



FINANCE FOCUS BREAKFAST

'The challenge of taxing systemic risk'

Ulrich Klüh

Secretary General, German Council of Economic Experts

Enrico Perotti

Professor of International Finance, University of Amsterdam

Peter Grasmann

Head of Unit, Financial Integration and Governance, Eur. Commission DG ECFIN

Tuesday 23 March 2010, 8:15 for 8:30am-10:00am at Bruegel, Brussels

Size and interconnectedness have tended to increase over the last three decades in all business segments of the financial system, at national and cross-border level. This has modified the nature of systemic risk, and existing policy tools to address it have been found wanting in the ongoing crisis. The moral hazard posed by large and complex financial institutions remains fundamentally unresolved so far.

As regulation has largely failed, is tax policy a credible instrument to reduce systemic risk? Tobin taxes, bonus taxes or Barack Obama's levy on bank balance sheets have raised considerable political interest; the G20 has asked the International Monetary Fund to produce a report on policy options. Our discussion will start from recent policy proposals co-authored by Ulrich Klüh to explore this topical question.

Ulrich Klüh has been the Secretary General of the German Council of Economic Experts (*Sachverständigenrat*) since September 2008. Prior to this position, he was an economist at the IMF's African Department and Monetary and Capital Markets Department, where he mainly worked on central bank and financial stability issues. He is a former student of Goethe University in Frankfurt and holds a Ph.D. in Economics from Ludwig-Maximilian University in Munich.

Enrico Perotti is professor at the University of Amsterdam and a research fellow at the Centre for Economic Policy Research in London. He has been a consultant to the IMF and World Bank and a senior advisor to the Russian Ministry of Finance and Central Bank in 1996-2000. He has directed since 1998 the Amsterdam Center for International Finance (CIFRA). A PhD graduate in Finance from the Massachusetts Institute of Technology, he serves on the Council of the European Economic Association.

Peter Grasmann studied at Munich University and UC Berkeley and holds a PhD in economics. He has been a lecturer at Munich University and Caltech and later was a financial analyst and consultant. In the European Commission, he worked on financial integration, economic analysis and forecasting, and the economic relationship with candidate countries. He was seconded for a year to the International Civilian Office in Kosovo before returning to DG ECFIN in his current position.

The discussion will be moderated by **Nicolas Véron**, senior fellow at Bruegel. Breakfast will be served at 8:15am.

RSVP: matilda.sevon@bruegel.org

Rue de la Charité, 33 / B-1210 Brussels

www.bruegel.org