

Annual Report 2025

Promoting global financial stability



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Chair's foreword

Multilateralism in a shifting landscape

The publication of the Financial Stability Board (FSB) Annual Report – presented this year in an updated format – provides an opportunity to reflect on an eventful year, including my first nine months as Chair.



Andrew Bailey

Chair of the FSB
Governor, Bank of England

Andrew Bailey

2025 was a year of notable change for the FSB, with new leadership across some of our Standing Committees and the continued evolution of our priorities. Most significantly, it has been a year shaped by profound shifts in the global landscape, underscoring the critical importance of the FSB's work.

The world is becoming increasingly fragmented and unpredictable. Multilateralism is being tested. Yet, despite these challenges, the financial sector has demonstrated resilience. The shocks of recent years have not undermined financial stability, a testament to the reforms implemented since the global financial crisis (GFC). However, the financial system itself is transforming, presenting new and complex challenges.

Developments such as the rapid growth of private finance, increasing use of leverage in core markets, expansion of digital assets, and advancements in artificial intelligence (AI) are reshaping the financial landscape. At the same time, the global economy faces longer-term structural challenges, including slowing productivity growth and demographic pressures.

These trends highlight the importance of openness and innovation, while financial stability remains an essential pre-condition for unlocking these opportunities and achieving sustainable economic growth.

Despite the challenging global environment and against a backdrop of rising vulnerabilities, the FSB has continued to deliver on its mandate.

Since its creation, the FSB has worked to address the fault lines exposed by the global financial crisis, addressing immediate risks while laying the groundwork for a more resilient financial system. Much of this work has been advanced through the implementation of G20 reforms.

“Despite the challenging global environment and against a backdrop of rising vulnerabilities, the FSB has continued to deliver on its mandate.”

As this Annual Report shows, the FSB continued to deliver on many fronts in 2025. We finalised recommendations to address leverage in nonbank financial intermediation, assessed the implementation of crypto-asset and stablecoin recommendations, and examined vulnerabilities related to the use of AI in the financial sector.

Other questions remain. How can we accelerate progress in cross-border payments? What data do we need to manage cross-border risks and allow regulators and markets to prudently navigate and manage new risks? How can we ensure that our surveillance frameworks are robust enough to keep pace with a rapidly evolving financial system? These and other key questions will guide the next stages of our work.

The strategic review of implementation of G20 reforms that we launched in 2025 has revealed a slowdown in implementation. While cooperation among jurisdictions has strengthened since the GFC, full, timely, and consistent implementation across the broad range of reforms has not yet been achieved.

The next phase of the review will focus on identifying the root causes of this slowdown and finding ways to promote implementation more effectively. Enhancing the FSB's implementation monitoring framework will be a key priority, particularly as member jurisdictions modernise their regulatory and supervisory frameworks to address emerging risks and opportunities.

As we look ahead, we must not be afraid to challenge ourselves. The FSB must remain agile, continually adapting its ways of working to ensure it remains fit for purpose in a rapidly changing world. Encouragingly, despite increased fragmentation and polarisation, FSB members continue to find common ground, displaying their commitment to tackle shared challenges.

This commitment is critical because financial stability is a global public good. The risks we face do not respect borders. Multilateralism remains the only way we can effectively address them.

We have reason to be optimistic. To paraphrase Mark Twain: reports of multilateralism's demise have been greatly exaggerated. Building on the FSB's tradition of rigour and pragmatism, we will continue to support our members and the US G20 Presidency in the year ahead to keep the financial system stable and resilient.

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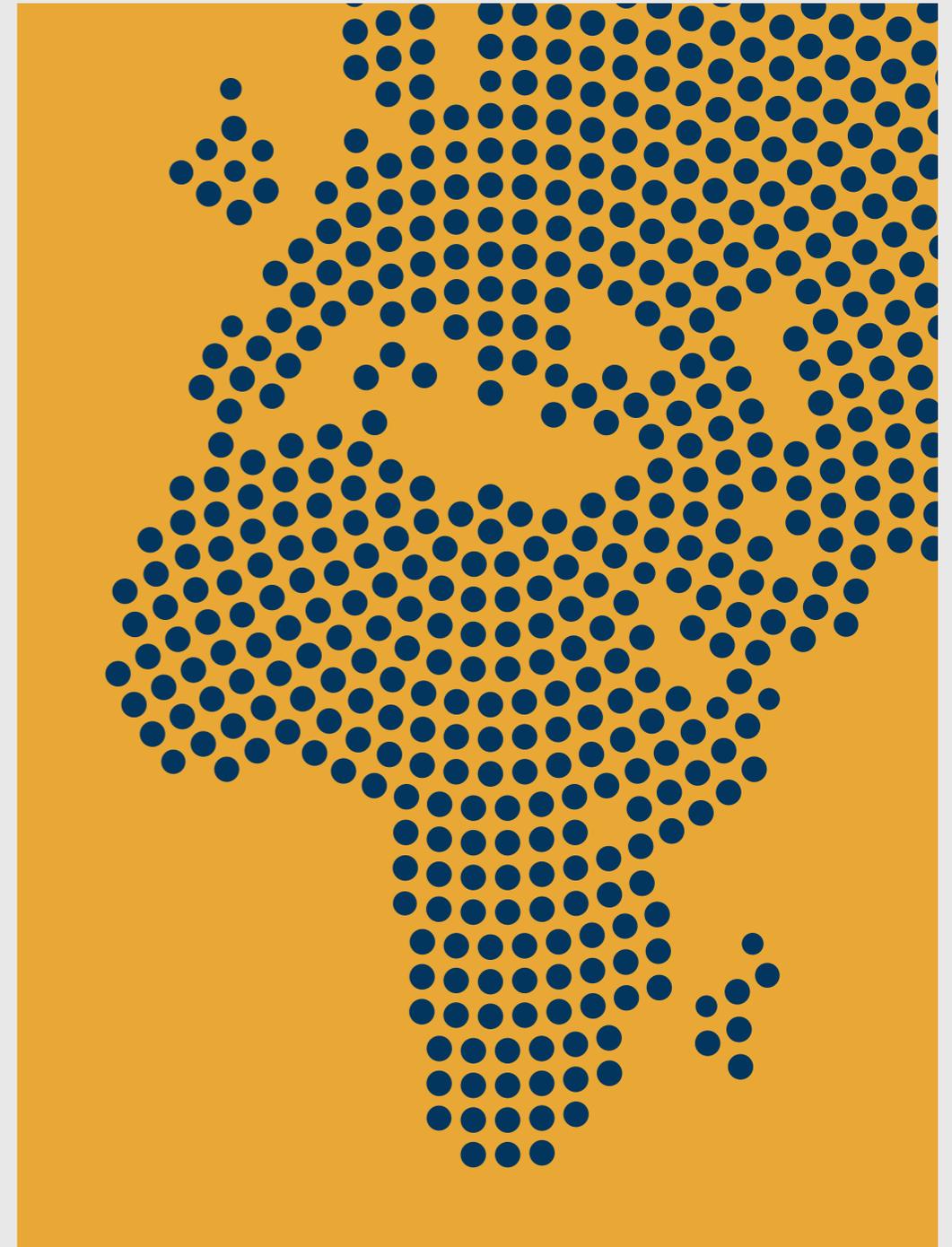
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Executive summary

Strengthening financial resilience

In 2025, the FSB continued its efforts to strengthen financial systems, enhance the stability of international financial markets and promote consistent and coherent implementation of policy recommendations across sectors and jurisdictions.



Ongoing surveillance highlights a range of long-standing vulnerabilities in the financial system. Sovereign debt levels have continued to rise and debt servicing costs are projected to increase further. A deterioration in confidence about debt sustainability could amplify volatility in government bond markets, posing risks to financial stability.

High corporate and household debt in some jurisdictions remains a concern, and repayment difficulties could spill over into the financial sector. Nonbank financial intermediation (NBFi) continues to expand at a faster pace than the banking sector, reflecting changes in the provision of financial services.

Complex interlinkages between banks and nonbanks, coupled with opacity, make a comprehensive assessment of vulnerabilities challenging, and private credit remains an area to monitor. Moreover, leverage in certain nonbank investors and liquidity mismatches in open-ended funds warrant continued monitoring.

At the same time, the broad rally in markets since April 2025 has led to elevated asset valuations and compressed risk premia to levels reminiscent of the period before the 2008 global financial crisis (GFC).

This increases the risk of sharp market corrections, with potential spillover effects on the broader financial system. Operational vulnerabilities are also a concern, notably potential outages at critical nodes in the financial system that could lead to widespread disruption. Finally, crypto-asset markets exhibited significant volatility in 2025, but financial system impacts remained limited despite growing interlinkages with the broader financial system.

The FSB, through its membership and in cooperation with international standard-setting bodies, continues to promote financial stability and respond to emerging vulnerabilities. Work to address the financial stability risks associated with leverage in NBFi was finalised, with recommendations aimed at interlinkages between leveraged nonbanks and systemically important financial institutions providing the leverage.

In carrying out the NBFi work programme, the FSB identified several data challenges that hinder authorities' ability to effectively assess vulnerabilities in the nonbank sectors. To address this, the FSB has established the Nonbank Data Task Force, chaired by the FSB Chair, and work is starting with a test case on leveraged trading strategies in sovereign bond markets.

On operational vulnerabilities, the FSB has finalised a format for operational incident reporting exchange. Recognising that ongoing efforts to implement regulatory frameworks for crypto-assets and stablecoins can enhance resilience, an FSB review of the implementation of its 2023 global regulatory framework for crypto-asset activities and global stablecoin arrangements revealed significant gaps and inconsistencies that could pose risks to financial stability and to the development of a resilient digital asset ecosystem.

Additionally, major policy development initiatives in relation to the Roadmap for enhancing cross-border payments have been completed, but these efforts have not yet translated into tangible improvements for end-users at the global level. The FSB will continue to intensify efforts to drive jurisdictional implementation of the policy recommendations issued under the Roadmap and support jurisdictions and regions in overcoming barriers.

As the global standard setter for the resolution of financial institutions, the FSB continually advances work to support resolution authorities' operational readiness to respond to failures.

For bank resolution, this work focused in 2025 on operationalisation of transfer tools, funding in resolution, and ongoing work on bail-in execution. For insurers, guidance is being developed to identify insurers that should be subject to recovery and resolution planning, and for central counterparties there has been a focus on implementation of FSB guidance and enhancing operational planning.

In addition to its ongoing work, the FSB launched a major multi-year review process in 2025 to evaluate the implementation of its recommendations over the past 15 years and to draw lessons. While progress in implementing G20 reforms continues, it remains uneven. A first report assessing the global implementation of G20/FSB recommendations was published (see [Box 1](#)), and follow-up work is underway to draw lessons from this assessment.

Box 1

Implementation monitoring review – interim findings¹

Since the GFC, the FSB, in collaboration with the SSBs, has been instrumental in identifying vulnerabilities, developing comprehensive recommendations, and enhancing the resilience of the global financial system.

The ultimate success of these efforts depends on the timely and consistent implementation of agreed reforms across jurisdictions.

The Basel III framework remains a cornerstone of global financial stability. While significant progress has been made in adopting the framework, delays and inconsistencies in implementation across jurisdictions could pose material risks to the global financial system.

While most jurisdictions have finalised rules for credit risk, operational risk, and the output floor, gaps remain significant for market risk and credit value adjustment. The Group of Central Bank Governors and Heads of Supervision of the BCBS unanimously reaffirmed their expectation to implement Basel III in full, consistently and as soon as possible.²

Significant progress has been made in addressing the “too-big-to-fail” issue, with the FSB’s Key Attributes of Effective Resolution Regimes seeking to ensure that SIFIs can fail without systemic disruptions or taxpayer bailouts. Achievements include implementing total loss-absorbing capacity requirements for global systemically important banks, cross-border resolution protocols, and crisis management groups.

However, gaps remain, such as incomplete resolution funding frameworks, insufficient legal powers for resolvability, and delays in operationalising bail-in mechanisms. Reform implementation is inconsistent across banking sectors in some jurisdictions, while progress in insurance, financial market infrastructures and nonbanks is still ongoing.

Some NBFIs business models can pose significant risks to global financial stability due to their potential to amplify stress and propagate shocks across the financial system. While significant progress has been made by jurisdictions in implementing policies to address these risks, implementation remains uneven across jurisdictions in certain areas. Key gaps include implementation of recommendations to manage the vulnerabilities arising from liquidity mismatch in money market funds and open-ended funds, and data collection and sharing of securities financing transactions.

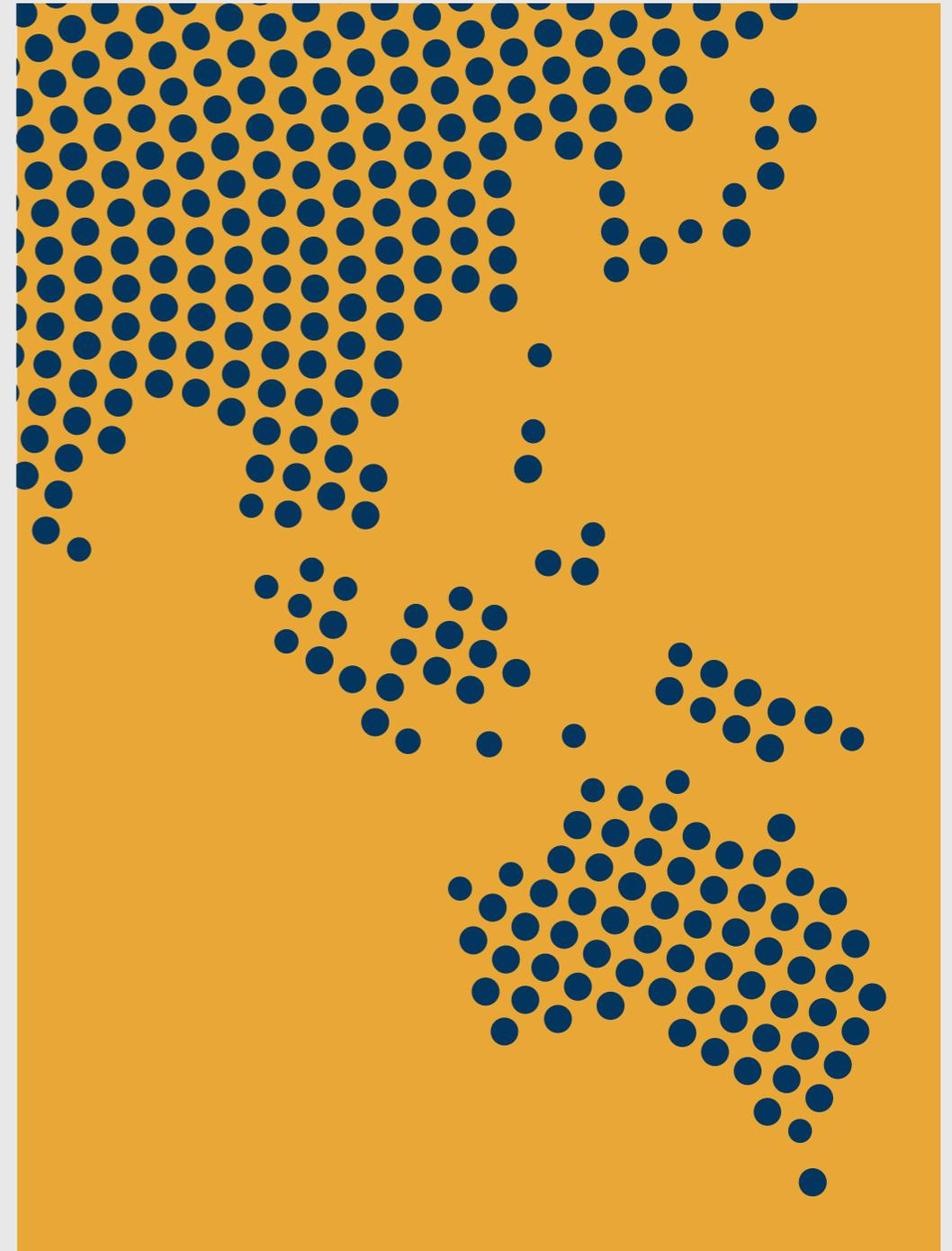
The implementation of G20 recommendations to enhance over-the-counter derivatives markets is largely complete, with only limited progress needed in jurisdictions that represent a small share of global transaction volumes. These reforms have significantly advanced central clearing practices, but progress has been more limited in leveraging data reported to trade repositories.

“While significant progress has been made by jurisdictions in implementing policies to address these risks, implementation remains uneven across jurisdictions in certain areas.”

