



Securities and
Exchange
Commission
PHILIPPINES

NEWS RELEASE

FOR IMMEDIATE RELEASE

Date: ___ March 2019

Ref. Code: NR 2019-_____

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NEW FSCC CHAIR DIOKNO LEADS DISCUSSION ON POSSIBLE SYSTEMIC RISKS IN LOCAL FINANCIAL MARKET

The Financial Stability Coordination Council (FSCC), in its quarterly meeting, welcomes its new chairman, Bangko Sentral ng Pilipinas (BSP) Governor Benjamin E. Diokno, replacing the late BSP Governor and FSCC Chairman Nestor A. Espenilla, Jr., who passed away last month.

The new BSP Governor said that he will continue to build on the progress made by the FSCC as the venue for financial market authorities to identify, monitor, manage, and mitigate the build up of systemic risk in the Philippine financial system.

For his maiden meeting, BSP Governor Diokno led the assessment on the impact of the slowing global growth on the Philippines, as well as the changing economic landscape in both the US and China.

“Global markets were turbulent when we closed 2018 and there are new developments at the start of 2019 that could affect financial markets,” said BSP Governor Diokno. He added that “we need to consider the possible scenarios and steer our financial system so that we can effectively manage these possibilities, and continue with our economic growth agenda.”

Local market conditions were likewise reviewed, including the state of the banking industry and the corporate sector. The analysis of the Council is expected to be shared publicly with the release of the 2018 Financial Stability Report (FSR) in the second quarter of this year.

The Council also discussed the key takeaways from the BSP-IMF Regional Dialogue on Financial Stability for ASEAN Central Banks held in January 2019. Among the issues discussed was the need for greater clarity of the scope of financial stability, alongside other policy objectives and advocacies of financial authorities. The FSCC considered a draft and it expects to finalize it soon.

The FSCC is an inter-agency council with the BSP, the Department of Finance, the Insurance Commission, the Philippine Deposit Insurance Corporation, and the Securities and Exchange Commission as member institutions.

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