LIQUIDITY: REGULATION, PRACTICE AND STRESS TESTING

Executive training course
23-25 March 2020
The purpose of this course is to analyse the framework governing the prudential regulation of liquidity of credit institutions in the European Union.

The main focus is on prudential requirements imposed on credit institutions with regard to their liquidity in the context of international financial standards’ development and within the European regulatory framework. The course will cover the current and new rules, particularly the recently revised Capital Requirements Regulation II, applicable as of January 2021 and the Net Stable Funding Ratio. Liquidity risk management will be explained from a banker’s perspective, including a model of three lines of defence and internal dry runs and stress tests.

Specific sessions will focus, from a supervisory perspective, on the Internal Liquidity Adequacy Assessment Process, the Liquidity Coverage Ratio liquidity stress testing in general, and liquidity stress testing for investment funds in particular. All these technical aspects will be operationalised with a practical stance and illustrated with case studies.

“First, you have a very varied audience; second, you have an expert orator, who can give you feedback and coordinate the discussions among participants. These are the strongest points of this course.”

Participant in the course ‘The Legal Aspects of Liquidity: LCR, NSFR AND ILAAP’, February 2017

**PLACE**
European University Institute (EUI), Florence

**DATES**
23-25 March 2020

**AREA**
Regulation, Supervision and Resolution

**LEVEL**
Intermediate

**TARGET**
EU Officials (ECB, SSM, SRB, ESRB, EBA, ESMA, ESM), National Supervisory Authorities, Senior Policy Officers of Prudential Supervisors/National Central Banks, In-house Legal Counsels, External Lawyers, Treasurers with Banks, Senior Legal Officers, Funding Strategists
Learn how to clearly identify the sources of liquidity for credit institutions and the types of liquidity risk to which these can be exposed.

Understand the impact of international financial standards on the EU legal framework governing prudential regulatory liquidity requirements.

Learn how to calculate liquidity ratios, under both the applicable and the upcoming legal frameworks.

Get an understanding of the Internal Liquidity Adequacy Assessment Process (ILAAP) and the liquidity stress testing exercises and their operations.
Christos Gortsos is Professor of Public Economic Law at the Law School of the National and Kapodistrian University of Athens. Inter alia, he is also Visiting Professor of International and EU Financial Regulation in the LLM Program of the “Europa Institut” of the University of Saarland, Research Partner in the University Research Priority Program (URPP): Financial Market Regulation of the University of Zürich, member of the Academic Board of the European Banking Institute (EBI) and member of the Monetary Committee of the International Law Association (MOCOMILA).

Alina Preger is a partner at Prometeia. After graduating with honours in Economics at University of Bologna, she joined Prometeia in 1999. She is now Head of the ALM & Liquidity competence line within the Prometeia Enterprise Risk Management area, coordinating R&D activities for ALM and innovative pilot projects.

Jean-Jacques van Helten is a Visiting Fellow at the Robert Schuman Centre for Advanced Studies and formerly the Managing Director & Chief Risk Officer, EMEA for the Bank of Montreal (BMO) Financial Group responsible for credit, market, liquidity and operational risks.

Christian Winkler heads the Markets and Investors Team in ESMA’s Risk Analysis and Economics Unit. Prior to joining ESMA in September 2013, Christian has worked in managing roles in the Chief Economist Department of the UK FCA and FSA and in the capital markets department of MAN AG, a large German corporate.

Jeroen van Bommel is a Joint Supervisory Team Coordinator at the European Central Bank, responsible for the supervision of a number of large international firms. Prior to that Jeroen has worked extensively in the field of liquidity risk management, bringing a practical approach to effectively supervising liquidity risk.

Charles-Enguerrand Coste is a banking supervisor in a Joint Supervisory Team at the European Central Bank. He has worked on a broad range of topics in the field of prudential supervision as both offsite supervisor and onsite inspector, and has an extensive experience in the field of liquidity risk and ILAAP assessment.
Monday 23 March

Introduction by the Florence School of Banking and Finance and tour de table

Road map of the course

Session 1.
The overall framework – Prudential regulatory liquidity requirements under international financial standards and their impact on EU banking law (C.V. Gortsos)

Session 2.
The current EU framework on prudential liquidity requirements for credit institutions (C.V. Gortsos)

After the course - Social Activities outside the EUI (TBD)

