



7th ECMI ANNUAL CONFERENCE

23 November 2017 · Brussels

Towards variable union in Europe's capital markets

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For seven years running, ECMI has brought together an excellent line-up of leading academics, policy-makers and industry representatives to share their expertise on capital markets at its Annual Conference, attracting participants from across Europe and beyond. This year's event aims to take stock of the progress made so far in building a genuine European capital market, to identify the many challenges and opportunities that lie ahead and most importantly to assess whether more ambition is required. To this end, all stakeholders need to perform a new round of 'reality' checks in many areas, including the long-term savings and investment channel, implementation of regulatory reforms, institutional redesign/supervisory architecture, and fintech.

08:15 – 09:00 **Registration**

09:00 – 09:10 **Welcome remarks**

Fabrice Demarigny, Global Head of Financial Advisory Services, Mazars and Chairman of ECMI

09:10 – 09:30 **Opening speech**

Claudia M. Buch, Vice-President of the Deutsche Bundesbank

09:30 – 11:00 **Session 1. Short vs long-term investment: What will capital markets deliver?**

At present, capital markets have attained varying stages of development throughout Europe, and there remains a marked mismatch between supply and demand on a cross-border basis. The degree of (in)direct participation of retail investors and also the size/structure of the non-bank financial sector vary significantly across member states. The strengthening of long-term savings and investment channels through well-functioning, deeper and highly integrated capital markets remains a priority. Many factors – the central banks' stance on tapering, changing economic/financial conditions, evolving demographics, regulation as well as technological developments – will impact asset allocation in the coming years. What themes are likely to dominate the investment space? Does the current supply of products meet the needs of retail investors? Are institutional investors equipped for major market/regulatory/technological shifts? Does the regulatory framework provide adequate incentives for long-term, sustainable investment?

Keynote address:

Ulrich Bindseil, Director General of Market Operations, European Central Bank

Panel debate:

Laurent Clamagirand, Group Chief Investment Officer, AXA

Rick Lacaille, Global Chief Investment Officer, State Street Global Advisors

Martina Macpherson, President, Network for Sustainable Financial Markets

Moderator: **Karel Lannoo**, CEO, CEPS and General Manager, ECMI

11:00 – 11:30 **Coffee break**

11:30 – 13:00 **Session 2. Reforming the derivatives markets: Is the puzzle complete?**

The UK's withdrawal from the EU seems to have injected an extra boost into the on-going reform process. Among others, the current proposals include provisions to extend the temporary exemptions from central clearing obligations for some end-clients and a more centralised supervisory mechanism within ESMA. Moreover, the existing prudential, operational, oversight and risk-management rules are being complemented with a recovery and resolution framework for central counterparties (CCPs). Is the continuity of the critical functions of CCPs guaranteed without an unlimited backstop? Are resolution colleges well placed to resolve CCPs? What role can ESMA play in CCP supervision and recovery and resolution in a post-Brexit environment? Are the Commission proposals sufficient to make the derivatives markets Brexit-proof? Is there a need for transitional arrangements? And are additional reforms required to make the European derivatives markets more efficient without harming financial stability?

Keynote address:

Haoliang Zhu, Associate Professor of Finance, MIT Sloan School of Management and Faculty Research Fellow, National Bureau of Economic Research

Panel debate:

Fabrizio Planta, Head of the Markets Department, European Securities and Markets Authority

Daniel Maguire, Chief Executive Officer, LCH Group

Eric Litvack, Chairman, ISDA and Managing Director, Head of Regulatory Strategy, Société Générale Global Banking and Investor Solutions

Moderator: Franklin Allen, Professor of Finance and Economics, Imperial College Business School and Director, Brevan Howard Centre for Financial Analysis

13:00 – 14:00

Lunch

14:00 – 15:00

Session 3. 2017 ECMI Best Paper: Presentation and Award Ceremony

Presentation by **Guillaume Vuilleme**, Assistant Professor of Finance, HEC Paris

“The Failure of a Clearinghouse: Empirical Evidence” (with Vincent Bignon, Banque de France)

Remarks:

Andrei Kirilenko, Director, Centre for Global Finance and Technology, Imperial College Business School and Chair of the Academic Committee

Florencio López de Silanes, Professor of Finance, SKEMA Business School and Vice-Chair of the Academic Committee

15:00 – 16:30

Session 4. DLT and its applications: Revolution or evolution?

Distributed ledger technology (DLT) is still at an early stage, but more solutions will come to the market in the next 5 years and be subject to ‘business’ proof-of-concept testing. In particular, the financial services industry needs to address long-standing operational inefficiencies and find ways to enable further simplification, standardisation and transparency. Most benefits are expected in the areas of trade and post-trade. Nonetheless, there remain many questions related to the robustness, accessibility, interoperability, governance and the risk-management framework. In which segments is DLT most likely to bring about major benefits and gain the necessary scale? How can the potential risks introduced by DLT be mitigated? Will DLT lead to further disintermediation in the financial sector? How does DLT interact with the existing EU regulatory framework for securities markets (MiFID 2)?

Keynote address:

Angela Walch, Associate Professor of Law, St. Mary’s University and Research Fellow, Centre for Blockchain Technologies, University College London

Panel debate:

Jan Bart de Boer, Member of Board, Chief Commercial Officer, ABN AMRO Clearing

Tom Casteleyn, Head of Product Management for Custody, Cash and FX, BNY Mellon

Simon Toms, Partner, Corporate, Head of Fintech Group, Allen & Overy

Moderator: David Ostojitsch, Director of Technology and Operations, AFME

16:30 – 16:50

Closing speech

Ugo Bassi, Director of Financial markets, DG Financial Stability, Financial Services and Capital Markets Union, European Commission

16:50 – 17:00

Final remarks

Karel Lannoo, CEO, CEPS and General Manager, ECMI

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