



Sustainable Architecture for Finance in Europe

SAFE
SUMMER
ACADEMY
2016

Liquidity and Bail-In

13 AND 14 SEPTEMBER 2016
BRUSSELS

IMPRINT

Research Center SAFE

Goethe University Frankfurt
House of Finance
Theodor-W.-Adorno Platz 3
60323 Frankfurt
Germany
www.safe-frankfurt.de

ORGANIZATION

SAFE Policy Center

ACADEMIC DIRECTOR

Prof. Dr. Jan Pieter Krahenen

(Professor of Corporate Finance, Goethe-University Frankfurt and Program Director SAFE Policy Center)

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(Finance spokesman for the Left Party parliamentary group in the German Bundestag)

DESIGN

www.staehlingdesign.de

We gratefully acknowledge the support
of the Representation of the State of Hessen to the EU.



LIQUIDITY AND BAIL-IN

This year's SAFE Summer Academy will focus on the impact of regulation on Market Liquidity, including the consequences thereof on trading, as well as the question on whether or not the Bail-In regulation will work. As in previous years, participants will receive an analytically disciplined, fact- and evidence-based assessment by leading scholars and practitioners in the field.

THE SAFE SUMMER ACADEMY

The SAFE Summer Academy, organized by the SAFE Policy Center, provides a research-based training for European policymakers dealing with financial markets regulation. The objective of the Summer Academy is to foster an open debate and to contribute to participants' capacity to evaluate arguments and appraise policy initiatives. Topics are chosen to reflect current policy questions. The Summer Academy intends to equip its attendees to better fulfil their responsibilities within their respective institutions for properly designing the framework for a sustainable architecture for finance.

PARTICIPANTS

The SAFE Summer Academy targets the policy-making community – senior officials from European institutions (Council, Commission and Parliament) and other international and interinstitutional bodies (ECB, SRB, ESFS) as well as central banks, parliaments and ministries of general governmental affairs, finance and economic affairs in EU member states. To allow for extensive interaction and engagement with faculty, the number of participants in the Summer Academy will be strictly limited.

TUESDAY, 13 SEPTEMBER 2016

DAY 1: LIQUIDITY

- Location: Representation of the State of Hessen to the EU
21, Rue Montoyer – 1000 Brussels
- 1 – 2 pm Registration
- 2 – 2:15 pm Welcome
Jan Pieter Krahnen (*SAFE and Goethe University*)
Dietmar Schwarz (*Representation of the State of Hessen to the EU*)
- 2:15 – 3 pm Market Liquidity – An Overview
Keynote by Franklin Allen (*Imperial College London*)
- 3 – 4:30 pm Has Liquidity Suffered from Financial Market Regulation? – Roundtable
Franklin Allen
Isabelle Mateos y Lago (*BlackRock*)
Kai Wilhelm Franzmeyer (*Resolution Management*)
Karsten Stroborn (*Deutsche Bundesbank*)
Christian Winkler (*ESMA*)

Moderator: Jan Pieter Krahnen (*SAFE and Goethe University Frankfurt*)
- 4:30 – 5 pm Coffee Break
- 5 – 6:30 pm Academic Session
(1) Designated Market Makers in Electronic Limit Order Books – Evidence from Xetra
Erik Theissen (*University of Mannheim*)
(2) High-Frequency Trading around Large Institutional Orders
Albert Menkveld (*VU University of Amsterdam*)
- 7 pm Dinner
Poivre & Sel, Rue du Parnasse 2, 1050 Ixelles
Speech by Timo Löyttyniemi (*Single Resolution Board*)

WEDNESDAY, 14 SEPTEMBER 2016

DAY 2: BAIL-IN: WILL IT WORK?

