Motivation

Making headway for a better and safer financial system has come to a halt. Oblivion of the costs of crisis, manifold calls for more efficiency in regulation, and recent policy developments all indicate a return to somewhat laxity in the financial reform process and in implementing rules. Obvious signs are that the finalisation of the Basel III accord is put on ice, that weak banks are still protected by their governments, and that according to comments in the U.S. and the U.K. we have to suspect a loosening of regulatory standards and practice. Inconsistencies, complexity and complaints about the burden of regulatory requirements mix with increasingly using regulation as competition policy.

Taking in mind that problems of today have partly been caused by the financial crisis and its aftermath, and that the EU cannot withstand another crisis, this is a hazardous drift away. The conference therefore takes a foremost policy-oriented stance to discuss some of the most crucial issues lying ahead. Central questions are the future prospects for international cooperation on regulation, and how to tackle the challenges for achieving a sustainable financial order in the EU. In this respect, the logic of existing bank regulation, the ECB policy as regards financial stability, and the issue of how to deal with non viable banks are controversial topics to be discussed.

The conference brings together regulators, scientists, politicians, industry and organisations. We are convinced that generating an open, public and critical debate is very reasonable and also necessary to build a more safe and resilient financial system which better fulfills its vital functions in serving the economy and society. In this regard, the conference will give an inspiring opportunity.

EU at Crossroads: How to respond to Misalignments in Bank Regulation and achieve a consistent Financial Framework?
DISAGGREG IN REGULATION: HOW TO RESPOND?

Program

9:00 Opening
Martin Aehling, Head, Financial Risk and Stability Network

9:15 Address
Dr. Matthias Kollatz-Ahnen, Senator for Finance, Berlin

9:30 Panel I - Impulses
Dr. Vincenzo La Via, Italian Ministry of Economy and Finance
Dr. Ludger Schuknecht, German Federal Ministry of Finance

9:50 Panel I - Discussion
The Changing Bias of international financial Order:
A global and political Perspective
- Policy Changes and Revisions to Regulation: Where are we heading now?
- Regulatory Arbitrage and Spillovers: What Implications for financial Stability?
- Regulatory and monetary Policy Coordination: How to deal with Conflicts?
- Transformation of the global financial Sector: Time for pivotal Responses!
Denis Beau, Deputy Governor, Banque de France
Dr. Vincenzo La Via, Director General of the Treasury, Italian Ministry of Economy and Finance
Rebekah Goshorn Jurata, Deputy Assistant Secretary, International Financial Stability and Regulation, U.S. Department of the Treasury
Prof. Richard Portes, Professor of Economics, London Business School
Dr. Ludger Schuknecht, Chief Economist and Director General Fiscal Policy and International Financial and Monetary Policy, German Federal Ministry of Finance
Moderation: Dr. Maria Demertzis, Deputy Director, Bruegel

11:00 Coffee

11:30 Controversy I
The Logic of financial Regulation and Reality:
Lost in Complexity and Competition Policy?
Andrea Enria, Chairperson, European Banking Authority
Prof. José Manuel Gonzalez-Páramo, Executive Board Director, BBVA
Dr. Beverly Hirtle, Executive Vice President, Federal Reserve Bank of New York
Dr. Sven Scholo, Partner, Linklaters
Moderation: Prof. Xavier Vives, Professor of Economics and Financial Management, IESE Business School

12:30 Lunch

13:30 Panel II
Financial Stability in Times of Changing Central Bank Policy:
How to address Trade-offs
- Price Stability versus Financial Stability: Threat to Cohesion of the Euro Area?
- Public and private Debt Sustainability: Are they ruling Central Bank Policy?
- Moral Hazard and Reforms Backlog: Should Shifts in monetary Policy help?
- Raising Interest Rates: How to deal with negative Effects on Bank Solvency?
Dr. Ignazio Angeloni, Member of the Supervisory Board, European Central Bank
Dr. Lorenzo Bini Smaghi, Chairman, Société Générale
Leo Hoffmann-Axthelm, Research and Advocacy Coordinator, Eurozone Economic Governance, Transparency International

CONSISTENT FINANCIAL SYSTEM: HOW TO ACHIEVE?

Program

14:40 Controversy II - Impulses
Dr. Elke König, Single Resolution Board
Prof. Alessandro Penati, Quaestio Capital Management

15:00 Controversy II - Discussion
Banks in Distress and precautionary Recapitalisation Approach:
Relief without Cleanup?
Dr. Elke König, Chair, Single Resolution Board
Prof. Alessandro Penati, President, Quaestio Capital Management
Christian Stiefmüller, Senior Policy Adviser, Finance Watch
Matthias Wargers, Spokesman of the Managing Board, Erste Abwicklungsanstalt
Moderation: Dr. Andy Jobst, Adviser to the Managing Director and Chief Financial Officer, World Bank

15:40 Coffee

16:10 Keynote
Odile Renaud-Basso, French Ministry for the Economy and Finance

16:30 Panel III - Impulse
Klaus Regling, European Stability Mechanism

16:40 Panel III - Discussion
Looking forward:
How to tackle unfinished Business in a new EU political Constellation?
- Enhancing Resilience and solving Banking Problems: Will it stay a Fallacy?
- Shifts in Market Structures and tight Bank-State-Nexus: How to address?
- Ensuring Stability and Protecting Tax Payers: How can we combine both?
- Risk Distribution and Banking Union: What is a common Agenda to follow?
Dr. Levin Holle, Director General, Financial Markets Policy Department, German Federal Ministry of Finance
Philippe Lamberts, Member of the European Parliament, Co-Chair, Group of the Greens/European Free Alliance
Klaus Regling, Managing Director, European Stability Mechanism
Odile Renaud-Basso, Director General of the Treasury, French Ministry for the Economy and Finance
Luigi Federico Signorini, Deputy Governor, Banca d’Italia
Emiliano Tonese, Acting Head, Resolution and Crisis Management Unit, European Commission, and Visiting Professor, College of Europe in Bruges
Moderation: Prof. Alessio M. Pacces, Professor of Law and Finance, Erasmus School of Law, Erasmus University Rotterdam

18:00 Closing
Martin Aehling & Jörg Rocholl

18:10 Get together
Financial Risk and Stability Network is an independent initiative focusing on regulation and financial sector reforms in the EU. It contributes to the provision of information and views exchange on these issues via its activities and events. A sound financial sector serving real needs is key for Europe, its citizens and economic welfare. Although efforts have been made, we are still far from this. And financial stability is never a given condition. It is only achieved by adequate rules, good regulation and close oversight.

Shaping policies which respect the interest of society is an essential, ongoing challenge. FRSN therefore stimulates debate and opinion making on financial sector reforms amongst politicians, scientists, regulators and industry experts. Independence, transparency as well as a critical and constructive perspective are core principles of the initiative. The understanding is as a complementary to institutions which have a policy-oriented, dialog- and research-driven approach.