FINANCIAL REGULATION AND MACROECONOMIC STABILITY
KEY ISSUES FOR THE G20

AGENDA

London, Saturday, 31 January 2009
HM Treasury, 1 Horse Guards Road
London SW1A 2HQ

9:30  Welcome and Registration

10:00-10:10 Introductory Remarks:
Richard Portes  Professor of Economics, London Business School,  and
President, CEPR
Marc Uzan  Executive Director, Reinventing Bretton Woods Committee

10:10-11:25 SESSION I – Financial Regulation

10:10-10:15 Opening Comments – Chair: Sylvie Matherat  Head, Financial Stability
Directorate,  Banque de France

Papers:

Procyclicality
*Rafael Repullo  Director of the Center for Monetary and Financial Studies
CEMFI, and CEPR
Jesús Saurina  Director, Financial Stability Department, Banco de España
Carlos Trucharte  Economist, Banco de España

The treatment of distressed banks
*Martins Dewatripont  Professor of Economics, Université Libre de
Bruxelles and CEPR
Jean-Charles Rochet  Professor  Economics, Toulouse School of Economics
and CEPR

Discussion:  Patricia Jackson  Partner, Ernst & Young, invited not confirmed
Lestijka Kganyago, Director General, Department of Treasury South
Africa  (invited not confirmed)

11:25-11:45 Coffee Break

11:45-13:00 SESSION II – Financial Regulation
11:45-11:50 Opening Comments – Chair: Mark Sobel Deputy Assistant Secretary, International Affairs, Department of Treasury

Papers:

Compensation schemes and corporate governance
Marco Becht Professor of Finance, Université Libre de Bruxelles and CEPR

The regulation of credit derivative markets
*Isabel Schnabel Professor of Financial Economics, Johannes Gutenberg-Universität Mainz and CEPR
Hendrik Hakenes Professor of Financial Economics, Leibniz Universität Hannover

Credit Ratings
*Marco Pagano Professor of Economics, Università di Napoli Federico II and CEPR
Paolo Volpin Associate Professor of Finance, London Business School and CEPR

Discussion: Guy America, Managing Director, and European Head of Credit Trading, JP Morgan (not confirmed)

13:00-14:30 Lunch

14:30-15:45 SESSION III – The Current Global Macroeconomic Context

14:30-14:35 Opening Comments – Chair: Muhammad Al-Jasser Vice Governor, Saudi Arabian Monetary Agency

Papers:

Capital flows to emerging markets
Philip Lane Professor of Economics, Trinity College, Dublin and CEPR

Global liquidity and global imbalances
Richard Portes Professor of Economics, London Business School and President, CEPR

Mark to market and banks’ behaviour
Markus Brunnermeier Edwards S. Sanford Professor of Finance and Economics, Princeton University and CEPR - (by video-conference)

Discussion: Jeyoon Shin Deputy Minister, Republic of Korea
Rakesh Mohan Deputy Governor, Reserve Bank of India
Ousmene Mandeng, Head, Public Sector Investment Advisory, Ashmore Investment

15:45-16:00 Coffee Break
16:00-17:15  **SESSION IV** – The Current Monetary and Fiscal Context

16:00-16:05 Opening Comments – Chair: Charles Bean  Deputy Governor, Bank of England

**Papers:**

Zero interest rate policies and quantitative easing  
Takatoshi Ito  Professor of Economics, University of Tokyo and CEPR

The risk of deflation  
Stefan Gerlach  Professor of Economics, University of Frankfurt and CEPR

Fiscal strategy and sustainability  
Willem Buiter  Professor of Political Economy, London School of Economics and CEPR

Discussion: Luigi Buttiglione  Head of Global Strategy, Partner Brewan Howard  
Marco Buti  Director General, DG Economic and Financial Affairs, European Commission

17.15 Concluding remarks – Richard Portes

* Indicates the presenter.

The timings for each session will be as follows:

- Paper presentations – 10 minutes each
- Discussant(s) – 10 minutes
- Open Discussion – 30 minutes