



November 13, 2008

Dear Ministers and Governors:

The financial crisis has underscored the importance of international coordination both in responding to the crisis and in developing and implementing policies for a sounder financial system.

Coordination is important as well across the international financial institutions and bodies that support the efforts of national governments, including the IMF and the FSF.

In view of the ongoing financial crisis and against the background of the upcoming G20 Leaders' Summit on Financial Markets and the World Economy, we have decided to enhance our collaboration and would like to clarify how we see the roles of our respective bodies in that regard.

1. Surveillance of the global financial system is the responsibility of the IMF.
2. Elaboration of international financial sector supervisory and regulatory policies and standards, and coordination across the various standard setting bodies, is the principal task of the FSF. The IMF participates in this work and provides relevant inputs as a member of the FSF.
3. Implementation of policies in the financial sector is the responsibility of national authorities, who are accountable to national legislatures and governments. The IMF assesses authorities' implementation of such policies through FSAPs, ROSCs and Article IVs.
4. The IMF and the FSF will cooperate in conducting early warning exercises. The IMF assesses macro-financial risks and systemic vulnerabilities. The FSF assesses financial system vulnerabilities, drawing on the analyses of its member bodies, including the IMF. Where appropriate, the IMF and FSF may provide joint risk assessments and mitigation reports.

Our shared goal is to strengthen the international financial system. To that end, the IMF and the FSF stand ready to support the work of the G20.

Sincerely yours,

Handwritten signature of Dominique Strauss-Kahn in black ink.

Dominique Strauss Kahn  
Managing Director  
International Monetary Fund

Handwritten signature of Mario Draghi in black ink.

Mario Draghi  
Chairman  
Financial Stability Forum