11
Institutional Change at the Top: From the Financial Stability Forum to the Financial Stability Board

Shawn Donnelly

In April 2009, the G20 called for the establishment of the Financial Stability Board. The FSB would coordinate and direct the future development of financial market regulation at the international level, with a view to ensuring the stability of the financial system. It would be a stronger institution than its predecessor, the Financial Stability Forum (FSF), with the capacity not just to compile international standards but actively to promote higher quality and effectiveness for financial market activity as a whole. While other global standard-setting bodies would change incrementally or not at all in the course of improving specific standards, the G20 announced that changes to the Board were intended to help take the quality of regulation, nationally and internationally and as a totality, to the next level. This chapter examines institutional changes from the FSF to the Financial Stability Board and the extent to which they support the conclusion that the Board is a game-changer in international financial market regulation.

A number of reference points can be used to highlight the differences in how the Forum and the Board are structured and operate and what their potential contribution to global economic governance is or is likely to be. There are differences in membership, both in terms of countries and the type of representatives they send, as well as differences in their internal structures, the means by which they interact with national authorities, and the way they interact with a variety of international bodies, including the G20, international standard-setting bodies (ISSBs), and international financial institutions: the IMF and the World Bank.

The Board is more institutionally developed than its predecessor in three ways: internally (to handle an increased workload on standards, supervision and the open method of coordination), internationally (to handle the increased work of coordinating and proposing improvements to international standards), and with regard to the institutional capacities and regulatory policies of national jurisdictions (through the open method of coordination).

These institutional changes reflect and support a higher degree of political commitment within the G20 to use the FSB more forcefully than the Forum to improve the quality of regulatory policy and instruments. It should be noted, however, that this common political commitment is confined to improving the instruments of financial market supervision, data analysis, early warning and emergency intervention. Other goals that demand deeper restrictions on business practices that lay at the core of the 2008 collapse are not part of either the political consensus or the FSB's agenda.

The Financial Stability Forum

The Financial Stability Forum was called into life in 1999 after the collapse of an American hedge fund, Long Term Capital Management (LTCM), which threatened to unleash a chain reaction of financial collapses in the United States and then Europe. LTCM had incurred losses during a financial crisis that began in Thailand in 1997 and then spread to South-East Asia, then Latin America and Russia. LTCM's heavy investments in Russia, combined with American banks investing heavily in LTCM, completed the chain of contact along which contagion spread from Thailand to American banks (Jorion 2000). While the Federal Reserve Bank of New York organized a bailout by LTCM's largest investors to fight the immediate fire, the American government, together with the rest of the G7, acquired an interest in global institutions that would focus on proactive crisis prevention rather than post facto emergency management. The Forum was to help this process, while the G20 was formed to bring important emerging market countries to the table with the G7 in overseeing the Forum's work.

The original members of the FSF were the central banks, finance ministries, and financial service regulators from the G7 countries, plus Australia, Hong Kong, Singapore, Switzerland, and the Netherlands, as well as the ISSBs (Basel Committee, International Association Insurance Supervisors (IAIS), the International Organization of Securities Commissions (IOSCO) and the International Accounting Standards Board (IASB), the IMF, the World Bank and the European Central Bank. As with most ISSBs and committees, the Bank for International Settlements in Basel provided rooms and administrative support for the Forum. The Chair took on the role of setting the agenda in consultation with the members at periodic membership meetings. Ad hoc working groups were formed to study issues of interest.

Institutionally, the Forum was a meeting place without strong institutional diversification, specialization, authoritative decision-making powers, or supervisory capacity. The main way that the FSF promoted better regulation on behalf of the G20 was to draw the attention of national regulatory practitioners and lawmakers to existing standards, encourage ISSBs to develop codes of best practice to which national practice could be oriented, and to promote dialogue between the ISSBs. It is here, as the exploratory report for the Forum had suggested (Tietmeyer 1999), that the efforts of the Forum stopped and the responsibility of national governments, regulators, and ISSBs began. The actual review of national implementation was undertaken outside the Forum, by the IMF and the World Bank, without Forum involvement.

