Announcement / Call for Papers

Risk Management and Regulation in Banking

A joint workshop by the Basel Committee on Banking Supervision, the Centre for Economic Policy Research (London), and the Journal of Financial Intermediation


The Basel Committee has published its proposals for a revised capital adequacy framework (the Basel II Framework) in June 2004. One of the main objectives of this Framework is to improve the incentives for state of the art risk management in banking and, hence, the Basel Committee would like to stay abreast of the latest developments in this field. Against this background, the organisers of the workshop would like to solicit theoretical and empirical papers related to the following set of issues. Submissions in other areas of risk management, banking supervision and financial stability are also welcome.

Interested parties should submit their draft papers and any queries to Martin Birn of the Basel Committee’s Secretariat at Martin.Birn@bis.org. The submission deadline is 27 February 2006. Contributors will be notified by 7 April 2006.

1. Relationship between different types of risk and their management
   • Empirical and theoretical linkages between credit and market risk.
   • Approaches to the integrated measurement and management of credit, market, liquidity and operational risk.

2. Implications of linkages between different types of risks
   • The scope for integrated banking regulation between different types of risk.
   • Theoretical and empirical modelling of economic versus regulatory capital.
   • Implications of all three pillars in Basel II (and their interactions) for risk management (including pro-cyclicality).

3. Incentives, risk transfers and systemic risk
   • Agency problems in financial institutions and incentives for risk management.
   • Risk transfers within banks (e.g. between banking and trading book) and among financial institutions.
   • Implications of incentives and risk transfers for the nature of systemic risk in the financial system and for the structure of the financial industry.
Keynote speakers

• Darrell Duffie (James I Miller Professor of Finance at the Graduate School of Business, Stanford University)
• TBA

The workshop aims to bring together leading academics, representatives of the Basel Committee member organisations\(^1\) and other central bankers and bank supervisors as well as market participants. The Basel Committee will contribute toward the cost of academic speakers’ travel and accommodation expenses.

The Programme Committee for the workshop consists of Reint Gropp (European Central Bank), Philipp Hartmann (European Central Bank and CEPR), Philippe Jorion (University of California at Irvine), George Pennacchi (University of Illinois), Peter Praet (National Bank of Belgium and Basel Committee), João Santos (Federal Reserve Bank of New York), Anjan Thakor (Washington University and \textit{JFI}), and Ernst-Ludwig von Thadden (Mannheim University, CEPR and \textit{JFI}).

Submissions to the Journal of Financial Intermediation

A special issue of the \textit{Journal of Financial Intermediation} will be devoted to the workshop. The same reviewing standards will be used for papers submitted this way as for regular submissions to the \textit{JFI}. Along with your submission, please indicate whether you would like the paper to be considered for publication in the \textit{JFI}. If you choose to submit to the \textit{JFI}, please send a submission fee along with your paper – see the \textit{JFI} website for further detail.\(^2\)

Your paper’s acceptance to the conference does not guarantee publication in the \textit{JFI}. All papers must pass the journal’s regular refereeing process.

\(^1\) The Basel Committee on Banking Supervision was established by the central bank Governors of the Group of Ten countries and its members come from Belgium, Canada, France, Germany, Italy, Japan, Luxembourg, the Netherlands, Spain, Sweden, Switzerland, United Kingdom and United States. Countries are represented by their central bank and also by the authority with formal responsibility for the prudential supervision of banking business.

\(^2\) \url{http://www.olin.wustl.edu/jfi/authorguide.htm}