



The Financial System Five Years from Now

Friday, March 23, 2012

2:00 to 5:30 pm

IMF Headquarters, Meeting Halls A&B

Room HQ1-3-500A&B, 700, 19th St N.W., Washington, D.C.

The ongoing financial crisis has made clear that almost everyone – academics, policymakers and practitioners alike – had a limited understanding of the true complexity and risks in the modern financial system. Financial policy was far behind the curve, with large regulatory and supervisory deficiencies.

Ongoing regulatory changes – including international capital and liquidity requirements in Basel III, and national restrictions on bank activities (such as Volcker and Vickers rules) – aim to address some glaring gaps. But are these reforms enough? And what is the end game? How should the future global financial system be shaped for it to be safe, yet efficient and supportive of economic growth?

The conference on “The Financial System Five Years from Now” will address these questions by focusing on two crucial issues. One is the optimal shape of banking systems. Another is the approach to ‘shadow banking’: intermediation activities outside the traditional banking system. These issues will be discussed by two panels, with participants offering academic, regulatory and private sector perspectives.

2–3:30 pm ***Structural Challenges in Banking***

The session will focus on unresolved issues in bank regulation, such as the problems of complexity, size, internationalization, and resolution of financial institutions.

Chair: **José Viñals** (*Financial Counsellor and Director, Monetary and Capital Markets Department, IMF*)

Arnoud Boot – *University of Amsterdam*

Michael Barr – *University of Michigan (former Asst Sec for Fin Institutions, U.S. Treasury)*

Paul Wright – *Senior Director for Regulatory Affairs, Institute of International Finance*

Coffee Break

4–5:30 pm ***Shadow Banking***

The session will address the economic role and functioning of the shadow banking system, interlinkages with traditional banks, systemic risks, and regulatory challenges.

Chair: **Olivier Blanchard** (*Economic Counsellor and Director, Research Department, IMF*)

Andrei Shleifer – *Harvard University*

Daniel Tarullo – *Member of the Board of Governors, Federal Reserve System*

Willem Buiter – *Chief Economist, Citigroup*

The spring conference on macro-financial issues is part of an annual series organized by the IMF Research Department. Organizers: Stijn Claessens, Luc Laeven, and Lev Ratnovski. The event is open to members of academia and policy institutions. Space may be limited. Contact: Helen Hwang, HHwang@imf.org. Material is available at <http://www.imf.org/external/np/seminars/eng/2012/fiveyrs/index.htm>.

External participants should register in advance at <http://www.imf.org/external/fsfyn/register.aspx>