

PARTNER: FINANCIAL STABILITY INSTITUTE (FSI) OF THE BANK FOR INTERNATIONAL SETTLEMENTS (BIS)

Background

The *Financial Stability Institute* (FSI) was jointly created in 1998 by the *Bank for International Settlements* (BIS) and the Basel Committee on Banking Supervision. The FSI's mandate is to assist supervisors around the world in improving and strengthening their financial systems.

The objectives of the FSI are to:

- promote sound supervisory standards and practices globally and support full implementation of these standards in all countries;
- keep supervisors updated with the latest information on market products, practices and techniques;
- provide a venue for policy discussion and sharing of supervisory practices and experiences; and
- promote cross-sectoral and cross-border supervisory contacts and cooperation.

The FSI delivers on its mandate by supporting the implementation of global regulatory standards and sound supervisory practices by central banks and financial sector regulatory and supervisory authorities worldwide. This work is mainly conducted through:

- *Publications*
- *Outreach events*
- *FSI Connect*

Sustainability objectives

In early 2021, the FSI will publish an FSI Connect tutorial based on the NGFS supervisory handbook – 'Greening Supervision'. To support the dissemination of the handbook, the tutorial will cover aspects of how supervisory authorities can arrange themselves organisationally to address climate risks, how to embed climate risk assessment into supervisory frameworks, and the tools that are available to encourage financial institutions to address climate risk in a more direct way.

Membership of any other initiatives/networks working on sustainability

The FSI represents the BIS in various sustainability-related working groups of the following bodies:

- IAIS
- NGFS
- BCBS

Recent engagement with SIF

The SIF Secretariat contributed to the FSI Insights publication *Turning up the heat – climate risk assessment in the insurance sector* published in 2019. FSI has produced climate risk tutorials (based on the 2018 *SIF/IAIS Issues Paper on Climate Change Risks to the Insurance Sector*), which can be

previewed through this [link](#) and accessed on [FSI Connect](#). The FSI will develop an FSI Connect tutorial on the future SIF/IAIS Application Paper on the Supervision of Climate-related Risks in the Insurance Sector.

The FSI co-hosted the Eighth meeting of the Sustainable Insurance Forum (SIF8) in February 2020, which was held as a half-day meeting alongside the FSI Cross-sectoral Policy Implementation Meeting on Climate Risk Assessment. FSI has also participated in SIF's virtual meetings in May 2020, providing inputs to help SIF develop their future work programme 2021-2023.

