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## NEWS RELEASE

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## **BSP GOVERNOR DIOKNO APPOINTED TO A 2ND TERM AS CO-CHAIR OF THE FSB REGIONAL CONSULTATIVE GROUP FOR ASIA**

Bangko Sentral ng Pilipinas (BSP) Governor Benjamin E. Diokno will serve a second term as co-chair of the Regional Consultative Group for Asia of the Financial Stability Board (FSB-RCGA). Coming from his current term which expires at the end of June 2021, this new two-year term is unprecedented under the current charter of the Regional Consultative Groups of the FSB.

"I am thankful for the privilege and welcome the challenge to serve a second term as co-chair of the RCGA. I look forward to the opportunity to actively work with my colleagues in the RCGA, addressing the after-effects of the pandemic and re-establishing financial stability in the region," said the Governor.

Governor Diokno first took the helm of the RCGA in July 2019, and his second term will end in June 2023.

Continuing from his recent initiatives, Governor Diokno said that he wants to amplify the voice of the emerging economies in the region in the discussion of systemic risks at the global stage.

As the Governor puts it, "the very point of the FSB in establishing the regional consultative groups is so that the discussions extend beyond the formal G20 membership. Global standards and best practices apply to all and we should leverage this opportunity to shape the discussion and its agreed outcomes."

The Governor's point rings particularly true at this time. While the policy objective of financial stability was drawn based on the lessons of the 2007 global financial crisis (GFC), the emergence of the COVID-19 virus is the systemic risk that was not foreseen. Many experts have previously pointed out that COVID-19 is a test case for how far the world has progressed on the financial stability agenda post-GFC, even though there is no ready playbook for the policy issues caused by this pandemic-cum-recession.

“I have said it before that our guiding principle moving forward is one of balance,” Governor Diokno said.

“We have to balance providing the interventions that address the needs today while remaining conscious of the possible longer-term effects of these interventions. As prudential authorities, we must balance the certainty provided by regulations against the need for flexibility so that we can respond to this once-in-a-lifetime crisis,” he added.

“I look forward to the next two years as the RCGA crafts solutions to urgent problems that have serious longer-term implications,” the Governor concluded.

The FSB-RCGA brings together national authorities responsible for financial stability in 17 jurisdictions. Its members include the financial authorities from Australia, Brunei Darussalam, Cambodia, China, Hong Kong SAR, India, Indonesia, Japan, Korea, Malaysia, New Zealand, Pakistan, the Philippines, Singapore, Sri Lanka, Thailand, and Vietnam.

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