

Cabinet News and Views

Informed analysis for the financial services industry



Meeting of G7 Finance Ministers and Central Bank Governors: Crypto-Asset Regulation



By **Michael Sholem**
Partner | Financial Regulation

The G7 Finance Ministers and Central Bank Governors recently met in Petersberg, Germany, from May 18 and 20. They were joined by the heads of the International Monetary Fund, World Bank Group, Organisation for Economic Cooperation and Development, and the Financial Stability Board (“FSB”). The Ukrainian Prime Minister and Finance Minister were also in attendance.

After the meeting on May 20, a [joint communiqué](#) was released on behalf of the G7 Finance Ministers and Central Bank Governors. A wide range of topics was discussed during the meeting, including: the continued economic support for Ukraine; macroeconomic stability; global health and the COVID-19 pandemic; digitalisation; climate and the environment; sustainability of the financial market; and international financial architecture.

The G7 reiterated their support for the FSB’s role to oversee and address stability risks in the financial market arising from all forms of crypto-assets. Furthermore, they have welcomed the global cooperation to resolve current crypto-asset regulatory issues, particularly in the area of cross-border payments.

Given the recent developments and uncertainty in the crypto-asset market, the G7 are asking the FSB to coordinate with international standard-setters to rapidly develop and implement a consistent and comprehensive regulation of crypto-asset issuers and service providers. This is carried out with the goal of holding crypto-assets (including stablecoins) to the same standards as the rest of the financial system. Critically, the G7 have called for the implementation of the Financial Action Task Force “travel rule,” with the implementation of stronger disclosure and regulatory reporting requirements.

In their joint communiqué, when discussing reserve assets backing stablecoins, the G7 “reaffirm that no global stablecoin project should begin operation until it

adequately addresses relevant legal, regulatory and oversight requirements through appropriate design and by adhering to applicable standards.”
