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FINANCIAL STABILITY COORDINATION COUNCIL

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FSCC PURSUES INITIATIVES TO SUSTAIN MACRO-FINANCIAL STRENGTH

The Financial Stability Coordination Council (FSCC) held its quarterly meeting on August 14 to assess potential risks to the stability of the local financial system.

The FSCC recognizes the increased volatility in macro-financial markets where interest rates have generally become more volatile, investors have rebalanced towards safe haven currencies, and threats to global economic growth have increased.

To sustain the growth of the Philippine economy and in support of the infrastructure development initiatives of the government, the FSCC considered various proposals to strengthen long-term finance, enhance valuation practices for market instruments, as well as broadening its communication initiatives.

“Financial markets are extraordinarily volatile this year and the FSCC continuous to assess the possible impact to the Philippines of changing macro-financial conditions” said BSP Governor Nestor A. Espenilla, Jr. who also is the Chairperson of the FSCC.

“The challenge is to intervene early enough so that systemic risks do not build up but not too early that they derail our own growth momentum. We continue to be cognizant of this delicate balance, nurturing innovations and ideas while providing appropriate prudential oversight” added Governor Espenilla.

Different jurisdictions have different definitions for financial stability but all of them share the common feature that a well-functioning financial system is essential to the achievement of financial stability. The focus of the FSCC is consistent with this broad view as it considers various cross-cutting issues that may impact on the Philippines financial market.

The FSCC Executive Committee is composed of the principals and the most senior officers from the Bangko Sentral ng Pilipinas, the Department of Finance, the Bureau of the Treasury, the Insurance Commission, the Philippine Deposit Insurance Corporation, and the Securities and Exchange Commission.

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