Section 1

The FSB and its work in 2025

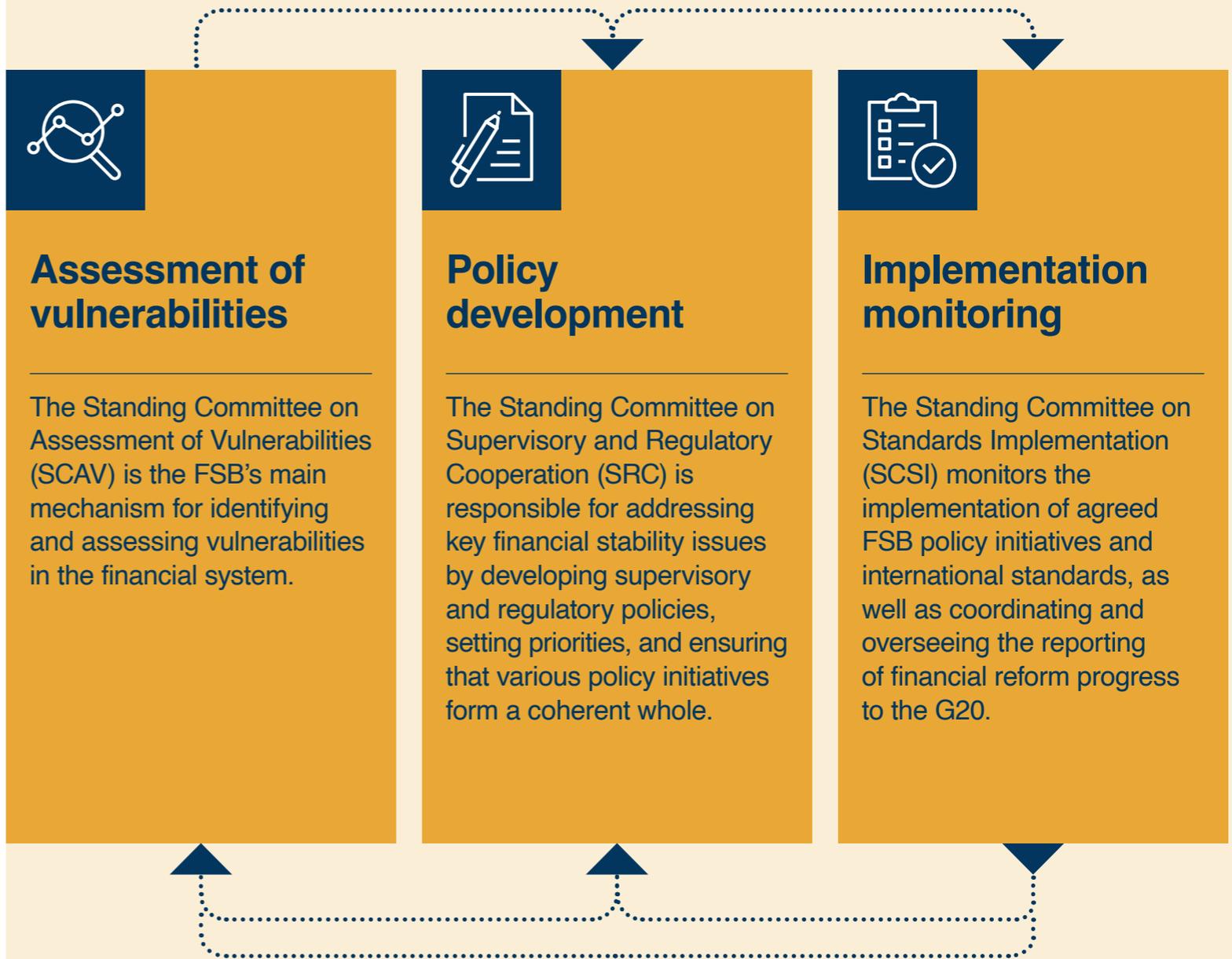
The Financial Stability Board (FSB) seeks to promote global financial stability by coordinating national financial authorities and international standard-setting bodies (SSBs) to develop and implement robust regulatory, supervisory, and financial sector policies.



Through its members, the FSB works to strengthen financial systems, enhance the stability of international financial markets, and ensure consistent and coherent policy implementation across sectors and jurisdictions. It also engages in outreach to non-member countries to foster international cooperation and a level playing field.

The FSB operates through a structured three-stage framework to identify systemic risks in the financial sector, design policy actions to address these risks, and oversee their implementation. This structure includes the Plenary as the sole decision-making body of the FSB for all matters governed by its charter, making all such decisions by consensus; a Steering Committee to advance operational work between Plenary meetings; and three Standing Committees with specific but complementary roles in supporting this process.³

The FSB's three-stage framework



Assessment of vulnerabilities

The Standing Committee on Assessment of Vulnerabilities (SCAV) is the FSB's main mechanism for identifying and assessing vulnerabilities in the financial system.

Policy development

The Standing Committee on Supervisory and Regulatory Cooperation (SRC) is responsible for addressing key financial stability issues by developing supervisory and regulatory policies, setting priorities, and ensuring that various policy initiatives form a coherent whole.

Implementation monitoring

The Standing Committee on Standards Implementation (SCSI) monitors the implementation of agreed FSB policy initiatives and international standards, as well as coordinating and overseeing the reporting of financial reform progress to the G20.



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The Committee focuses on macro-financial related weaknesses in the financial system (such as excessive leverage, liquidity and maturity mismatches, concentrated exposures, etc). The SCAV draws extensively on the analytical and monitoring input of its members and focuses on the international aspect of financial system vulnerabilities, which are difficult to cover in a domestic or regional context. Where policy actions are deemed to be required to address vulnerabilities, the SCAV can report these findings to the Plenary. The SCAV also provides input for the Early Warning Exercise (EWE) jointly with the International Monetary Fund (IMF), which considers extreme, but plausible, forward-looking risk scenarios.



Policy development

The Standing Committee on Supervisory and Regulatory Cooperation (SRC) is responsible for addressing key financial stability issues by developing supervisory and regulatory policies, setting priorities, and ensuring that various policy initiatives form a coherent whole.

It undertakes supervisory analysis or frames regulatory responses to vulnerabilities, including those identified by the SCAV, manages coordination among supervisors and regulators on cross-sector issues, and addresses regulatory gaps that could threaten financial stability. The SRC may request the SCSL to undertake implementation monitoring to determine the extent to which its policies have been implemented and to understand challenges in implementation, including those that may require a review of the policies.



Implementation monitoring

The Standing Committee on Standards Implementation (SCSI) monitors the implementation of agreed FSB policy initiatives and international standards, as well as coordinating and overseeing the reporting of financial reform progress to the G20.

This includes tracking members' progress in implementing international financial standards, conducting peer reviews (a membership obligation), and promoting global adherence to regulatory and supervisory standards. Implementation monitoring is conducted under the Coordination Framework for Implementation Monitoring, developed in collaboration with SSBs to enhance coordination and effectiveness. It distinguishes between priority areas, which undergo intensive monitoring and detailed reporting, and other reforms.

Current priority areas include the Basel III framework, policy measures for global systemically important financial institutions (SIFIs), compensation practices, over-the-counter (OTC) derivatives market reforms, resolution frameworks, and nonbank financial intermediation (NBFIs).

The FSB's implementation monitoring is integrated into the broader work of the FSB. Where implementation monitoring and effectiveness evaluations identify systemic challenges, feedback is provided to both the vulnerability assessment and the policy setting processes.

“Where implementation monitoring and effectiveness evaluations identify systemic challenges, feedback is provided to both the vulnerability assessment and the policy setting processes.”

Further information

See [section 3](#) for further details on the FSB's purpose and organisational structure through its committees. This remainder of this section outlines the work of the FSB during 2025.

The FSB and its work in 2025

1.1 Vulnerabilities assessment

Long-standing financial system vulnerabilities remain.

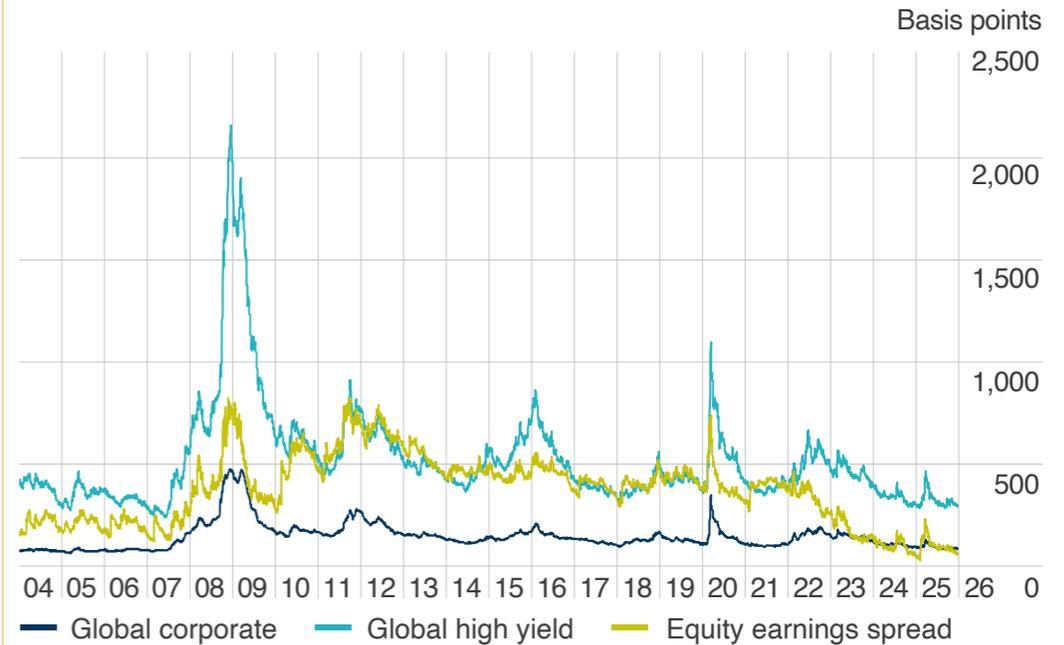
Many of the current vulnerabilities have been present for some time, including high sovereign and private sector debt, leverage in certain nonbank investors, liquidity mismatches in open-ended funds and potential for operational outages at large financial institutions. In addition, asset valuations have elevated to record levels in several markets and may be at risk of correction in the case of a shock.

Asset price valuations are elevated relative to historical metrics, increasing the risk of a sharp, downward adjustment in markets.

The broad rally in asset prices since April 2025 has led to a further increase in valuations and a continued reduction of yields in key global asset markets. The convergence between equity earnings yields and corporate bond yields on the one hand, and government bond yields on the other, has meant that risk premia and spreads (the difference between yields on risk assets and government bonds) are compressed by historical standards (Graph 1). Indeed, the spreads on global equities, corporate bonds and high yield bonds are at similar levels to the period before the 2008 financial crisis.

Graph 1: Spreads are compressed in key financial market segments

Spreads in key global markets*



* The graph shows the difference between yields on risk assets and government bonds. The graph uses global high-yield and corporate bond indices, while the equity earnings yield is for the MSCI World equity index.

Sources: Bloomberg; ICE BAML; FSB calculations.

There is a risk of a sharp, downward adjustment in markets and a spike in volatility.

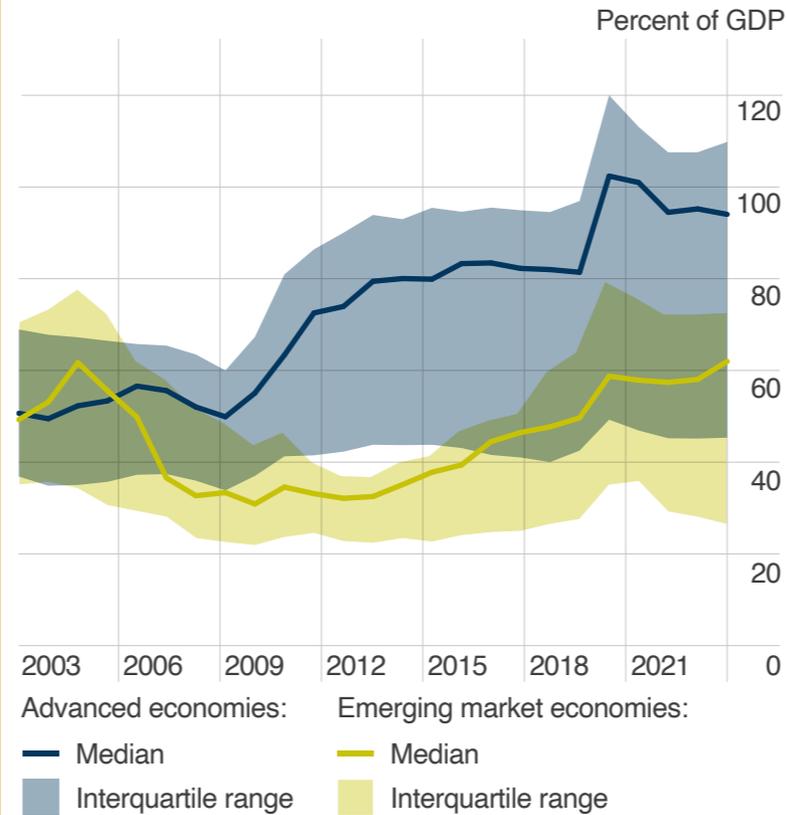
As mentioned above, elevated asset valuations raise the risk of a snap back in asset prices in the event of negative news. The tight risk premia could decompress, leading to sharp adjustments in asset markets and potential spillovers between jurisdictions.

The ensuing volatility could act on existing vulnerabilities among leveraged nonbank investors by inducing fire sales of assets that would further add to volatility. Asset price falls could lead to redemptions from open-ended funds that would need to sell assets to raise liquidity, exacerbating market strains.

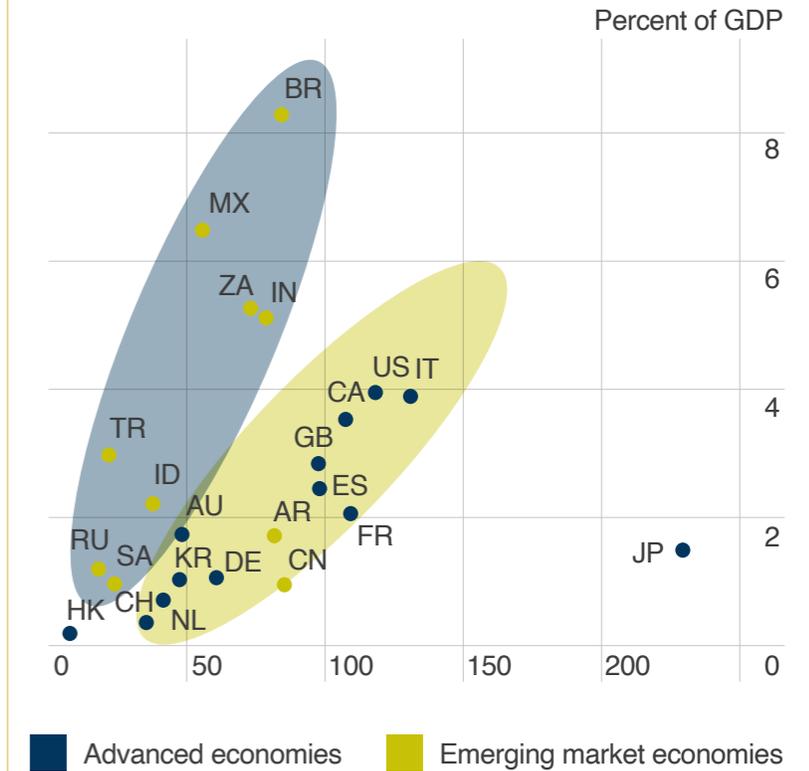
There was a sudden and severe spike in market volatility in April 2025, following the announcement of a sharp increase in US tariffs. Markets recovered quickly following the announcement of a pause in the changes to trade policy.

Graph 2: Government debt vulnerabilities remain

1. FSB member gross government debt



2. Government debt and interest expense (2024)*



* The shaded areas highlight the regions in the chart where most of the advanced economy (emerging market economy) jurisdictions reside.

Sources: IMF; FSB calculations.

Globally, high and rising levels of sovereign debt could exacerbate debt financing pressures.

Sovereign debt levels have continued to increase, with the median government debt-to-GDP ratio in advanced economies at just over 100% (Graph 2, panel 1). Although debt levels vary across jurisdictions, they are forecast to rise further in many countries amid weak economic growth, low tax revenues, increased defence spending in some jurisdictions and rising structural spending needs (e.g. digitalisation and aging populations).⁴

Furthermore, government interest payments are already high in a number of jurisdictions (Graph 2, panel 2). Debt servicing costs are set to rise as debt levels increase, and as maturing bonds are refinanced at higher rates than when the debt was first issued. Financing costs are already a concern for some smaller developing economy sovereigns that are facing elevated borrowing costs or even a loss of market access.