The range of standards that the Forum highlighted and that the IMF and the World Bank scrutinized was also limited in nature. The Compendium of Standards that the Forum highlighted as the benchmarks for good economic governance covered three areas: transparency of macroeconomic management (three standards from the IMF); financial regulation and supervision (one set of core principles of good regulation each from Basel, IOSCO, and the IAIS); and institutional and market infrastructure (six standards covering: money laundering (by the Financial Action Task Force, systemic features of clearing systems (by the Committee on the Global Financial System), financial reporting standards (by the International Accounting Standards Board), corporate governance standards (by the OECD), and insolvency standards and deposit insurance (by the Bank for International Settlements). Most importantly, most of the standards did not address the behavior of financial market participants, but instead ensured that regulators had access to sufficient resources, personnel, decision-making autonomy and powers of investigation to properly do their jobs. None of them have anything to say about banking, securities or insurance regulation directly.

By request of the G7 (Bayne 2000), the IMF examined the application of these limited standards by national governments in the context of Article IV consultations, which audit the economic policies, practices and conditions relevant to economic growth and stability, and specifically in consultations on the Financial Sector Assessment Programme. The IMF's capacity to wield influence rested in turn on the signaling effect to markets of its pronunciations on regulation (Giannini 2000). This reliance on a combination of international standard-setting bodies and international financial institutions to improve regulation generally was subject to two weaknesses: the unwillingness of the United States to undergo such a review of its own practices (Kirton 2000; Walter 2000; Financial Crisis Inquiry Commission 2011: 423), and the lack of consensus on binding standards within any of the ISSBs. This meant that in terms of mission and actual standard work, the FSF had very little to do or room or inclination to grow further institutionally.

The Forum's most important research and strategy reports also came from outside. The Forum allowed a core group of national regulators known as the Senior Supervisor's Group (comprising representatives from the United States (the Federal Reserve Bank of New York, which hosts the SSG, the US Federal Reserve, the Securities and Exchange Commission, the Office of the Comptroller of the Currency), Switzerland, France (the respective central banks), Germany and the United Kingdom (the respective Financial Service Authorities) to investigate what had led to the crisis in 2007 rather than compile its own report (Senior Supervisor's Group 2008). Their report revealed that those investment companies that had weathered the crisis well to that point had corporate governance and financial risk management mechanisms that went far beyond the minimum standards that the Forum had put together in its Compendium of Standards.[1] They furthermore declared that they would "continue to work directly through the appropriate international forums (for example, the Basel Committee, International Organization of Securities Commissions, and the Joint Forum) on both planned and ongoing work in this regard," rather than relying on the Forum (ibid.: 2). Although the SSG had no formal status within the Forum, this underlines the irrelevancy of the Forum in actual decision-making. In addition to this hard core of powerful countries taking decisions outside the Forum, Davies suggests that ISSBs, too, were reluctant to accept any hint of FSF authority over them. For its part, while the Basel Committee focused on capital standards, it failed to be moved to consider any other regulation of banks (Davies 2010: 188).

In practice, the SSG's 2008 report assigned G7 countries as rule-makers through their dominance in the ISSBs and the Forum (through their status as the home of best practice) and other countries as rule-takers (Kaiser/Kirton/Daniels 2000: 4), with reinforcement by the IMF and the World Bank. The G7 countries Canada and Italy were added to the SSG in 2009, just before the Forum was replaced by the Board. There is no indication that the Forum exercised any independent influence on ISSBs to develop written codes of best practice. The various ISSBs discussed who would take the lead on regulatory standards for various issues in the Forum (Interview 2008), but this is not the same as the Forum having an independent impact. Even as the crisis unfolded in 2008, the Forum's assessment did not stress regulation as a response, even though it blamed a combination of banks, investors and CRAs for the collapse. Its emphasis was on re-establishing trust in the market (Financial Stability Forum 2008).

1 The most important of these practices included treating financial derivatives as inherently risky rather than as secure assets, acquiring information on risks beyond opaque credit ratings, sharing it with all areas of the firm (including supervision of risk management), and subjecting all subsidiaries and company divisions to internal control and evaluation. Policies on financial transparency and directors' pay were also mentioned. See Senior Supervisor's Group (2008), transmittal letter to the Financial Stability Forum.

