

International Monetary Fund

CONFERENCE ON OPERATIONALIZING SYSTEMIC RISK MONITORING

May 26–28, 2010
Washington, DC

Tentative Program

Wednesday, May 26, 2010

Venue: IMF Meeting Hall B, HQ1-03-500B

I. Seminar on Operational Frameworks for the Identification of Systemically Important Financial Institutions, Markets, and Instruments (SIMIs)

(Official sector participation only)

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| 8:15 – 9:15 am | Breakfast and Registration |
| 9:15 – 9:30 am | Opening remarks: Christopher Towe, Deputy Director, Monetary and Capital Markets Department, IMF |
| 9:30 – 10:15 am | Incorporating SIMI Identification into Fund Surveillance, Including Methodological Developments

Barry Johnston, Assistant Director, Monetary and Capital Markets Department, IMF |
| 10:15 – 11:15 am | Panel Session I: Cross Border Issues— Systemically Important Where, and For Whom?

Panelists: <ul style="list-style-type: none">- Dong He (Executive Director, Research Department, Hong Kong Monetary Authority)- Gilneu Astolfi Vivan (Deputy Head of Financial System Surveillance, Bank of Brazil)- Peter Tabak (Director, Financial Stability, Central Bank of Hungary) Moderator: <ul style="list-style-type: none">- Martin Johansson, (Deputy Director of Financial Stability, Sveriges Riksbank) |

This session will focus on:

- Home and host country perspectives on challenges in risk assessment, regulation, and oversight of large financial institutions whose funding and investment activities link a number of jurisdictions and markets.
- Assessing financial stability implications of disturbances in systemically important regional or global financial centers or markets.

11:15 - 11:30 am Coffee Break

11:30 - 12:30 pm Panel Session II: Methodological Developments

Panelists:

- Kevin Stiroh (Senior Vice President, Federal Reserve Bank of New York)
- David Strachan (Director, Financial Stability Division, U.K. Financial Services Authority)

Moderator:

- Philippe Mongars (Deputy Director, Financial Stability Department, Bank of France)

This session will focus on:

- Tools to define, identify, and conduct risk assessments on SIMIs, including metrics, indicators, and models.
- Challenges related to data and information gaps and in facilitating use of the various tools; second-best approaches, including minimal quality thresholds.

12:30 – 2:00 pm Lunch (Reception Hall)

2:00 – 3:30 pm Panel Session III: Establishing a Regulatory Perimeter; Institutional and Organizational Issues

Panelists:

- Marta Estavillo (Senior Advisor, Bank of Spain, Co-Chair of the Joint Forum Working Group on Differentiated Nature and Scope of Regulation)
- Sabine Lautenschläger (Head of Banking Supervision, BaFIN)

- David Strachan (Director, Financial Stability Division, U.K. Financial Services Authority)

Moderator:

- Aditya Narain (Advisor, Monetary and Capital Markets Department, IMF)

This session will focus on:

- The manner in which SIMI identification and risk assessment has been used—or is anticipated to affect—the boundary of official sector regulatory oversight and regulation.
- Automatic mechanisms that would bring newly identified SIMIs into the regulatory boundary. Possible challenges and risks in expanding the perimeter based on identification of SIMIs.
- Current thinking on stand-alone systemic risk regulatory authority.
- Challenges in coordinating activities and oversight of different regulatory/oversight bodies where they may be responsible for different types of systemic institutions.

3:30 – 3:45 pm

Coffee Break

3:45 - 5:15 pm

Panel Session IV: Country Perspectives—Identification Tools and Challenges

Panelists:

- Keith Hall (Assistant Governor, Reserve Bank of Australia)
- Pascual O'Dogherty (Director, Financial Stability Department, Bank of Mexico)
- Jesús Saurina (Director of the Financial Stability Department, Bank of Spain)
- Hiroshi Ugai (Deputy Director-General, Financial Systems and Bank Examinations Department, Bank of Japan)

Moderator:

- Sebastián Katz (Deputy Head of the Economic Research Department, Central Bank of Argentina)

This session will focus on:

- The scope for coherently and comprehensively defining SIMIs, the desirability and risks of doing so, and current practical approaches.
- National perspectives on how this influences regulatory and supervisory practice, and on organization of the work.

6:00 – 8:00 pm Dinner (IMF, HQ1-Reception Hall)

Thursday, May 27, 2010

Venue: IMF, Meeting Halls A&B, HQ1-03-500AB

II. MEASURING AND MODELING SYSTEMIC AND TAIL RISK

8:30 – 9:00 am Opening remarks

G-20 Information Gaps Initiative: Adelheid Burgi-Schmelz, (Director of Statistics Department, IMF)

Systemic and Tail Risk: Laura Kodres (Division Chief, Global Financial Stability Division, Monetary and Capital Markets Department, IMF)

9:00 – 10:30 am Panel Session I: Applied Modeling Approaches to Systemic Tail Risk

Panelists:

- Philipp Keller (Head, Insurance Risk Management, Deloitte)
- Matthew Richardson (NYU Stern School of Business)
- Peter Sohre (Head of Integrated Risk Reporting, Swiss Re)
- Hao Zhou (Senior Economist, U.S. Federal Reserve Board of Governors)

Moderator

- Nellie Liang (Senior Associate Director, U.S. Federal Reserve Board of Governors)

This session will focus on:

- Review of some of the leading applied modeling techniques to assess systemic risks.

- Exploring whether there is consensus among supervisors, private sector representatives, and academics regarding an operational definition of tail risk.

