



Call for Papers

## Financial Cycles and Regulation

Deutsche Bundesbank – LOEWE Center Sustainable Architecture for Finance in Europe (SAFE) – The German Institute for Economic Research (DIW) – The Halle Institute for Economic Research (IWH)

**November 5-6, 2018**

**Deutsche Bundesbank, Central Office, Frankfurt am Main**

The recent Global Financial Crisis has highlighted the importance of financial cycles for macroeconomic and financial stability. While there is a widespread belief that credit and asset price cycles can affect both, there is no commonly accepted definition of the financial cycle and the analytical tools to describe it. In recent years, regulatory authorities in many countries have introduced new macroprudential policy instruments with the aim of dampening financial cycles and addressing systemic risk. Given the limited agreement on the characteristics and measurement of financial cycles, it seems important to revisit current modelling strategies. The latter includes the interaction between financial and business cycles and between different regulatory and stabilization policies. Since various regulatory measures (e.g., the countercyclical capital buffer) directly relate to the state of the financial cycle, a thorough understanding of the underlying macroeconomic concepts is a fundamental prerequisite for their successful application.

The aim of the conference is to improve our understanding of the nature of financial cycles and to discuss the corresponding analytical challenges and implications for macroprudential policy and financial regulation. The conference is also an opportunity for an exchange of views of researchers and policymakers on the usefulness of regulatory measures.

Conference topics include, but are not limited to

- Challenges in modelling financial cycles (definition, within country and cross-country, drivers, time variation, etc.)

- Implications of model uncertainty on measuring financial cycles
- The interaction of financial and business cycles (e.g., causality)
- Challenges in the joint modelling of financial and business cycles (e.g., in the medium-term)
- The relationship between real time financial cycles, early warning systems, and systemic financial crises
- The global financial cycle and the transmission of global financial shocks
- Cross border aspects of macroprudential policy and financial cycle synchronization
- Implications for macroprudential policy and regulation
- The interaction between macroprudential and monetary policy
- Institutional aspects, financial liberalization and regulation
- Regulatory complexity and cost-benefit analysis
- Evaluation of post-crisis reforms to regulatory and supervisory frameworks

**Keynote Speakers:** Claudio Borio (BIS) and John H. Cochrane (Hoover Institution, Stanford University)

#### **Paper Submission Procedure**

We are inviting papers and extended abstracts to be submitted by **June 30, 2018** to [FinancialCycles@bundesbank.de](mailto:FinancialCycles@bundesbank.de). Authors of accepted papers will be notified by **August 1, 2018**. A discussant will be assigned to each presenter.

Travel and accommodation expenses will be reimbursed for academic participants, subject to a cap.

#### **Organizing and Program Committee**

- Tim Oliver Berg (Deutsche Bundesbank)
- Franziska Bremus (DIW)
- Martin Götz (SAFE)
- Reint E. Gropp (IWH)
- Rainer Haselmann (SAFE)
- Oliver Holtemöller (IWH)
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