

COMMITTEE ON CAPITAL MARKETS REGULATION

THE LENDER OF LAST RESORT: AN INTERNATIONAL PERSPECTIVE

February 10, 2016 | 9:00 a.m. (EST)

Location: TBA on Capitol Hill

Thank you for participating as a **speaker** for the 2/10/16 **THE LENDER OF LAST RESORT: AN INTERNATIONAL PERSPECTIVE** conference to be held in Washington D.C.

CONFERENCE OVERVIEW:

In early 2016, the Committee on Capital Markets Regulation will host an invitation-only conference in Washington, DC on the role of the lender of last resort in preventing and responding to the system-wide liquidity stress as experienced in 2008. The conference will take an international perspective, comparing the different powers and practices of the Bank of England, Bank of Japan, European Central Bank, and Federal Reserve. The conference will be governed by Chatham House rules.

The conference will consist of **one 40-minute introductory period** followed by **two 60-minute panel sessions**. The discussion panels will be separated by a 15-minute break.

The conference will open by featuring the four keynote speakers for the introductory period. During the introductory period the keynote speakers will each deliver a 10-minute talk on the importance of LOLR.

Following the keynote introduction, there will be two panel sessions. Each panel will be 60-minutes. Professor Scott will moderate a discussion of the panelists followed by an open discussion.

As a speaker, **you are invited to attend the catered lunch** immediately following the closing of the conference. The lunch will include you, Congressional leaders, senior public and private officials executives from the financial sector and a few additional academics. We will start the lunch with a report of the key takeaways of our morning conference. This will be followed by an open discussion.

Introduction: Importance of LOLR - 9:00 AM (EST)

Keynote Speakers:

Stanley Fischer

Vice Chairman

Federal Reserve Board of Governors

Hiroshi Nakaso

Deputy Governor

Bank of Japan

Peter Praet

Executive Board Member and Chief Economist

European Central Bank

Chris Salmon

Executive Director for Markets

Bank of England

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Session 1: Implementation and Operational Aspects of LOLR - 9:45 AM (EST)

Session 1 Panelists:

Tom Baxter

Executive Vice President and General Counsel

Federal Reserve Bank of New York

Michael Bordo

Professor of Economics, Director of the Center for Monetary and Financial History

Rutgers University

Mark Carlson

Senior Economist

Bank of International Settlements

Dietrich Domanski

Head of Policy Analysis

Bank of International Settlements

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Session 1 Suggested Questions:

In order to respond to contagion, should a solvency determination be required under all circumstances? Should the nature of the liquidity stress—idiosyncratic or system-wide— affect the solvency assessment/determination? If such a determination is made, what is the best method of doing it? Should such a procedure be specified publicly in advance?

What types of collateral should be acceptable and how should they be valued? How should a central bank deal with the fact that there are differences in collateral across different types of counterparties? Should the types of acceptable collateral be different in crisis times vs. normal times? When should lending be disclosed and how much information should be disclosed (in the aggregate or individual borrowers)?

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Session 2: LOLR Governance: Accountability and Necessary Powers - 11:00 AM (EST)

Panelists:

Viral Acharya

*CV Starr Professor of Economics in the Department of Finance
New York University Stern School of Business*

Donald Kohn

Former Vice Chairman

Board of Governors of the Federal Reserve System

Rosa Lastra

*Professor of International Financial and Monetary Law
Centre for Commercial Law Studies
Queen Mary, University of London*

Paul Tucker

*Former Deputy Governor
Bank of England*

Session 2 Suggested Questions:

Is it important for the lender of last resort to have an ex-ante plan for a future crisis? What should such a plan consist of? For example, should it include how the lender of last resort would value collateral or the types of facilities that it would make available? Should the lender of last resort be permitted to deviate from its plan during a crisis?

How important is it for a lender of last resort to have independence from the Executive Branch and/or the legislature in order to promptly and adequately respond to contagion? Is the problem of independence different for each country/area?

In order to respond to contagion, should a lender of last resort have the authority to lend to non-banks? Should the powers to lend to a non-bank be different than those for banks? What different issues are raised for lending to non-banks? Should a lender of last resort have the authority to act as a market maker of last resort?

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LUNCH

(By invitation only)

12:00 PM (EST) – 1:30 PM (EST)

As a speaker you are invited to attend the lunch. The lunch will include you, Congressional leaders, senior public and private officials executives from the financial sector and a few additional academics. We will start the lunch with a report of the key takeaways of our morning conference. This will be followed by an open discussion.