FINANCIAL STABILITY BOARD

Strengthening Oversight and Regulation of Shadow Banking

An Overview of Policy Recommendations

29 August 2013

Strengthening Oversight and Regulation of Shadow Banking

Executive Summary

At the 2011 Summit meeting in Cannes, the G20 Leaders agreed to develop policies to deal with the fault lines exposed by the financial crisis in that part of the financial system that extends credit but is outside the regular banking sector: the so-called "shadow banking system". Those fault lines centred on a heavy reliance on short-term wholesale funding, a variety of incentives problems in securitisation that weakened lending standards, and a general lack of transparency that hid growing amounts of leverage and mismatch between long-term credit extension and short-term funding.

The FSB's strategy to deal with these fault lines has two elements:

- Create a monitoring framework to track financial sector developments outside the banking system. The FSB has established an annual monitoring exercise to assess the global trends and risks of the shadow banking system, which now includes jurisdictions covering 90% of global financial system assets. The third global shadow banking monitoring report will be published in November 2013.
- Develop policies to strengthen oversight and regulation of the shadow banking system.

This document sets out the FSB's approach to addressing financial stability concerns associated with shadow banking, actions taken to date, and the next steps.

Actions being taken to strengthen oversight and regulation of shadow banking

The FSB has focused on five specific areas in which it believes policies are needed to mitigate the potential systemic risks associated with shadow banking:

(i) Mitigate *the spill-over effect between the regular banking system and the shadow banking system*

- Although non-bank financial intermediation provides a valuable alternative to banks in providing credit to support economic activity, the financial crisis revealed that in some cases, the regular banking system was exposed to risks in the shadow banking system.
- Proposals are being developed by the Basel Committee on Banking Supervision (BCBS): to ensure that all banks' activities, including interaction with the shadow banking system, are appropriately captured in prudential regimes; to limit banks' large exposures to single counterparties (including to shadow banking entities); and to introduce risk-sensitive capital requirements for banks' investments in the equity of funds.[1]

[1] Some of the proposed policy recommendations have been published for public consultation. See http://www.bis.org/publ/bcbs246.pdf and http://www.bis.org/publ/bcbs257.pdf.

- The BCBS will finalise its proposed supervisory framework for banks' large exposures and its proposed capital treatment for banks' investments in the equity of funds by the end of 2013. It will review the capital treatment of back-up lines to funds as necessary in 2014. The work on the scope of prudential consolidation will also be completed in 2014.

(ii) Reduce the susceptibility of *money market funds (MMFs)* to "runs"

- MMFs provide a deposit-like instrument to investors, especially when they are redeemable at short notice and at par. They are, as such, susceptible to contagious investor runs.
- Final policy recommendations have been developed by the International Organization of Securities Commissions (IOSCO) that provide the basis for common standards of regulation and management of MMFs across jurisdictions.[2] A peer review process of national implementation will be launched by IOSCO in 2014 and the results will be reported to the FSB.

(iii) Assess and align the incentives associated with *securitisation*

- Securitisation allows the transfer of risk away from the traditional banking sector and provides a source of funding for banks but the complex structuring of some securitisation before the crisis created incentives to weaken lending standards and generated an undetected build-up of leverage.
- Final policy recommendations by IOSCO based on a stock-take of reforms, especially those related to transparency, standardisation and risk retention requirements, were issued in November 2012.[3]
- A peer review on the national approaches to align incentives associated with securitisation, including risk retention requirements, will be undertaken by IOSCO in 2014. The results will be reported to the FSB.
- Regulatory impediments to a resumption of orderly and sustainable securitisation markets will continue to be reviewed.

(iv) Dampen financial stability risks and pro-cyclical incentives associated with *securities financing transactions such as repos and securities lending* that may exacerbate funding strains in times of market stress

- Securities financing transactions support markets for a wide variety of securities but they are also used by non-banks to conduct "bank-like" activities entailing leverage and mismatches between long-term lending and short-term borrowing. During the crisis, these markets shrank dramatically as losses materialised on the securities underpinning these transactions, thereby generating fire sales of assets.
- The FSB issued a **Policy Framework for Addressing Shadow Banking Risks in Securities Lending and Repos.** [4] This document sets out final policy

[2] http://www.iosco.org/library/pubdocs/pdf/IOSCOPD392.pdf.

