

XI Meeting of Heads of Financial Stability

Digital Meeting, September 7 – 9, 2021

Agenda

Tuesday, September 7, Mexico City local time (UTC -5)

09:00 – 09:30

Opening remarks

Dr. Manuel Ramos Francia, Director General, CEMLA.

Ángel Estrada García, Director General Financial Stability, Regulation, and Resolution, Banco de España.

Solange Berstein Jáuregui, Manager Financial Policy Division, Banco Central de Chile

09:30 – 10:30

Session 1. Keynote: Sovereign debt before and after Covid

Chair: **Serafín Martínez Jaramillo**, CEMLA

Ugo Panizza, Professor of Economics and Pictet Chair in Finance and Development, Graduate Institute of International and Development Studies Geneva

10:30 – 11:00

Break

11:00 – 12:30

Panel discussion 1. COVID-19 and financial stability

This session discusses the impact of the Covid-19 crisis on national economic and financial development. Diverse financial and fiscal policies were implemented to mitigate negative repercussions on the real economy and financial stability risks, which were accompanied by monetary easing. The session focuses on discussing the eminent risks to financial stability in the light of varying outlooks on economic recovery and new sources of uncertainty. The session sheds light on the significance of rising inflation and the potential impact of monetary tightening abroad and in the home economy for future financial risks. The session draws implications from lessons learnt for the financial policy framework.

Chair: **Juan Francisco Martínez**, Banco Central de Chile

Solange Berstein Jáuregui, Manager Financial Policy Division, Banco Central de Chile

Fabrizio López-Gallo Dey, Financial Stability General Director, Banco de México

Daniel Esteban Osorio Rodríguez, Director of the Financial Stability Department, Banco de la República (Colombia).

Wednesday, September 8, Mexico City local time (UTC -5)

09:00 – 10:00 **Session 2. Keynote: The COVID Shock and an Uneven Global Economy**

Chair: **Carola Müller**, CEMLA

Dr. Şebnem Kalemli-Özcan, Neil Moskowitz Professor of Economics and Finance, University of Maryland.

10:00 – 10:30 **Break**

10:30 – 12:00 **Panel discussion 2. Macroprudential policy during the COVID crisis**

The Covid-19 crisis came as a shock to financial markets. Countries entered the crisis at different stages of the financial cycle, which had repercussions on the scope to adjust macroprudential measures, such as capital buffers. Diverse accommodating policies and regulatory forbearance were set temporarily in place to support shock absorption through the financial system. This session aims to evaluate the use, effectiveness, and timing of macroprudential tools during the crisis, and to discuss the future outlook for macroprudential policy stances. A key challenge ahead to be discussed in the session is to weigh the benefits of prolonged support of the financial system against its potential negative effects in order to formulate a withdrawal strategy compatible with financial stability goals.

Chair: **Matias Ossandon Busch**, CEMLA

Ángel Estrada García, Financial Stability, Regulation, and Resolution, Banco de España

Jorge Ponce, Head of Economic Research, Banco Central del Uruguay
Héctor Augusto Valle Samayoa, Director Financial Stability Analysis Department, Banco de Guatemala

Thursday, September 9, Mexico City local time (UTC -5)

09:00 – 10:30 **Panel discussion 3. Digitalization of finance and financial stability**

New initiatives of bigtech and fintech companies are populating credit and payment markets. Threats to traditional financial institutions' profitability and growing disintermediation can imply risks to financial stability. Alternatives to private innovations, such as the public provision of services as in the introduction of a Central Bank Digital Currency (CBDC), have likewise the potential to change classic intermediation. This session focuses on discussing the implications of the digitalization trend for financial stability like the current surge on crypto currencies and crypto assets in general.

Chair: **Carola Müller**, CEMLA

Ulrich Bindseil, Director General Market Infrastructure and Payments,
European Central Bank

Jon Frost, Senior Economist, Innovation and the Digital Economy Unit,
Bank for International Settlements

Pablo Villalobos González, Advisor to the Governor, Banco Central de Costa
Rica

10:30 – 11:00

Break

11:00 – 12:25

**Panel discussion 4. Implications of climate change for financial
stability**

Climate change and biodiversity loss are key challenges for policy makers around the world. Emerging countries are located in those regions that are more exposed to its effects, with Latin America and the Caribbean including some of the most biodiverse areas in the world. Central banks are developing new tools to assess their potential impact on the financial system, for example, by designing climate change stress tests. This session presents regional and international initiatives and approaches that develop environmental policies.

Chair: **Carmen Broto**, Banco de España

Patrick Amis, Director General Microprudential Supervision III, European
Central Bank, Representative at the Network for Greening the Financial
System Plenary

Gilneu Francisco Astolfi Vivan, Head of Financial System Monitoring
Department, Banco Central do Brasil.

Serafín Martínez Jaramillo, Advisor, CEMLA, and Senior Financial
Researcher, Banco de México

12:25 – 12:30

Closing remarks

Carola Müller, CEMLA