

**The CEPR/ESI 12th Annual Conference on  
'The Evolving Financial System and the Transmission Mechanism of  
Monetary Policy'**

**25/26 September 2008, Basel**

**Co-organised and hosted by the Bank for International Settlements**

**Call for Papers – Deadline: 1 June 2008**

The 12th CEPR/European Summer Institute Annual Conference will take place on 25/26 September 2008 in Basel and will be co-organised with, and hosted by, the Bank for International Settlements. The CEPR/ESI Annual Conferences were previously sponsored by the South African Reserve Bank, Banco de Portugal, Bank of Finland, the National Bank of Poland, the Nederlandsche Bank, the Oesterreichische Nationalbank and the European Central Bank. Former conferences were held on 'Fiscal Policy Imbalances, the Monetary Transmission Mechanism and Prudential Supervision' in Lisbon (1999), 'Vivent les Différences?: Heterogeneous Europe' in Amsterdam (2000), 'Old Age, New Economy and Central Banking' in Helsinki (2001), 'Regulatory Changes for European Financial Markets' in Vienna (2002), 'The Euro Area as an Economic Entity' in Eltville (2003), 'EMU Enlargement to the East and the West' in Budapest (2004) 'Structural Reforms and Economic Growth in Europe' in Frankfurt-am-Main (2005) 'Globalisation and Monetary Policy' in Warsaw (2006) and on 'Global Imbalances, Competitiveness and Emerging Markets' in Pretoria (2007).

The topic of the 12th CEPR/ESI Annual Conference will be 'The Evolving Financial System and the Transmission Mechanism of Monetary Policy'. The structure of the financial system has changed considerably in recent years in at least three ways. First, financial markets and institutions have become more globalised, thus strengthening the international transmission of shocks. Second, business models of financial institutions have shifted from originate-and-hold to originate-and-distribute strategies. While the recent turmoil in financial markets may have slowed the growth in the securitisation of financial claims, at this stage it is too early to say whether the trend has been reversed. Third, regulatory and accounting frameworks have changed substantially. Banking regulation has been shifting from a framework of simple rules to a more model-based approach based on risk management principles. Similarly, historical cost accounting has been giving way to fair value accounting (mark-to-market or mark-to-model).

Assessing the implications of these trends for monetary policy in general, and the transmission mechanism in particular, is not straightforward. For example, to what degree do the existing models used for monetary policy have to be adapted in the light of these changes? How are the individual channels of monetary policy transmission affected, and how is this reflected in their balance? To what extent should monetary policy strategies be adjusted to respond to such changes?

In addition to the submissions selected from a call for papers, the programme will include policy lectures by senior central bankers, papers by reputed academics and a high-level panel.

One part of the conference will be reserved for central bank researchers of member countries of the European Union and the EU candidate countries. Therefore, the organizers of the 2008 CEPR/ESI Annual Conference ask the Research Departments of all central banks of the EU and EU candidate countries to submit their best paper related to the specified area above. **The application deadline is 1 June 2008. If you would like to submit a paper for this meeting, please contact Nadine Clarke at CEPR (Email: [nclarke@cepr.org](mailto:nclarke@cepr.org) Tel: +44 (0) 207 183 8808).** The organizers will then select the three best papers for presentation at the conference in a special session of central bank research papers. Moreover, the organizers will award the best of these three papers with the CEPR/ESI 2008 Prize for the Best Central Bank Research Paper.

**The organizers**

Sylvester Eijffinger (Center, Tilburg University, RSM Erasmus University and CEPR)

Kees Koedijk (Tilburg University and CEPR)

Claudio Borio (Bank for International Settlements)

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