

Chatham House Conference - Session One - Regulatory Reform

- Do the proposed regulatory reforms, as outlined in the Turner Review and Treasury White Paper, de Larosière Report, and Obama White Paper, adequately address the causes of the current financial crisis?
- To what degree can market discipline and the self-correcting nature of markets be counted on to ensure that future crises are prevented? Has the financial crisis caused the regulatory pendulum to swing too far toward the direction of over-regulation? What dangers could this pose?
- Should financial institutions that are deemed systemically-important be subject to special regulation or obligations?
- In order to be effective, regulators must have enough resources, powers to collect information, expertise, and enforcement capabilities. Do the proposed reforms provide regulators with all of the tools they need?
- What risks to the financial system cannot be addressed through regulatory reform?

Chair:

- Dr Paola Subacchi, Director, International Economic Research, Chatham House

Keynote Addresses:

- Paul Myners CBE, Financial Services Secretary, HM Treasury, UK
- Jacques de Larosière, Chairman, High-Level Expert Group on EU Financial Supervision
- Hector Sants, Chief Executive Officer, Financial Services Authority, UK

Questions and Discussion

11.05 - Refreshments

- Marcus Agius, Chairman, Barclays Group
- Simon M Lorne, Vice Chairman and Chief Legal Officer, Millennium Partners and Former General Counsel, US Securities and Exchange Commission
- Randal Quarles, Managing Director, Washington Branch, The Carlyle Group

Questions and Discussion

12.50 – Lunch

13.40 - Session Two - The Challenge of Regulatory Cooperation and Coordination

- What will be the new powers of international bodies like the Financial Stability Board, IMF and European Systemic Risk Council? To what extent will these bodies still have to rely on national regulators to carry out their objectives? How will these bodies ensure that national regulators respond in a timely and appropriate manner?
- There are calls for the creation of a global systemic risk regulator. Who should adopt this role? What would this body have to do to be successful?
- Host countries may now demand greater regulatory authority over cross-border financial institutions. Will these demands interfere with the provision of global financial services?
- How will regulatory coordination take place? Are formal, legal mechanisms or informal contact groups preferable? Will all countries be invited to join these bodies or will only certain jurisdictions have representatives?

Chair:

- Professor Eric Pan, Director, The Samuel and Ronnie Heyman Center on Corporate Governance
- Benjamin N. Cardozo School of Law, New York, Associate Fellow, International Economic Research, Chatham House

Speakers:

- Stephen Cecchetti, Economic Adviser, Bank for International Settlements
- David Wright, Deputy Director General, Internal Market, European Commission

Moderated Panel Discussion:

- Stephen Cecchetti
- David Wright
- Barbara Ridpath, CEO, International Centre for Financial Regulation
- Nicolas Véron, Research Fellow, Bruegel

15.10 Refreshments

15.30 - Session Three - Extending the Regulators' Reach

- Should hedge funds and other investment vehicles be subject to regulation? If so, what should be the nature of the regulation (eg disclosure, registration, supervision, capital adequacy)?
- It is inevitable that those jurisdictions that provide lighter regulation (including account and transaction secrecy and tax advantages) will be attractive to various financial institutions. Is it acceptable for jurisdictions to treat light regulation as a competitive advantage? To what extent should the European Union and United States prevent this from happening?
- What impact will the new regulatory regime have on the structure and activities of the financial sector?
- Should regulators require financial firms and corporations to put into place risk management and enterprise risk management controls? How can we ensure that boards of directors more actively monitor officers and employees? Can risk management standards be coordinated at an international level?
- To what extent should regulators place restrictions on the amount and form of compensation received by senior executive officers? Will salary and bonus restrictions mean that firms will have trouble attracting talented, high quality individuals? Should compensation restrictions also apply to private firms, especially hedge and private equity funds?

Chair:

- Vanessa Rossi, Senior Fellow, International Economic Research, Chatham House

Speaker:

- Creighton Condon, Partner, Shearman & Sterling

Moderated Panel Discussion

Chair:

- Barney Reynolds, Partner, Shearman & Sterling, Panellists
Simon M Lorne, Vice Chairman and Chief Legal Officer, Millennium Partners and Former General Counsel, US Securities and Exchange Commission
- Thomas Deinet, Executive Director, Hedge Fund Working Group
- Dr Urs Zulauf, Member of the Executive Board and Head of Strategic and Central Services, Swiss Financial Market Supervisory Authority

16.45 - End of Conference and Refreshments