

**EXECUTIVE
BOARD
MEETING**

SM/20/9
Supplement 1

January 23, 2020

To: Members of the Executive Board

From: The Secretary

Subject: **Austria—Financial System Stability Assessment—Draft Press Release**

Board Action: Executive Directors' **consideration** (Formal)

Tentative Board Date: **Friday, January 24, 2020**

Publication: Yes*

Questions: Ms. Melo, MCM (ext. 36485)
Ms. Valderrama, MCM (ext. 37816)
Ms. Morozova, MCM (ext. 35666)

***Unless an objection from the authorities is received prior to the conclusion of the Board's consideration, the press release will be published.**



INTERNATIONAL MONETARY FUND



Press Release No. 20/x
FOR IMMEDIATE RELEASE
January xx, 2020

International Monetary Fund
700 19th Street, NW
Washington, D. C. 20431 USA

IMF Executive Board Concludes Austria's 2019 Financial System Stability Assessment

On January 24, 2020, the Executive Board of the International Monetary Fund (IMF) discussed the Financial System Stability Assessment (FSSA) of Austria.¹

Growth in Austria has been strong, but the outlook has moderated. Structural financial system characteristics include a large and tiered banking system, complex ownership structures and financial interlinkages, and a focus on central, eastern, and southeastern Europe (CESEE) markets.

The Austrian authorities have proactively strengthened the financial stability framework since the previous Financial Sector Assessment Program (FSAP). The macroprudential policy framework has been enhanced, tools targeted at systemic risk buildup have been activated, and minimum standards to contain risks in CESEE countries and foreign currency lending have been issued. The regulatory framework has been amended to address some of the 2013 FSAP recommendations, including enhancing the early intervention framework. Crisis management and resolution frameworks have been expanded and ex ante-funded guarantee deposit guarantee schemes (DGS) were launched in 2019, in line with one of the key 2013 FSAP

¹ The Financial Sector Assessment Program (FSAP), established in 1999, is a comprehensive and in-depth assessment of a country's financial sector. FSAPs provide input for Article IV consultations and thus enhance Fund surveillance. FSAPs are mandatory for the 29 jurisdictions with systemically important financial sectors and otherwise conducted upon request from member countries. The key findings of an FSAP are summarized in a Financial System Stability Assessment (FSSA), which is discussed by the IMF Executive Board. In cases where the FSSA is discussed separately from the Article IV consultation, at the conclusion of the discussion, the Chairperson of the Board summarizes the views of Executive Directors and this summary is transmitted to the country's authorities. An explanation of any qualifiers used in a summing up can be found here:

<http://www.imf.org/external/np/sec/misc/qualifiers.htm>.

recommendations. Significant progress has been made in aligning Austria's anti-money-laundering/combating the financing of terrorism (AML/CFT) framework with the Financial Action Task Force (FATF) standards.

Executive Board Assessment²

² At the conclusion of the discussion, the Managing Director, as Chairman of the Board, summarizes the views of Executive Directors, and this summary is transmitted to the country's authorities. An explanation of any qualifiers used in summings-up can be found here: <http://www.imf.org/external/np/sec/misc/qualifiers.htm>.