

**4 - 5 November 2015**

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EBA premises - Picasso Room  
One Canada Square, Floor 46  
Canary Wharf, London E14 5AA, UK

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# Seminar on Market Risk regulatory developments

## Agenda

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**Day 1 – 4 November 2015**

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09:00 – 17:45

**1. Registration and coffee** **09:00-09:30**

**2. Welcome and Introductory session** **09:30-09:45**

Elena Carletti, European University Institute  
Federico Cabañas, EBA

**3. Benchmarking of Market Risk Internal Models** **9:45-10:45**

- *Modelling standards - restoring confidence?*
- *Assessment of market internal models*
- *RTS-ITS on benchmarking: EBA proposed approach*

**Federico Cabañas and Stéphane Boivin, EBA**

**Coffee** **10:45-11:15**

**4. BCBS Fundamental Review of the Trading Book** **11:15-12:30**

- *Revised Boundary*
- *Internal Model approach*
- *Standardised Approach*
- *Interaction between Standardised and Internal Model*

**Arnaud Sandrin, ACPR**

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**Lunch** **12:30-13:30**

**5. Developments on CVA – Regulator’s perspective** **13:30-14:30**

- *EBA CVA report*
- *Pillar 2 CVA Guidelines & Recommendation*
- *BCBS Review of the CVA framework*

**Stéphane Boivin and Federico Cabañas, EBA**

**6. Developments on CVA – Academic’s perspective** **14:30-16:00**

- *CVA FVA and DVA basic definitions, incentives and hedging.*
- *CVA Modelling, Wrong Way Risk, Model Risk, Risk Free vs Replacement Closeout, Payout risk: First to default? Closeout?*
- *Lack of inputs, data proxying and “zeroth order risks”*
- *Residual CVA after collateralization: contagion and Gap Risk*
- *Difficulties in reaching a general framework – BCBS CP*

**Damiano Brigo, Imperial College**

**Coffee** **16:00-16:15**

**7. Developments on CVA - Industry’s perspective** **16:15-17:45**

- *Accounting framework for CVA: operational complexity, volatility of Profit and Loss, governance and control framework, implications for Banks’ business model.*
- *CVA regulatory risk framework: misalignment of accounting and prudential CVA definition and CVA scope*
- *IMA-SBA set up for the CVA Desk: peculiarities and technological complexity*
- *Implication on ‘real economy’ hedging*

**Lorenzo Liesch, UniCredit**

**Dinner at EBA premises** **18:00-21:00**

**Day 2 – 5 November**

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09:00 – 13:00

**8. Developments in Market Infrastructure - Regulator's perspective** **9:00-10:30**

- *Initial and variation margins for non-CCP OTCs*
- *JAT work on ISDA Initial Margin Model (SIMM)*

**Gabriel Cardi and Michele Zarpellon, EBA****9. Developments in Market Infrastructure – Academic's perspective** **10:30-11:30**

- *The changing nature of liquidity in OTC markets*
- Sources of systemic risk - CCPs vs Dealers
- Large Market Risk - Regulation vs Resolution

**Thorsten Koepl, Queens University****Coffee** **11:30-11:45****10. Developments in Market Infrastructure - Industry's perspective** **11:45-13:00**

- FRTB and CVA
- Margining of non-cleared OTCs
- Balancing simplicity and risk sensitivity
- The role of QIS in calibration

**Mark Gheerbrant and Panayiotis Dionysopoulos, ISDA**