



AGENDA

CRISIS PREPAREDNESS AND RESOLUTION OPTIONS for Financial Regulators & Supervisors, Central Bankers, Deposit Insurance and Senior Ministry of Finance Officials

Stockholm, Sweden, September 29 – October 4, 2019



Global Affairs
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CRISIS PREPAREDNESS AND RESOLUTION OPTIONS

For Financial Regulators & Supervisors, Central Bankers, Deposit Insurance and Senior Ministry of Finance officials

Stockholm, Sweden, September 29 – October 4, 2019

Hosted by Sveriges Riksbank
(*Brunkebergstorg 11, Stockholm*)

Jointly organized by the Toronto Leadership Centre and Sveriges Riksbank with funding from the Canadian Global Affairs Department, International Monetary Fund and Swedish International Development Cooperation Agency

Objectives

The Program is designed to provide participants with tools to assist them in their surveillance of the financial sector and to take necessary measures when alerted to an impending crisis. It also provides them with the opportunity to practice the roles that monetary policy makers in central banks, supervisory/regulatory authorities and deposit insurance corporations play in managing a crisis arising from problems in a potentially systemic financial institution. The case studies and computer-simulated exercises will explore how central bankers, supervisors and deposit insurers co-ordinate with each other and with other authorities nationally and internationally during a crisis, and the tools available to them to deal with the systemic consequences of a bank failure.

Expected outcomes

Participants will learn how to use various indicators and approaches to carry out their surveillance of financial institutions and the financial system and to alert them of risks of impending problems and crisis. They will also learn about assessments of SIFIs, management of the media in times of crisis, how to choose the most relevant from among the resolution options available, including assessing various costs involved in bail-ins including consideration of creditor compensation and various cost elements and how to prepare contingency plans to manage crises.

Methodology

The Toronto Centre uses a highly interactive approach teaching through the use of case studies, lectures, simulations and exercises and participants have to work in table groups on group activities on issues raised in the case studies and lectures. In a simulated environment, the participants will be able to (i) practise using processes of contingency planning and choosing among possible resolution options for dealing with failing banks; (ii) co-ordinate with supervisors, central banks and deposit insurers and with other authorities nationally and internationally in a crisis; and (iii) deal with systemic consequences of a bank failure. At the end of the Program, participants will be able to examine the critical components of a crisis preparedness/contingency planning guide in the event of a financial crisis, in accordance to international best practices.

Target Group

The Program is designed for middle/senior level supervisors and regulators from ODA-eligible countries with responsibilities in managing financial stability, financial surveillance and supervision of banking institutions, and central bankers involved in monetary policy and operations. The program is also highly relevant to staff of deposit insurance corporations.

Saturday, September 28

Arrival of Program Leaders and Participants

Sunday, September 29

09:00 – 10:30 Pre-Course Overview and Ice Breaker

10:45 – 17:30 Networking tour of Stockholm

Monday, September 30

- 08:30 – 09:00 **OPENING CEREMONY**
Welcome Remarks
- *Sveriges Riksbank*
- *Toronto Centre*
- 09:00 – 10:30 **Context for Change**
Clive Briault
 - Current developments which will have implications for the work of supervisors
- 10:30 – 10:45 Coffee Break
- 10:45 – 12:30 **How to strengthen the resilience of the financial sector - Macprudential Policy**
Dilan Olcer
Systemic risk, macroprudential policy, tools and institutional frameworks
- 12:30 – 13:30 Lunch
- 13:30 – 15:00 **Management of Crises: Sweden's experience and others**
Mattias Persson
 - Range of responses to a crisis
 - The practice of supervisory co-operation in times of crisis: what works and what does not to strategize coordinated action
 - Group activity to assess under what conditions the steps taken in Sweden might or might not be successful
 - Lessons from experiences of Sweden and other countries
- 15:00 – 15:15 Coffee Break
- 15:15 – 16:00 **Management of Crises (continuation of Group Activity)**
- 16:00 – 17:45 **Effective Communication in Times of Crisis**
Cecilia Skingsley
 - How communications supports the management of a crisis