Location: Representation of the State of Hessen to the EU
21, Rue Montoyer – 1000 Brussels

8:30 – 9 am Registration and welcome coffee

9 – 10:30 am **Bailing in or Bailing out: Quo vadis, Europe?**
Keynote by Thorsten Beck (*Cass Business School London*)

10:30 – 11 am **Coffee Break**

11 – 12:30 pm **Bail-In: Will it (ever) work? Panel Discussion**
Levin Holle (*German Federal Ministry of Finance*)
José Manuel Campa (*Banco Santander/IESE Business School*)
Giorgio Gobbi (*Banca D'Italia*)

Moderator: Jan Pieter Krahnén (*SAFE and Goethe University Frankfurt*)

12:30 – 1 pm **Concluding Keynote by John Berrigan**
(*European Commission, DG FISMA*)

1 – 2 pm **Lunch**

SPEAKERS AND PANELISTS

The speakers and panelists comprise leading scholars in the field of financial economics, as well as expert practitioners from international policy institutions and the financial industry.



FRANKLIN ALLEN

Professor of Finance and Economics and Executive Director of the Brevan Howard Centre, Imperial College London

Franklin Allen has held his current positions since July 2014. He was on the faculty of the Wharton School of the University of Pennsylvania from July 1980 to June 2016 and now has Emeritus status there. He was formerly Vice Dean and Director of Wharton Doctoral Programs, Co-Director of the Wharton Financial Institutions Center, Executive Editor of the Review of Financial Studies and is currently Managing Editor of the Review of Finance. He is a past President of the American Finance Association, the Western Finance Association, the Society for Financial Studies, the Financial Intermediation Research Society and the Financial Management Association, and a Fellow of the Econometric Society. (Photo: Imperial College Business School)



THORSTEN BECK

Professor of Banking and Finance, Cass Business School London

Thorsten Beck joined the Faculty of Finance at Cass Business School in 2013. He had been professor of economics from 2008 to 2014 at Tilburg University and the founding chair of the European Banking Center from 2008 to 2013. Previously he worked in the research department of the World Bank and has also worked as consultant for the IMF, the European Commission, the ECB, the BIS, and the German Development Corporation. Thorsten Beck is also a research fellow at the Centre for Economic Policy Research (CEPR) and CESifo. His research focuses on banking, its regulation and role in economic development, both in developing and advanced countries.



JOHN BERRIGAN

Deputy Director General in DG FISMA of the European Commission

John Berrigan has been a Commission official since 1986 and has spent much of that time working on financial-sector issues first in DG ECFIN and now in DG FISMA. He has also worked on monetary policy and exchange-rate analysis in the context of preparations for the introduction of the euro in 1999. In the mid 1990s, he worked for several years with the International Monetary Fund. He was Commission Mission Chief for Portugal from July 2013 to November 2014 in the context of the recent economic assistance programme and has contributed to financial-sector aspects of the assistance programmes for other Member States.



JOSÉ MANUEL CAMPA

Global Head of Regulatory Affairs, Banco Santander, and Professor at IESE Business School

José Manuel Campa joined Banco Santander in 2014. He is also Professor of Financial Management and International Economics at the University of Navarra-IESE. Between 2009 and 2011 he served as Secretary of State for the Economy in the Ministry of Economy and Finances of Spain. Previously, he had been a consultant to the International Monetary Fund, the Inter-American Development Bank, the Bank of International Settlements in Basel, and the European Commission. He served in the Expert Group, chaired by Mr. Erkki Liikanen. He taught at the Stern School of Business of New York University, Harvard University, and at Columbia University and also served as an expert for the Spanish justice, at the Spanish Court of Arbitration, and at international courts of arbitration in Paris, Geneva, New York and the Netherlands.



KAI WILHELM FRANZMEYER

Managing Partner, Resolution Management

Kai Wilhelm Franzmeyer has been a Managing Partner of Resolution Management since 2016. Between 2012 and 2015, he held several positions at Portigon AG (former WestLB), including as CFO/CRO, and was the CEO from 2014 to 2015. Previously, he was a Board Member of the Hypo Real Estate Group (HRE), responsible for Treasury, Public Finance and Capital Markets, and a member of the team of experts charged with the restructuring of the HRE Group. Between 1993 and 2008 he assumed a variety of functions at Commerzbank Group, lastly as Group Treasurer. He also served as Board Member of the Association of German Mortgage Lending Banks (VdP) and the Düsseldorf Hypothekbank AG.