Tuesday 24 March

Session 3.
The new EU framework on prudential liquidity requirements for credit institutions (C.V. Gortsos)

Session 4.
Liquidity Risk Management: a Banker’s Perspective (J.J. van Helten)

Session 5.
Case studies in groups (C.V. Gortsos)

Session 5 (following).
plenary presentations and reporting
Closing with opening discussions

After the course - Social Activities outside the EUI (TBD)

Wednesday 25 March

Session 6.
ILAAP in the context of Liquidity Risk Management (J. van Bommel)

Session 7.
The LCR Operational Requirements and why they matter (C. Coste)

Session 8.
Liquidity and stress testing (A. Preger)

Session 9.
Liquidity stress testing for investment funds (C. Winkler)

Session 10.
Closing of the training – wrap up and your takeaways (C.V. Gortsos)
Established in 1972, the European University Institute is an intergovernmental organisation for higher education and research. The EUI has a three-fold mandate: (i) providing doctoral and post-doctoral researchers with advanced academic training; (ii) fostering research and analysis related to the European integration process and shifts in politics in Europe and globally; (iii) delivering postgraduate and executive education on transnational governance. The EUI has 24 Member States, and hosts an international community of more than 1,100 people.

The course’s location is the campus of the European University Institute, located on the hills overlooking the city of Florence, approximately 6 km from the city centre.

All activities will take place in Villa Schifanoia, a masterpiece from the Renaissance era dating back to the 15th century. Surrounded by cypresses and a beautiful formal garden, enlivened with statues, fountains and terry decorations, over the centuries it has been the home to numerous artists and literates, including Boccaccio and Alexandre Dumas. Owned by the Italian state, it is an integral part of the EUI campus and is home to the Robert Schuman Centre for Advanced Studies.

During the course, course attendees will benefit from multiple occasions to meet, exchange ideas and network with the faculty members and other participants.
The Florence School of Banking & Finance (FBF) is a European platform bringing together practitioners and academics from the Banking and Finance sector to develop a common culture of regulation and supervision in the European Union.

Established in January 2016 as part of the EUI’s Robert Schuman Centre for Advanced Studies, the FBF organises training and policy dialogue activities, in close interaction with its network of leading academic institutions, both in the residential and online formats.

Together with its partners, the School helps experts and decision-makers to take informed decisions in the medium and long-term, critically accompanying the economically and socially sound functioning of the European banking sector.

Training participants since 2016
- 75+ courses
- 2500+ participants
- 170+ instructors
- 75+ countries represented
- 369 organisations of origin

Trained organisations include:
- European Central Bank
- European Banking Authority
- Deutsche Bundesbank
- Bank of Korea
- Bank of Indonesia
- Financial Market Authority of Liechtenstein
- Austrian Financial Market Authority
- BBVA
- Intesa Sanpaolo SpA
- Crédit Agricole SA

Institutional Members

Sergio Nicoletti Altimari - ECB
Gabriel Bernardino - EIOPA
José Manuel Campa - EBA
Elena Carletti - EUI, FBF
Andrea Enria - ECB

Steffen Kern - ESMA
Olivier Guersen - European Commission
Bošjjan Jazbec - SRB
Brigid Laffan - EUI
Francesco Mazaferro - ESRB
Frank Smets - ECB

Individual Members

Ignazio Angeloni - Goethe University Frankfurt
Vitor Constâncio - ISEG
Patrick Honohan - Trinity College Dublin

Liquidity regulation: concepts and applications
A BA/MA degree in macroeconomics, finance or financial law, is required to attend the course.

A knowledge and understanding of prudential aspects of banking regulation is recommended.

Participants are expected to bring their laptops.

**FEES**

1900€ – Private Sector.

1750€ – Public Authorities (e.g. National Competent Authorities, Central Banks and European Institutions).

950€ – Academics (Full-time Professors, full-time PhD Students and full-time Research Associates). Please submit a certificate attesting your status of Professor, PhD Student or Research Associate to fbf@eui.eu before registering. FBF secretariat will provide you with a code to register.

The course fee covers coffee and lunch breaks.

Travel and hotel costs are not included.

Please note that the payment must be settled two weeks before the start of the course.

**ELIGIBILITY**

A knowledge and understanding of prudential aspects of banking regulation is recommended.

**CONTACTS**

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For more information on this course, see:


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