[3] http://www.iosco.org/library/pubdocs/pdf/IOSCOPD394.pdf.

recommendations for addressing financial stability risks in this area, including enhanced transparency, regulation of securities financing, and improvements to market structure. It also includes consultative proposals on: minimum standards for methodologies to calculate haircuts on non-centrally cleared securities financing transactions; and a framework of numerical haircut floors for non-centrally cleared securities financing transactions collateralised by non-government securities through which non-banks obtain leverage from regulated financial intermediaries.

- The FSB will complete its work on the proposed recommendations on minimum haircuts for securities financing transactions by spring 2014.
- The FSB will develop standards and processes for data collection and aggregation at the global level on securities financing markets by the end of 2014.

(v) Assess and mitigate systemic risks posed by *other shadow banking entities and activities*

- The FSB issued the **Policy Framework for Strengthening Oversight and Regulation of Shadow Banking Entities.**[5] Because shadow banking entities take a variety of forms and are evolving over time, the FSB has developed the high-level policy framework to detect and address sources of financial stability risks from shadow banking. This framework is designed to allow authorities to capture innovations that occur outside the bounds of bank regulation and to adopt regimes for taking actions on non-banks that pose a threat to financial stability from shadow banking.
- An information-sharing process to activate the high-level policy framework for strengthening oversight and regulation of shadow banking entities will be developed by March 2014.

The FSB, in coordination with the standard-setting bodies, will monitor the implementation of finalised policy recommendations on shadow banking. It will report on the overall progress to the G20 in November 2014.

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4 http://www.financialstabilityboard.org/publications/r_130829b.pdf.

5 http://www.financialstabilityboard.org/publications/r_130829 c.pdf.

Background

The "shadow banking system" can broadly be described as "credit intermediation involving entities and activities (fully or partially) outside the regular banking system" or non-bank credit intermediation in short. Such intermediation, appropriately conducted, provides a valuable alternative to bank funding that supports real economic activity. But experience from the crisis demonstrates the capacity for some non-bank entities and transactions to operate on a large scale in ways that create bank-like risks to financial stability (longer-term credit extension based on short-term funding and leverage). Such risk creation may take place at an entity level but it can also form part of a complex chain of transactions, in which leverage and maturity transformation occur in stages, and in ways that create multiple forms of feedback into the regular banking system.

Like banks, a leveraged and maturity-transforming shadow banking system can be vulnerable to "runs" and generate contagion risk, thereby amplifying systemic risk. Such activity, if unattended, can also heighten procyclicality by accelerating credit supply and asset price increases during surges in confidence, while making precipitate falls in asset prices and credit more likely by creating credit channels vulnerable to sudden loss of confidence. These effects were powerfully revealed in 2007-09 in the dislocation of asset-backed commercial paper (ABCP) markets, the failure of an originate-to-distribute model employing structured investment vehicles (SIVs) and conduits, "runs" on MMFs and a sudden reappraisal of the terms on which securities lending and repos were conducted. But whereas banks are subject to a well-developed system of prudential regulation and other safeguards, the shadow banking system is typically subject to less stringent, or no, oversight arrangements.

The objective of the FSB's work is to ensure that shadow banking is subject to appropriate oversight and regulation to address bank-like risks to financial stability emerging outside the regular banking system while not inhibiting sustainable non-bank financing models that do not pose such risks. The approach is designed to be proportionate to financial stability risks, focusing on those activities that are material to the system, using as a starting point those that were a source of problems during the crisis. It also provides a process for monitoring the shadow banking system so that any rapidly growing new activities that pose bank-like risks can be identified early and, where needed, those risks addressed. At the same time, given the interconnectedness of markets and the strong adaptive capacity of the shadow banking system, the FSB believes that policies in this area necessarily have to be comprehensive.

Table of Contents

Introduction

Non-bank financial intermediation provides a valuable alternative to banks in providing credit in support of economic activity. The 2007 financial crisis however revealed systemic risks from important fault lines in the “shadow banking system”[6] that had lain mostly unrecognised during its rapid expansion. Key amongst these were a heavy reliance on short-term wholesale funding, a variety of incentives problems in securitisation that weakened lending standards, and a general lack of transparency that hid growing amounts of leverage, maturity and liquidity transformation. When risks manifested, these factors caused credit intermediation through the shadow banking system to come to a dramatic halt.

