

G-SIBs, peer reviews and non-bank financial intermediation

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Since November 2011, the FSB has published an annual list of global systemically important banks (G-SIBs). The list is based on an assessment methodology developed by the Basel Committee, which measures systemic importance through indicators of size, interconnectedness, substitutability, complexity and cross-jurisdictional activity.¹ The banks are allocated to buckets that determine the additional capital buffer they must hold, ranging from 1 to 3.5 per cent of risk-weighted assets. The list has usually contained around thirty banks. For many years, it included both UBS and Credit Suisse. After the acquisition of Credit Suisse by UBS, only UBS remained on the list, and the integration of the two banks raised questions about the bucket in which the combined institution should be placed.² The designation matters for the bank concerned because it triggers the higher capital buffer, the TLAC requirement, enhanced supervision and the establishment of a crisis management group.

A similar exercise for insurers was carried out between 2013 and 2019, when the FSB, in consultation with the IAIS, published a list of global systemically important insurers. The identification of insurers was suspended in 2020 and discontinued in 2022 in favour of the IAIS's Holistic Framework, which a later section of this chapter examines. The designation of non-bank, non-insurer institutions as systemically important, which the FSB and IOSCO had considered for asset managers and investment funds, was abandoned after strong opposition from the industry and some authorities, which argued that the risks of asset management arose from activities and could not be traced to individual entities.³

Peer review is the main instrument by which the FSB monitors the implementation of agreed standards. The Framework for Strengthening Adherence to International Standards, adopted in January 2010, obliges

member jurisdictions to undergo country peer reviews and thematic peer reviews on a regular basis.⁴ Country reviews examine the steps a jurisdiction has taken to follow up the recommendations of its last Financial Sector Assessment Program. Thematic reviews examine the implementation of a particular standard across all members. Switzerland underwent its first country peer review in 2012 and a further review later, each of which commented on the Swiss too-big-to-fail framework and the supervisory capacity of FINMA.⁵ In addition, the FSB maintains an implementation monitoring network that reports annually to the G20 on the status of reforms in all member jurisdictions.

Peer reviews are no sanctions in the legal sense. Their effect lies in the publicity they create and in the pressure exercised by the peers. A jurisdiction that lags behind in implementing agreed standards must explain itself before its peers and the G20. Its published reports are read by markets, rating agencies and the IMF. The same logic applies to non-cooperative jurisdictions. In 2010, the FSB launched an initiative to encourage adherence to international cooperation and information exchange standards, which led to the publication of lists of jurisdictions that had not demonstrated sufficient compliance. Switzerland, which had been criticised in other forums for its banking secrecy, was not among the jurisdictions identified as non-cooperative in this exercise.⁶

Non-bank financial intermediation has been a central topic of the FSB's work since the crisis. The FSB first spoke of "shadow banking", a term that it later replaced with the more neutral expression "non-bank financial intermediation" (NBFi). Its annual *Global Monitoring Report on Non-Bank Financial Intermediation* measures the size and composition of the sector, which according to its figures accounts for roughly half of global financial assets.⁷ The turmoil in financial markets in March 2020, at the outbreak of the Covid-19 pandemic, revealed vulnerabilities in money market funds, open-ended investment funds and the use of leverage by non-banks. The FSB responded with policy proposals on money market funds in 2021, with revised recommendations on liquidity mismatch in open-ended funds in 2023 and with work on margining practices and on leverage in non-bank financial intermediation, which it finalised in 2025.⁸ The collapse of the family office Archegos Capital Management in 2021, which caused losses of about USD 5.5 billion at Credit Suisse, gave this work a direct connection with the Swiss financial centre.

1 Notes

1. BCBS, Global Systemically Important Banks: Assessment Methodology and the Additional Loss Absorbency Requirement, November 2011, revised July 2013 and July 2018; FSB, annual List of Global Systemically Important Banks. To be verified. ↩
2. FSB, 2023 List of Global Systemically Important Banks and later lists; allocation of UBS to its bucket. Figures and status to be verified. ↩
3. On the G-SII list (2013–2019), its suspension and the FSB's decision of December 2022 to discontinue the annual identification, see FSB press releases of November 2019 and December 2022; on the abandoned NBNI G-SIFI methodology, see FSB and IOSCO consultation documents of 2014 and 2015. To be verified. ↩
4. FSB, Framework for Strengthening Adherence to International Standards, 9 January 2010; FSB, Handbook for FSB Peer Reviews (latest version). To be verified. ↩
5. FSB, Peer Review of Switzerland, January 2012, and subsequent country peer review of Switzerland. Dates and findings to be verified. ↩
6. FSB, Promoting Global Adherence to Regulatory and Supervisory Standards on International Cooperation and Information Exchange, progress reports of November 2010 and March 2011 and later. To be verified. ↩
7. FSB, Global Monitoring Report on Non-Bank Financial Intermediation (annual, latest edition); share of NBFI in total global financial assets according to the latest report. Figures to be verified. ↩
8. FSB, Policy Proposals to Enhance Money Market Fund Resilience, October 2021; FSB, Revised Policy Recommendations to Address Structural Vulnerabilities from Liquidity Mismatch in Open-Ended Funds, December 2023; FSB, recommendations on leverage in NBFI (2025). Status to be verified. ↩

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