

**The CEPR/ESI 13th Annual Conference on
'Financial Supervision in an Uncertain World'**

**Hosted by the European Banking Center
At Venice International University
25-26 September 2009, Venice**

Call for Papers – Deadline: 1 June 2009

The 13th CEPR/European Summer Institute Annual Conference will take place on **25-26** September 2009 in Venice, at Venice International University. The CEPR/ESI Annual Conferences were previously sponsored by the Bank for International Settlements, 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), 'Global Imbalances, Competitiveness and Emerging Markets' in Pretoria (2007) and on 'The Evolving Financial System and the Transmission Mechanism of Monetary Policy' in Basel (2008).

The topic of the 13th CEPR/ESI Annual Conference will be 'Financial Supervision in an Uncertain World'. The recent turmoil on global financial markets and the following recession have raised concerns that the current financial supervisory system does not suffice anymore. This can mainly be inferred from banks that are facing major problems in terms of liquidity shortages and many bad loans. Additionally, the large bancassurance groups and multinational insurers (i.e. AIG) are facing major write-offs. Many have considered the opaqueness of the financial markets and the excessive risk-taking by banks and other market participants, along with disproportionate executive compensation packages, as the main causes of the crisis. Supervisory arrangements have not been able to keep up with the fast pace of financial innovation and the associated risk-taking and information asymmetries.

Therefore, it is wise to look forward and reflect upon a new structure of (global) financial supervision. Several aspects of supervision deserve deeper academic research. For instance, liquidity and solvency problems have become intertwined and often indistinguishable, so that the traditional instruments wielded by supervisors now have less effect. A new structure for financial supervision will have to address this problem, along with the lack of liquidity due to a locked interbank market, the disturbed system of deposit insurance and the problems with current capital requirements (such as the highly debated procyclicality). Additionally, it has become clear that the present crisis management procedures need to become more effective and efficient. A final point of

concern in an uncertain, but increasingly integrated world is the creation of EU-wide or even global supervisory arrangements, as has for instance been suggested in the recent report by the De Larosière group.

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 discussion 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 2009 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 2009. If you would like to submit a paper for this meeting, please apply online or contact Nadine Clarke at CEPR (Email: 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 2009 Prize for the Best Central Bank Research Paper.*

The organizers

Sylvester Eijffinger (CentER and EBC, Tilburg University and CEPR)

Kees Koedijk (Dean, Tilburg University and CEPR)