



## TRAINING COURSE

# MACROPRUDENTIAL POLICY IMPLEMENTATION IN EUROPE

Organised by: The Florence School of Banking and Finance

Course Instructors:

- **Katarzyna Budnik** | European Central Bank
- **Giovanni di Iasio** | European Central Bank
- **Marco Lo Duca** | European Central Bank
- **Francesco Mazzaferro** | European Systemic Risk Board
- **Tuomas Peltonen** | European Systemic Risk Board
- **Michael Wedow** | European Central Bank

Sala Europa

Villa Schifanoia, Via Boccaccio 121 - Florence

**17-19 OCTOBER 2018**

## ■ PROGRAMME

### 17 OCTOBER

13.15 - 13.45 Welcome, presentation of the Florence School of Banking and Finance and *Tour de Table*

13.45 - 15.30 **Session 1: Macroprudential policy - ultimate objective and institutional framework (Francesco Mazzaferro and Tuomas Peltonen)**

- The concept of macroprudential policy
- The institutional framework at European level (European System of Financial Supervision; ESRB; European Central Bank)
- The institutional mandate of the ESRB, and how does it fit with the broader concept of macroprudential policy
- The national designated authorities under the Capital Requirements Directive/Capital Requirements Regulation

15.30 - 16.00

*Coffee break*

16.00 - 17.30

**Session 2: Macroprudential policy - intermediate objective and instruments (Francesco Mazzaferro and Tuomas Peltonen)**

- Intermediate objectives and instruments of macroprudential policy
- Overview of the set of macroprudential instruments and their actual use in Europe
- Implementation challenges (e.g. calibration, cross-border effects, leakages)
- The topping-up powers of the European Central Bank

20.00

*Dinner at [Restaurant Finisterrae, Piazza Santa Croce 12](#)*

**18 OCTOBER**

09.30 - 11.00

**Session 3: Capital-based instruments (Marco Lo Duca and Katarzyna Budnik)**

- Countercyclical capital buffer
- Systemic risk buffer
- Leverage ratio
- Use of buffers for global-systemically important institutions (G-SIIs) buffers and other-systemically important institutions (O-SIIs)

11.00 - 11.30

*Coffee break*

11.30 - 13.00

**Session 4: Liquidity instruments and systemic liquidity (Michael Wedow)**

- Existing microprudential requirements and macroprudential instruments for liquidity
- Concept of systemic liquidity. Other approaches to systemic liquidity
- Monitoring systemic liquidity

13.00 - 14.00

*Lunch*

14.00 - 15.30

**Session 5: Macroprudential analysis of the real estate sector (Marco Lo Duca and Tuomas Peltonen)**

- Importance of the real estate sector for financial stability
- Residential vs. commercial real estate sector (differences, similarities, overlaps)

- Typology of real estate instruments (3 stretches model: lender-based, borrower-based and collateral-based instruments)
- Use of risk weights
- Warnings on vulnerabilities in the residential real estate sector
- Closing of real estate data gaps

15.30 - 16.00

*Coffee break*

16.00 - 17.30

**Session 6: The non-banking financial sectors and future outlook for macroprudential policy (Giovanni di Iasio and Tuomas Peltonen)**

- Monitoring the shadow banking sector
- Macroprudential policy initiatives related to insurance, investment funds and central counterparties (CCPs)
- Future outlook for macroprudential policymaking (e.g. ongoing work streams of the ESRB)

17.30

*Shuttle bus to the city centre (stop at Hotel De La Pace, via Alfonso la Marmora 28)*

18.15 - 19.45

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

**19 OCTOBER**

09.30 - 11.00

**Session 7: The cross-border dimension of macroprudential policy making (Tuomas Peltonen and Katarzyna Budnik)**

- Importance and types of cross-border transmission channels
- The concept of and framework (European capital rules for banks, ESRB Recommendation on reciprocity) for reciprocity
- Applications of the ESRB reciprocity framework and related challenges

11.00 - 11.30

*Coffee break*

11.30 - 12.45

**Session 8: First lessons learned: calibration, transmission, impact (Marco Lo Duca and Katarzyna Budnik)**

- Overview of techniques for instrument calibration (e.g. stress testing)
- Calibration applications: countercyclical capital buffer, real estate instrument
- Transmission of macroprudential policy measures
- The fledgling concept of macroprudential stance

12.45 - 13.00

Closing remarks by **Tuomas Peltonen**