The Financial Stability Board

The Financial Stability Board was called into life in April 2009 as the successor to the FSF. In contrast to the events of 1997–1998, the financial crisis that started in 2007 had originated in the United States using standards that the Forum had approved and the ISSBs had developed. These facts undermined confidence in the G7's leadership at the expense of emerging markets (Germain 2001) and in the regulatory approach taken to financial market regulation, both nationally and within the Forum. The crisis posed the question: what could be done to prevent similar collapses and contagion from happening again.

The G20's April 2009 communiqué acknowledged the failure of regulation to properly ensure the systemic stability of international finance up until that date and tasked the FSB with increasing the quality and comprehensive scope of regulatory standards:

> Major failures in the financial sector and in financial regulation and supervision were fundamental causes of the crisis. […] We will take action to build a globally consistent supervisory and regulatory framework for the future financial sector. (G20 2009)

The G20 put particular emphasis on building up real capacity for and the likelihood of enforcement of any new rules, nationally and internationally (Carvajal/Elliott 2009).

The Board's Charter sets out its mission as an enabler and promoter of better regulation not only internationally, but, unlike the Forum, nationally as well:

> The Financial Stability Board (FSB) is established to coordinate at the international level the work of national financial authorities and international standard setting bodies (SSBs) in order to develop and promote the implementation of effective regulatory, supervisory and other financial sector policies. In collaboration with the international financial institutions, the FSB will address vulnerabilities affecting financial systems in the interest of global financial stability.
> (FSB Charter, 2009: Article 1)

US Treasury Secretary Geithner expressed American hopes that the institution would become "in effect, a fourth pillar" of the architecture of global economic governance, alongside the International Monetary Fund (IMF), the World Bank and the World Trade Organization (WTO) (US Treasury 2009). However, the FSB lacks any legal personality or attendant formal power to force regulatory change. Nor was there any concerted effort to make the FSB a formal international organization (Interview 2010). This means that it is not entitled to issue rulings that have the force of international law, so that compliance is a matter of political commitment.

The Board's means of influencing policy and implementation at the national level are therefore, for the most part, informal and indirect. Instead of command-and-control mechanisms, the Board employs a rather robust version of the open method of coordination (OMC) to further its agenda of improving regulatory policy and institutions within national jurisdictions. The benchmarking, transparency and peer review processes on which the OMC depends are all assisted by institutional innovations within the Board that are much stronger than those during the days of the Forum. The institutional development and policy output of the Board place more detailed and more ongoing pressure on the member states to adapt their own policies and institutions, and to network better among themselves. These institutional changes are outlined below. Having said this, the institutional changes stop short of granting the Board direct regulatory authority to intervene in the market. That responsibility remains with national regulators.