The G20 at its Cannes Summit in November 2011 requested the FSB to develop policy measures to address these risks, extending the regulatory perimeter where needed to protect financial stability as risky activities shift to the unregulated sector when new regulations on banks come into effect. To these ends, the FSB has followed a two-pronged strategy. First, it has created a **monitoring framework** to enhance national authorities’ ability to track developments in the shadow banking system with a view to identifying the build-up of systemic risks and enabling corrective actions where necessary. Second, the FSB has coordinated the development of policies in **five areas where oversight and regulation needs to be strengthened** to reduce systemic risks:

(i) mitigating risks in banks’ interactions with shadow banking entities;

(ii) reducing the susceptibility of money market funds (MMFs) to “runs”;

(iii) improving transparency and aligning incentives in securitisation;

(iv) dampening pro-cyclicality and other financial stability risks in securities financing transactions such as repos and securities lending; and

(v) assessing and mitigating financial stability risks posed by other shadow banking entities and activities.

Most of these policy measures are now finalised and will be adopted by FSB members in an internationally-coordinated manner. Some measures, including proposed minimum haircut standards for securities financing transactions, will be further defined in the light of ongoing assessments of their potential impact and any unintended consequences on the financial system.

When implemented, this integrated set of policies should mitigate financial stability risks emanating from shadow banking. They should also limit the incentives of risky activities to move to the unregulated sector as tighter regulations on banks and other traditional market participants come into effect. By focusing on the economic functions (or activities) rather than the legal forms of entities conducting them, the recommendations are intended to be robust in the face of innovations and adaptations that occur at or outside the boundaries of bank regulation or the regulatory perimeter. However, since shadow banking activities take a

[6] The FSB has defined the “shadow banking system” as “credit intermediation involving entities and activities (fully or partially) outside the regular banking system”.

variety of forms and continue to evolve, FSB members are mindful of the need to keep these policies under review over time.

1. Establishing a system-wide monitoring framework

An important lesson from this crisis is the need for authorities to establish system-wide monitoring arrangements, capable of assessing sources of systemic risks both inside and outside the part of financial systems traditionally subject to prudential regulation. To this end, the FSB began conducting annual monitoring exercises to assess global trends and risks of the shadow banking system in 2011. These exercises have prompted an increasing number of national and regional authorities to regularly assess the risks of shadow banking, so that the monitoring now covers 25 jurisdictions[7] representing 86% of global GDP and 90% of global financial system assets.[8] The third monitoring exercise will be published in November 2013. The FSB intends to improve the monitoring exercise by gathering and analysing more granular balance sheet data as well as expanding activity-based and risk-based monitoring. Implementation of enhanced data reporting and disclosure requirements for shadow banking as recommended by the FSB (see next section) will help in this regard.

2. Strengthening the oversight and regulation of shadow banking

The policy work to prevent the re-emergence of systemic risks from shadow banking has focused on the following five areas.

2.1 Mitigating risks in banks' interactions with shadow banking entities

To reduce the spill-over of risks from the shadow banking system to the core banking system, policy recommendations are being developed by the Basel Committee on Banking Supervision (BCBS) in the following three areas. They complement a number of measures already implemented or agreed to strengthen the resilience of banks through Basel II.5 and Basel III.

(vi) ***Scope of consolidation*** **–** The BCBS is developing guidance to improve the international consistency of the scope of consolidation for prudential regulatory purposes so as to ensure that all banks' activities, including their interaction with the shadow banking system, are appropriately captured within the prudential regime. It will prepare policy proposals by the end of 2013. The proposals will provide clarity on the boundary of consolidation, which should help to limit regulatory arbitrage opportunities.

(vii) ***Large exposures*** **–** The BCBS issued a consultative document on a proposed supervisory framework for measuring and controlling large exposures in March

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7 They are all 24 FSB member jurisdictions and Chile.

8 Several jurisdictions (e.g. Australia, Canada, Germany and the Netherlands) have also published analyses of their respective shadow banking system, leveraging on the FSB annual monitoring exercises.

2013.[9] The proposals seek to protect banks from the risk of the default of single private sector counterparties, including entities involved in shadow banking. Under the proposals, banks are required to look through investments in funds, securitisation structures and other vehicles, including shadow banking entities, and aggregate exposures to underlying single counterparties. This would help control the contagion risks to banks arising from interconnectedness with the shadow banking system. The BCBS will finalise the framework by the end of 2013.

