

# XII

## MEETING OF HEADS OF FINANCIAL STABILITY

Hybrid Meeting  
September 7 – 8, 2022

WEDNESDAY

**07**  
SEPTEMBER  
**2022**

Mexico City  
local time  
(UTC -5)

09:00 – 09:30

### Opening remarks

- Dr. Manuel Ramos Francia, Director General, *CEMLA*
- Dr. Fabrizio López-Gallo Dey, Director General Financial Stability, *Banco de México*

09:30 – 11:00

### Keynote

**“The economic and financial impacts of the Covid-19 crisis around the world: Expect the unexpected”**

**Chair:** Carola Müller, Senior Economist, *CEMLA*

- Prof. Allen N. Berger, Carolina Distinguished Professor of Banking and Finance at the University of South Carolina, *Darla Moore School of Business*
- Prof. Mustafa Karakaplan, *University of South Carolina, Darla Moore School of Business*
- (On-line) Raluca A. Roman, PhD, Senior Financial Economist, *Federal Reserve Bank Philadelphia*

11:00 – 11:30

### Break

11:30 – 13:00

### Panel discussion 1

#### **International capital flows and financial stability concerns from an emerging market perspective**

This session discusses current trends in international capital flows in the new context of weak economic growth, high inflation, and rising interest rates. The process of monetary tightening across the globe has led to increased pressures for procyclical capital flows, with consequences for financial stability in emerging countries. This scenario differs from historical episodes of capital flows reversals in that nonbank financial intermediaries have played an increasing role in global markets, what has been related to increased market volatility. The session will also address the tools central banks have to actively mitigate financial stability risks derived from a volatile global environment.

**Chair:** Matías Ossandon Busch, Director of Financial Stability, *CEMLA*

- (On-line) Ulf Lewrick, Principal Economist, Financial Systems &

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Regulation, Monetary and Economic Department, *Bank for International Settlements*

- Daniel Esteban Osorio Rodríguez, Director of the Financial Stability Department, *Banco de la República (Colombia)*
- (On-line) Marcelo Luis Raffin, Senior Manager Financial Stability, *Banco Central de la República Argentina*

13:00

**End of online transmission**

13:00 – 14:00

**Lunch**

14:00 – 15:30

**Closed panel discussion**

### **The known unknowns of financial stability – Uncertainty in a changing economic and political environment**

The current heightened macroeconomic uncertainty lead by rising energy prices, the war in Ukraine, and tightened monetary conditions implies a new and challenging environment for central banks. In this scenario, financial stability risks require being reassessed to design policy actions targeted for both global and country-specific vulnerabilities, while simultaneously seeking a smooth exit from economic support programs implemented during the COVID-19 pandemic. This session discusses the salient challenge of macroeconomic and policy uncertainty for financial stability, with a focus on how central banks can adjust their risk-monitoring and policy tools to cushion the impact of tightened financial conditions on lenders and borrowers.

**Chair:** Dr. Fabrizio López-Gallo Dey, Director of Financial Stability, *Banco de México*

- Ángel Estrada García, Director General Financial Stability, Regulation, and Resolution, *Banco de España*
- Paul Castillo, Director of Monetary Operations and Financial Stability, *Banco Central de Perú*
- María Victoria Landaberry, Head of the Financial Stability Department, *Banco Central del Uruguay*

15:30

**Reception**

# XII

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THURSDAY

**08**

SEPTEMBER

**2022**

Mexico City  
local time  
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09:00 – 10:30

### Panel discussion 2

#### Cyber risks, crypto assets, and technology-enabled challenges to financial stability

While crypto assets remain a small portion of overall global financial system assets, their connection to core financial markets is rapidly increasing. This trajectory highlights potential vulnerabilities for financial stability, including the risk of market concentration in trading platforms, the risk of sudden runs on stablecoins' reserves with spillovers to short-term funding markets, and data protection concerns. Moreover, investors' weak understanding of crypto-assets exacerbates underlying adverse selection frictions, opening the scope for weak market discipline. This session addresses the emerging challenge of crypto assets for central banks, discussing international best-practices on how to incorporate monitoring and regulatory tools to address key financial stability implications related to the rise of these new markets.

**Chair:** Carola Müller, Senior Economist, *CEMLA*

- Dr. Fabrizio López Gallo Dey, Director General Financial Stability, *Banco de México*
- Elizabeth Caviness, Team Manager of the Markets Group, *Federal Reserve Bank of New York*
- Pablo Furche, Head of the Development and Innovations Group, *Banco Central de Chile*

10:30

#### **End of online transmission**

10:30 – 11:00

#### **Break**

11:00 – 12:30

#### **Closing roundtable**

**Chair:** Dr. Manuel Ramos Francia, Director General, *CEMLA*

12:30 – 12:35

#### **Closing remarks**