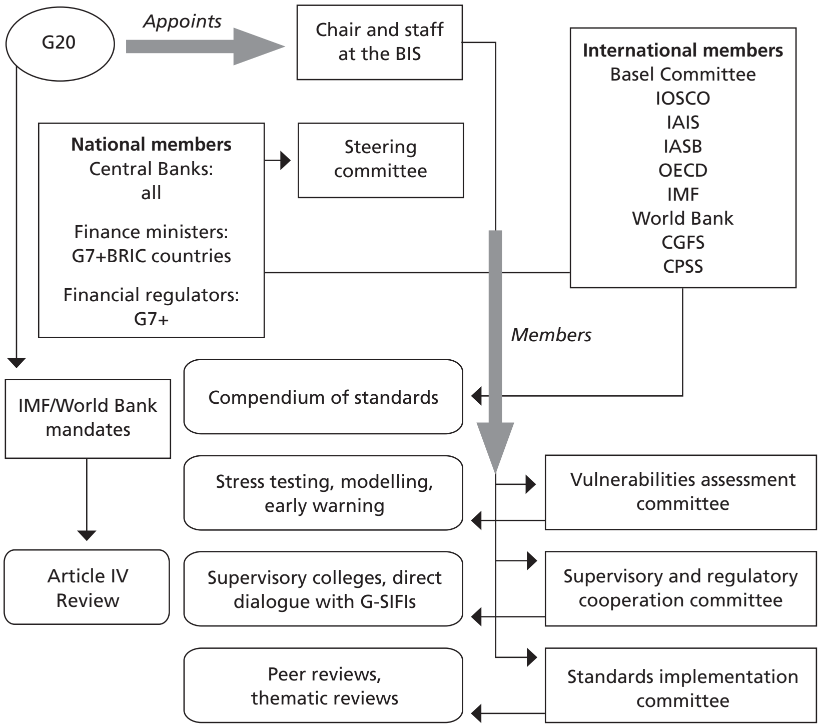
Internal decision-making and operations

As with the Forum, the FSB's membership consist of national political and regulatory representatives (finance ministers, central bankers and financial market regulators), representatives of the three ISSBs, the IMF and the World Bank, the Bank for International Settlements and the BIS's Committee on the Global Financial System (CGFS). A staff of 16 with backgrounds in law and banking supports it, drawn from within the BIS or the Basel Committee or seconded from national regulatory authorities. Figure 1 presents an organigram of the FSB's membership and internal institutions, as well as the roles of those members and institutions in the policy process.

Whereas national FSF members had equal representation, FSB membership rules ensure that input is dominated by those countries with the greatest combined political and economic clout. Member states have between one and three representatives. All member states are represented by their respective central bank. Members with a second seat send a representative from their respective treasury or finance ministry. Members with three representatives also send a financial services regulator, typically covering banking, insurance and securities together. Generally, countries with three seats comprise the traditional G7 and BRIC countries, which supports the view that political and economic clout is important, beyond functionality. There is no objective indicator of which country gets how many seats (Interview 2010). The number of seats is decided collectively based on the economic importance and internal regulatory diversity of the country involved (Griffith-Jones et al. 2010).

The FSB Charter also provides for the body to consult with the private sector and "non-member authorities" on an ad hoc basis on account of being important stakeholders in the policy process (FSB Charter, Art. 8). This po-

Figure 1 Membership and organisation of the Financial Stability Board



tential for industry but not other stakeholder input, coupled with the restricted membership of the Board, is a key concern in terms of input legitimacy, and as Helleiner (2010) notes, may also be a reason why stronger forms of regulation demanded by strong critics of regulation prior to the crisis remain off the table (New Rules 2011). This cannot be empirically confirmed here, however.

Griffith-Jones et al. note that in terms of structure and procedure, the Board is more formal than its predecessor. There is a formally-recognized Plenary of all the above-mentioned members, which appoints the Chair and Steering Committee by consensus. In practice, the Chair is quite influential indeed. He heads the Steering Committee, which in turn decides the agenda and adjusts the work of the Board in response to feedback from various sources. He also nominates Standing Committee members, who do most of the Board's substantive work, to the Plenary (Griffith-Jones/Helleiner/Woods 2010: 7; Interview 2010).

While the member states sort out their political differences in the Plenum, much of the Board's standard-setting and supervisory work is handled by the ISSBs, individually and inside the FSB's committees. The Basel Committee is the most cohesive, powerful standard-setter represented at the FSB. Its members took on the role of setting standards independently before either the Board or the Forum was established and continue to do so; some of them take part in G10 meetings on global finance and G10 committees studying the global financial system, and attend G20 meetings as well. It is within the FSB that the Basel Committee has more institutionalized contact with the other ISSBs, finance ministers and other regulators that form its business and political environment. The Committee's overlapping membership in multiple forums, plus the Board's ultimate responsibility for preventing the collapse of banks allows the Committee more points at which to exercise initiative or to make its expertise and interests felt. Conversely, the FSB's interest in regulating non-bank financial actors, such as securities traders and credit rating agencies, appears to be limited to instances in which they might endanger the solvency or liquidity of banks. Wholesale investigations of what market participants like this do, do not appear to be part of the FSB's agenda or of the ISSBs.

A hierarchical relationship between the Board and the Committee, which one might infer from the FSB's responsibility to agree on the appropriateness of ISSB standards, is only theoretical. Instructions for Basel, if they can be called that, come directly from the G20, and the Basel Committee's institutional identity, strength and cohesion are robust. IOSCO, although it refers directly to the Forum and the Board in reviewing its mandate (Interview 2008), also seems to have a free hand to pursue rule-making and standard development in ways of its choosing.

