

## TOWARDS BASEL III?

### “Regulating the banking sector after the crisis”

A High-Level Roundtable co-organised by *Friends of Europe*, the Initiative for Policy Dialogue, the Foundation for European Progressive Studies (FEPS), and the *Financial Times* with media partner *Europe's World*

Monday 12 October 2009, Bibliothèque Solvay, Brussels

### PROGRAMME

09.00 – 09.30 Welcome & Registration of Participants

09.30 – 10.15 Introductory remarks by  
**Poul Nyrup Rasmussen**, President of the Party of European Socialists and  
**Joseph Stiglitz**, Co-President of the Initiative for Policy Dialogue, Columbia University

**Session I**  
10.15-13.00

#### INTRODUCING COUNTER-CYCLICALITY INTO BASEL II

The healthiness of the banking and financial system remains unstable, despite massive liquidity injections and credit facilities by public institutions. This should raise questions on how to adjust Basel II agreements to prevent future systemic crises in the banking sector, and thus in the real economy. It is therefore crucial to analyse the pro-cyclical patterns of the Basel II agreements, the way counter-cyclical tools have been introduced and experienced in different parts of the world, and how counter-cyclicity principles could be introduced into a reformed Basel II or Basel III.

PANEL:

**Stephany Griffith-Jones** Head of Financial Markets of the Initiative for Policy Dialogue, Columbia University  
**Jörgen Holmquist\*** Director General of the European Commission Directorate General for Internal Market and Services  
**Avinash Persaud** Chairman of the Intelligence Capital Limited and Chair, Warwick Commission  
**Stefan Walter** Secretary General of the Basel Committee on Banking Supervision  
11.30 – 12.00 Coffee break

Country experiences of introducing counter-cyclicity

**TBD** Canadian Representative  
**John G. Evans** General Secretary of the Trade Union Advisory Committee to the OECD (TUAC)  
**Yaga Venugopal Reddy** Former Governor of the Reserve Bank of India

**Roundtable Discussion**

MODERATORS:

**Giles Merritt** Secretary General of *Friends of Europe*  
**Gillian Tett** Capital Markets Editor of the *Financial Times*



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13.00 – 14.00 Lunch

<b>Session II</b> 14.00-16.00	<b>DOES COUNTER-CYCLICALITY POINT TO BASEL III?</b>
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Financial institutions must be encouraged to clean up their balance sheets as a pre-requisite for rehabilitating the financial system and re-establishing stable growth worldwide. At the same time, financial regulators will have to build the necessary monetary counter-cyclical tools. In the process, the appearance of the same risks which caused the present financial crisis must be prevented.

PANEL:

European perspectives

**Pervenche Berès MEP\*** Chairwoman of the Committee on Employment and Social Affairs in the European Parliament

**Claudio Borio\*** Head of Research and Policy Analysis, Bank for International Settlements

**Grzegorz W. Kolodko\*** Director of the Kozminski University Economic Research Centre TIGER and former Finance Minister of Poland

**Hans Helmut Kotz** Member of the Executive Board, Deutsche Bundesbank  
**Guy Levy Rueff** Deputy to Director of Research and Policy, Banque de France

Emerging economies perspectives

**Gill Marcus\*** Future Governor of the South African Reserve Bank

**Guillermo Ortiz\*** Chairman of the Board of Directors, Bank of International Settlements and Governor, Central Bank of Mexico

**Xiaopu Zhang\*** Director of Supervisory Rules and Regulation Department, China Banking Regulatory Commission

**Roundtable Discussion**

MODERATORS:

**Ernst Stetter** Secretary General of the *Foundation for European Progressive Studies (FEPS)*

**Gillian Tett** Capital Markets Editor of the *Financial Times*

16.00 – 16.30 Coffee break

<b>Session III</b> 16.30-17.30	<b>WRAP-UP AND CONCLUDING REMARKS</b>
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**Joaquín Almunia** EU Commissioner for Economic and Monetary Affairs

**Poul Nyrup Rasmussen** President of the Party of European Socialists

**Joseph Stiglitz** Co-President of the Initiative for Policy Dialogue, Columbia University and Nobel Prize Winner in Economics (2001)

**Jean-Claude Trichet\*** President of the European Central Bank (ECB)

17.30 End of Roundtable

\* to be confirmed

**PARTICIPANTS** : 50 **discussants** will sit around the table. Their backgrounds will cover the wide array of stakeholders involved in finance, they will be policymakers, business leaders, MEPs and social partners' representatives from all over the world.

Some 100 **observers** will attend the debate and will include European and international **press**.

**FORMAT** : Each session will be opened by introductory discussants, delivering short, sharp remarks. Then the moderators will kick off the debate by taking comments from the discussants and putting questions to them. **The style will be informal**, spontaneous, with no room for prepared speeches. We want roundtable participants to engage in a lively exchange of opinions. A rapporteur will write a **summary of the debate**, which will be largely disseminated.

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