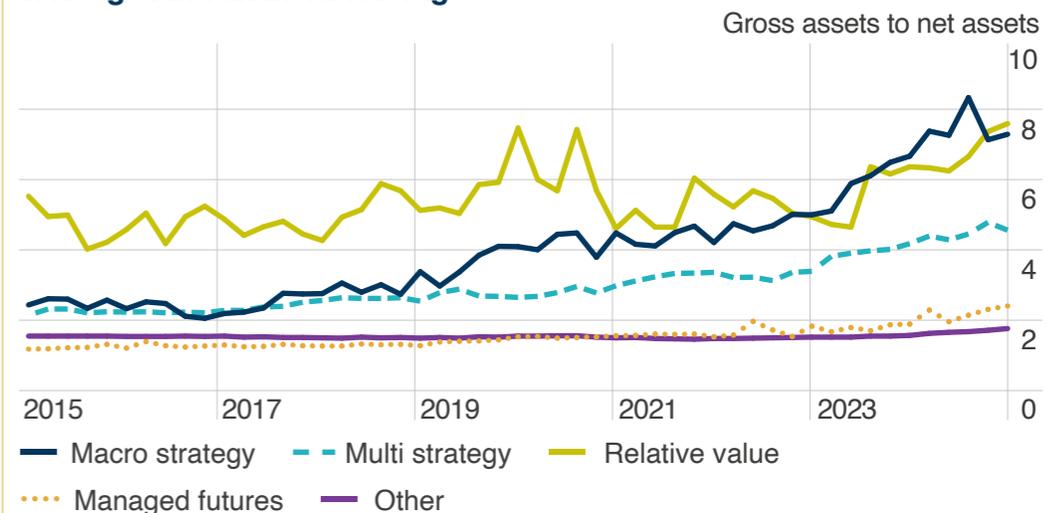
An increase in investor concerns about debt sustainability could trigger heightened volatility in government bond markets and spill over to other parts of the financial system.

The impact in the financial sector could be affected by the increased presence of nonbank investors employing leveraged trading strategies in core sovereign bond markets. Available data show that hedge fund financial leverage (borrowing) and synthetic leverage (obtained through derivatives positions) has grown at several types of hedge funds (Graph 3, panels 1 and 2). The leverage used in these strategies is often provided in short-term repo markets, and thus requires rollover (Box 2).

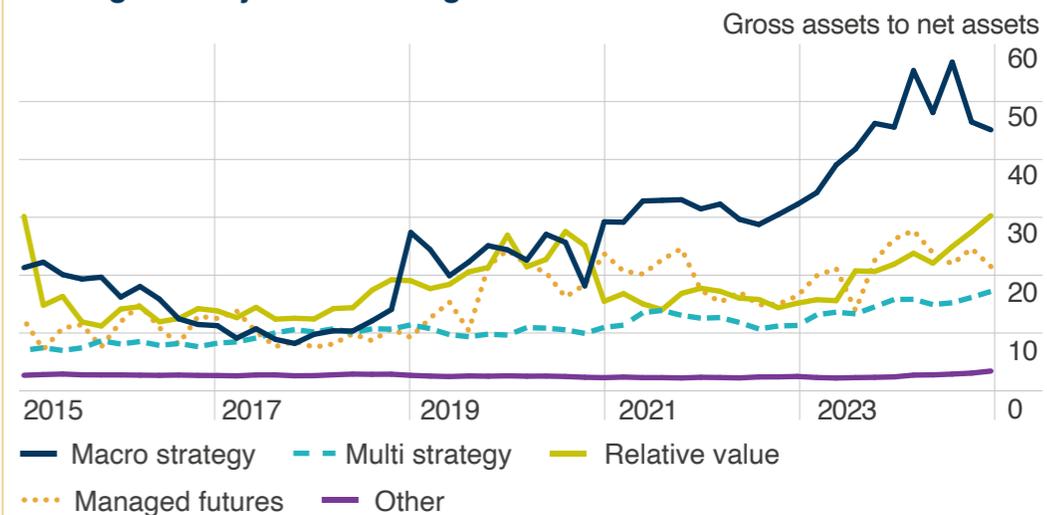
The international nature of the leveraged trading strategies also presents the potential for shocks to propagate across-borders. Leveraged strategies can involve arbitrage between related securities and derivatives in different jurisdictions. This interconnectedness across markets and across borders could lead to contagion as strains in one market are propagated to other markets. Sudden increases in government bond yields could also affect banks with significant holdings of sovereign debt, as evidenced by the March 2023 banking turmoil and the 2010–12 euro area sovereign debt crisis.

Graph 3: Leverage is increasing at some hedge funds*

1. Hedge fund financial leverage



2. Hedge fund synthetic leverage



* The graph is based on hedge funds that file form PF with the US authorities.

Sources: OFR; FSB calculations.

Box 2

Repo market vulnerabilities

Repo markets are an important source of funding and benefit market participants.⁵

Repo markets simplify liquidity management, provide a low-risk means of deploying and acquiring cash resources and bonds, and facilitate risk hedging. They also increase the utility of sovereign debt to a broad range of investors.

However past episodes of stress have shown how repo markets can either become a source of strains that spill over to other markets, or can be significantly impacted by wider turmoil in the financial system.⁶ Therefore, given the importance of repo markets within the global financial system, it is critical that their functionality is preserved, particularly during times of stress.

“ Repo markets simplify liquidity management, provide a low-risk means of deploying and acquiring cash resources and bonds, and facilitate risk hedging.

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Repo markets often use government bonds as collateral and are a short-term funding source.

Analysis of member data found that repo backed by government bonds represented approximately 80% of the stock of all repo outstanding, at end-2024.

This equates to approximately \$16 trillion in government bond-backed repo trades outstanding at end-2024 (Graph 4, panel 1). Repo markets are short-term wholesale markets with approximately half of the stock having an overnight term. Repo markets also feature material cross-border interlinkages with approximately 15% of the total outstanding using foreign government bonds as collateral.

80%

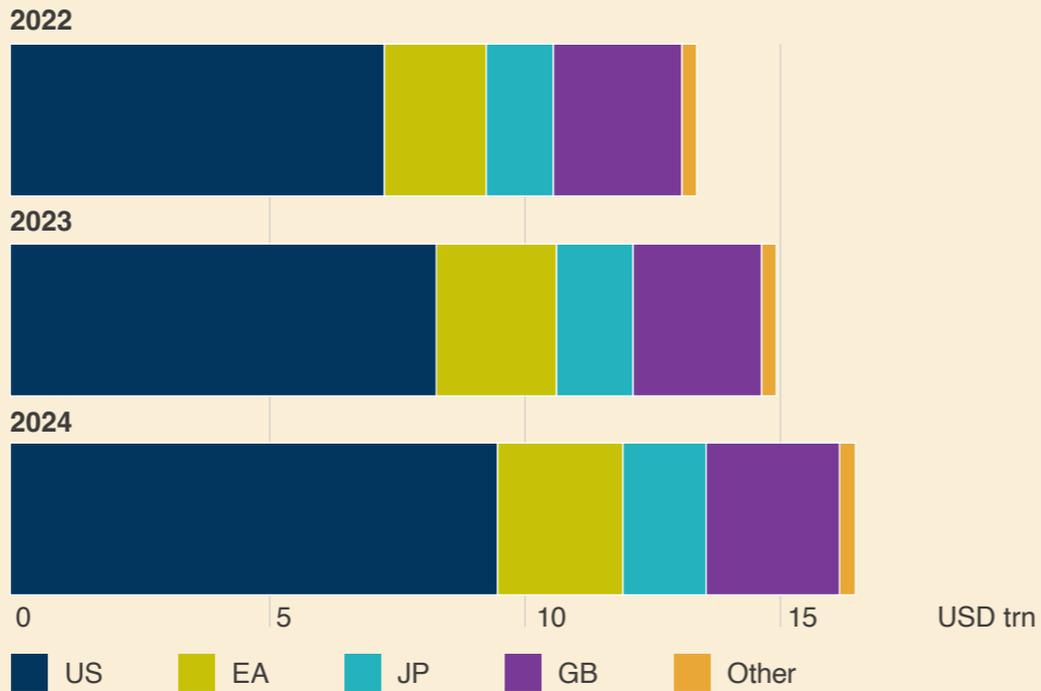
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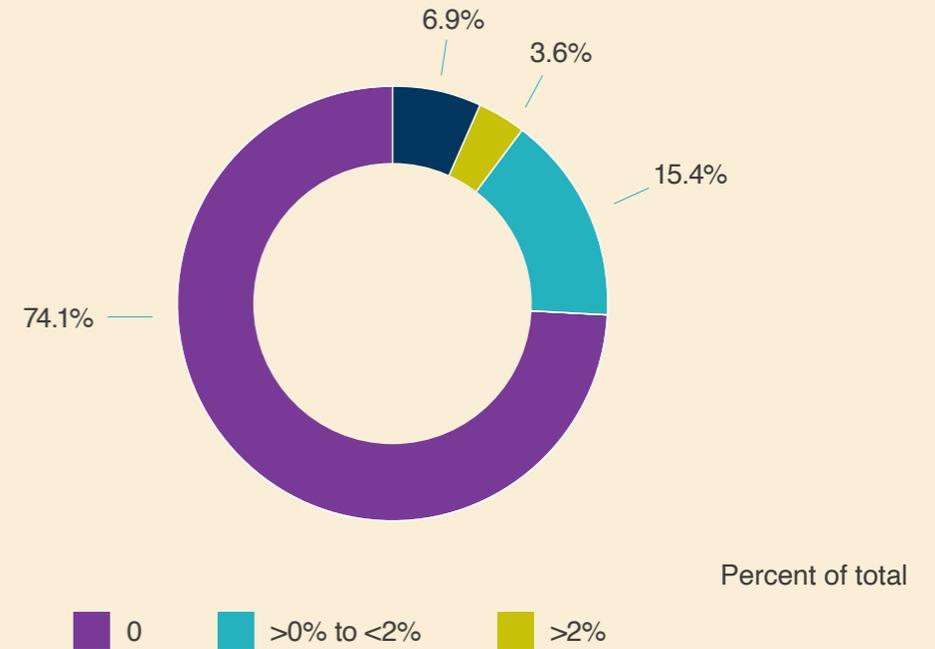
Box 2 – Repo market vulnerabilities continued

Graph 4: Key features of the repo markets across member jurisdictions

1. Repo markets size



2. Haircut range on non-centrally cleared repo (2024)



Panel 1 shows repo backed by domestic and foreign government bonds and local currency values are converted to US dollars using a fixed exchange rate over time to remove the impact of changes in exchange rates on the time series. The data for **panel 2** include Q4:2025 data for one jurisdiction as the numbers are more reliable than the available data for 2024.

Sources: FSB member data; FSB calculations.

Box 2 – Repo market vulnerabilities continued

Repo markets, however, can facilitate a build-up of leverage through low prevailing haircuts and high levels of collateral reuse.

FSB member data suggests the majority of repo market activity takes place in the non-centrally cleared bilateral segment.

Within this segment, approximately 70% of repo market activity operates with zero haircuts (Graph 4, panel 2), though zero haircuts do not imply zero margin, and many repos are portfolio margined. There are also high levels of collateral rehypothecation.

Demand and supply imbalances in repo markets can arise quickly in stress periods.

When strains arise in the financial system, there can be a sudden increase in the demand for liquidity and borrowers may turn to repo markets to obtain the cash.⁷

At the same time, cash lenders in repo markets may be unable or unwilling to provide funding in periods of stress. As repo is short-term, funding can also be withdrawn very quickly.

Repo markets are highly concentrated along various dimensions.

Central counterparties (CCPs) and custodians play an important role in repo markets, but often only one CCP is dominant in a jurisdiction, while the same custodian can operate in several different jurisdictions.

Data also indicates that there is concentration within cash borrowers, cash lenders, and intermediaries (banks and broker-dealers). This concentration and implied limited frictionless substitutability increases the probability that failures, financial distress, or capacity constraints in any key market participant may be sufficient to disrupt repo market activity.

70%

Approximately 70% of repo market activity, under the non-centrally cleared bilateral segment, operates with zero haircuts.



Box 2 – Repo market vulnerabilities continued

Interlinkages in repo markets can also act as a conduit for contagion in several different ways.

Strains in repo and government bond markets could spill over to each other. Disruption in the repo market may imply that some market participants are unable to use repo markets to borrow funds or government bonds.

This may also lead to difficulties for other market participants to obtain liquidity and therefore may need to sell liquid assets, including government bonds, to generate short term cash. Disruption to government bond markets could also create strains in repo markets, potentially leading to higher repo rates, margin calls, higher haircuts and liquidity shortages.

There is also the possibility for an adverse feedback loop to develop between the two markets. The international nature of repo markets, both in terms of currencies and key bank and NBF1 participants, creates the potential for stress to be propagated between jurisdictions. Furthermore, repo market lenders can be exposed to losses if their leveraged counterparties fail, especially if haircuts are insufficient.

The FSB has provided several considerations for authorities and market participants.

Closing data gaps is chief amongst these, including through collecting and sharing data under the FSB's Global Securities Financing Transactions exercise.⁸

In order to strengthen surveillance capabilities, authorities could consider a number of metrics described in the FSB assessment of repo markets. Lastly, recent recommendations by the FSB on leverage in NBF1⁹ and global securities financing, as well as other international standards, provide a valuable means of addressing vulnerabilities around the build-up of liquidity imbalances and leverage.

Box 3

Nonbank investors in commercial real estate markets

The CRE market was under substantial pressure in 2022–24, and this highlighted vulnerabilities that may persist.

Certain segments, such as offices (especially in large cities) and retail space, have experienced weak demand since the COVID-19 pandemic due to the shift to home working.

Additionally, the CRE market has faced increased borrowing costs due to the monetary policy tightening that took place in 2022–23 in several jurisdictions, and several nonbank investors in the CRE market are vulnerable to higher rates.¹⁰ This led to strains in the CRE market, though market prices were more stable in 2025.

There was at least \$12 trillion of equity and debt CRE financing from banks and nonbanks as at end 2023.¹¹

While banks continue to be the main source of financing for CRE, some jurisdictions have a sizeable share of nonbank investor participation, especially property funds (the dominant entity type in the European Union, South Africa and the United Kingdom) and Real Estate Investment Trusts (REITs, mostly in Australia, Hong Kong, Japan and the United States).

These investors reduce dependency on bank financing and provide more financing options, which can be beneficial for overall financial stability. At the same time, many of them are interconnected with banks and with each other via loan, equity and debt securities financing.

Property funds and REITs vulnerabilities:



Liquidity mismatches



Pockets of high financial leverage



Inherent opacity of valuations



Complex interlinkages between bank and nonbank investors

The pressure from recent years identified several vulnerabilities in property funds and REITs.

First, some open-ended property funds have significant liquidity mismatches and may therefore be vulnerable to runs, particularly those offering daily or monthly dealings for their shares.

Second, there are pockets of high financial leverage in some REITs and property funds that could lead to forced deleveraging if property values decline or funding costs rise. Third, there is inherent opacity in valuations of CRE assets. The CRE market is illiquid and, as a consequence, it may be difficult to price assets particularly in times of stress. Delayed loss recognition, infrequent valuations, and “extend and pretend” practices can amplify downturns, while reliance on limited transactions for valuations may lead to procyclicality.

Box 3 – Nonbank investors in commercial real estate markets continued

There is also a broader vulnerability in the complex interlinkages between banks and nonbank CRE investors.

Banks provide significant debt financing to REITs and property funds, invest in these entities, and share common asset exposures.

Shocks to the CRE market could spill over to the banking sector, underscoring the need to monitor banks' lending to nonbank CRE investors alongside their own CRE loan portfolios.

Ongoing monitoring of the CRE market is warranted.

The global financial system has so far withstood the recent developments in the CRE market, aided by factors such as limited poor performance to specific segments, lower loan-to-value levels, and refinancing of distressed borrowers.

However, ongoing monitoring may nonetheless still be warranted given the more volatile performance of CRE exposures compared to other assets and various developments that could impact this market and hence its financing. These developments include continued structural declines in demand for office and retail segments, as well as any adverse effects from extreme weather events or, for some segments and jurisdictions, new energy efficiency standards.

Corporate and household debt also remains high in some FSB member jurisdictions.

Those with high levels of borrowing could see their budgets stretched by debt servicing costs, particularly if there is an economic slowdown. Any problems in repaying these household or corporate debts could spill over to the financial sector.

House prices are high relative to incomes in several economies, and the combination of high residential property prices and large debts has been dangerous in the past.¹² The commercial property market has experienced significant stress in recent years. Any further strains in this market could spill over to commercial real estate (CRE) investors ([Box 3](#))

Members are attentive to growth in private credit, which presents monitoring challenges.

More financing to companies has been provided by private credit funds. At the same time, obtaining an aggregate view on lending standards in the private finance ecosystem has been challenging given opacity and data gaps, exacerbated by myriad links between private equity and private credit funds, long-term investors (e.g. insurers, pension funds and other asset managers) and banks. In certain periods of severe stress, the combination of opacity and these links could transmit losses and strains through the financial system.



Operational vulnerabilities are also a concern, notably potential outages at critical nodes in the financial system that could lead to widespread disruption.

Large or prolonged outages can be caused by an operational incident or malicious attack. If one of these events occurs at a large global financial institution or key market infrastructure provider, it could significantly disrupt the workings of the financial system and create liquidity challenges.

While concentration in third-parties providing technology services to a large number of financial institutions can have significant benefits, it does increase the risk of concurrent financial and operational events that could amplify a crisis.

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Despite growth in these markets in recent years, crypto-assets and stablecoins are not widely used in financial services supporting the real economy.

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Financial markets continue to assess and reassess the impact of extreme weather events and natural disasters on financial asset values.