10:30 – 10:45 am Coffee Break

10:45 – 12:15 pm Panel Session II: Stress Testing Approaches to Systemic Tail Risk

Panelists:

- Keith Hall (Assistant Governor, Reserve Bank of Australia)
- David Rule (Macroprudential Department, U.K. Financial Services Authority)
- Til Schuermann (Senior Vice President, Federal Reserve Bank of New York)

Moderator:

- Andrea Enria (Head of Regulations and Supervisory Policy, Bank of Italy)

This session will focus on:

- Examining the approach that stress-testing practitioners have taken to consider systemic risks.

12:15 – 1:30 pm Lunch (IMF HQ1 Gallery)

III. MEASURING AND MONITORING LEVERAGE AND LIQUIDITY RISK IN THE FINANCIAL SECTOR

1:30 – 3:00 pm Panel Session III: Assessing Hedge Fund Leverage and Liquidity Risk

Panelists:

- Michael Alix (Federal Reserve Bank of New York)
- Mark Dow (Portfolio Manager, Pharo Management, LLC)
- David Rule (U.K. Financial Services Authority)
- Mila Sherman (University of Massachusetts at Amherst)

Moderator:

- Mahmood Pradhan (Senior Advisor, Asia and Pacific Department, IMF)

This session will focus on:

- Indicators, data, and tools that experts currently rely upon to assess hedge fund leverage and liquidity risk, and on the data gaps that preclude more sophisticated analysis.

3:00 – 4:15 pm

Panel Session IV: Measuring Leverage and Maturity Mismatch in the Shadow Banking Sector

Panelists:

- Adam Ashcraft (Vice President, Financial Risk Department, Federal Reserve Bank of New York)
- Zoltan Pozsar (Federal Reserve Bank of New York)
- Morgan Ricks (Senior Policy Advisor, U.S. Treasury)
- Everett Rutan (Senior Vice President, Structured Finance, Moody's)

Moderator:

- Robert Sheehy (Deputy Director, Monetary and Capital Markets Department, IMF)

This session will focus on:

- Asking what indicators might be used, what data exists, and what information gaps need to be filled on the shadow banking sector.

4:15 – 4:30 pm

Coffee Break

4:30 – 5:45 pm

Panel Session V: Real Sector Leverage and Liquidity Risk Measurement Challenges

Panelists:

- Tae Soo Kang (Director General, Financial Stability Office, Bank of Korea)
- Pascual O'Dogherty (Director of Financial System Analysis, Bank of Mexico)
- Gilneu Astolfi Vivan (Deputy Head of Financial System Surveillance, Bank of Brazil)

Moderator:

- Christopher Towe, (Deputy Director, Monetary and Capital Markets Department, IMF)

This session will focus on:

- The failure of many standard leverage metrics for households, corporates, and municipalities – e.g., debt/assets – to raise red flags prior to the financial crisis, in part due to the increased use of derivatives. This panel will explore these issues and discuss what indicators could be most helpful in identifying such risks.

5:45 – 7:15 pm Reception (IMF, HQ1- Private Dining Rooms 3 and 4)

Friday, May 28, 2010

Venue: IMF Meeting Halls A&B, HQ1-03-500AB

IV. DAY 3: THE USE OF NETWORK ANALYSIS TO ASSESS SYSTEMIC RISK

9:00 – 9:15 am Opening remarks: John Lipsky, First Deputy Managing Director, IMF

9:15 – 10:45 am Panel Session I: How to Measure Systemic Interconnectedness – Network Perspectives

Panelists:

- Rama Cont (University of Paris)
- Sheri Markose (University of Essex)
- Kimmo Soramäki (European Central Bank)

Moderator:

- Stijn Claessens (Assistant Director, Research Department, IMF)

10:45 – 11:00 am Coffee Break

11:00 - 12:15 pm Panel Session II: Public Sector and Central Bank Applications

Panelists:

- Olli Castrén (Deputy Head, Financial Stability Assessment Division, Directorate General Financial Stability, European Central Bank)
- Serafín Martínez Jaramillo (Senior Financial Researcher, Bank of Mexico)
- Lavan Mahadeva (Bank of England)

Moderator:

- David Marston (Senior Advisor, Strategy, Policy, and Review Department, IMF)

Sessions I and II will focus on:

- A review and discussion of state-of-the-art models to assess systemic risk, using network analysis and its applications for financial surveillance by public entities.

12:15 – 1:45 pm

Lunch (Reception Hall, HQ1)

1:45 – 3:00 pm

Panel Session III: Private Sector Applications

Panelists:

- Richard Berner (Co-Head, Global Economics, Morgan Stanley)
- Michael Zerbs (President and CEO, Algorithmics)

Moderator:

- Laura Kodres (Division Chief, Global Financial Stability Division, Monetary and Capital Markets Department, IMF)

This session will focus on:

- Reviewing current methodologies to manage risks in Large and Complex Financial Institutions, with a view to the task of performing financial sector surveillance at international agencies.

3:00 – 3:15 pm

Coffee Break

3:15 – 4:45 pm

Panel Session IV: Data Issues for Network Analysis

Panelists:

- Eliza Hammel (Senior Bank Examiner, Federal Reserve Bank of New York)
- John Kambhu (Vice President, Federal Reserve Bank of New York)
- Andrei Kirilenko (Senior Financial Economist, U.S. Commodity Futures Trading Commission)
- Stewart Macbeth (The Depository Trust & Clearing Corporation)
- Patrick McGuire (Bank for International Settlements)

Moderator:

- Gian Maria Milesi-Ferretti (Assistant Director, Research Department, IMF)

This session will focus on:

- Seeking to examine existing data gaps that hinder the analysis of systemic risks, and discussing potential solutions.

4:45– 5:15 pm

Closing Session:

- Nigel Jenkinson (Adviser, Financial Stability Board)
- Christopher Towe (Deputy Director, Monetary and Capital Markets Department, IMF)