(viii) ***Banks' investments in equity of funds*** – The BCBS issued a consultative document in July 2013 to introduce a more internationally consistent and risk sensitive capital treatment for banks' investment in equity of funds, including funds engaged in shadow banking activities.[10] The proposed capital treatment will reflect both the risk of the fund's underlying investments and its leverage. The BCBS will finalise the new capital treatment by the end of 2013. It will also review the capital treatment of back-up lines to funds as necessary in 2014.

2.2. Reducing the susceptibility of money market funds (MMFs) to "runs"

MMFs provide a deposit-like instrument to investors, especially when they are redeemable on short notice and at par. Through their placement of investor funds, MMFs extend credit, and are also an important provider of short-term funding for the regular banking system as well as for other non-bank chains of credit intermediation that involve maturity transformation and leverage. MMFs demonstrated their vulnerability during the crisis when a large segment of MMFs experienced contagious investor runs, necessitating large scale support from sponsors or the official sector to maintain stability in the MMF sector. Absent such support, credit intermediation dependent on MMFs' funding would have been cut back dramatically.

In order to address the demonstrated systemic risks of contagious investor runs on a large segment of MMFs, the International Organization of Securities Commissions (IOSCO) has developed policy recommendations that provide the basis for common standards for the regulation and management of MMFs across jurisdictions.[11] The FSB has endorsed the IOSCO recommendations, including the requirement that MMFs that offer stable or constant net asset value (NAV) to their investors should be converted into floating NAV where workable. Where such conversion is not workable, the FSB believes that the safeguards required to be introduced to reinforce stable NAV MMFs' resilience to runs should be functionally equivalent to the capital, liquidity, and other prudential requirements on banks that protect against runs on their deposits.[12]

National and regional authorities are currently reviewing their existing approaches to regulating MMFs in light of the IOSCO recommendations. In the US, home to the world's largest MMF market, the Financial Stability Oversight Council (FSOC) issued for consultation in November 2012 proposed recommendations to support the implementation of

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9 http://www.bis.org/publ/bcbs246.pdf

10 http://www.bis.org/publ/bcbs257.pdf

11 http://www.iosco.org/library/pubdocs/pdf/IOSCOPD392.pdf

12 http://www.financialstabilityboard.org/publications/r_121118.pdf

structural reforms to mitigate the vulnerability of MMFs to runs.[13] The Securities and Exchange Commission (SEC) also recently proposed rules that would reform the way that MMFs operate in order to make them less susceptible to runs.[14] It is considering the following two alternatives that could be adopted alone or in combination:

(i) ***Floating NAV*** – Prime institutional MMFs would be required to transact at a floating NAV. Government and retail MMFs would be allowed to continue using stable NAV.[15]

(ii) ***Liquidity fees and redemption gates*** **–** Non-government MMFs would be permitted to use liquidity fees and redemption gates to reduce run risks in times of stress.

In the EU, the second largest MMF market, the European Commission organised in 2012 a public consultation on the asset management regulatory framework including possible ways to strengthen MMFs' resilience to systemic risks (e.g. investor runs).[16] An impact assessment has been prepared with a view to make a proposal for a MMF regulation in the second half of 2013. Meanwhile, the European Systemic Risk Board (ESRB) also published recommendations on stable NAV MMFs in December 2012 that include: mandatory conversion of stable NAV MMFs to floating NAV MMFs in order to reduce the shareholders' incentive to run when the MMF has experienced a loss; additional liquidity requirements; additional public disclosure on important features; and more detailed reporting by MMFs.[17]

IOSCO will launch a peer review process in 2014 to examine the implementation by national/regional authorities of its recommendations in this area. The results will be reported to the FSB so that they can be included in the overall monitoring and reporting of national/regional implementation progress in the shadow banking area.

2.3 Improving transparency and aligning incentives in securitisation

The complex structuring and multi-step distribution chains involved in much securitisation prevalent in the run-up to the crisis generated misaligned incentives while encouraging a rapid and largely undetected build-up of leverage and maturity mismatches. A number of regulatory reforms have since been introduced to address the information asymmetries and incentive problems associated with these forms of securitisation.