The prospect of a hierarchical relationship between Board and ISSBs assumes, of course, that the Board might at some point develop the intention to make demands on the Committee or on the other ISSBs. At the moment, there is no evidence, empirical or anecdotal, to support such a conclusion. Although some of the Board's new members may be critical of pre-crisis business practices, this has not resulted in demands from within the Board for radical changes with regard to regulation (Interview 2010). The Board remains in this sense focused on communication, consensus-building, coordination and puzzling about the right way to prevent another global crisis, not about handing out instructions to the ISSBs. Although this resembles the open method of coordination, in the case of the FSB, not just the governments are involved in talks as independent actors, but the technocratic standard-setters themselves, among which the Basel Committee is the most ubiquitously involved. The FSB is the arena in which this takes place, rather than a central authority per se.

The FSB's real ability to make a substantial change to global regulation is through its technical committees. There are three Standing Committees: Vulnerabilities Assessment; Supervisory and Regulatory Cooperation; and Standards Implementation. The Vulnerabilities Assessment Committee is headed by the General Manager of the Bank for International Settlements. It reviews potential threats to systemic stability and issues Early Warnings where this is deemed necessary. In one sense, the Vulnerabilities Assessment Committee is the FSB's greatest potential contribution to improving future financial market regulation. It is here that recommendations are raised or dropped, where information is gathered and models developed about how systemic risk works, and how regulations across banking, securities, insurance and financial reporting standards, both nationally and internationally, affect business behavior and with it, the likelihood of collapse and contagion. It is here that the conceptual toolbox and the informational storehouse are located to put intelligence into the regulatory strategy. The Board is open about the fact that there is a lot they do not know, both in terms of raw data about market transactions, and in terms of how best to go about regulating them. Stress testing and early warnings of possible credit events also happen here.

The Supervisory and Regulatory Cooperation Committee is responsible for ensuring "consistency, cooperation and a level playing field across jurisdictions" (FSB 2009), and for having direct contact with financial market participants considered sufficiently important to accompany closely in the supervision process. It is here that supervisory colleges for financial institutions conduct their work; where the Board considers how cooperation across jurisdictions could be improved; and where the direct dialogue between the Board and the business community takes place.

The Standards Implementation Committee is responsible for organizing and conducting peer reviews of member states' regulatory policies and practices (FSB 2009a). Assuming that the appropriate advances in regulatory understanding have been reached by the Vulnerabilities Assessment Committee, the Standards Implementation Committee is the place where the FSB has the greatest capacity to strengthen regulation globally. Although the IMF conducts its own reviews, the scope of regulations is generally greater in the Board's procedures.

Mechanisms of operation and influence

Overall, the FSB attempts to counter systemic risk through four main mechanisms, in which all of these institutional features play a role. The first is to promote better standards globally. This means not only reviewing the rules and practices that fall within the remit of the individual standard-setters, but also looking for gaps and contradictions between them (FSB/IMF/BIS 2011). Rather than going back to basics for a total view of systemic risk in theory and in practice, the FSB chooses to focus on particular themes in any given year. The Chair makes suggestions about what these focal points should be to the Plenum, which decides. According to the Board's plans for 2010, for example, the Board wanted to look at regulations requiring companies to disclose information about the financial risks that accompany their businesses (FSB 2010). In 2011, the Board moved on with the IMF to push for new standards on the data provided by governments and regulators themselves in all areas of financial market activity (IMF/FSB 2011). By 2010, the FSB's slate of issues included compensation, bank capital and liquidity, reducing moral hazard, enhancing cross-border resolution and accounting standards (IASB increasing technical studies of standards) (Financial Stability Board 2010a). At the time of writing, the Board was also working on methodologies for detecting global systemically-important financial institutions (G-SIFIs) that are found to be insolvent and for managing an eventual bankruptcy (FSB 2011). An SIFI is any firm whose collapse could cause a cascade effect that undermines the liquidity or solvency of the financial system.

This role will take some time to develop and assess, but the statement of intent is clear, and the list of standards that the FSB collects and reserves the right to comment on is large and growing. In contrast to the Compendium of Standards that the Forum brought together, the standards dealt with by the FSB are quite specific with regard to the regulation of banks, insurance companies, credit rating agencies and hedge funds, but also of institutional arrangements to govern their transactions.