Substantial work has been done to develop improved scenario and stress testing analysis to underpin such valuations in a more resilient way. However, there continue to be significant limitations to this analysis. Extreme weather events and natural disasters can be hard to predict, and markets may respond to such events by reassessing valuations.

Public policy, which can also significantly impact valuations, has also been subject to substantial shifts of emphasis. A loss of confidence among market participants arising from any or all of these factors could cause a sudden repricing of certain assets, such as real estate and insurance risk premiums, potentially widening insurance protection gaps. In a worst-case situation, a correlated change of perspective could have impacts across entities, sectors and economies.

Crypto-asset markets exhibited significant volatility in 2025, but financial system impacts remained limited despite growing interlinkages with the broader financial system.

Crypto-asset prices varied significantly this year, while stablecoin market value and transaction volumes increased (Graph 5). Despite growth in these markets in recent years, crypto-assets and stablecoins are not widely used in financial services supporting the real economy (such as payments), and decentralised finance remains a small market segment.

That said, linkages with core financial markets and institutions are increasing, alongside market and regulatory developments in some jurisdictions. At the same time, ongoing efforts to implement regulatory frameworks for crypto-assets and stablecoins can enhance resilience, all the more so if they are well aligned with the recommendations of the FSB and SSBs and address risks of regulatory arbitrage and fragmentation.

While stablecoins can provide benefits, it will also be necessary to assess how the structure of the sector develops to understand and respond to vulnerabilities which may arise relating to liquidity, operational risk and interlinkages.

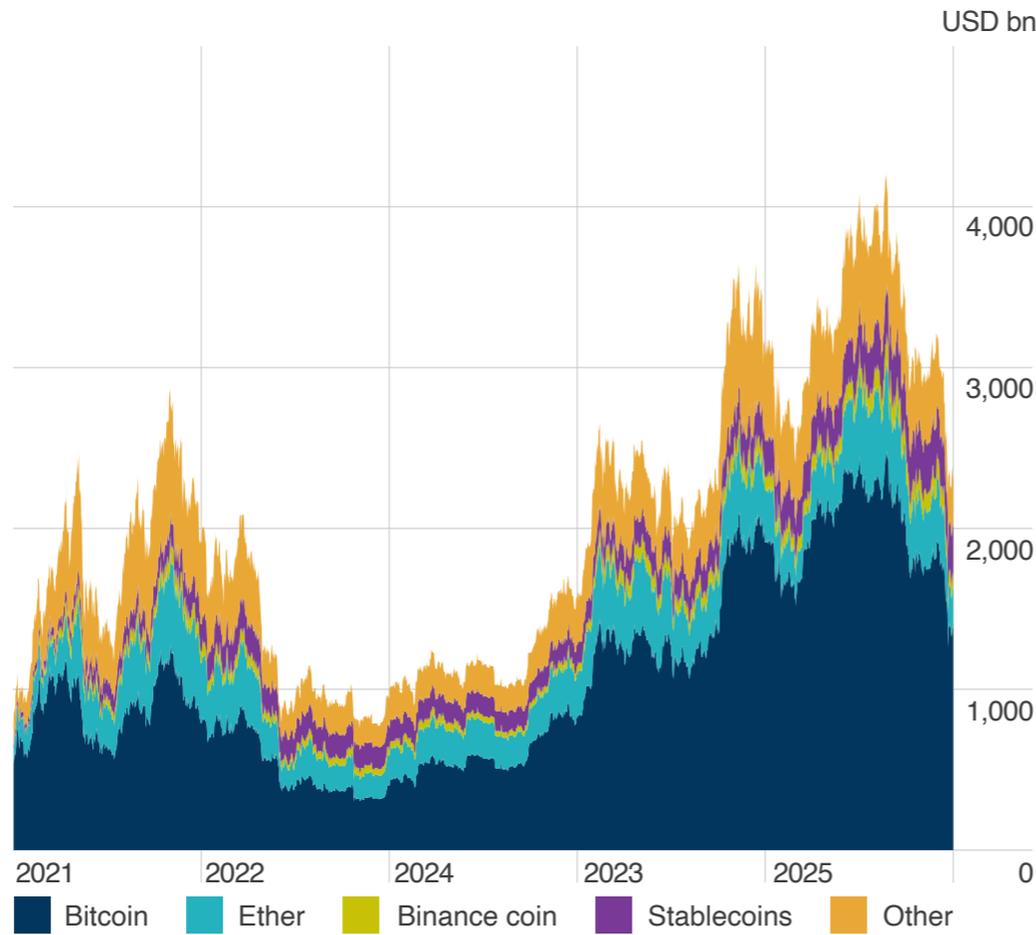
Risks may also arise from certain global stablecoins that are issued and circulate across multiple jurisdictions and therefore may need to manage reserve assets across jurisdictional borders. Foreign currency-denominated stablecoins are seen by many emerging market and developing economies (EMDEs) to also pose several risks and broader macro-financial implications that are potentially more acute for them.

These can include currency substitution reducing the use of domestic payment systems, lower effectiveness for domestic monetary policy, strains on fiscal resources and the circumvention of capital flow measures.¹³

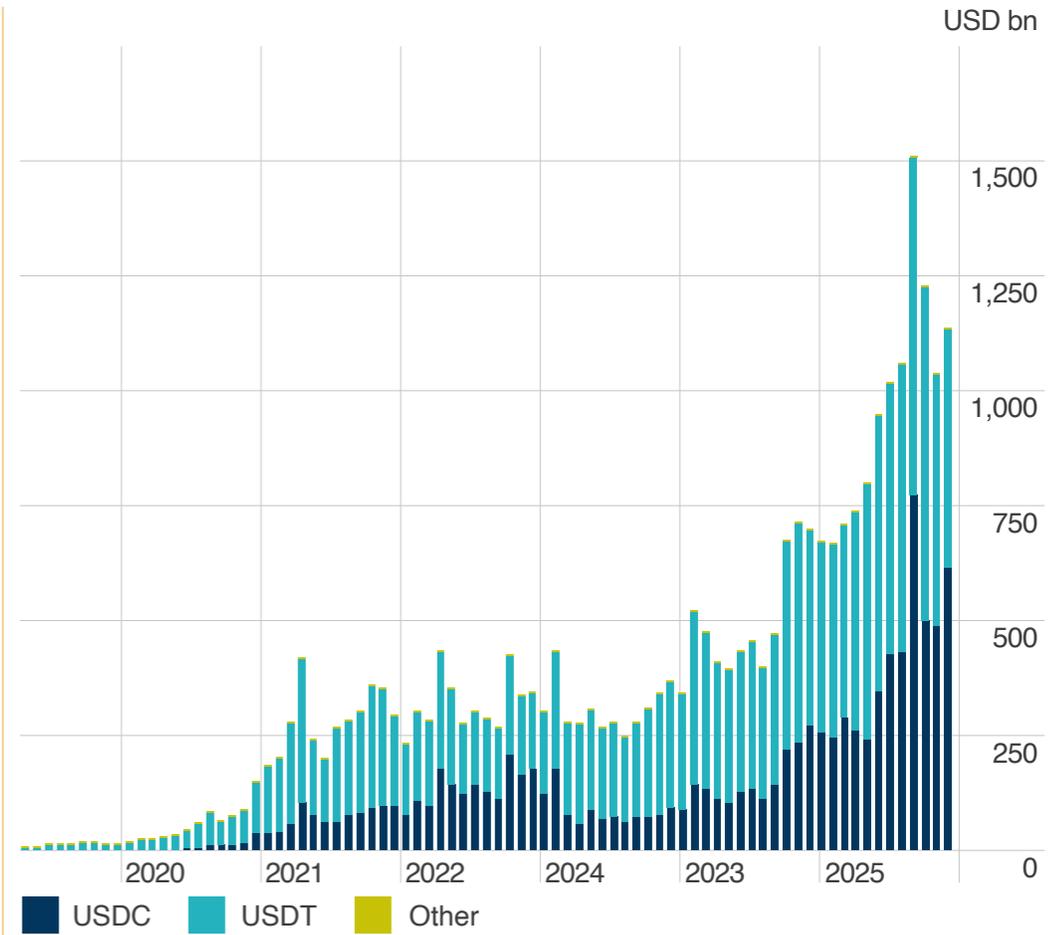
Data gaps remain an obstacle to a comprehensive analysis of the scale of vulnerabilities from crypto assets, due to a reliance on commercial data providers, surveys, or other fragmented data sources that do not necessarily meet supervisors' needs.

Graph 5: Crypto-asset markets were volatile and stablecoin transactions increased in 2025

1. Daily crypto-asset market value



2. Monthly transaction volumes, adjusted by Visa to remove automated and duplicate activity



Source: CCData, Visa; FSB calculations.

The FSB and its work in 2025

1.2 FSB initiatives

In line with the FSB's mission to promote international financial stability, its priorities for 2025 reflected challenges that are global in nature and affect the financial system as a whole. This section describes key FSB work during the year, including related SSB initiatives.

Enhancing the resilience of NBFIs, while preserving its benefits

NBFI continues to expand, growing 9.4% in 2024 (double the pace of the banking sector) and with assets representing 51% of global financial assets.¹⁴

The comprehensive monitoring of global trends, vulnerabilities, and innovations of the NBFIs ecosystem is a key part of the FSB's ongoing efforts to enhance financial system resilience.

Enhancing the resilience of NBFIs to ensure a more stable provision of financing to the economy while reducing the need for extraordinary central bank interventions has been a longstanding priority of the FSB and other SSBs.¹⁵

The FSB in 2025 finalised policy recommendations to address the financial stability risks created by leverage in NBFIs.¹⁶ The focus is on those risks that may arise in financial markets that are at the core of the financial system and whose functioning is essential for the real economy and on risks that may arise through interlinkages between leveraged nonbanks and SIFIs in their role as leverage providers. The recommendations create an integrated approach including addressing data gaps; enhancing public and counterparty disclosures; activity-based, entity-based

and concentration-related policy measures; and cross-border cooperation.

The Basel Committee on Banking Supervision (BCBS) has addressed issues related to the provision of leverage by banks to nonbanks and published in December 2024 the revised guidelines for counterparty credit risk (CCR) management.¹⁷ The guidelines provide a supervisory response to the significant shortcomings that had been identified in banks' management of CCR, including the lessons learned from stress episodes.

The International Organization of Securities Commissions (IOSCO) published in May 2025 revisions to its 2018 recommendations for liquidity risk management for collective investment schemes¹⁸ and guidance for open-ended funds (OEFs) for the effective implementation of the recommendations for liquidity risk management, which outlines technical elements for effective implementation of its recommendations.¹⁹

Given the complexity and importance of ongoing NBF data challenges, in 2025 the FSB set up the Nonbank Data Task Force (NDTF), a small, high-level task force to address these challenges.²⁰

These challenges can be categorised into four areas: (i) data availability and reporting, (ii) data quality, (iii) data use, and (iv) data and information sharing. The NDTF has identified several priority areas (i.e. nonbank entities, activities, or markets) where data challenges hinder the effective assessment of vulnerabilities and associated financial stability risks.

To test how much progress can be made in addressing various nonbank data challenges, the FSB decided to have the NDTF conduct a test case on leveraged trading strategies in sovereign bond markets. Certain nonbanks, such as hedge funds, liability-driven investment funds, and other leveraged investment funds, have become key participants in certain sovereign bond markets – both in the cash market at primary issuance and in secondary markets, as well as in the futures market.²¹

These nonbanks employ a variety of trading strategies, such as sovereign bond cash-futures basis trades, which often rely on high leverage.²² While these leveraged strategies can enhance market functioning and support liquidity, any rapid unwinding²³ has the potential to amplify sharp price movements in core financial markets and propagate stress across the financial system, including across borders.²⁴

Data challenges often prevent the identification of relevant nonbanks taking such positions and the leverage associated with them, especially in the case of cross-border activities. The FSB intends to finalise work on such data challenges in 2026, including ways for authorities to address them. Based on the findings and insights from the work of the test case, the FSB will determine whether further work should be undertaken in other areas.

The BCBS, Committee on Payments and Market Infrastructures (CPMI), IOSCO and FSB have completed significant work on margining practices.

Margining practices play a vital role in safeguarding financial stability by mitigating counterparty risks.

The FSB's final report on liquidity preparedness for margin and collateral calls, published in December 2024, provides high-level, cross-sectoral recommendations to strengthen the ability of nonbank market participants to manage liquidity demands during periods of market stress.²⁵ By fostering transparency, operational efficiency, and robust liquidity risk management, the recommendations aim to reduce the procyclicality of margin and collateral calls and to ensure market participants are better equipped to navigate future stress events.

The reports published by the BCBS, CPMI and IOSCO in January 2025 complement the FSB's report.

For centrally cleared markets, the BCBS-CPMI-IOSCO report on transparency and responsiveness of initial margin (IM) in centrally cleared markets proposes 10 measures to improve transparency and responsiveness of IM requirements.²⁶

Separately, the CPMI-IOSCO report on streamlining variation margin (VM) in centrally cleared markets outlines eight effective practices for VM processes.²⁷ For non-centrally cleared markets, the BCBS-IOSCO recommendations focus on streamlining VM processes and ensuring IM responsiveness.²⁸

The FSB has also worked with the three SSBs to develop tools and metrics to enhance the monitoring of liquidity preparedness and financial stability risks, and the FSB's policy recommendations for leverage in NBF also include recommendations relating to margining practices.

“Data challenges often prevent the identification of relevant nonbanks taking such positions and the leverage associated with them.

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Improving cross-border payments

While the major policy development initiatives set out in the Roadmap have now been completed,²⁹ these efforts have not yet translated into tangible improvements for end-users at the global level.

The 2025 key performance indicators (KPIs) show only slight advancements since 2023.³⁰ There continues to be significant regional differences in the KPIs. Sub-Saharan Africa and South Asia face challenges in the speed of receiving wholesale cross-border payments, while North America remains the fastest region.

Notable improvements were observed in the Eurozone for wholesale payments and in the Middle East for remittances. Despite high costs, sub-Saharan Africa remains the fastest region for receiving remittances. Meanwhile, Europe and Central Asia continue to lead as the region with the lowest costs for retail cross-border payments.

The FSB coordinates with CPMI, international organisations (IOs) and other SSBs the efforts to implement the Roadmap for enhancing cross-border payments.

Over the past year, several significant milestones have been achieved, marking the end of the major policy developments work under the Roadmap.

This includes the FSB's recommendations to level the playing field between bank and nonbank payment service providers from a regulatory and supervisory perspective³¹ and the recommendations to mitigate data-related frictions in cross-border payments,³² as well as the Financial Action Task Force (FATF)'s revision of standards for data in cross-border payments (Recommendation 16 on Payment Transparency).³³

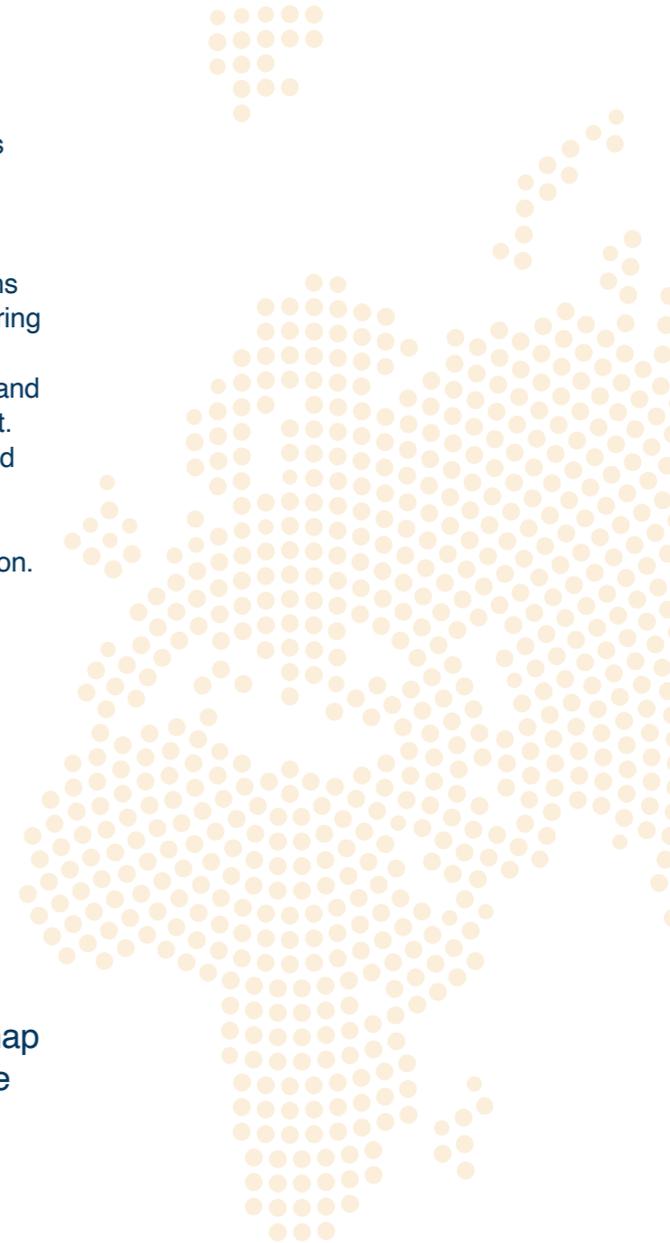
The CPMI has progressed work on interoperability and extension of payment infrastructures, including to support adoption of ISO 20022 data requirements.³⁴

While work under the Roadmap has produced comprehensive policy recommendations and toolkits for improving cross-border payments, jurisdictional implementation remains essential. A joint CPMI-FSB monitoring survey found that jurisdictional implementation of legal, regulatory and supervisory issues remains nascent. The monitoring survey also indicated that advancements in payment infrastructure interoperability and extensions vary by system and region.