IOSCO issued a report in November 2012 that took stock of the implementation of reforms, especially those related to (i) retention requirements, and (ii) measures that enhance transparency and standardisation of securitisation products, and set out further policy recommendations in these areas.[18] These recommendations seek to facilitate convergent

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13 http://www.treasury.gov/press-center/press-releases/Pages/tg1764.aspx

14 http://www.sec.gov/rules/proposed/2013/33-9408.pdf

15 Prime institutional MMFs are MMFs that are neither "retail MMFs (MMFs that do not permit a shareholder to redeem more than $1 million in a single business day)" nor "government MMFs (MMFs that invest at least 80% of its total assets in cash, government securities, and/or repurchase agreements that are collateralized by government securities)".

16 http://ec.europa.eu/internal_market/consultations/2012/ucits_en.htm

17 http://www.esrb.europa.eu/pub/pdf/recommendations/2012/ESRB_2012_1.en.pdf?4e30873f97c21330632e252d505927c8

18 http://www.iosco.org/library/pubdocs/pdf/IOSCOPD394.pdf

implementation across jurisdictions of approaches to align incentives, in particular regarding risk retention requirements. Based on the recommendations, IOSCO will undertake a peer review in 2014 to assess the implementation of incentive alignment approaches in its member jurisdictions. The results will be reported to the FSB so that they can be included in the overall monitoring and reporting of national/regional implementation.

The resumption of orderly securitisation markets is a goal of the wider financial reform program, and the FSB, in collaboration with other standard-setting bodies, will continue to review and address regulatory impediments in this regard.

2.4. Dampening procyclicality and other financial stability risks in securities financing transactions

Securities financing transactions, including securities lending and repurchase (repo) agreements, support price discovery and secondary market liquidity for a wide variety of securities, and are central to financial intermediaries' market-making activities as well as to their various investment and risk management strategies. However, such transactions are also used by non-banks to conduct "bank-like" activities that entail risks from maturity and liquidity transformation, as well as leverage. These funding markets shrank dramatically during the crisis when losses materialised in the collateral underpinning these transactions, generating fire sales of assets that worsened the crisis.

The FSB set out in November 2012 proposed policy recommendations for securities financing transactions to reduce the risks associated with the heavy dependence by the shadow banking system on this form of short-term wholesale funding.[19] The FSB has now finalised most of its policy recommendations. These include: standards and processes for data collection and aggregation at the global level to enhance transparency of securities financing markets, which will be taken forward by a new FSB data expert group by the end of 2014; minimum standards on cash collateral reinvestment; requirements on re-hypothecation; minimum regulatory standards for collateral valuation and management; and policy recommendations related to structural aspects of the securities financing markets (central clearing and changes in the bankruptcy law treatment of securities financing transactions).

The FSB published on 29 August 2013 for consultation specific proposals on (i) minimum standards for methodologies used by market participants in calculating the "haircuts (margins)" that limit the amount of financing that can be provided against a given security, and (ii) a framework of numerical haircut floors intended to prevent the erosion of margins below minimum levels when non-banks obtain leverage through the use of securities financing transactions backed by non-government securities. These measures would help reduce excessive leverage and dampen pro-cyclicality in such financing markets. But since the potential impact and unintended consequences associated with these measures may be significant, the FSB is currently conducting a two-stage quantitative impact assessment (or quantitative impact study (QIS)). The QIS has collected historical haircut data from a small pool of large financial intermediaries globally to help calibrate specific haircut proposals issued for public consultation. During the fourth quarter of 2013, the FSB will conduct a more

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[19] http://www.financialstabilityboard.org/publications/r_121118b.pdf

comprehensive impact assessment of its specific haircut proposals on a wider pool of firms and will complete its work on the proposed recommendations on minimum haircuts by spring 2014.

2.5 Assessing and mitigating systemic risks posed by other shadow banking entities and activities

Recognising that shadow banking entities and activities take a variety of forms and evolve over time, the FSB has developed a forward-looking high-level policy framework for adoption by authorities to detect and assess the sources of financial stability risks from shadow banking in the non-bank financial space, and apply appropriate policy measures where necessary to mitigate these risks.