GIORGIO GOBBI

Head of the Financial Stability Directorate, Bank of Italy

Giorgio Gobbi has held his current position since January 2014 and represents the Bank of Italy in the Advisory Technical Committee of the ESRB and in the Financial Stability Committee of the ESCB. He started his career at the Bank of Italy in 1990, and was assigned to the monetary and financial sector of the Economic Research Department until 2007. From 2007 to mid-2013 he headed the Financial Structure and Intermediaries Division within the Structural Economic Analysis Department. In July 2013 he was appointed Deputy Head of the Financial Stability Unit. His main fields of research are the Italian financial system and financial intermediation.



JAN PIETER KRAHNÉN

Professor of Corporate Finance, Goethe University Frankfurt and Program, Director SAFE Policy Center

Jan Krahnén is Director of the Center for Financial Studies and the Research Center SAFE. His research focuses on the implications of the great financial crisis on banking, systemic risk and financial market regulation. Krahnén is a member of the Academic Advisory Board, German Federal Ministry of Finance and a member of the Group of Economic Advisors at the European Securities and Markets Agency. He was a member of the High Level Expert Group on Structural Reform of the EU Banking Sector (Liikanen Commission) and also a member of the Issing-Commission, advising the German government on the G-20 meetings 2008-2011.



LEVIN HOLLE

Director General, Financial Markets Policy Department, German Federal Ministry of Finance

Levin Holle's responsibilities include the formulation of policies and strategies with respect to federal credit institutions, federal debt management, financial markets as well as anti-money laundering and international financial markets policy. He is also responsible for the supervision of the Federal Financial Supervisory Authority and the Financial Market Stabilisation Authority. Prior to joining the German Finance Ministry in 2012, he worked 15 years for the management consultancy Boston Consulting Group, his last position being Senior Partner and Managing Director of the Berlin office. In 1996 he earned his Ph.D. at the University of Göttingen.



TIMO LÖYTTYNIEMI

Vice Chair, Single Resolution Board

Timo Löyttyniemi is responsible for the Directorate which comprises of Corporate Services (Finance, HR, ICT, Facilities) and the Single Resolution Fund (SRF). Before joining the SRB, he was the Managing Director of the Finnish government's State Pension Fund (2003-2015). Earlier he had worked in various roles in banks and in investment banking. From 1996 to 1999, he was Managing Director of Norvestia Plc and from 1999 to 2003 was Head of Capital Markets of Mandatum & Co. Ltd. (Sampo Bank). He has led and participated in corporate finance, restructuring, recapitalization, capital structure and capital raising projects in international investment banking environments. (Photo: Helsingin Sanomat)



ISABELLE MATEOS Y LAGO

Managing Director, BlackRock

Isabelle Mateos y Lago is a global macro investment strategist in the BlackRock Investment Institute and senior advisor to Philipp Hildebrand. Prior to joining BlackRock in 2015, she was a senior official at the IMF, where she worked for 15 years in a range of positions straddling economic analysis, policy making, and global governance. Her past positions also included head of the strategy unit; chief of staff to the First Deputy Head of the institution; G20-liaison; and Member of the Executive Board. She started her career at the French Ministry of Finance. Ms. Mateos y Lago is a member of Inspection Générale des Finances and a graduate of the École nationale d'administration and Sciences Po Paris. She earned a master's degree in economics from the University of Cambridge.



ALBERT MENKVELD

Professor of Finance, VU University Amsterdam and Fellow at the Tinbergen Institute

In addition to his position at VU University Amsterdam, Albert Menkveld is Associate Editor at the Review of Asset Pricing Studies. He has been member of the European Finance Association (EFA) Executive Committee since 2014, of the academic council of the Autorité des Marchés Financiers ("French SEC") since 2004 and was a member of the Group of Economic Advisors of the European Securities and Market Authority (ESMA) from 2011 until 2014. Albert Menkveld was on visiting positions at various U.S. schools: Wharton in 2000, Stanford in 2001, and NYU in 2004-2005 and in 2008-2011. His research agenda is focused on securities trading, liquidity, asset pricing, and financial econometrics. (Photo: StudioVU/Riechelle van der Valk)



