Eleventh Annual International Seminar on Policy Challenges for the Financial Sector

Seeing Both the Forest and the Trees-
Supervising Systemic Risk

June 1-3, 2011
Washington, D.C.

Co-hosted by
The Board of Governors of the Federal Reserve System, The International Monetary Fund, and The World Bank

AGENDA

Wednesday, June 1, 2011

Marriner S. Eccles Building
Federal Reserve Board
20th and C Streets, N.W.
Washington, D.C.

9:15 – 9:45 Registration and Light Breakfast

9:45 – 9:55 Welcoming Remarks and Administrative Announcements
Sarkis Yoghourtdjian, Assistant Director, Division of Banking Supervision and Regulation, Board of Governors of the Federal Reserve System

9:55 – 10:05 Opening Remarks
Patrick Parkinson, Director, Division of Banking Supervision and Regulation, Board of Governors of the Federal Reserve System

10:05 – 10:15 Inaugural Address
Ben Bernanke, Chairman, Board of Governors of the Federal Reserve System

10:15 – 10:30 Coffee Break
10:30 – 11:00  **Keynote Address**
Riad Toufic Salamé, Governor, Central Bank of Lebanon

11:00 – 12:30  **Session 1: Addressing “Too Big to Fail”—Restricting Size, Scope, and Corporate Structure?**
Several novel approaches have been suggested to reduce the probability of failure of institutions perceived as “Too Big To Fail”; e.g., by restricting the activities they can undertake. This session will examine the outcome of these proposals and the challenges that their application and their wider acceptance could pose.

Session Chair: Maryann F. Hunter, Deputy Director, Division of Banking Supervision and Regulation, Board of Governors of the Federal Reserve System

Speakers: Ron Feldman, Senior Vice President, Federal Reserve Bank of Minneapolis
Thomas Huertas, Member of the Executive Committee, U.K. Financial Services Authority
Morris Goldstein, Senior Fellow, Peterson Institute for International Economics

12:45 – 2:30  **Luncheon (by invitation only)**
Hosted by the Board of Governors of the Federal Reserve System; Terrace Level—Dining Room E

Keynote Speaker: J. Nellie Liang, Director, Office of Financial Stability, Policy and Research, Board of Governors of the Federal Reserve System

2:30 – 4:00  **Session 2: Improving supervisory intensity and effectiveness in dealing with SIFIs**
While discussions are still ongoing on the regulatory approaches for dealing with SIFIs through higher prudential requirements, there is a broad consensus that their supervision needs to be made more effective. This session will discuss the approaches that are being contemplated for banks and non-banks and what is needed to make them successful.

Session Chair: Jonathan Fiechter, Deputy Director, Monetary and Capital Markets Department, International Monetary Fund

Speakers: Nor Shamsiah, Deputy Governor, Bank Negara Malaysia
Krirk Vanikkul, Deputy Governor, Bank of Thailand
Aerdt Houben, Director Financial Stability Division, De Nederlandsche Bank, Chair of the FSB Working Group on Data Gaps

4:00 – 4:15  **Coffee Break**
4:15 – 5:45  
**Session 3: Policing the Perimeter—Monitoring Risks in the Shadow Banking System**

*Much of the regulatory response has been targeted at banks and there is concern that risks could be pushed further into the less-regulated shadow banking system. This session will discuss how this segment could be drawn in to the regulatory perimeter and the risks monitored.*

Session Chair: Aditya Narain, Division Chief, Monetary and Capital Markets Department, International Monetary Fund

Speakers: Atsushi Miyanoya, Director-General, Financial System and Bank Examination Department, Bank of Japan  
Tobias Adrian, Vice President, Federal Reserve Bank of New York  
Liao Min, Director General, Shanghai Office, China Banking Regulatory Commission

5:45 – 6:15  
**Group Photograph**

6:15 – 7:15  
**Reception (by invitation only)**

Hosted by the Board of Governors of the Federal Reserve System, Eccles Building Atrium

**Thursday, June 2, 2011**

Venue: The International Monetary Fund  
Headquarters 1 Building, Meeting Halls A and B  
700 - 19th Street, N.W.  
Washington, D.C. 20431

8:30 – 9:00  
**Check-in and Light Breakfast**

9:00 – 9:30  
**Opening Remarks**

Speaker: José Viñals, Director and Financial Counselor, Monetary and Capital Markets Department, International Monetary Fund

9:30 – 11:00  
**Session 4: Different strokes for different folks - experience and expectations from macroprudential policy responses**

*Consensus is evolving on what the macroprudential policy framework should entail. Meanwhile, some national and regional authorities have set up arrangements to provide a coherent macroprudential response. This session will share experiences on how these arrangements are functioning and the challenges and opportunities that they present.*
Session Chair: Jan W. Brockmeijer, Deputy Director, Monetary and Capital Markets Department, International Monetary Fund

Speakers: Anand Sinha, Deputy Governor, Reserve Bank of India
         Mauro Grande, European Central Bank, Director General, Directorate for General Financial Stability
         Caio Fonseca Ferreira, Senior Advisor to the Executive Board, Central Bank of Brazil

11:00 – 11:15  Coffee Break

11:15 – 12:45  Session 5: Preparing for the 1,000 year floods—new instruments and new roles
The crisis has reemphasized or redefined several roles, including that of bank management and their creditors, in how they should contribute to the preparations for distress, and the instruments that can aid in this. This session will discuss the plans for, and experience in, instruments such as contingent capital, bail-ins and living wills.

