



RESIDENTIAL TRAINING

FLORENCE SCHOOL OF BANKING AND FINANCE

FINANCIAL MARKET INFRASTRUCTURE IN THE DIGITAL AGE: A FOCUS ON CCPs

Instructors:

Thorsten Koepl | Queen's University

Anne Choné | European Securities and Markets Authority

Agnieszka Smolenska | European University Institute

Veronica Fucile | Banca d'Italia

Luca Arciero | Banca d'Italia

Theatre

Badia Fiesolana, Via dei Roccettini 9 - San Domenico di Fiesole (Fiesole, Florence)

20 - 22 MAY 2019

■ PROGRAMME

20 MAY

INTRODUCTION

13.30 - 13.45

Registration and Welcome Coffee

13.45 - 14 .00

Presentation of the School, Tour de Table, Roadmap of the Course

14.00 - 15.30

Session 1. Clearing and Settlement in the EU - Where do we stand?

Thorsten Koepl | Queen's University

- Financial Market Infrastructures - basic concepts
- Main challenges for Central Clearing in the Digital Age
- Regulatory landscape (EU, CPMI/IOSCO Principles)
- Implications of centralized risk management



Co-funded by the
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- Ice breaker exercise: “What keeps regulators awake at night?” Participants speak to neighbor to discuss briefly the main supervisory and regulatory challenges faced by their home institutions or countries, followed by short presentations

15.30 - 16.00

Coffee break

16.00 - 17.30

Session 2. Group activity

Thorsten Koeppel | Queen’s University

- Case study - The Nordic Exchange Default
- Small group discussion: small groups (of 6 persons) evaluate the causes, responses and further scenarios of a recent event that required the recapitalization of a derivatives CCP based on structured questions

19.30

Dinner in the city centre of Florence

21 MAY

CCPs: THE NEW NEXUS OF SYSTEM(AT)IC RISK

09.00 - 11.00

Session 3. Systemic Issues of Central Clearing

Thorsten Koeppel | Queen’s University

- Presentation
- Risk Concentration in CCPs
- Aggregate risk insurance
- Procyclical Risk Management

11.00 - 11.30

Coffee break

11.30 - 13.00

Session 4. CCP Recovery vs. Resolution Framework

Thorsten Koeppel | Queen’s University

- Pre-crisis regime: CCP loss waterfall
- CCP crisis management regimes at global and EU levels (FSB, IOSCO, EU proposals)
- Simulation Analysis for a CCP Default

13.00 - 14.00

Lunch

14.00 - 15.30

Session 5. Cross-border Clearing within the EU and third countries

Thorsten Koeppel | Queen’s University and **Veronica Fucile** | Banca d’Italia and **Agnieszka Smolenska** | European University Institute

- Update on current legislative developments (EMIR Review, CCP Resolution)
- ECB's Location Policy
- Challenges associated with Brexit

15.30 - 16.00 *Coffee break*

16.00 - 17.15 **Session 6. Cyber-risk to FMIs**

Luca Arciero | Banca d'Italia

- Forms of cyber risk and threats to financial market infrastructures
- CCP vulnerabilities and their consequences (critical infrastructures, business disruptions, fraud, data breaches)
- Regulatory responses

18.00 - 19.30 *Guided tour on the History of Banking and Finance in Florence*

22 MAY

09.30 - 10.30 **Session 7. FinTech and Blockchain for FMI**

Thorsten Koepl | Queen's University

- Introductory concepts
- Blockchain for settlement in financial markets
- Blockchain for securities settlement
- Blockchain application: US corporate debt market

10.30 - 11.00 *Coffee break*

11.00 - 11.45 **Session 8. Fintech and Blockchain for FMI - continued**

Thorsten Koepl | Queen's University

- Revolutionizing cross-border payments
- Dollar backed digital currencies (USC) and central bank digital currencies
- Group discussion

11.45 - 12.45 **Closing session.** Regulatory challenges for digital FMIs
Moderated discussion with **Thorsten Koepl** | Queen's University and **Anne Choné** | ESMA on regulatory responses and approaches at EU level to risks emerging in digital FMIs and their financial stability implications.

12.45 *Sandwiches will be served at the end of the session*