



## FINANCE FOCUS BREAKFAST

### **‘The Financial Stability Board’s Vision for Systemically Important Financial Institutions’**

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**Mario Nava**

Head of the Banking Unit, European Commission – DG MARKT

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Moderation: **Nicolas Véron**, Senior Fellow, Bruegel

***Tuesday 20 July 2010, 8:15 for 8:30am-10:00am at Bruegel, Brussels***

The financial crisis is widely suspected to have exacerbated moral hazard in the financial system. Following the collapse of Lehman Brothers, national authorities committed not to let systemically important financial institutions (SIFIs) go bankrupt. By doing so, they acknowledged and reinforced fundamental limits to market discipline and distortions to the incentive system inherent to shareholder capitalism. As a consequence, it is feared SIFIs continued to engage in higher risk activities.

The Financial Stability Board (FSB), acting on a mandate from G20 leaders, is developing a policy framework to reduce the moral hazard risks associated with SIFIs, and the European Commission is working on crisis prevention and management with the aim to propose legislation in early 2011. Is it possible and desirable to reduce the probability and impact of a SIFI failure, and if yes, how? How to improve the capacity to resolve SIFIs without taxpayers bearing the costs? How to strengthen the core market infrastructure to reduce contagion risks? What are the framework conditions to permit effective cross-border resolution?

**Eva Hüpkes** is Adviser at the FSB in Basel, co-chair of the Basel Committee Working Group on Cross-Border Bank Resolution, and Member of the International Association of Deposit Insurers’ Advisory Panel. Prior to joining the FSB in September 2009, she served ten years as Head of Policy and Regulation at the Swiss Financial Market Supervisory Authority (FINMA), and before then at the International Monetary Fund. She holds degrees in law and international relations from the University of Geneva, the Graduate Institute of International Studies in Geneva, Georgetown University, the University of Passau, and the University of Berne.

**Mario Nava** heads the Banking and Financial Conglomerates unit of the European Commission. Until 2009, he had been head of the Financial Market Infrastructure unit for five years, and previously a member of the Group of Policy Advisers of Commission President Romano Prodi (2001-04). He has also worked in the Cabinet of Competition Commissioner Mario Monti (2000-01), the Commission’s Budget Department (1996-2000) and its Taxation Department (1994-96). He holds degrees in economics and public finance from Bocconi University, Université Catholique de Louvain, and the London School of Economics.

**Stéphane Rottier** works on banking, regulatory and financial stability policy issues at the National Bank of Belgium, which he joined in 2000 following a stint in economic research at Katholieke Universiteit Leuven. In the meantime, he has served as economic adviser to Belgian Finance Minister Didier Reynders (2003-05) and to the Belgian Executive Director at the IMF in Washington (2005-09). He holds degrees in law and economics from KU Leuven, University of Tel Aviv, Pompeu Fabra University in Barcelona, and the London School of Economics.

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

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