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While work under the Roadmap has produced comprehensive policy recommendations and toolkits for improving cross-border payments, jurisdictional implementation remains essential.

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Improving cross-border payments continued

The FSB, in collaboration with the FATF and Organisation for Economic Co-operation and Development, has advanced work on implementing the FSB's recommendations on data frameworks.

We established the Forum on Cross-border Payments Data and related private sector Advisory Group to bring together experts in payments, anti-money laundering and countering the financing of terrorism, sanctions, and data privacy to ensure a coordinated approach in taking forward the recommendations.

The Data Forum is reviewing work on harmonising the formatting, sharing, and updating of sanctions lists, with completion targeted for 2026 and work to support authorities that are considering broader use of the Legal Entity Identifier in cross-border payments, focusing on its benefits across the payment chain and sharing insights from pilot projects and jurisdictional experiences.

The FSB will continue to intensify efforts to drive jurisdictional implementation of the policy recommendations issued under the Roadmap and support jurisdictions and regions in overcoming barriers. A thematic peer review in 2027 will review progress in implementing the FSB recommendations.

Addressing potential weather-related financial risks

At the request of the South African G20 Presidency, the FSB reviewed work undertaken since the 2023 progress report.

This includes the work of the FSB, SSBs and other IOs in the four areas of the 2021 Roadmap for Addressing Climate-related Financial Risks. The report also outlined the FSB's medium-term approach for potential work on weather-related financial risks.³⁵

The report notes the range of work on weather-related financial risks done in recent years. Challenges in this work relate largely to having comprehensive, reliable, granular, consistent and comparable information on weather-related financial risks.

As a result, the identification and management of such risks by firms, as well as the assessment of those risks and their incorporation in regulatory and supervisory frameworks by authorities, while developing, remains work in progress. The challenges are particularly evident in developing a financial stability perspective.

Going forward, as part of annual work programme discussions, FSB members will continue to evaluate how the analysis of topics, such as physical risks and gaps in insurance coverage, may contribute to a better understanding of financial stability risks. In 2026, the FSB will close out work that was mainly done in 2025 on climate vulnerabilities and data.

Harnessing the benefits of digital innovation while containing its risks

Digitalisation is transforming the functioning of finance and reshaping the structure of the financial industry. Leveraging the opportunities it presents while managing the associated risks is essential for ensuring financial stability and fostering prosperity.

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AI has the potential to aid regulatory compliance, enable advanced data analytics and produce more personalised financial products.

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Artificial intelligence (AI) is reshaping the financial sector, driving efficiency and innovation.

AI has the potential to aid regulatory compliance, enable advanced data analytics and produce more personalised financial products. However, the FSB's 2024 AI report identified several vulnerabilities that the use of AI can amplify, including third-party dependencies, market correlations, cyber risks, and challenges in model risk and governance.³⁶

These vulnerabilities are notable for their potential to impact financial stability. The ability to comprehensively monitor AI developments is essential to address these vulnerabilities. To this end, the FSB surveyed the various monitoring approaches of financial authorities.³⁷ It found that most financial authorities are collecting data on AI adoption, but many are still in the early stages of monitoring the related vulnerabilities.

The report identifies a range of monitoring mechanisms that can be used by national authorities and a set of indicators that could be leveraged to monitor AI adoption in finance and the associated vulnerabilities.

The report notes that cross border cooperation is essential and the FSB and SSBs should continue to support sharing of information, experiences, good practices and work towards greater alignment in taxonomies and indicators where feasible.

Cyber incidents are a threat to global financial stability, and effective incident response and recovery are crucial to mitigating this risk.

The FSB finalised a format for operational incident reporting exchange (FIRE), including for cyber incidents, which aims to promote common information elements for incident reporting while allowing for flexible implementation.³⁸ To deepen understanding of jurisdictions' efforts to enhance cyber resilience in the financial system the FSB published a peer review of Spain's³⁹ and the Netherlands'⁴⁰ respective efforts in this area.

Enhancing resolvability of banks, insurers and central counterparties

Maintaining adequate crisis preparedness requires continued improvements in implementation, operationalisation and rigorous testing.

In its role as the global SSB for standards for resolution of financial institutions, the FSB has advanced work to support bank resolution authorities' operational readiness to respond to failures. In 2025, the FSB supported operationalisation of transfer tools by publishing a practices paper sharing experiences and insights from authorities who have used these tools in the past.⁴¹ The FSB also supported sharing information and experiences among members on funding in resolution.

Work on bail-in execution continues to progress through the formation of a dedicated FSB task force bringing together resolution and market authorities. Finally, the FSB supported sharing experiences from the 2023 bank failures to improve coordination with authorities beyond those participating in firm-specific crisis management groups (CMGs).⁴²

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In its role as the global SSB for standards for resolution of financial institutions, the FSB has advanced work to support bank resolution authorities' operational readiness to respond to failures.

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For insurers and CCPs, the FSB's focus has been on enhancing application of the existing standards. In the insurance sector, the FSB has begun a consultation on guidance to set out criteria to identify insurers that should be subject to recovery and resolution planning.⁴³ The FSB also published an updated list of 17 insurers subject to resolution planning standards, an increase from the 13 reported in 2024, reflecting the efforts of more jurisdictions implementing resolution regimes for insurers.⁴⁴

For CCPs, the FSB has focused on implementation of its guidance on financial resources and tools for resolution and supported efforts to enhance operational planning and cross-border coordination.



The FSB and its work in 2025

1.3 Implementation monitoring

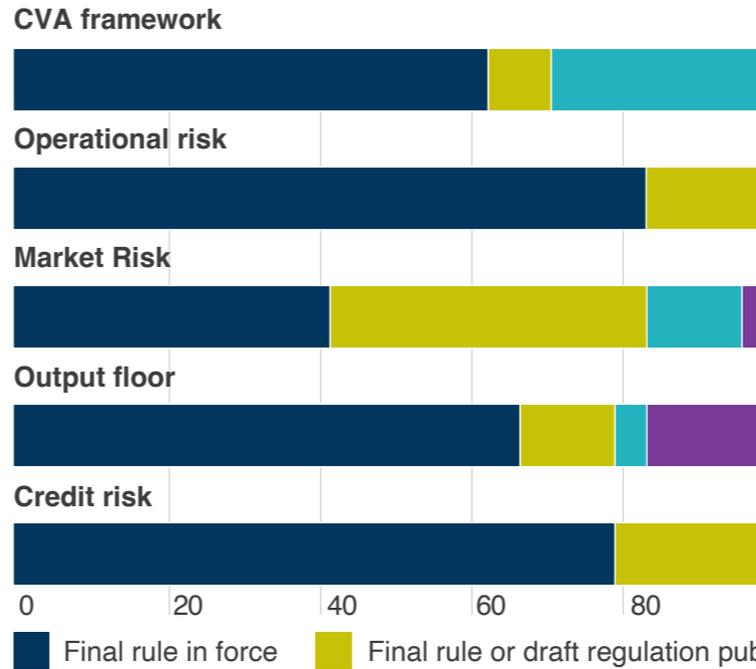
Building resilient financial institutions

Despite recent progress in adopting the revised Basel III framework issued in 2017, important gaps remain.

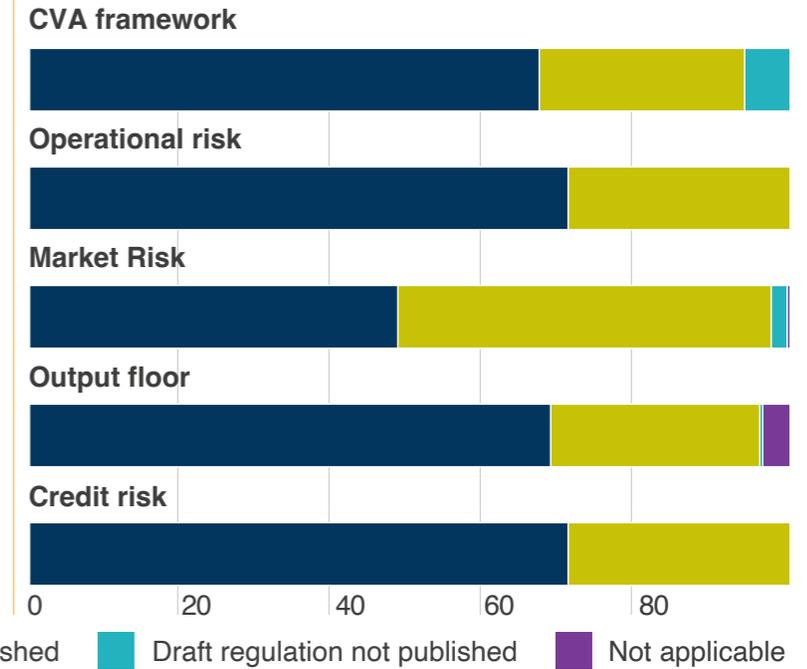
Since the start of 2025, implementation of the final elements of the Basel III standards has taken effect in several FSB jurisdictions (Graph 6). For credit risk, operational risk and the output floor, there are only a small number of jurisdictions that are yet to finalise their rules, whereas for market risk and CVA implementation gaps are more widespread.

Graph 6: Adoption of revised 2017 Basel III standards due January 2023

1. As a percentage of FSB member jurisdictions*



2. As a percentage of market size**



* The five EU members of the FSB are presented as separate jurisdictions.
Source: FSB.

** Market size based on assets of banks domiciled in each FSB jurisdiction at end-2024.

Building resilient financial institutions continued

Recent assessments of consistency of implementation with Basel standards have been relatively positive.

With the publication of its reports on Korea, Türkiye and the UK, the BCBS has completed its jurisdictional assessments related to the net stable funding ratio and large exposures framework. All assessed FSB jurisdictions were found to be compliant or largely compliant with both standards. The BCBS has commenced assessments of the leverage ratio framework and the Basel III revisions to the risk weighted assets.

Following adoption of the Insurance Capital Standard (ICS) at the end of 2024, the International Association of Insurance Supervisors (IAIS) has been developing an assessment methodology.

This will underpin several implementation assessment projects in 2026. These include a self-assessment by IAIS members of their implementation of the ICS alongside developing an ICS assessment methodology across jurisdictions. The IAIS will then aim to start in-depth assessments at the jurisdictional level in 2027. In addition, a baseline assessment of implementation of the qualitative standards of the Common Framework for the Supervision of Internationally Active Insurance Groups will also be undertaken by the IAIS.⁴⁵

Enhancing the resilience of NBFIs

Adoption of the IOSCO recommendations on incentive alignment approaches for securitisation and of the BCBS standard on revised securitisation framework are ongoing.

All but six FSB jurisdictions have completed adoption of the IOSCO recommendations, and all but two jurisdictions have implemented the revised BCBS securitisation framework (unchanged since 2024).

The FSB finalised its evaluation of the effects of the G20 financial regulatory reforms on securitisation.⁴⁶ The evaluation focused on the collateralised debt/loan obligation and the non-government guaranteed part of the residential mortgage-backed securities markets and specifically on the IOSCO minimum retention recommendations and the BCBS revisions to prudential requirements for banks' securitisation-related exposures. The report finds that risk retention and higher prudential requirements have enhanced the resilience of securitisation markets without strong evidence of material negative side-effects on financing to the economy.

Risk retention appears effective at better aligning the incentives of originators and investors in the residential mortgage-backed securities (RMBS) market. While the reforms appear to have contributed to a redistribution of risk from banks to the NBFIs ecosystem, this is not unique to securitisation, as various factors have increased the reliance on market-based intermediation. Moreover, some reforms have been partly reversed by court rulings after their introduction in some jurisdictions.

Risk redistribution has been driven by increased credit provision to households and firms by nonbank financial institutions (e.g., funds and finance companies), often funded through securitisations, as well as the growing role of nonbank investors in these securitisations.

Risk transfer appears more pronounced in the collateralised loan obligation market compared to the RMBS market. However, assessing the financial stability impact of this shift is challenging, as it remains uncertain whether nonbank entities are adequately equipped – considering their funding structures and resilience – to manage the risks previously held by banks during stress events.

Enhancing the resilience of NBFIs continued

Implementation of the 2012 IOSCO recommendations to reduce the run risk of money market funds (MMFs) is well-advanced, particularly in the largest MMF markets.

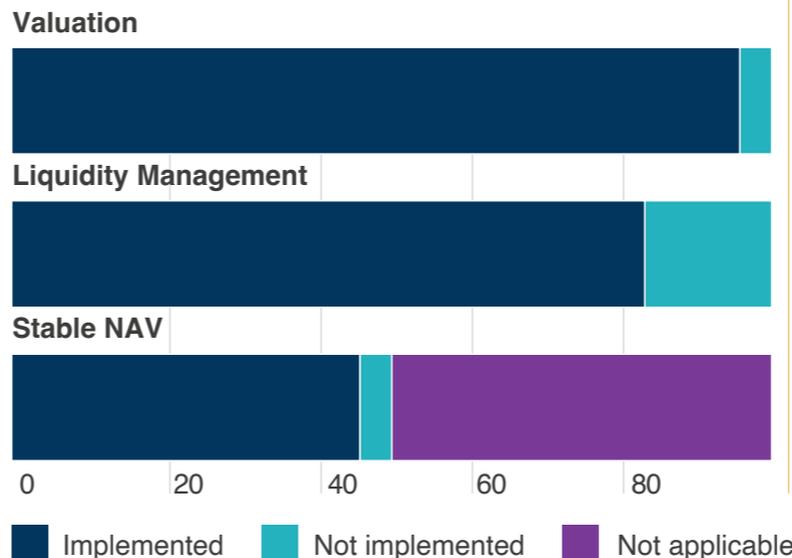
As shown in Graph 7, the fair value approach for valuation of MMF portfolios has been adopted in almost all FSB jurisdictions,⁴⁷ while progress in liquidity management is less advanced, with 20 jurisdictions having reforms in effect (one more than in 2024). Finally, eleven of the twelve FSB jurisdictions that permit MMFs offering a stable NAV have implemented the IOSCO reforms to address the risks and issues that may affect the stability of such MMFs.

Furthermore, the FSB, in collaboration with IOSCO, issued policy proposals in 2021 to enhance MMF resilience. A 2024 FSB peer review found progress in implementing the 2021 FSB proposals was uneven across FSB member jurisdictions and that, given the vulnerabilities reported in individual jurisdictions, further progress would be needed to enhance MMF resilience.⁴⁸

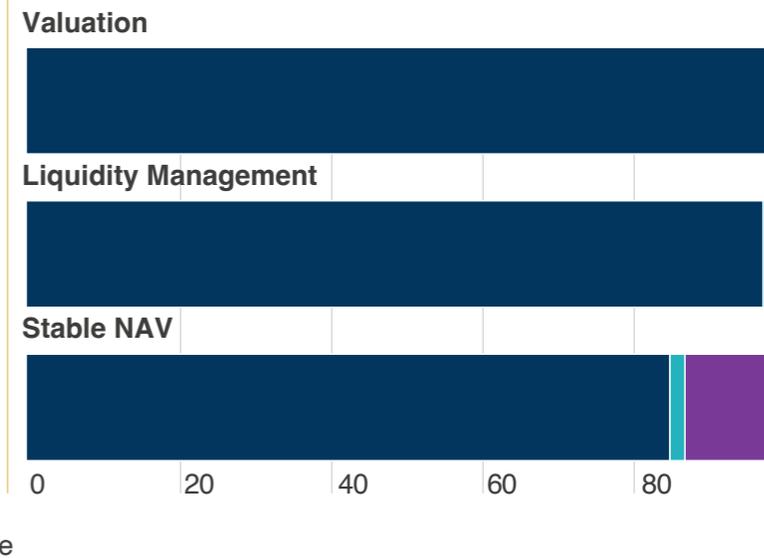
Following from that review, the FSB will launch this year an assessment of the effectiveness of policy measures to enhance MMF resilience.

Graph 7: Implementation is most advanced in the largest MMF markets

1. As a percentage of FSB member jurisdictions*



2. As a percentage of market size**



* The five EU members of the FSB are presented as separate jurisdiction.

