

The Financial Stability Institute and central bank governance

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The Financial Stability Institute (FSI) was set up by the BIS and the Basel Committee at the end of the 1990s, with the task of assisting financial sector supervisors around the world in improving and strengthening their financial systems.¹ The Institute responded to a problem that the Asian crisis had made obvious. Standards adopted in Basel were of little use if supervisors in emerging and developing countries lacked the training and resources to implement them. The FSI organises seminars and high-level meetings for supervisors, often in cooperation with regional groups of supervisors, and publishes policy analyses in its *FSI Insights* series. Its online learning platform, FSI Connect, which was launched in the mid-2000s, offers tutorials on banking, insurance and payment regulation that are used by thousands of supervisory staff worldwide.²

In recent years, the FSI has extended its work to supervisory technology, the regulation of fintech, crypto-assets and digital assets, and climate-related financial risks. Its analyses of the regulatory treatment of big tech firms in finance, of the use of artificial intelligence by financial institutions and of the implementation of the Basel standards in different jurisdictions have become reference documents for supervisors. In this sense, the FSI is the transmission belt of the Basel Process: it carries the standards developed by the committees to the authorities that must apply them and returns their experience to Basel.

A smaller but influential body is the Central Bank Governance Group, which brings together governors of central banks from different regions and serves as a forum for the exchange of views on the design and operation of central banks as public institutions. It is supported by the Central Bank Governance Forum, which collects information on the legal frameworks, decision-making structures and accountability arrangements of central banks.³ Questions of central bank independence, mandates, the

composition of decision-making bodies and transparency have gained new urgency since central banks expanded their balance sheets during the crises of 2008 and 2020 and since some governments have questioned their independence. For the SNB, a listed company with private shareholders and a statutory mandate under the National Bank Act, comparative work of this kind offers a mirror in which its unusual structure can be seen.

1 Notes

1. BIS, FSI website, "About the FSI"; the FSI dates its establishment to 1998/1999. Date to be verified. ↩
2. BIS, FSI Connect, online learning tool for financial sector supervisors; number of subscribing authorities and users according to the BIS annual report. Figures to be verified. ↩
3. BIS, Central Bank Governance Forum and Central Bank Governance Group, as described on the BIS website; BIS, Issues in the Governance of Central Banks, report of the Central Bank Governance Group, May 2009. To be verified. ↩

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