The FSB's ability in practice to sharpen and expand on international standards appears dependent of the wishes of the members. While the Board has promoted stronger capital adequacy standards for banks and other financial service institutions, for example, a dispute between the United States and the rest of the world continues over the scope, stringency and timetable of implementing restrictions in the USA (Braithwaite/Spiegel 2011). The US Congress in particular has proven a point of open access for banks and other financial institutions seeking to soften the application of international standards (Davies 2010: 187), and Persaud notes that in national legislation in the United States pertaining to the financial crisis, there is no reference to FSB declarations or the actions of other countries (Persaud 2010: 638).

Given that direct political input by core countries is built into the Board's decision-making and deliberative institutions, it seems that the Board provides a suitable mechanism for pushing stronger international standards from standard-setters when political consensus prevails, but not otherwise. The first locus of consensus-building remains the countries belonging to the Senior Supervisor's Group, whereby the interest of the United States in promoting international standards remains very important. Nevertheless, the Board is formally responsible to the G20. The Board, specifically the Chair, refers to G20 communiqués and positions in setting up its agenda and provides regular reports to the G20 on the state of the global economy, and the progress reached in reforming regulation (Draghi 2010).

The second mechanism of Board influence, as with the Forum, is to cultivate a partnership with the IMF and the World Bank. The fact that the IMF in particular is responsible for assessing whether FSB members are establishing and applying regulation properly, and that it is doing so in the context of Article IV consultations; and also that the World Bank does its reviews under the aegis of the Report on Observance of Standards and Codes program (FSB 2010a); allows the IMF and the World Bank to conduct the same certification process for any country if there is demand. Indeed, while all FSB members are expected to undertake peer reviews, the Board sees the IMF in particular as crucial for ensuring standard implementation in non-FSB-member countries. This is turn is viewed as crucial to managing emergent crises in the future (Draghi 2009).

In the case of the United States, this requirement of Article IV consultations and FSAP evaluation as a requirement of membership is a crucial difference to membership in the Board as opposed to the Forum, as the US government had not accepted the need for the IMF to conduct an assessment of financial market regulation in the United States during the Forum's existence. The actual impact will depend on American willingness to accept it, however. Due to voting procedures in the Executive Board of the IMF, which grant the US government a continued blocking minority of 15 percent on crucial issues, it is questionable that the Board and the IMF could exert sufficient political pressure on the United States to converge its regulatory practices with those of the FSB's other members against its will.

The continued role for the World Bank and the IMF in reviewing economic policies and regulatory standards and the added role of the FSB indicate some overlap of the work that the three bodies conduct. This applies particularly to macro-prudential supervision, which asks whether regulatory standards generally are conducive to stability. The FSB appears to go beyond the approach by the World Bank and the IMF in dealing much more thoroughly with macro-prudential supervision by bringing together the micro-prudential supervisory practices for banking, insurance and securities markets, with the help of the international standard-setting bodies.

The third mechanism by which the Board increases its capacity for influence is to promote regulatory capacity at the national level. This is done by the peer review method characteristic of the open method of coordination, in which country reports are coupled with recommendations for national lawmakers and regulators. The FSB selects a number of countries to review in any given year. To date, the FSB has generated reports for Mexico, Italy and Spain, in each case recommending more robust tools of regulation and more aggressive approaches to collecting information and enforcing the law.

The fourth mechanism is the supervisory college, which has the primary mission of looking at concrete developments in G-SIFIs. The Board had established 30 colleges at the time of writing, each responsible for supervising a specific financial institution, and each incorporating regulatory supervisors from countries where the financial institution does the most business. This allows the Board to directly impact regulatory supervision alongside the national regulators who are ultimately responsible for them. The colleges, therefore, add value to the home country control model of regulation that remained the official model until the Board's establishment, so that supervisors from home and host countries are working together on an on-going basis to regulate not only the corporate headquarters, but the channels by which contagion can spread across borders (Guardian 2010). To date, however, the college model has not generated any public statements in the way that the Board does for countries.