** Market size based on assets under management in FSB jurisdictions at end-2024.

Implementation of resolution regimes

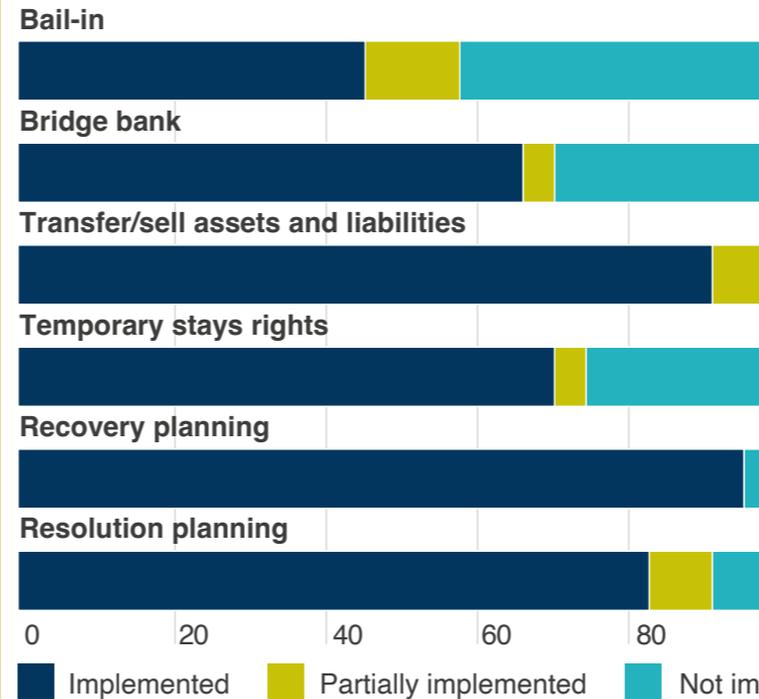
Foundational resolution frameworks are now mostly in place, and most jurisdictions have aligned their resolution regimes with the FSB’s Key Attributes.

FSB members have efforts underway to enhance their legislative and regulatory frameworks and address remaining gaps. FSB members’ self-assessment of implementation of resolution powers shows some gaps in introducing the full suite of powers across G20 jurisdictions (Graph 8).⁴⁹ Several jurisdictions are undertaking measures to implement insurance resolution regimes, while some jurisdictions are refining their resolution frameworks in response to the lessons learnt from the 2023 bank failures and to support effective resolution of banks beyond global systemically important banks (G-SIBs).

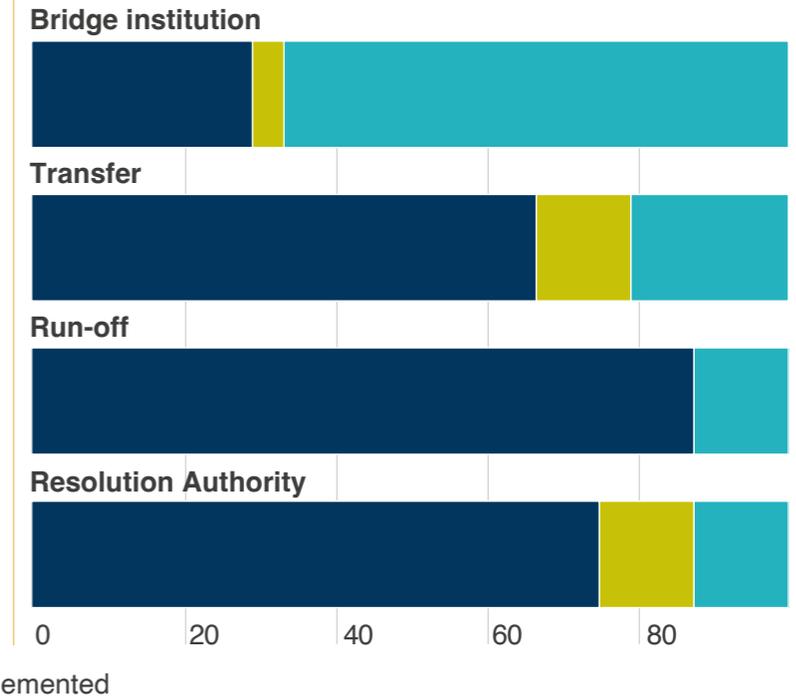
Additionally, resolvability assessments in 2025 show continued progress in operational planning and crisis preparedness for G-SIBs and CCPs that are systemically important in more than one jurisdiction (SI>1 CCP).⁵⁰ In 2025, the CMGs for 29 G-SIBs⁵¹ and 14 SI>1 CCPs⁵² reported continued progress in operational planning and firms’ crisis preparedness.

Graph 8: Implementation of aspects of bank and insurance resolution regimes

1. Bank resolution



2. Insurance resolution



Note: Progress is shown as percent of number of FSB jurisdictions.
Source: FSB.

Despite the comparatively more developed framework, issues persist in implementation of critical areas for bank resolution, such as funding in resolution and effective bail-in execution, particularly in cross-border contexts. The FSB is working to address these issues.

In 2026, the FSB will conduct a peer review of public sector backstop funding mechanisms (see [Box 4](#)) and synthesise practices on funding in resolution into a practices paper. The FSB will also continue dedicated work on bail-in execution via its task force.

Additionally, the FSB will undertake further work to improve operationalisation of resolution tools across the three sectors of banks, insurers and CCPs.

Box 4

Implementation of public sector backstop funding mechanisms

The orderly resolution of systemically important banks, particularly G-SIBs, is essential for global financial stability. However, even if bail-in restores sufficient capital, in the face of severe stress a lack of temporary funding could disrupt operations, amplify contagion, and put an orderly resolution at risk, potentially requiring taxpayer support and creating moral hazard.

The Resolution Key Attributes underscore the importance of statutory or other policies in place so that authorities are not constrained to rely on public ownership or bail-out funds as a means of resolving firms.

The FSB's 2016 Guiding Principles and Key Attributes highlight that temporary public sector backstop mechanisms could be necessary as a last resort to maintain market confidence and private sector participation, uphold financial stability during resolution, and ensure their design is subject to strict conditions that minimise the risk of moral hazard.

The implementation of public sector backstop funding mechanisms faces three key challenges. First, determining the potential temporary public funding needs of a G-SIB's orderly resolution is complex and case dependent. The funding needs of a G-SIB in resolution may be larger than previously anticipated, and as a result, the credibility and operational readiness of public sector backstop funding mechanisms is important.

Second, the speed of fund deployment remains an important challenge. Mechanisms with ambiguous governance structures or unclear sequencing between central bank liquidity and resolution funding may delay the provision of temporary funding, increasing market uncertainty.

Finally, balancing ex-ante preparedness with minimising moral hazard and avoiding taxpayer risks requires careful planning by banks and authorities. Public sector backstop funding should be a last resort, with strict conditions and mechanisms to avoid loss absorption by taxpayers. Ex-ante industry contributions and ex-post recovery tools can enhance funding credibility while protecting taxpayers, whereas excessive reliance on ex-post tools to recover losses could undermine resolution strategies, constrain fiscal capacity and heighten systemic risks.

To address these challenges and ensure resolution regimes remain effective, the FSB is undertaking a thematic peer review to evaluate FSB members' implementation progress and adherence to the Key Attributes and policies related to the establishment of public sector backstop funding mechanisms to provide temporary funding to banks in resolution, if necessary, as a last resort.

“ The Resolution Key Attributes underscore the importance of statutory or other policies in place so that authorities are not constrained to rely on public ownership or bail-out funds as a means of resolving firms.

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Making derivatives markets safer and FMIs more resilient

Implementation of G20 OTC derivatives reforms has been well advanced in major jurisdictions for several years.

The BCBS and IOSCO recently reviewed implementation of the framework for margin requirements for non-centrally cleared derivatives (NCCDs), whose final implementation phase began in September 2022.⁵³

The analysis found no evidence of material issues with the implementation of the framework, and the framework's impact has been consistent with the intended functioning of the capital and centrally cleared margin frameworks.

The amount of margin exchanged for NCCDs has increased significantly since 2012, making the financial system more resilient. BCBS and IOSCO recommend continued monitoring through supervisory information exchange and the sharing of experiences to address evolving market practices. The FSB will prepare its next OTC derivatives reforms progress report this year.

Meanwhile, work continues to strengthen the resilience of financial market infrastructures (FMIs) and monitor implementation of the Principles for Financial Market Infrastructures (PFMIs).

CPMI and IOSCO published a report on implementation of PFMI Principle 15 (general business risks) and portions of PFMI Principle 3 (with respect to recovery and orderly wind-down plans that relate to general business risk related loss scenarios) at 34 FMIs from 27 jurisdictions. The findings highlight clear challenges for FMIs' planning for general business losses and should be addressed with the highest priority.⁵⁴

CPMI-IOSCO also proposed, for public consultation, supplemental guidance for FMIs and relevant authorities on certain principles and key considerations relating to FMIs' management of general business risks and losses, including in the context of recovery and orderly wind-down.⁵⁵

Separately, CPMI-IOSCO assessed whether, and to what degree, the legal, regulatory and oversight framework for FMIs in the EU for systemically important payment systems and central securities depositories (CSDs) / securities settlement systems (SSSs) are complete and consistent with the PFMI.⁵⁶

The assessment found that, as of October 2019, the legal, regulatory and oversight frameworks in the EU for CSDs/SSSs are complete and consistent with the PFMI in most aspects. However, the assessment identified some areas for improvement.

Responding to financial and technological innovation

Implementation gaps and inconsistencies in crypto-asset and stablecoin regulation, as jurisdictions continue to develop and implement their regimes, could pose risks to financial stability and to the development of a resilient digital asset ecosystem.

The rapid evolution of crypto-asset markets (see [section 1.1](#)) underscores the importance of implementing the recommendations in the FSB's 2023 global regulatory framework for crypto-asset activities (CA) and global stablecoin (GSC) arrangements.⁵⁷

The FSB conducted in 2025 a thematic peer review on the implementation of this framework across 37 jurisdictions, including FSB and non-FSB members. The review found that while jurisdictions have made progress toward implementing the recommendations on crypto-asset markets and activities (CA recommendations), few jurisdictions have finalised their regulatory frameworks for GSCs (see [Table 1](#)).

Uneven implementation creates opportunities for regulatory arbitrage and complicates oversight of the inherently global and evolving crypto-asset market. In addition, cross-border cooperation and coordination is fragmented, inconsistent, and insufficient to address the global nature of crypto-asset markets. Accordingly, the review puts forward recommendations to address outstanding issues in terms of implementation progress, comprehensiveness and consistency, and cross-border cooperation and coordination.

In 2025, IOSCO also conducted a thematic review on the implementation of IOSCO's Crypto and Digital Asset framework, in parallel to FSB thematic peer review.⁵⁸ The IOSCO review examined how 20 jurisdictions from both advanced and emerging economies have implemented a subset of 10 IOSCO Crypto and Digital Assets (CDA) recommendations that cover areas such as governance, conflicts of interest, fraud and market abuse, cross-border cooperation, custody, retail client protections and disclosures.

The review highlights both the progress made in regulating crypto-asset markets and the key areas for continued progress, such as promoting greater consistency in implementation, reducing risks of regulatory arbitrage, and strengthening enforcement practices, including existing mechanisms to facilitate cross-border cooperation and permit information sharing across jurisdictions relating to crypto-asset markets.

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Uneven implementation creates opportunities for regulatory arbitrage and complicates oversight of the inherently global and evolving crypto asset market.

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Table 1: Overall implementation status of CA and GSC recommendations

		CA Recommendations	GSC Recommendations
Stages of progress*		Jurisdictions (count)	Jurisdictions (count)
1	No framework in place	6 [^]	11 [^]
2	Partial regulations in place	3	3
3	Plans for framework under public discussion	4 ^{**}	6 ^{**}
4	Framework proposed but not finalised	4 ^{***}	4 ^{***}
5	Regulatory framework finalised	11	5

* The stages of progress reflect a jurisdiction's overall implementation progress as of August 2025 and are not an assessment of compliance with each CA or GSC recommendations nor of effectiveness. For definitions of each stage, see Annex 1 of the 2025 peer review report.

/ Includes 2/1 jurisdiction where partial regulations are also in place.

[^] Includes 2 jurisdictions where crypto-asset activities are prohibited.

In response to concerns over the risks related to outsourcing and third-party service relationships, the FSB published in late 2023 a toolkit for financial authorities and financial institutions for enhancing their third-party risk management and oversight.

In 2025 the FSB discussed progress and challenges in implementing its recommendations on third-party risk management and oversight ([Box 5](#)).



Box 5

Implementation of the FSB recommendations on third-party risk management and oversight

The FSB's Toolkit⁵⁹ provides a flexible, risk-based framework to strengthen third-party risk management in the financial sector. It covers the entire life cycle of third-party relationships, from due diligence to exit strategies, and focuses on (i) establishing common definitions for outsourcing and risk management, and (ii) equipping stakeholders with practical tools to manage risks effectively.

The rise in cloud computing-related services underscores the importance of identifying dependencies of supervised entities on information and communications technology providers to be able to manage systemic dependencies, concentration risks, and exit strategies.

In some cases, private cloud services are being built to mitigate these risks. Challenges in accessing information for risk assessments have been observed due to power imbalances between large third parties and smaller firms. Arrangements such as pooled audits and regional collaboration efforts led by authorities can assist small firms.

One approach adopted in some jurisdictions has been to issue supervisory guidance including about the outsourcing of cloud services. In some cases this includes the development of inventories of outsourcing arrangements, with some extending to nth party providers. As well as identifying concentration risk, such registers can support the ability to respond effectively to incidents like ransomware attacks. However, this is not the only approach that can be taken.

AI-related risks are a growing concern, and some jurisdictions have published guidance on AI use and some have conducted surveys. A number of jurisdictions have indicated that they have focused on issues relating to the selection of AI providers and avoidance of over-dependence.

The FSB intends to do further work related to AI, including issuing a report on sound practices for AI adoption, use, and innovation, and other work on managing risks associated with achieving the benefits from AI.

Expanded data collection, risk management frameworks, governance expectations, supply chain management, and incident reporting requirements have been implemented in several regions. Some jurisdictions have direct oversight powers, including the ability to issue enforceable directions and fines. Incident reporting remains a challenge, with a need for improved data quality and consistent reporting by banks.

Cross-border cooperation was acknowledged as crucial, with examples of regional regulator dialogues and a call for continued exchange of experiences and best practices.

Section 2

Looking
forward



Looking forward

The FSB's work in 2026 will focus on certain key areas:



Vulnerabilities assessments

The FSB will complete a report on private credit and begin new work on vulnerabilities, possibly including work on foreign exchange derivatives markets or private finance.



Nonbank financial intermediation

The FSB will focus on improving its assessment of vulnerabilities in the nonbank sector by improving the methodologies it uses to assess those vulnerabilities and working on the data issues that have been identified. There will also be work related to the implementation of the FSB's recommendations on MMFs and OEFs, as well as work on nonbank leverage and OTC derivatives.



Digital innovation, crypto-assets, and operational resilience

The FSB will continue to monitor developments related to crypto-assets and examine issues related to possible stablecoin vulnerabilities. The FSB will also undertake work on sound practices for AI adoption, use, and innovation by financial institutions, in close coordination with the SSBs. Work on operational resilience will focus on public-private sector collaboration to strengthen financial sector-wide capabilities to prepare for major operational disruptions.



Regulatory and supervisory modernisation and other initiatives

The FSB will conduct a stocktake of member initiatives. Informed by the stocktake findings, the FSB will conduct follow-up work which could promote well aligned modernisation outcomes around the globe.

Looking forward continued

The FSB's work in 2026 will focus on certain key areas:



Cross-border payments

In the coming year, the FSB will promote the development of voluntary, specific and time-bound action plans by jurisdictions and regions to implement the policy recommendations. This will be supported by close liaison with CPMI, the World Bank, FATF and other partner organisations and by additional engagement with the private sector. There will be a particular push to promote regional initiatives in dialogue with the FSB's Regional Consultative Groups (see [page 45](#)).



Crisis preparedness and resolution

In relation to bank resolution, the FSB will conduct a thematic peer review of the implementation of public sector backstop funding mechanisms, facilitate the sharing of practices to enhance operational preparedness for funding in resolution, and support authorities in operationalising cross-border bail-in strategies. Across all three sectors the FSB will continue to support authorities' efforts to enhance the operationalisation of resolution tools. The FSB will carry out a strategic review of its crisis preparedness activities to ensure that they remain well aligned with emerging priorities and challenges.