Session Chair: Robert Sheehy, Deputy Director, Monetary and Capital Markets Department, International Monetary Fund

Speakers:  Thomas J. Jordan, Vice Chairman of the Governing Board, Swiss National Bank
           Paul Wright, Senior Director, Institute of International Finance
           Mark van der Weide, Senior Associate Director, Board of Governors of the Federal Reserve System

12:45 – 2:15  Luncheon (by invitation only)
Hosted by the International Monetary Fund
Headquarters 1 Building, Gallery, Second Floor
700 - 19th Street, N.W.
Washington, D.C. 20431

Keynote Address
John Lipsky, Acting Managing Director, International Monetary Fund

2:15 – 3:45  Session 6: Resolving the big bangs—cooperation and coordination before and after things go wrong
The crisis has proven the need for coordination and cooperation among supervisory authorities, especially for effective resolution of large cross-border financial groups. This session will discuss the various dimensions of interaction among relevant authorities during early intervention and resolution of financial institutions.
Session Chair: Barend Jansen, Assistant General Counsel, Legal Department, International Monetary Fund

Speakers: Eva Hüpkes, Advisor, Financial Stability Board
Louis Kasekende, Deputy Governor, Bank of Uganda
Jack P. Jennings, Senior Associate Director, Board of Governors of the Federal Reserve System
Antonio Pancorbo de Rato, Senior Advisor, Directorate General of Regulation, Bank of Spain

3:45 – 4:00
Coffee Break

4:00 – 5:00
Session 7: Breakout Groups
Participants will choose from among these topics to discuss the challenges in their countries and to share experiences.

A. Where should macroprudential responsibilities be located?
This group will discuss the emerging national arrangements for determining and implementing macroprudential policy responses and the role of financial stability committees.
Moderator: Michael Moore, Deputy Division Chief, Monetary and Capital Market Department, International Monetary Fund

B. How to better define the roles and responsibilities of supervisors and resolution authorities?
This group will discuss current and proposed arrangements for bank recovery and resolution as well as the need for coordination between supervisory and resolution authorities.
Moderator: Jack P. Jennings, Senior Associate Director, Board of Governors of the Federal Reserve System

C. Pillars II and III under Basel III—Are they still important?
This group will discuss how these pillars adapt to remain meaningful and to provide a friction free interface with Basel III.
Moderator: Damodaran Krishnamurti, Senior Financial Sector Specialist, Financial Systems Department, The World Bank

5:00 – 6:00
Session 8: Reports from Breakout Groups and General Discussion

Session Chairs: Jonathan Fiechter, Deputy Director, Monetary and Capital Markets Department, International Monetary Fund
David Scott, Program Manager, Financial and Private Sector Development, The World Bank
6:30 – 8:00  **Dinner (by invitation only)**  
Hosted by Ms. Sri Mulyani Indrawati, Managing Director, The World Bank Group, former Indonesian Finance Minister  
The World Bank, 12th Floor Gallery

**Friday, June 3, 2011**

Venue: World Bank  
Main Complex Building, Executive Board Room  
Room MC13-121  
1818 H Street, N.W. (corner of 18th and H Streets)  
Washington, D.C.

9:00 – 9:30  **Keynote Address:**  
Martin J. Gruenberg, Vice Chairman, Federal Deposit Insurance Corporation, Chairman of the Executive Council and President of the International Association of Deposit Insurers (IADI)

9:30 – 11:15  **Session 9: Continuing Reforms in the Aftermath of the Crisis**  
*While significant progress has been made in a number of areas, the international community recognizes that some outstanding issues need to be tackled in order to provide a strong base for sustainable development.*

Session Chair: Consolate Rusagara, Director, Financial Systems Department, The World Bank

Speakers:  
Access to Financial Services - The Role of Regulators: Carlos Herrera Serrano, Executive Vice-President for Regulatory Policy, Mexican Banking and Securities Commission  
Improving Consumer Protection: Susan Rutledge, Coordinator, Consumer Protection and Financial Literacy Program, World Bank  
Technology, Regulation, and Access to Finance: Michael Klein, Professor, Frankfurt School of Finance and Management and Senior Visiting Professor, Johns Hopkins University  
Access to Finance – Country Experience: Hala Helmy El-Said, Executive Director, Egyptian Banking Institute

11:15 – 11:30  **Coffee Break**
11:30 – 1:00

**Session 10: Sovereign Risks—Dealing with the New Reality?**

*Risk-free exposure to sovereigns has formed the basis for many regulatory prescriptions. Now, some sovereign balance sheets under strain have themselves become sources of risk for banks and other market participants. How should this conundrum be approached by national supervisors?*

Session Chair: Christopher Towe, Deputy Director, Monetary and Capital Markets Department, International Monetary Fund

Speakers: Manuel Marfán, Deputy Governor, Central Bank of Chile

Gamal Negm, Sub-Governor Banking Supervision, Central Bank of Egypt

Jayan Dhru, Managing Director, Global Financial Institutions Group, Standard and Poor’s
Program Managers

Oana M. Nedelescu, Senior Financial Sector Expert, Monetary and Capital Markets Department, International Monetary Fund

Jay Surti, Senior Economist, Monetary and Capital Markets Department, International Monetary Fund

David Scott, Program Manager, Financial Systems Department, Finance and Private Sector Development Vice - Presidency, The World Bank

Murat Arslaner, Research Analyst, Financial Systems Department, Finance and Private Sector Development Vice - Presidency, The World Bank

Sarkis Yoghourtdjian, Assistant Director, Division of Banking Supervision and Regulation, Board of Governors of the Federal Reserve System