

Announcement: Call for papers

Financial regulation, business model innovation and resilience in an evolving macro-economic environment

Washington, DC, Office of the Comptroller of the Currency,
26–27 April 2023

In spite of the severity of the economic shocks associated with the Covid-19 pandemic, the global banking system weathered the crisis well. The experience was starkly different from the global financial crisis. With support from public guarantees and helped by fiscal stimulus to the economy, banks largely absorbed pandemic-related costs, including provisions for loan losses, and were also able to accommodate balance sheet growth. As the global economy emerges from the pandemic however, banks face an economic environment that is markedly different from the environment that prevailed before the pandemic and indeed before the global financial crisis.

From the perspective of the banking sector, notable changes to the macroeconomic environment include signs of fragmentation in the global economy, higher energy prices, a re-emergence of high inflation as a policy concern, and a departure from highly accommodative monetary policies. This change in the macroeconomic environment, which has many economists pointing back to the stagflation of the 1970s, is taking place against the background of two more structural changes that occurred since the global financial crisis. First, banks and regulators implemented many elements of the Basel III package and other reforms aimed at solidifying financial stability. Second, competition in the market for banking services is increasingly based on innovation in financial technology, even including new means of payment in the form of crypto assets.

This workshop aims to consider the interaction between innovation in banking services, the implementation of regulatory reforms and the evolving macroeconomic environment and how, collectively, these factors affect the resilience of banks and the banking system.

We invite empirical as well as theoretical contributions on any topic that can help address these issues. Questions of interest include:

- What lessons from history are most relevant, considering the prevailing regulatory framework, in the current economic environment?
- Has regulation implemented since the global financial crisis made banks more resilient to changes in economic conditions as well as structural changes such as financial innovation?
- How are banks adjusting business models to ongoing economic and structural changes in markets for banking services?
- How do economic conditions affect the competitive balance between different types of firms that provide banking services, including incumbent banks and fintech-based firms (eg through changes in the relative cost of funding, firms' reliance on just one or multiple lines of business)?

- What is the impact of financial technology on banks' cross-border activities and financial intermediation including as a result of the introduction of crypto-assets, the use of blockchains for settlement and the emergence of Central Bank Digital Currencies?
- Are there opportunities for multilateral approaches in light of the emergence of new business models and technological innovation in banking?

Keynote speakers to include

- Mariassunta Giannetti (Stockholm School of Economics and CEPR)
- H  l  ne Rey (London Business School and CEPR)

Paper submission

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 30 November 2022.** Contributors will be notified by **31 January 2023**.

The workshop aims to bring together leading academics, representatives of the Basel Committee member organisations and other central bankers and bank supervisors as well as market participants. The conference will most likely be held in hybrid format. The Office of the Comptroller of the Currency may contribute toward the cost of travel and accommodation expenses for academic speakers who attend in person.

The Programme Committee for the workshop consists of Douglas Arner (Hong Kong University), Hein Bogaard (Office of the Comptroller of the Currency), Claire C  l  rier (University of Toronto and CEPR), Cristina Cella (Sveriges Riksbank), Samuel Da Rocha Lopes (European Banking Authority), Olivier de Bandt (Bank of France), Klaus D  llmann (European Central Bank), Janet Gao (Georgetown University), David Lynch (Board of Governors of the Federal Reserve System),   scar Jord   (University of California, Davis and Federal Reserve Bank of San Francisco), Giorgia Piacentino (Columbia University and CEPR), Pablo Rovira Kaltwasser (National Bank of Belgium), Alexander Schulz (Deutsche Bundesbank), Greg Sutton (Bank for International Settlements) and Smith Williams (Federal Deposit Insurance Corporation).