KARSTEN STROBORN

Head of Market Analysis and Portfolios at the Deutsche Bundesbank

Karsten Stroborn started to work at Deutsche Bundesbank in 2004, after obtaining his doctorate in Economics at Universität Karlsruhe (TH). He worked in various positions within the Markets Department becoming head of the "Market Analyses, Portfolios" division in 2013. Since 2014, he has been the head of the division "Strategic Issues relating to Central Bank Operations" and a member of the Eurosystem's Market Operations Committee (MOC). The division deals with a wide set of issues around the monetary and exchange rate policy implementation framework inter alia analyses relating to non-standard measures, the monitoring of counterparties, the (theoretical) valuation of collateral and the credit assessment of credit claims as well as the eligibility of collateral.



ERIK THEISSEN

Professor of Finance, University of Mannheim

Erik Theissen has held the chair of Finance at the University of Mannheim since 2009. Previously, he had a chair at the University of Bonn. He was also visiting assistant professor at Groupe HEC, Jouy-en-Josas, France and a visiting professor at Thammasat University, Bangkok, Thailand. In 1997 he received his doctoral degree from Goethe University Frankfurt where he also completed his habilitation in 2001. Erik Theissen received three research grants from the German National Science Foundation and several prestigious awards, among others the outstanding paper award of the German Finance Association in 2010.



CHRISTIAN WINKLER

European Securities and Markets Authority (ESMA)

Christian Winkler heads the Markets and Investors Team in ESMA's Risk Analysis and Economics Unit. The Risk Analysis and Economics Unit is responsible for ESMA's work on identification and assessment of risks to investors, markets and financial stability in the EU in the area of securities markets. Prior to joining ESMA in September 2013, Christian Winkler 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. He holds a doctoral degree in Economics from the university of Erlangen-Nuremberg and is a CFA charterholder.

ABOUT SAFE

The Research Center „Sustainable Architecture for Finance in Europe“ (SAFE) is a cooperation of the Center for Financial Studies and Goethe University Frankfurt funded by the Hessian excellence initiative LOEWE. The Center, which is located at Goethe University’s House of Finance, is dedicated to research and policy advice in the area of finance.

ABOUT THE POLICY CENTER

The Policy Center is the second pillar of SAFE and complements the research areas. It aims at creating and maintaining a continuous dialogue with high-ranking policy makers in Europe, without giving up the neutral role of an academic institution. Both directions of communication – from politics to academia and vice versa – serve the purpose of overcoming the common separation of academia and the political realm in the area of financial market development.

The Policy Center uses a range of different methods and instruments. These include publication series, workshops with high-ranking representatives from governments and parliaments, special trainings for staff from parliaments and governments in Wiesbaden, Berlin and Brussels, as well as a yearly conference which critically appraises the advancements in financial regulation in Europe. All researchers active in the Policy Center follow a strict code of conduct and transparency to assure the neutrality of the Center’s policy advice.

ORGANIZATION & LOCATION

CONTACT FOR REQUESTS FOR PARTICIPATION

Dr. Daniela Dimitrova
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Tel. +49 (0)69 798 30093

Please note that the number of participants is strictly limited and registration will be automatically closed once the capacity is reached.

VENUE

Representation of the State of Hessen to the EU
21 Rue Montoyer, 1000 Brussels, Belgium

Parc de Bruxelles/
Warandepark



BY TRAIN

From Brussels South Station (Gare du Midi / Zuidstation)
Take the metro line No 6 towards Elisabeth, get off at station TRONE. Exit the metro station by Rue Montoyer and walk to No 21. The metro journey takes approximately 6 min.

FROM THE AIRPORT

Take the train to Midi station (takes approximately 20 minutes) and then the metro (directions see above). Or take the bus shuttle from Brussels Airport to the European Quarter and exit at the station "Bruxelles-Luxembourg", next to the European Parliament, from there it is a 7 minutes walk.

ORGANIZATION

Research Center SAFE
A cooperation of Goethe
University Frankfurt and the
Center for Financial Studies
funded by the LOEWE program
of the State of Hessen.

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