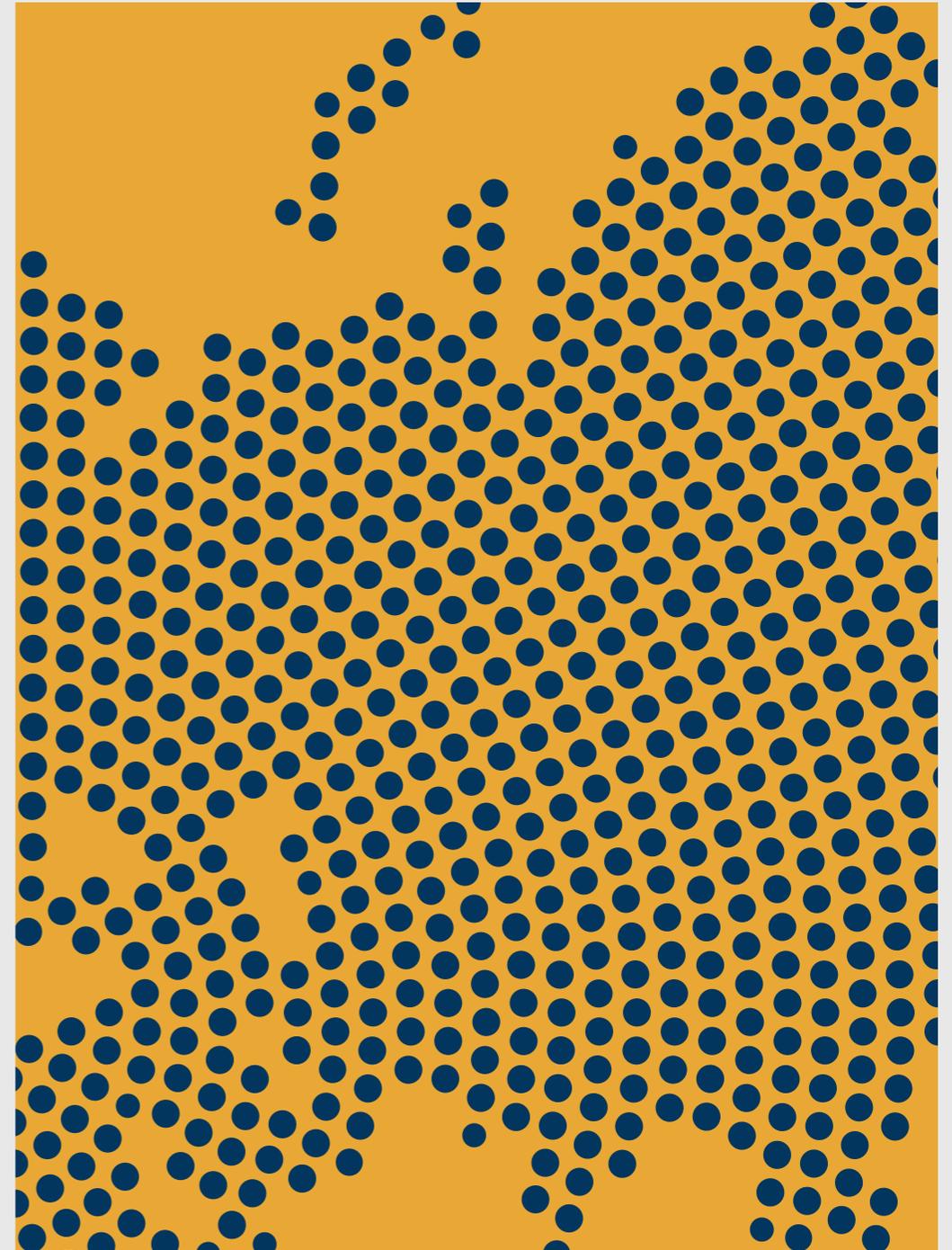


Implementation monitoring

In addition to the review of public sector backstop mechanisms, the FSB will undertake country reviews of China and Türkiye. Phase two of our 15-year review of the monitoring of implementation of FSB recommendations will be undertaken. As part of this, the FSB will consider whether there is a significant pattern in the reasons for non-implementation of certain recommendations and how this might be addressed, including by adjusting the way the FSB develops its recommendations.

Section 3

About the FSB



Box 6

FSB mandate and tasks

As set out in its Charter, the FSB:



Assesses vulnerabilities affecting the global financial system and identifies and reviews, on a timely and ongoing basis within a macroprudential perspective, the regulatory, supervisory and related actions needed to address them and their outcomes.



Promotes **coordination and information exchange** among authorities responsible for financial stability.



Monitors and **advises on market developments** and their implications for regulatory policy.



Advises on and monitors **best practice** in meeting regulatory standards.



Undertakes joint strategic reviews of and **coordinates the policy development work** of the international SSBs to ensure their work is timely, coordinated, focused on priorities and addressing gaps.



Sets guidelines for and supports the establishment of **supervisory colleges**.



Supports **contingency planning for cross-border crisis management**, particularly with respect to systemically important firms.



Collaborates with the IMF to conduct **Early Warning Exercises**.



Promotes member jurisdictions' **implementation** of agreed commitments, standards and policy recommendations through monitoring of implementation, peer review and disclosure.

The Plenary and the Steering Committee

The Plenary is the FSB's sole decision-making body. It decides by consensus without voting. The Plenary adopts reports, principles, standards, recommendations and guidance developed by the FSB; establishes Standing Committees and working groups; decides on membership of the FSB, assigns seats to members in the Plenary, agrees on the composition of the Committees; and approves the work programme and budget of the FSB.

In 2025, the Plenary met four times, of which two meetings were virtual. The outcomes of physical Plenary meetings are published on the FSB website.⁶³

The FSB Steering Committee provides operational guidance between Plenary meetings, carrying forward the directions of the Plenary. In 2025, the Steering Committee held two in-person meetings and two virtual meetings.

4x

In 2025, the Plenary met four times, of which two meetings were virtual. The outcomes of physical Plenary meetings are published on the FSB website.



Standing Committees

The FSB has four Standing Committees⁶⁴ which support the Plenary:



Standing Committee on Assessment of Vulnerabilities

Chaired by **Tiff Macklem**
Governor, Bank of Canada

The SCAV monitors and assesses vulnerabilities in the global financial system and proposes to the Plenary the actions needed to address them.



Standing Committee on Supervisory and Regulatory Cooperation

Chaired by **Michelle Bowman**
Vice Chair for Supervision of the Board of Governors, US Federal Reserve System

The SRC develops policy to address key financial stability risks and coordinates issues that arise among supervisors and regulators to ensure effective consideration of cross-sector implications.



Standing Committee on Standards Implementation

Chaired by **Ryozi Himino**
Deputy Governor, Bank of Japan

The SCSI undertakes FSB peer reviews of its members (which FSB members have committed to undergo), encourages global adherence to international financial standards, and reports on members' progress in implementing these standards and other agreed G20 and FSB commitments.



Standing Committee on Budget and Resources

Chaired by **Martin Schlegel**
Chairman of the Governing Board, Swiss National Bank

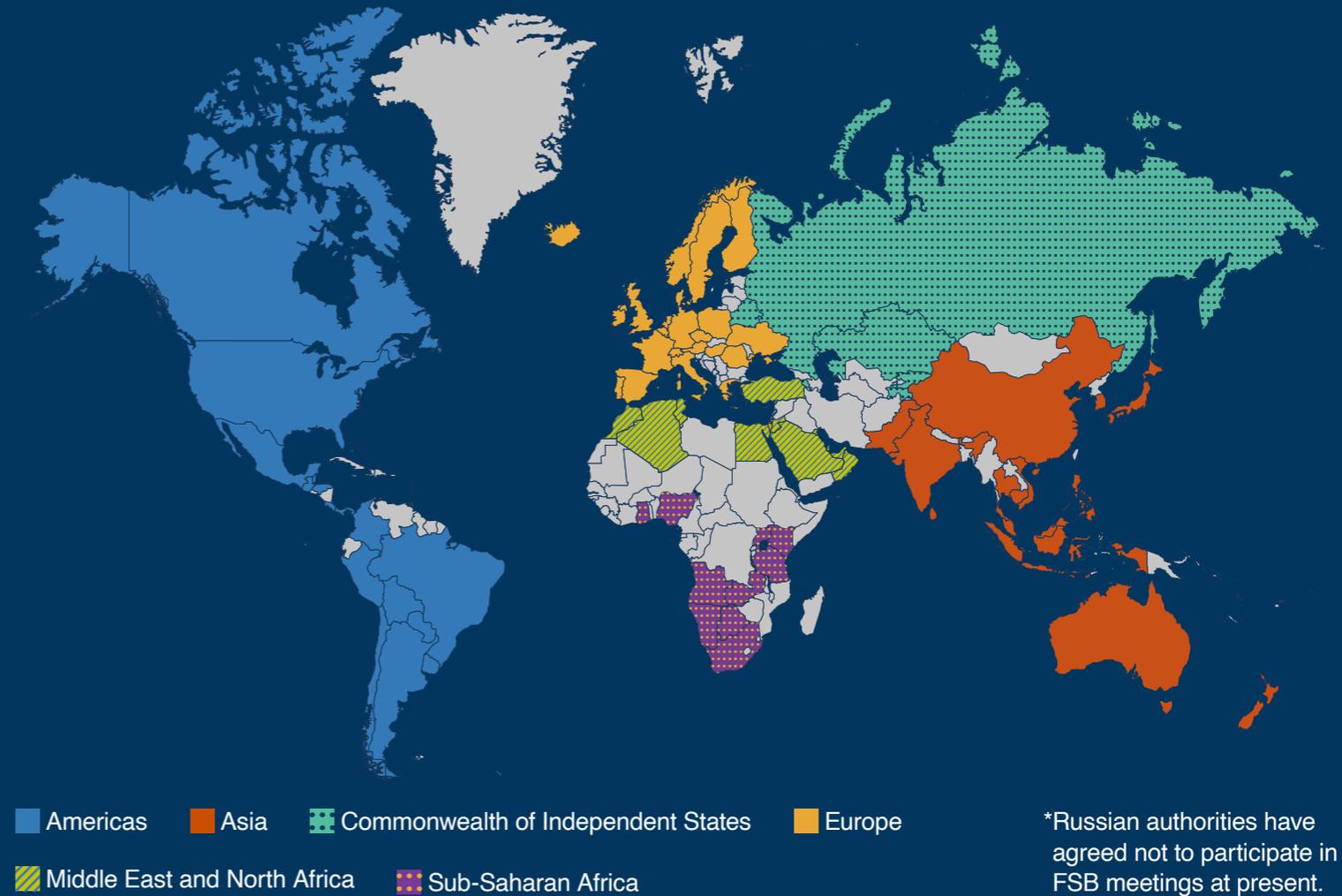
The SCBR assesses the resource needs of the FSB Secretariat and reviews the annual and medium-term budget of the FSB.

Regional Consultative Groups (RCGs)

The six RCGs⁶⁵ (for the Americas, Asia, the Commonwealth of Independent States, Europe, the Middle East and North Africa, and Sub-Saharan Africa) broaden the circle of countries engaged in the FSB's work to promote financial stability.

The RCGs bring together financial authorities from FSB members and approximately 70 non-FSB member jurisdictions to exchange views on vulnerabilities affecting financial systems and on initiatives to promote financial stability. Those groups also provide an institutional mechanism for: (i) discussing FSB initiatives underway and planned; (ii) promoting implementation of internationally agreed reforms; and (iii) enabling members of RCGs to share their views amongst themselves and with the FSB, both on FSB initiatives and on other measures that could be taken to promote financial stability. The RCGs held 10 in-person meetings in 2025.

Chart 2: Member jurisdictions of the six Regional Consultative Groups*



Chair and Secretariat

The Chair of the FSB is the principal spokesperson for the FSB and represents the FSB externally. He convenes and chairs the meetings of the Plenary and of the Steering Committee and acts in accordance with the directions given by the Plenary.

The current Chair is Andrew Bailey (Governor of the Bank of England).

The activities of the FSB, including its Committees, RCGs and working groups, are supported by the Basel-based Secretariat. The composition of the Secretariat broadly represents the diversity of the FSB membership. The Secretariat is directed by the Secretary General, John Schindler.

Members of the FSB

Argentina



Ministry of Finance

Central Bank of Argentina

Australia



Department of the Treasury

Reserve Bank of Australia

Brazil



Ministry of Finance

Central Bank of Brazil

Securities and Exchange Commission

Canada



Department of Finance

Bank of Canada

Office of the Superintendent of Financial Institutions (OSFI)

China



Ministry of Finance

People's Bank of China

National Financial Regulatory Administration

France



Bank of France

Ministry of Economy and Finance

Autorité des Marchés Financiers

Germany



Ministry of Finance

Deutsche Bundesbank

Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin)

Hong Kong SAR



Hong Kong Monetary Authority

India



Ministry of Finance

Reserve Bank of India

Securities and Exchange Board of India

Members of the FSB continued

Indonesia

Ministry of Finance

Bank Indonesia

Korea

Bank of Korea

Financial Services Commission

Russia*

Ministry of Finance

Central Bank of the Russian Federation

South Africa

South African Reserve Bank

National Treasury

Italy

Ministry of Economy and Finance

Bank of Italy

Commissione Nazionale per le Società e la Borsa (CONSOB)

Mexico

Ministry of Finance and Public Credit

Bank of Mexico

Saudi Arabia

Saudi Central Bank

Ministry of Finance

Spain

Ministry of Economy, Commerce and Business

Bank of Spain

Japan

Ministry of Finance

Bank of Japan

Financial Services Agency

Netherlands

De Nederlandsche Bank

Ministry of Finance

Singapore

Monetary Authority of Singapore

Switzerland

Swiss Federal Department of Finance

Swiss National Bank

* Russian authorities have agreed not to participate in FSB meetings at present.

Members of the FSB continued

Türkiye

Ministry of Treasury and Finance

Central Bank of the Republic of Türkiye

United Kingdom

HM Treasury

Bank of England

Financial Conduct Authority

United States

Department of the Treasury

Board of Governors of the Federal Reserve System

Securities and Exchange Commission

European Union

European Central Bank

European Commission

International financial institutions

Bank for International Settlements (BIS)

International Monetary Fund (IMF)

Organisation for Economic Co-operation and Development (OECD)

The World Bank

International standard-setting, regulatory, supervisory and central bank bodies

Basel Committee on Banking Supervision (BCBS)

Committee on Payments and Market Infrastructures (CPMI)

Committee on the Global Financial System (CGFS)

International Accounting Standards Board (IASB)

International Association of Insurance Supervisors (IAIS)

International Organization of Securities Commissions (IOSCO)

Annex 1

FSB reports published since November 2024

Month	Report
November 2024	<ul style="list-style-type: none"> • The importance of resolution planning and loss absorbing capacity for banks systemic in failure: public statement • The Financial Stability Implications of Artificial Intelligence • Legal and Regulatory Challenges to the Use of Compensation Tools • Peer Review of Brazil
December	<ul style="list-style-type: none"> • 2024 Resolution Report: “From Lessons to Action: Enhancing Resolution Preparedness” • Liquidity Preparedness for Margin and Collateral Calls: Final report • Peer Review of France • Recommendations for Regulating and Supervising Bank and Non-bank Payment Service Providers Offering Cross-border Payment Services: Final report • Recommendations to Promote Alignment and Interoperability Across Data Frameworks Related to Cross-border Payments: Final report • Global Monitoring Report on Non-Bank Financial Intermediation 2024 • Leverage in Non-Bank Financial Intermediation: Consultation report
January 2025	<ul style="list-style-type: none"> • The Relevance of Transition Plans for Financial Stability • Evaluation of the Effects of the G20 Financial Regulatory Reforms on Securitisation: Final report
April	<ul style="list-style-type: none"> • Format for Incident Reporting Exchange (FIRE): Final report
June	<ul style="list-style-type: none"> • Vulnerabilities in Non-bank Commercial Real Estate Investors

Annex 1

FSB reports published since November 2024 continued

Month	Report
July	<ul style="list-style-type: none"> • FSB Workplan to Address Nonbank Data Challenges • Enhancing the Resilience of Nonbank Financial Intermediation: Progress report • Leverage in Nonbank Financial Intermediation: Final report • FSB Roadmap for Addressing Financial Risks from Climate Change: 2025 update
October	<ul style="list-style-type: none"> • G20 Roadmap for Cross-border Payments: Consolidated progress report for 2025 • Monitoring Adoption of Artificial Intelligence and Related Vulnerabilities in the Financial Sector • G20 Implementation Monitoring Review: Interim report • Thematic Review on FSB Global Regulatory Framework for Crypto-asset Activities
November	<ul style="list-style-type: none"> • Practices Paper on the Operationalisation of Transfer Tools • Peer Review of Spain • Peer Review of the Netherlands
December	<ul style="list-style-type: none"> • Global Monitoring Report on Nonbank Financial Intermediation 2025
January 2026	<ul style="list-style-type: none"> • 2025 Resolution Report: From Plans to Practice: Operationalising Resolution • Good Practices for Crisis Management Groups: Revised version
February	<ul style="list-style-type: none"> • Vulnerabilities in Government Bond-backed Repo Markets

