

Memo for Financial Stability Oversight Committee (FSOC)

From	Review of key capital settings team (Stephanie Zhang and Charles Lilly)
Date	9 July 2025
Subject	Review of key capital settings – Discussion with international experts on 9 July
Value(s)	Wānanga/Innovation
For your	Information

Purpose

The purpose of this memo is to provide information to support FSOC’s discussion with the international experts to the Review of key capital settings (the Review).

Recommendations

We recommend that FSOC:

1. **Note** that the Terms of Reference for the Review agreed that it would utilise international experts to undertake research that will inform the options, review the Reserve Bank’s options and recommendations, and support the Reserve Bank’s decision makers in reaching decisions.
2. **Note** that FSOC will meet with the international experts engaged to do this work, Sir John Vickers and Thorsten Beck, on 9 July to discuss their initial thoughts on our approach and draft proposals (set out in the draft Board paper at Annex 1). This memo includes an agenda and biographies.
3. **Note** that James Beard, Acting Deputy Secretary Economic Policy at The Treasury, will be attending this discussion as an observer.
4. **9(2)(g)(i)** [Redacted]
5. **Note** this memo includes the next steps following the discussion on 9 July 2025, including:
 - i. that the draft Board paper will be updated in response to feedback at FSOC’s discussion with the international experts, and will be re-submitted to FSOC and the Board ahead of their meetings on 16 and 24 July 2025 respectively.
 - ii. that the international experts will provide short written memos outlining their initial views on the policy proposals for consultation to support the Board’s consideration of the policy positions on 24 July 2025.

Agenda and biographies

Agenda

Item	Lead
1. Welcome and introduction	Chair
2. Overview of plan for engagement with the Experts during the Review (including current status of engagement and intended interaction with FSOC)	Angus/Jess
3. Discussion: <ul style="list-style-type: none"> Experts' initial feedback on proposed approach and direction of travel of policy positions Q&A from FSOC members 	Chair

Biographies

- Sir John Vickers, Professor of Economics at Oxford University. Sir John is a former Chief Economist at the Bank of England and was Chair of the 2010-11 UK Independent Commission on Banking. He is an expert in competition and regulation.
- Thorsten Beck is Director, European University Institute and is co-chair of the Advisory Scientific Committee of the European Systemic Risk Board. He is an expert in the relationship between finance and economic development.

James Beard, Acting Deputy Secretary Economic Policy at the Treasury, will be attending this discussion as an observer.

Next Steps

Following the discussion on the 9 July 2025:

Date	Action
10 – 11 July	We will incorporate feedback that results from your discussion with the international experts into the final Board paper and finalise any placeholders in the paper.
11 July	FSOC and the Board will receive the final FSOC and Board papers to support their consideration of policy positions for consultation on 16 July and 24 July respectively.
16 July	FSOC considers the proposed policy positions for consultation.
18 July	We will submit any additional appendices for the Board (e.g. short written memos from the experts outlining their initial views on the policy proposals for consultation, any additional material requested at the 16 July FSOC meeting).
24 July	Board consideration of the proposed policy positions for consultation.

Subject to feedback from the FSOC and Board, we will draft and finalise a consultation paper for public consultation. FSOC will be provided with a draft of the consultation paper for feedback between 8 and 11 August. We are working towards 6 weeks of public consultation, opening on 25 August and closing on 3 October.