The framework consists of the following three elements:

(i) ***Assessment based on economic functions (or activities)*** **–** Authorities will identify the potential sources of shadow banking risks in non-bank financial entities in their jurisdictions from a financial stability perspective by categorising these with reference to five economic functions, independent of the entities' legal form. They are: (1) management of collective investment vehicles with features that make them susceptible to runs; (2) loan provision that is dependent on short-term funding; (3) intermediation of market activities that is dependent on short-term funding or on secured funding of client assets; (4) facilitation of credit creation (e.g. through credit insurance); and (5) securitisation-based credit intermediation and funding of financial entities.

(ii) ***Adoption of policy tools*** **–** Authorities will refer to agreed overarching principles for oversight of non-bank financial entities that are identified as posing a threat to financial stability from shadow banking. In addition, where necessary to mitigate financial stability risks, authorities will apply appropriate policy tools from a menu of optional policies (policy toolkit) for each economic function as they think best fits the non-bank financial entities concerned, the structure of the markets in which they operate, and the degree of financial stability risks posed by such entities in their jurisdictions.

(iii) ***Information-sharing process*** - Authorities will share information on (i) which non-bank financial entities (or entity types) are identified as being involved in which economic function[20] and its rationale explained by each shadow banking risk factors; as well as (ii) which policy tool(s) the relevant authority adopted and how, through the FSB process, in order to maintain consistency across jurisdictions in applying the policy framework.

By focusing on economic functions (or activities) rather than legal forms, this framework is intended to allow authorities to capture innovations and adaptations that occur at or outside the bounds of bank regulation. Furthermore, it is expected that the framework will provide a

[20] This may include information on any material non-bank financial entities that are not identified as being involved in one of the five economic functions.

structured process to further enhance the FSB's annual monitoring exercise as well as for authorities to assess the need for extending the regulatory perimeter. The FSB will develop detailed procedures for information-sharing by March 2014 so that the FSB would be in a position to start a peer review process of national implementation of the framework by 2015.

3. Next steps

Following the G20 St Petersburg Summit in September, the FSB will take forward its work agenda on shadow banking in the following manner:

- *Development and refinement of recommendations on banks' interactions with shadow banking entities*: The BCBS will finalise its supervisory framework for large exposures, as well as its rules on the capital treatment of banks' investments in equity of funds by the end of 2013, based on the consultation results. The BCBS expects to It review the capital treatment of back-up lines to funds as necessary and conclude the guidance on the scope of consolidation for prudential regulatory purposes in 2014.
- *Refining proposed minimum standards on haircut practices in securities financing transactions*: The FSB will complete its work on the proposed recommendations on the minimum standards for methodologies used by market participants in determining haircuts on securities financing transactions, as well as the possible numerical haircut floors, taking into account public responses, by spring 2014.
- *Review of securitisation markets:* The FSB, in collaboration with IOSCO and other standard-setting bodies, will continue to review and address regulatory impediments in order to foster the resumption of orderly securitisation markets.
- *Developing standards and processes for data collection and aggregation at the global level on securities financing markets:* A new FSB data experts group will develop standards and processes in relation to securities financing markets by the end of 2014.
- *Developing an information-sharing process for the high-level policy framework for other shadow banking entities and activities:* The FSB will develop a detailed procedure for information-sharing by March 2014 to ensure that the FSB would be in a position to start a peer review process of national implementation of the framework by 2015. It will also identify any practical difficulties in implementing the framework that would need to be addressed by the FSB when turning the framework into an FSB membership commitment subject to a peer review.
- *Activating the policy frameworks:* The FSB will decide on the implementation timetable for the various policy recommendations[21] when they are finalised, taking into account market conditions as well as the need for authorities and market participants to adjust their systems and controls.
- *Monitoring the implementation of policy recommendations* - Shadow banking is one of the priority areas highlighted by the FSB that, under the Coordination Framework

[21] This includes policy recommendations on banks' interactions with shadow banking entities (in coordination with the BCBS) and policy recommendations on securities financing transactions in relation to minimum haircut standards.

for Implementation Monitoring (CFIM), should undergo intensive monitoring and detailed reporting once implementation is underway. In this regard, IOSCO will conduct in 2014 a peer review on the implementation of its recommendations on MMFs and securitisation, the results of which will be reported to the FSB. The FSB will coordinate with the relevant standard-setting bodies to ensure that implementation monitoring in this area is effective and satisfies the G20 reporting requirements under the CFIM.

The FSB will report on the progress of the above to the G20 in November 2014.