Annex 2

Legend

	<p>Basel III: Final rule published and implemented. Risk-based capital: revised standardised approach for credit risk and output floor in force. Leverage: revised leverage ratio and G-SIB leverage buffer (as applicable) in force. Requirements for SIBs: covering both D-SIBs and higher loss-absorbency for G-SIBs (for G-SIB home jurisdictions) – published and in force.</p> <p>OTC derivatives: Legislative framework in force and standards/criteria/requirements (as applicable) in force for over 90% of relevant transactions.</p> <p>Resolution: Final rule for external Total Loss-Absorbing Capacity (TLAC) requirement for G-SIBs published and implemented. For the powers columns, all three of the resolution powers for banks (transfer, bail-in of unsecured and uninsured credit claims, and temporary stay) and insurers (transfer, bridge and run-off) are available. Both recovery and resolution planning processes are in place for systemic banks. For CCPs that are systemically important in more than one jurisdiction (SI>1) resolution planning, crisis management group (CMG) established, cross-border cooperation agreement (CoAg) signed, resolution planning commenced and resolvability assessment commenced.</p> <p>Compensation: All or almost all (all but 3 or less) FSB Principles and their Implementation Standards for Sound Compensation Practices (Principles and Standards) implemented for significant banks, insurers and asset managers (as applicable in the jurisdiction – see below).</p> <p>Non-bank financial intermediation (NBFi): MMFs – Final implementation measures in force for valuation, liquidity management and (where applicable) stable net asset value (NAV). Securitisation – Final adoption measures taken (and where relevant in force) for an incentive alignment regime and disclosure requirements. SFT: Implementation complete for minimum standards for cash collateral re-investment, regulations on re-hypothecation of client assets, minimum regulatory standards for collateral valuation and management (all due January 2017) and numerical haircut floors on bank-to-non-bank transactions (due January 2023).</p>
	<p>Basel III: Final rule published but not implemented, or draft regulation published. For risk-based capital column, draft regulation published for at least one of revised standardised approach for credit risk and output floor. For leverage, draft regulation published for at least one of leverage ratio and G-SIB leverage buffer (as applicable).</p> <p>OTC derivatives: Regulatory framework being implemented.</p> <p>Resolution: Final rule for external TLAC requirement for G-SIBs published but not yet implemented, or draft rule published. For the powers columns, one or two of the resolution powers for banks (transfer, bail-in of unsecured and uninsured credit claims, and temporary stay) and insurers (transfer, bridge and run-off) are available. Recovery planning is in place for systemic banks, but resolution planning processes are not. For SI>1 CCP resolution planning, CMG established and resolution planning commenced but CoAg not signed or resolvability assessment not commenced.</p> <p>Compensation: FSB Principles and Standards implemented for some but not all of the applicable banking, insurance and asset management sectors.</p> <p>NBFi: MMFs – Draft/final implementation measures published or partly in force for valuation, liquidity management and (where applicable) stable NAV. Securitisation – Draft/final adoption measures published or partly in force for implementing an incentive alignment regime and disclosure requirements. SFT: Implementation complete for at least 1 of the 4 areas described above.</p>
	<p>Basel III: Draft regulation not published.</p> <p>Resolution: Draft rule for external TLAC requirement for G-SIBs not published. For the powers columns, none of the three resolution powers for banks (transfer, bail-in of unsecured and uninsured credit claims, and temporary stay) and insurers (transfer, bridge and run-off) are available. Neither recovery nor resolution planning processes are in place for systemic banks.</p> <p>NBFi: MMFs – Draft implementation measures not published for valuation, liquidity management and (where applicable) stable NAV. Securitisation – Draft adoption measures not published for implementing an incentive alignment regime and disclosure requirements. SFT: Implementation not complete for any of the four areas described above.</p>
	<p>Resolution: Minimum TLAC requirements not applicable for jurisdictions that are not home to G-SIBs or to a subsidiary of a G-SIB that is a resolution entity under a multiple point of entry resolution strategy.</p>
C / LC	Basel III: Regulatory Consistency Assessment Programme (RCAP) – assessed as “compliant” (C) / “largely compliant” (LC). See the RCAP scale. The grade for SIB requirements relates only to the G-SIB requirements.
^	Basel III: All FSB jurisdictions have implemented the liquidity coverage ratio and were assessed as compliant or largely compliant. All FSB jurisdictions have implemented the initial (2013) risk-based capital framework; 18 jurisdictions have been assessed as C or LC, while six jurisdictions were assessed as materially non-compliant. Leverage ratio column based on the 2017 definition. All FSB jurisdictions but one have implemented the leverage ratio based on the 2014 exposure definition.
&	Basel III: The US does not identify any additional D-SIBs beyond those designated as G-SIBs; its framework was found to be broadly aligned with the D-SIB principles; see BCBS (2016), <i>US RCAP assessment</i> (June).
B / I / A	Compensation: FSB Principles and Standards deemed applicable by the jurisdiction for certain sectors only: banks (B), insurers (I), and/or asset managers (A).
R / F	OTC derivatives: Further action required to remove barriers to full trade reporting (R) or to access trade repository data by foreign authority (F). See FSB (2018) <i>Trade reporting legal barriers: Follow-up of 2015 peer review recommendations</i> (November). Mexico issued a regulation in 2020 to allow the direct sharing of Mexican TR data with foreign TRs.
#	Basel III: A few provisions relating to the credit conversion factor will be implemented by the UK in 2026 along with other finalised Basel III reforms. Resolution: Saudi Arabia issued a resolution law, which came into force in 2021 and will be followed by detailed rules and regulations to complete implementation.
* / ** / ***	NBFi: Implementation is more advanced than the overall rating in one or more / all elements of at least one reform area (MMFs), or in one or more / all sectors of the market (securitisation). Switzerland reports that it lacks an active domestic securitisation market. The 2019 update was undertaken by IOSCO using the assessment methodology in its 2015 peer reviews in these areas.
1	Russia: The status of implementation in Russia has not been updated and reflects progress only as of end-September 2021.

Annex 2

Changes in implementation status from past FSB Annual Report

The table shows the changes in implementation status by FSB member jurisdictions across priority areas from September 2024 (left-hand cell) to January 2026 (right-hand cell).

Reform area / Jurisdiction	Basel III	OTC derivatives	Resolution	Non-bank financial intermediation+
Argentina	Risk-based capital			
Australia			Resolution planning for systemic CCPs in more than one jurisdiction	
France	Risk-based capital			
Germany	Risk-based capital			
Italy	Risk-based capital			
Hong Kong	Risk-based capital			
	Leverage			
India	Risk-based capital			
Indonesia				MMFs
Netherlands	Risk-based capital		Resolution planning for systemic CCPs in more than one jurisdiction	
South Africa	Risk-based capital			
	Leverage			
Switzerland	Risk-based capital			
	Leverage			
Türkiye	Risk-based capital			

+ The 2023 update on MMFs and securitisation was undertaken by IOSCO using the assessment methodology in its 2015 peer review reports in these areas.

Abbreviations

AI	Artificial intelligence	GDP	Gross domestic product	NSFR	Net stable funding ratio (Basel III)	SFTs	Securities financing transactions
BCBS	Basel Committee on Banking Supervision	GFC	Global financial crisis (2008)	OEF	Open-ended fund	SIBs	Systemically important banks
CA	Crypto-asset activities	GSC	Global stablecoin	OTC	Over-the-counter (derivatives)	SI>1 CCP	CCPs that are systemically important in more than one jurisdiction
CCPs	Central counterparties	IAIS	International Association of Insurance Supervisors	PMFI	Principles for Financial Market Infrastructures (CPMI-IOSCO)	SIFIs	Systemically important financial institutions
CCR	Counterparty credit risk	ICS	Insurance Capital Standard (IAIS)	RCAP	Regulatory Consistency Assessment Programme (BCBS)	SRC	Standing Committee on Supervisory and Regulatory Cooperation (FSB)
CMG	Crisis management group	IM	Initial margin	RCGs	Regional Consultative Groups (FSB)	SSBs	Standard-setting bodies
CPMI	Committee on Payments and Market Infrastructures	IMF	International Monetary Fund	REITs	Real estate investment trusts	SSS	Securities settlement system
CRE	Commercial real estate	IOs	International organisations	RMBS	Residential mortgage-backed securities	TLAC	Total loss-absorbing capacity (FSB)
CSD	Central securities depositories	IOSCO	International Organization of Securities Commissions	SCAV	Standing Committee on Assessment of Vulnerabilities (FSB)	VM	Variation Margin
EWE	Early warning exercise	KPIs	Key performance indicators	SCBR	Standing Committee on Budget and Resources (FSB)		
FATF	Financial Action Task Force	MMF	Money market fund	SCSI	Standing Committee on Standards Implementation (FSB)		
FIRE	Format for incident reporting exchange	NBFI	Nonbank financial intermediation				
FMI	Financial market infrastructure	NDTF	Nonbank Data Task Force (FSB)				
FSB	Financial Stability Board	NCCD	Non-centrally cleared derivative				
G-SIB	Global systemically important bank						

Endnotes

- 1 FSB (2025) [G20 Implementation Monitoring Review: Interim report](#), October.
- 2 BCBS (2025), [Press release: Governors and Heads of Supervision reaffirm expectation to implement Basel III and discuss work on financial impact of extreme weather events](#) May.
- 3 Additionally there is a Standing Committee on Budget and Resources (SCBR) that is not involved in the process described above. See [section 3](#).
- 4 For a discussion of upcoming government spending needs, see IMF (2025), [Fiscal Monitor](#), October; for a discussion of government spending related to the climate see IMF (2024), [Fiscal Monitor](#), April; and for a discussion on defence spending, see, for example, SIPRI (2025), [Trends in world military expenditure](#), 2024, April.
- 5 FSB (2026), [Vulnerabilities in Government Bond-backed Repo Markets](#), February.
- 6 Past episodes include the September 2019 spike in repo rates in the US repo market, 2020 dash for cash across in the euro area, Japan and United Kingdom, United States, 2022 UK LDI episode and 2022 euro area repo market volatility.
- 7 For a discussion of repo markets in the March 2020 “dash for cash” market turmoil see relevant material in: FSB (2020), [Holistic Review of the March Market Turmoil](#), November and FSB (2022), [Liquidity in core government bond markets](#), October.
- 8 See FSB (2015), [Standards and Processes for Global Securities Financing Data Collection and Aggregation](#), November, and [Bank for International Settlement’s website](#) for reporting guidelines. In 2025, the UK has started submitting repo market data, in addition to the four jurisdictions that have already been submitting the relevant data (Australia, Canada, Japan, Mexico).
- 9 See FSB (2025), [Enhancing the resilience of nonbank financial intermediation: Progress report](#), July.
- 10 See FSB (2024), [Depositor Behaviour and Interest Rate and Liquidity Risks in the Financial System: Lessons from the March 2023 banking turmoil](#), October.
- 11 See FSB (2025), [Vulnerabilities in Non-bank Commercial Real Estate Investors](#), July.
- 12 See, for example, Borio and Lowe (2002), [Asset prices, financial and monetary stability: exploring the nexus](#), BIS Working Papers, July.
- 13 FSB (2024), [Cross-border Regulatory and Supervisory Issues of Global Stablecoin Arrangements in EMDEs](#), July.
- 14 FSB (2025), [Global Monitoring Report on Nonbank Financial Intermediation 2025](#), December.
- 15 For the latest FSB update to the G20 on NBFi, see FSB (2025), [Enhancing the Resilience of Nonbank Financial Intermediation: Progress report](#), July.
- 16 FSB (2025) [Leverage in Nonbank Financial Intermediation: Final report](#), July.
- 17 BCBS (2024), [Final guidelines for counterparty risk management](#), December.
- 18 IOSCO (2025), [Revised Recommendations for Liquidity Risk Management for Collective Investment Schemes](#), May.
- 19 IOSCO (2025), [Guidance for Open-ended Funds for Effective Implementation of the Recommendations for Liquidity Risk Management](#), May.
- 20 FSB (2025), [Workplan to Address Nonbank Data Challenges](#), July.
- 21 Alquist and Yamarthy (2023), [Hedge Funds and Treasury Market Price Impact: Evidence from Direct Exposures](#), August, Maria Ferrara et al. (2024), [Hedge funds: good or bad for market functioning?](#), September, and Epp and Gao (2025), [Are Hedge Funds a Hedge for Increasing Government Debt Issuance?](#), May.
- 22 See, for example, CFTC (2024), [The Treasury Cash-Futures Basis Trade and Effective Risk Management Practices](#), December.

- 23 Whether voluntarily by the nonbank based on its risk appetite, or because of external pressure, for example due to collateral/margin calls.
- 24 FSB (2023), [The Financial Stability Implications of Leverage in Non-Bank Financial Intermediation](#), September.
- 25 FSB (2024), [Liquidity preparedness for margin and collateral calls](#), December.
- 26 BCBS-CPMI-IOSCO (2025), [Transparency and responsiveness of initial margin in centrally cleared markets: review and policy proposals](#), January.
- 27 CPMI-IOSCO (2025), [Streamlining variation margin in centrally cleared markets – examples of effective practices](#), January.
- 28 BCBS-IOSCO (2025), [Streamlining VM processes and IM responsiveness of margin models in non-centrally cleared markets](#), January.
- 29 FSB (2020), [Enhancing Cross-border Payments: Stage 3 roadmap](#), October.
- 30 FSB (2025) [G20 Roadmap for Cross-border Payments: Consolidated progress report for 2025](#), October.
- 31 FSB (2024), [Recommendations for Regulating and Supervising Bank and Non-bank Payment Service Providers Offering Cross-border Payment Services: Final report](#), December.
- 32 FSB (2024), [Recommendations to Promote Alignment and Interoperability Across Data Frameworks Related to Cross-border Payments: Final report](#), December.
- 33 FATF (2025), [FATF updates Standards on Recommendation 16 on Payment Transparency](#), June.
- 34 CPMI (2025), [BIS CPMI takes further steps to promote ISO 20022 harmonisation for enhanced cross-border payments](#), January.
- 35 FSB (2025), [FSB Roadmap for Addressing Financial Risks from Climate Change: 2025 update](#), July.
- 36 FSB (2024) [The Financial Stability Implications of Artificial Intelligence](#), November.
- 37 FSB (2025) [Monitoring Adoption of Artificial Intelligence and Related Vulnerabilities in the Financial Sector](#), October.
- 38 FSB (2025), [Format for Incident Reporting Exchange \(FIRE\): Final report](#), April.
- 39 FSB (2025) [Peer Review of Spain: Review report](#), November.
- 40 FSB (2025) [Peer Review of the Netherlands: Review report](#), November.
- 41 FSB (2025), [Practices Paper on the Operationalisation of Transfer Tools](#), November.
- 42 FSB (2026) [Good Practices for Crisis Management Groups \(revised version\)](#), January.
- 43 FSB (2025), [Scope of Insurers Subject to the Recovery and Resolution Planning Requirements in the FSB Key Attributes](#), November.
- 44 FSB (2025), [Insurers Subject to Resolution Standards](#), November.
- 45 IAIS (2026), [Roadmap 2026-2027](#), January.
- 46 FSB (2025) [Evaluation of the Effects of the G20 Financial Regulatory Reforms on Securitisation: Final report](#), January.
- 47 One jurisdiction does not have in place requirements for use of the amortised cost method only in limited circumstances.
- 48 FSB (2024), [Thematic Review on Money Market Fund Reforms; Peer review report](#), February.
- 49 FSB (2026), [2025 Resolution Report: From Plans to Practice: Operationalising Resolution](#), January. See Annex 1 of that report for banks and Annex 2 for insurers.
- 50 A resolvability monitoring report for the insurance sector is also prepared every two years and completed in the off years when the RAP is not undertaken.
- 51 FSB (2024), [2024 List of Global Systemically Important Banks \(G-SIBs\)](#), November.
- 52 FSB, [Derivatives Markets and Central Counterparties](#), see table “CCPs that are systemically important in more than one jurisdiction (SI>1 CCPs)”.
- 53 BCBS, IOSCO (2025), [Review of the implementation of margin requirements for non-centrally cleared derivatives](#), December.
- 54 CPMI, IOSCO (2025), [Implementation monitoring of the PFMI: Level 3 assessment on general business risks](#), November.
- 55 CPMI, IOSCO (2025), [FMIIs' management of general business risks and general business losses: further guidance to the PFMI - consultative report](#), November.

- 56 CPMI-IOSCO (2025), Implementation monitoring of PFMI: Level 2 assessment report for the European Union – Payment systems, central securities depositories and securities settlement systems, April.
- 57 FSB (2025) Thematic Review on FSB Global Regulatory Framework for Crypto-asset Activities: Peer review report, October.
- 58 IOSCO (2025), Thematic Review Assessing the Implementation of IOSCO Recommendations for Crypto and Digital Asset Markets: Final Report, October.
- 59 FSB (2023), Final Report on Enhancing Third-party Risk Management and Oversight – A Toolkit for Financial Institutions and Financial Authorities, December.
- 60 The FSB was established in April 2009 as the successor to the Financial Stability Forum. In January 2013, the FSB established itself as an association (“Verein”) under Swiss law with its office at the Bank for International Settlements in Basel, Switzerland.
- 61 See Members of the FSB.
- 62 FSB (2012), Charter of the Financial Stability Board, June.
- 63 See Plenary Meetings – Financial Stability Board.
- 64 See FSB Organisational Structure and Governance.
- 65 See FSB Regional Consultative Groups (RCGs).

The Financial Stability Board (FSB) coordinates at the international level the work of national financial authorities and international standard-setting bodies in order to develop and promote the implementation of effective regulatory, supervisory and other financial sector policies. Its mandate is set out in the FSB Charter, which governs the policymaking and related activities of the FSB. These activities, including any decisions reached in their context, shall not be binding or give rise to any legal rights or obligations.

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