

## Executive training course

# Investment funds: business models, financial stability risks and regulation

6-7 May 2024

**Location:** European University Institute, Florence (Italy)

### Course Directors

- Olaf Weeken (ESRB)
- Massimo Ferrari (ESMA)

### Faculty

- Antoine Bouveret (ESMA)
- Dorota Okseniuk (ESRB)
- Christian Winkler (ESMA)

### Scientific Advisors

- Thorsten Beck (FBF)
- Tuomas Peltonen (ECB)
- Steffen Kern (ESMA)

### Course Designer

- Jan Trevisan (FBF)

### Introduction

This training programme aims to provide you with the essential analytical tools required for understanding the investment funds sector and its potential impact on the broader financial system. It is jointly organised by the European Securities Markets Authority (ESMA), the European Systemic Risk Board (ESRB), and the Florence School of Banking and Finance, providing academic rigour and up-to-date insights into the internal policy discussion.

The training programme will involve an in-depth exploration of the aspects of the EU investment fund sector through a series of lectures, group discussions, and practical exercises. You will acquire skills in the monitoring, mitigation and prevention of risks and vulnerabilities associated with investment funds, including from a financial stability perspective. As part of this, you will develop an understanding of the role of stress testing and associated stress testing methodologies. The programme will conclude with an interactive panel discussion of experienced experts and practitioners, who will share their insights.

Before you arrive in Florence, you will have access to a series of preparatory online lectures. These lectures will offer you a review of the main characteristics of investment funds, including their regulatory framework and supervision. This includes key features of Money Market Funds and an overview of sustainability considerations pertinent to investment funds. As part of this, you will have the opportunity to address any queries concerning the online lectures through a dedicated online question-and-answer session with experts from ESMA and the ESRB.

**Format:** This course will take place over 2 consecutive days at the EUI premises in Florence. Ahead of their attendance, course participants can access approx. 4 hours of video lectures, providing an extensive background to the in-person sessions.

**Level:** Introductory/Intermediate

**Approach:** Qualitative

**Learning Objectives:**

- Equip participants with a comprehensive overview of the main characteristics, objectives and purpose of investment funds as well as of the main actors and types of users.
- Provide participants with an overview of the regulatory framework for investment funds in the European Union.
- Provide key insights on the main characteristics and features of Money Market Funds.
- Provide participants with a relevant overview of sustainability and ESG aspects linked to investment funds.
- Expose participants to relevant knowledge on the main prudential risks associated with investment funds both at micro and macro levels.
- Familiarise participants with state-of-the-art analytical tools for risk monitoring and assessments in the European investment funds sector, with a particular focus on stress testing.
- Expose participants to tools for risk mitigation and prevention.
- Offer a forum for open and critical exchanges among participants on the blind spots of the current framework.
- Introduce participants to the macroprudential approach to investment funds.

## Programme (tentative)

### **8 April 2024**

9:00 Access to background content on the online platform.

### **23 April 2024**

**12:00 – 13:30 Optional: Online Q&A session with course instructors**

### **6 May 2024**

**9:30 - 9:45 Introduction**

**9:45 - 10:15 Module 1 - Introduction to risks in the investment funds sector – Massimo Ferrari (ESMA)**

**10:15 - 11:15 Module 2 - Risk monitoring and assessment - Dorota Okseniuk (ESRB) & Antoine Bouveret (ESMA)**

*11:15 - 11:30 Coffee break*

**11:30 - 12:45 Module 3 - Stress testing in the investment funds sector - Antoine Bouveret (ESMA)**

*12:45 - 14:00 Lunch Break*

**14:00 – 14:45 Q&A – moderated by Massimo Ferrari (ESMA)**

**14:45 – 16:15 Module 4 - MMFs - Christian Winkler (ESMA)**

*16:15 – 16:45 Coffee Break*

**16:45 – 17:30 Q&A – moderated by Massimo Ferrari (ESMA)**

*17:30 Social Activity (TBD)*

### **7 May 2024**

**9:30 - 11:00 Module 5 - Risk mitigation and prevention - Dorota Okseniuk (ESRB) and Olaf Weeken (ESRB)**

*11:00 - 11:15 Coffee Break*

**11:15 - 13:00 Module 6 - Practical Activity. Macro Risks: structural vulnerabilities and financial stability considerations - Massimo Ferrari/Antoine Bouveret (ESMA)**

*13:00 - 14:00 Lunch Break*

**14:00 – 15:30 Module 7 - Roundtable Discussion**