

Financial Stability Oversight Council Releases Annual Report

December 14, 2017

Washington – The Financial Stability Oversight Council (Council) today published its 2017 annual report. The report describes significant financial market and regulatory developments, potential emerging threats to U.S. financial stability, recommendations to promote financial stability, and the activities of the Council. The report was developed collaboratively by the members of the Council and their agencies and respective staff and was approved unanimously by voting members of the Council.

The report notes that the U.S. financial regulatory system should promote economic growth by preventing financial crises and also minimizing regulations that increase costs without commensurate benefits.

"The annual report is the culmination of a productive and collaborative process among all of FSOC's members," said Treasury Secretary Steven T. Mnuchin. "We received valuable input from the other agencies, and I look forward to working with them on implementing the recommendations."

Additional recommendations in the annual report include:

- The Council supports the creation of a private sector council of senior executives to collaborate with regulators and focus on the ways that cyber incidents could impact businesses.
- Financial regulators should ensure that financial institutions have sufficient capital and liquidity to reduce their vulnerability to economic and financial shocks. Additionally, regulators should continue to monitor and assess the impact of rules on financial institutions and markets.
- Regulators should continue to evaluate whether existing rules and standards for central counterparties and their clearing members are sufficiently robust to mitigate potential threats to financial stability.

- The Securities and Exchange Commission should monitor and assess the effectiveness of money market mutual fund reforms that were implemented last year.
- Regulators and market participants should complete work on alternative reference rates, and take appropriate steps to mitigate disruptions associated with the transition to a new reference rate.
- Regulators and market participants should continue work to improve the coverage, quality, and accessibility of financial data, as well as data sharing between and among relevant agencies.

[View the 2017 Annual Report](#)  .

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