promote international financial stability through enhanced information exchange and international co-operation in financial market supervision and surveillance. The FSF is chaired by Mario Draghi, Governor of the Bank of Italy. The FSF Secretariat is based at the Bank for International Settlements in Basel, Switzerland. For further information on the FSF, its membership and previous FSF meetings, visit the FSF website at www.fsforum.org.

FINANCIAL STABILITY FORUM

Institutions and groupings attending the FSF regional meeting

Hong Kong, 15–16 December 2008

Chairman, Mr. Mario Draghi

Australia

Australian Treasury
Reserve Bank of Australia
Australian Securities and Investments Commission

Canada

Department of Finance
Bank of Canada
Office of the Superintendent of Financial Institutions

China

People's Bank of China
China Banking Regulatory Commission
China Securities Regulatory Commission

France

Ministry of the Economy, Finance and Employment
Banque de France
Autorité des Marchés Financiers

Germany

Deutsche Bundesbank

Hong Kong SAR

Hong Kong Monetary Authority
Securities and Futures Commission

India

Ministry of Finance
Reserve Bank of India
Securities and Exchange Board of India

Indonesia

Capital Market and Financial Institutions Supervisory
Agency

Italy

Ministry of the Economy and Finance

Japan

Ministry of Finance
Bank of Japan
Financial Services Agency

Korea

Ministry of Strategy and Finance
Bank of Korea
Financial Services Commission
Financial Supervisory Service

Malaysia

Securities Commission

New Zealand

Reserve Bank of New Zealand
Securities Commission

Singapore

Monetary Authority of Singapore

Thailand

Bank of Thailand

United Kingdom

HM Treasury
Bank of England
Financial Services Authority

United States

Department of the Treasury

International Financial Institutions

Bank for International Settlements
International Monetary Fund
Organisation for Economic Co-operation and
Development
The World Bank

International Regulatory and Supervisory Groupings

Basel Committee on Banking Supervision
International Association of Insurance
Supervisors
International Organization of Securities
Commissions

Regional Financial Institutions

Asian Development Bank