- Who are the stakeholders
- What messages, when and why
- Choice of methods
- Preparation and execution
- Case activity

Tuesday, October 1

08:30 – 08:45	Group Photo
08:45 – 09:00	Ideas I will use
09:00 – 10:45	<p>Systemic impact assessments using heat map <i>David Farelius</i></p> <ul style="list-style-type: none"> • Presentation of simple framework for systemic impact assessment using a heat map and a practical example of how to apply the heat map • Group activity
10:45 – 11:00	Coffee Break
11:00 – 12:30	<p>Resolution Strategies and Plans: Overview <i>Clive Briault</i></p> <ul style="list-style-type: none"> • Key attributes for effective resolutions. Do you have all the necessary powers and tools? • Bail-in: how to make it work? • Cross border and home-host issues
12:30 – 13:30	Lunch
13:30 – 15:15	<p>Resolution Strategies and Plans (Group Activity) Simulation on cross-country crisis resolution <i>Clive Briault</i></p> <p>Participants will be placed in one of three country groups and will be given balance sheet information. As the situation unfolds they will have to analyse and prepare for negotiations with the authorities in the other countries. They will:</p> <ul style="list-style-type: none"> • Analyse the resolvability of the bank • Decide what measures should be taken as part of resolution planning • Decide how to apply a resolution strategy • Other issues depending on the options selected.
15:15 – 15:30	Coffee Break

15:30 – 17:30 **Resolution Strategies and Plans (Group Activity)**
Simulation on cross-country crisis resolution (cont'd)
Clive Briault

Wednesday, October 2

08:30 – 08:45 Ideas I will Use

08:45 – 10:45 **Use of Central Bank Instruments, and Fiscal and Prudential Measures for Dealing with Financial Crises**

Jonas Niemeyer

Through the use of mini cases, discuss the use and effectiveness of different tools (central bank instruments, fiscal and prudential measures) for different circumstances

- Legal and financial instruments available to central banks during financial crisis
- ELA, OMO, quantitative easing, collateral requirements rules and flexibility
- Solvency criteria
- System wide liquidity monitoring
- Meaning and application of systemic risk criteria

10:45 – 11:00 Coffee Break

11:00 – 12:30 **Use of Central Bank Instruments, and Fiscal and Prudential Measures for Dealing with Financial Crises (cont'd)**

Jonas Niemeyer

12:30 – 13:30 Lunch

13:30 – 16:00 **Contingency Planning**

Clive Briault

The role and importance of contingency planning

- Costs and benefits of contingency planning
- How to develop contingency plans
- Elements of contingency planning
- Crisis preparedness resource materials (the crisis binder)
- Inter-agency contingency plans
- Simulating crises to test readiness
- Updating legal powers, resources and crisis planning.
- Minimizing cost of resolution to government
- Workshop on contingency planning

16:00 – 16:15 Coffee Break

16:15 – 17:30 **Briefing and practice session on Simulation Exercise**
Clive Briault and Deng Cheang Leo

Thursday, October 3

08:30 – 12:30 **Financial Crisis Simulation Exercise Stage 1**

12:30 – 13:30 Lunch

13:30 – 17:00 **Financial Crisis Simulation Exercise Stage 2**

18:30 – 21:00 Farewell Dinner hosted by Sveriges Riksbank

Friday, October 4

09:00 – 09:30 Stefan Ingves, Governor of Sveriges Riksbank

09:30 – 10:15 **Crisis Simulation – Plenary Session Discussion and Debrief**
Clive Briault

10:15 – 10:30 Coffee Break

10:30 – 11:30 **Crisis Simulation – Plenary Session Discussion and Debrief
(continued)**

11:30 – 12:30 **Panel Discussion**
Program Leaders

12:30 – 12:40 **Course Evaluation** by participants

12:40 – 13:00 **CLOSING CEREMONY**
Concluding Remarks
Presentation of Certificates

13:00 – 14:00 Lunch and Departure of Participants