

## **Jean-Pierre Roth: As the financial crisis recedes, what are the lessons for central bank efforts in the future?**

Summary of a speech by Mr Jean-Pierre Roth, Chairman of the Governing Board of the Swiss National Bank, at the Centre International d'Etudes Monétaires et Bancaires, Geneva, 24 November 2009.

*The complete speech can be found in French on the Swiss National Bank's website ([www.snb.ch](http://www.snb.ch)).*

\* \* \*

The financial crisis of the last two years has caused people to re-examine a number of generally accepted ideas. Corrective measures are being undertaken, particularly in the area of banking regulation. For central banks, the most delicate issue will be how to contribute to macrofinancial stability without jeopardising their objective of price stability and, in turn, compromising their own credibility.

As regards banking supervision, close cooperation between central banks and banking supervisory authorities is essential. The temptation to concentrate forces is strong. In Switzerland, placing centralised oversight responsibility with the Swiss National Bank would risk weakening the SNB's independence from the political sphere.

With respect to systemically important financial institutions, everything possible must be done to limit the likelihood and the risks of further problems. Major efforts are underway in this regard at the Financial Stability Board.

To ensure that central banks have the necessary means to act in a crisis, a liberal legal framework and a safety cushion in the form of equity are needed. The SNB is in a favourable position in this respect.