Basel Committee
on Banking Supervision

BIS

CEPR

Research Group

13 December 2023

Announcement: Revised call for papers

Banks' liquidity in volatile macroeconomic and market environments

Bank for International Settlements, Basel, 15–16 May 2024

The recent regional banking turbulence in the United States and the simultaneous default of a global systemic bank in Switzerland have shown again that liquidity is the key vulnerability for banks, given their maturity transformation function. Liquidity shocks may occur due to inadequate risk management and governance, concentration risk on the asset and/or liability sides, margin calls, or runs by uninsured depositors. They may also take the form of, or degenerate into, system-wide liquidity stress or aggregate liquidity shocks to the financial system. In that case, they could eventually disrupt the functioning of financial intermediation and impair the provision of financial services and credit to the real economy.

Despite significant improvements in banking liquidity regulation with the implementation of the Basel III standards, bank runs still exist. In fact, they have been magnified by recent changes in customers' behaviour, technological advances in payment systems and digital banking. The liquidity of a bank can now evaporate in a single day, possibly with contagion on an international scale, potentially amplified by rumours on social networks.

Against this background, this conference aims to analyse bank liquidity risk, its management, its interplay with the financial sector and its potential systemic dimension. While the focus of the conference will be on funding liquidity risk, the interaction with market liquidity will also be considered in the context of volatile macroeconomic and market environments.

We invite both empirical and theoretical contributions on any topic that can help address these issues. The topics of interest include:

- Funding and market liquidity risks
- Deposit stability and liquidity risk
- Bank runs in the digital age
- Linkages between bank and non-bank financial intermediaries
- Interest rate risk, liquidity risk and asset/liability management
- Bank supervision and regulation of liquidity risk
- Global liquidity stress tests
- Systemic liquidity risk, at the domestic and global levels
- Bank liquidity in resolution
- Cross-border liquidity management and its impact on financial stability

Keynote speakers include

- Viral V Acharya, New York University Stern School of Business
- Agnès Benassy-Quéré, Deputy Governor, Bank of France and Paris School of Economics (PSE)

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 27 December 2023**. Contributors will be notified by **15 February 2024**.

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 BIS 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 David Aikman (King's College), Thorsten Beck (European University Institute and CEPR), Laurent Clerc (French Prudential Supervision and Resolution Authority), Claudia Custodio (Imperial College London and CEPR), Samuel Da Rocha Lopes (European Banking Authority), Olivier de Bandt (Bank of France), Klaus Düllmann (European Central Bank), Gaston Gelos (Bank for International Settlements and CEPR), Mariassunta Giannetti (Stockholm School of Economics and CEPR), Vasso Ioannidou (City University of London and CEPR), Pablo Rovira Kaltwasser (National Bank of Belgium), Andreas Schrimpf (Bank for International Settlements and CEPR), Alexander Schulz (Deutsche Bundesbank), Ilhyock Shim (Bank for International Settlements), Hyun Song Shin (Bank for International Settlements), Greg Sutton (Bank for International Settlements) and Margartia Tsoutsoura (Washington University in St Louis and CEPR).