Summary

The FSB was established to actively transform global financial market regulation. In contrast to its predecessor, the Financial Stability Forum, the Board had a mission to improve on global regulatory standards rather than simply to compile them. The Board discusses standards for financial market participants directly with international standard-setting bodies, with the regulatees themselves, with the national regulators who are on the front line of implementation, and with the national governments who set the legal frameworks in which those regulators do their jobs. Even more, it has the job of trying to model financial complexity and devise regulatory responses to meet the challenge. This means figuring out how different financial market participants – banks, insurance companies, pension funds, hedge funds, credit rating agencies and so on – relate to one another during a possible systemic collapse, and ensuring that standards and interventions support one another before and during a crisis. All of this work is carried out in part in committee, where first principles and generally applicable procedures can be discussed; in the supervisory colleges, where the Board can test and apply its knowledge in a real-life setting; and in the process of peer review, where national application of Board-approved standards can be reviewed and evaluated. This is not just an opportunity for the Board to recommend changes, which it presently does, but to observe how well the application of standards works in practice. Together, these institutional developments and mechanisms do more to develop concrete common goals, enhance transparency and generate peer pressure for institutional strengthening and isomorphism across countries than the Forum once did. They also represent the potential to establish joined-up regulatory standards that close up regulatory gaps. In this sense, the institutional changes at the Board are game-changing for the international financial architecture.

As great as these changes may be, they also preserve some of the self-regulatory practices that preceded the crisis and were identified with its onset. Rather than accommodate a debate about financial market practices in principle, the Board's current approach favors learning more about those practices, both generally and with regard to the world's 30 largest financial institutions. While the FSB's new members may individually critique financial market practices associated with the crisis, such as the widespread use of financial derivatives in banking or the self-regulation of credit rating agencies (for example, the assessment of Lui Mingkang, the President of the China Banking Regulatory Commission) (Wong 2008), the same views are not to be found in the G7 or the SSG, nor in the Board's common positions or in the communiqués of the G20. Instead of rethinking the viability of such practices, the Board prioritizes initiatives that allow "relaunching securitization on a sound basis" (Financial Stability Board 2009b). Indeed, the new members who have no history of using such instruments have remained relatively quiet and uncritical in Board deliberations on how to set systemic standards (Interview 2010). This allows the members of the SSG, expanded again in 2010 to include the jurisdictions of Hong Kong, Spain and Italy (Senior Supervisors Group 2010), to take the lead on devising disclosure and transparency measures that grant regulators and markets access to information that was previously unavailable to them. Although it is conceivable that the Board's attempt to promote regulation could change in the future, the existing state of research on how consensus is reached in international bodies such as the FSB (Koppel 2010) suggests that a small, cohesive group like the SSG will continue to set the tone for the foreseeable future, even if it has no formal status within the Board. This does not preclude that a more radical change of regulatory direction could happen, but it does mean that the impetus would come from G20 deliberations, rather than from the Board itself.

References

Bayne, Nicholas, 2000: The G7 Summit's Contribution: Past, Present and Prospective. In: Karl Kaiser/John J. Kirton/Joseph P. Daniels (eds.), *Shaping a New International Financial System*. London: Ashgate, 19–35.

Braithwaite, Tom/Benjamin Spiegel, 2011: US Defends its Banking Reforms. In: *Financial Times,* June 2.

Carvajal, Ana/Jennifer Elliott, 2009: *The Challenge of Enforcement in Securities Markets: Mission Impossible?* IMF Working Paper MCM. Washington, DC: International Monetary Fund.

Davies, Howard, 2010: Global Financial Regulation after the Credit Crisis. In: *Global Policy* 1(2), 185–190.

Draghi, Mario, 2009: Speech, April. [[Autor: Bitte Informationen zur Speech ergänzen.]]

——, 2010: *Letter to G20 Ministers and Governors: Progress on the Global Regulatory Reform Agenda*. April 19. Basel: FSB.

FSB (Financial Stability Board), 2009: *Charter of the Financial Stability Board*. Basel: FSB.

——, 2009a: *Financial Stability Board Holds Inaugural Meeting in Basel*. Press release, Ref. No. 28/2009, June 27. Basel: FSB.

——, 2009b: *Financial Stability Board Meets in Paris*. Press release, Ref. No. 37/2009, September 15. Basel: FSB.

——, 2010: *FSB Announces Future Peer Reviews*. Press release, Ref. No. 16/2010, March 30. Basel: FSB.

——, 2010a: *Promoting Global Adherence to International Cooperation and Information Exchange Standards*. March 10. Basel: FSB.

——, 2011: *Meeting of the Financial Stability Board*. Press release, Ref. No. 33/2011, July 18. Basel: FSB.

FSB, IMF, BIS, 2011: *Macroprudential Policy Tools and Frameworks: Update to G20 Finance Ministers and Central Bank Governors*. February 14. FSB, IMF, BIS. <www.imf.org/external/np/g20/pdf/021411.pdf>

FSF, 2008: FSF Working Group on Market and Institutional Resilience, *Interim Report to the G7 Finance Ministers and Central Bank Governors*. February 5. Basel: FSB. <www.financialstabilityboard.org/publications/r_0802.pdf>

G20, 2009: *Communiqué,* April. [[Autor: Bitte Informationen zum Communiqué ergänzen.]]

Germain, Randall D., 2001: Global Financial Governance and the Problem of Inclusion. In: *Global Governance* 7(4), 412–414.

Giannini, Curzio, 2000: The Role of the IMF as Lender of Last Resort. In: Karl Kaiser/John J. Kirton/Joseph P. Daniels (eds.), *Shaping a New International Financial System*. London: Ashgate: 143–149.

Griffith-Jones, Stephany/Eric Helleiner/Ngaire Woods, 2010: Introduction and Overview. In: Eric Helleiner/Ngaire Woods/Stephany Griffith-Jones (eds.), *The Financial Stability Board: An Effective Fourth Pillar of Global Economic Governance?* Waterloo: Centre for International Governance Innovation (CIGI).

Guardian, 2010: The Financial Stability Board: How It Will Work. In: *The Guardian*, April 4.

Helleiner, Eric, 2010: *The Financial Stability Board and International Standards?* CIGI G20 Paper 1. Waterloo: Centre for International Governance Innovation (CIGI).

IMF (International Monetary Fund)/FSB (Financial Stability Board), 2011*: The Financial Crisis and Information Gaps: Implementation Progress Report*. June.

Interview, 2008: *Interview with IOSCO Staff Member*. Madrid, August.

Interview, 2010: *Interview with FSB Staff Member*. Basel, June.

Jorion, Philippe, 2000: Risk Management Lessons from Long Term Capital Management. In: *European Financial Management* 6(3), 277–300.

Kaiser, Karl/John J. Kirton/Joseph P. Daniels (eds.), 2000: Introduction. In: *Shaping a New International Financial System*. London: Ashgate, 3–15.

Kirton, John, 2000: The Dynamics of G7 Leadership in Crisis Response and System Reconstruction. In: Karl Kaiser/John J. Kirton/Joseph P. Daniels (eds.), *Shaping a New International Financial System*. London: Ashgate, 65–93.

Koppel, Jonathan, 2010: *World Rule: Accountability, Legitimacy, and the Design of Global Governance*. Chicago: University of Chicago Press.

Langley, Paul, 2008: Sub-Prime Mortgage Lending: A Cultural Economy. In*: Economy and Society* 37(4), 469–494.

New Rules, 2011: *High-Level Panel on the Governance of the Financial Stability Board: Panelists' Terms of Reference*. Washington, DC. <www.new-rules.org/news/program-updates/358-tor-fsb-hlp> (accessed September 10, 2011)

Persaud, Avinash, 2010: The Locus of Financial Regulation. In: *International Affairs* 86(3), 637–646.

Senior Supervisors Group, 2008: *Observations on Risk Management Practices during the Recent Market Turbulence*. New York, March 6. <www.fsa.gov.uk/pubs/other/SSG_risk_management.pdf>

——, 2010: *Observations on Developments in Risk Appetite Frameworks and IT Infrastructure*. New York, December 23. Basel: FSB, BIS.

Tietmeyer, Hans, 1999: *International Cooperation and Coordination in the Area of Financial Market Supervision and Surveillance*. Report by Hans Tietmeyer, President of the Deutsche Bundesbank, Frankfurt, February 11.

US Treasury, 2009: *Press Briefing by Treasury Secretary Tim Geithner on the G20 Meeting*. Press release, U.S. Department of the Treasury, Pittsburgh, September 24.

Walter, Norbert, 2000: The New Financial Architecture for the Global Economy. In: Karl Kaiser/John J. Kirton/Joseph P. Daniels (eds.), *Shaping a New International Financial System*. London: Ashgate, 134–142.

Wong, Edward, 2008: Booming, China Faults U.S. on the Economy. In: *New York Times*, June 17.