



RIDGE / BANCO CENTRAL DEL URUGUAY

# WORKSHOP ON FINANCIAL STABILITY

2018 RIDGE DECEMBER FORUM

Montevideo, Uruguay / December 4-5, 2018

Conference venue: Banco Central del Uruguay, located at Diagonal Fabini 777, Montevideo

## Scientific Committee

Xavier Freixas (Universitat Pompeu Fabra)  
Donato Masciandaro (Università Bocconi)  
Jorge Ponce (Banco Central del Uruguay)  
Rafael Repullo (CEMFI)  
Jean-Charles Rochet (Université de Genève and Swiss Finance Institute)

## Invited Speakers

Catherine Casamatta (Toulouse School of Economics)  
Christine Parlour (Berkeley University)

**The Financial Stability and Development (FSD) Network of the IDB is  
co-organizer of the policy panel**



[www.iadb.org/fsd](http://www.iadb.org/fsd)

DECEMBER, Tuesday 4

9:45 Opening remarks

Session 1 Fintech I

10:00 – 11:30 • **Can Technology Undermine Macroprudential Regulation? Evidence from Peer-to-Peer Credit in China**

**Alberto Manconi**, Università Bocconi (co-author: Braggion, F; Zhu, H.)

• **Bank Misconduct, Trust, and Online Lending**

**Christoph Bertsch**, Sveriges Riksbank (co-author: Zhang, X.; Hull, I; Qi, Y.)

11:30 – 12:00 Coffee Break

Invited Speaker

12:00 – 13:00 • **Cryptocurrencies: intrinsic value and bubbles**

**Christine Parlour**, Berkeley University (co-author: Ibgramov R.; Walden, J.)

13:00 – 14:30 Lunch

Session 2 Fintech II

14:30 – 16:00 • **Central Bank Digital Currencies**

**Santiago Fernández De Lis**, BBVA, Madrid (co-author: Gouveia, O.)

• **E-peso in the Context of Financial Inclusion**

**Gerardo Licandro**, Banco Central del Uruguay

16:00 – 16:30 Coffee Break

Policy Panel

16:30 – 18:00 **Fintechs: development, stability and policy**

(Co-organized with the Financial Stability and Development Network of the IADB)

**Chair: Jean-Charles Rochet, Université de Genève and Swiss Finance Institute**

• **Santiago Fernández De Lis**, BBVA, Madrid

• **Christine Parlour**, Berkeley University

• **Jorge Ponce**, Banco Central del Uruguay

Session 3

Fintech III

10:00 – 11:30

- **Blockchain Innovation in Global Payments: Network Effects, Creative Destruction and Bubbles**

**Sicheng He**, Iowa State University

- **Money Supply for a Utility Cryptocurrency**

**Gonzalo Fernandez de Córdoba**, Universidad de Málaga (co-author: Díaz, A.; Puch, L.)

11:30 – 12:00

Coffee Break

Invited Speaker

12:00 – 13:00

- **Equilibrium Bitcoin Pricing**

**Catherine Casammatta**, Toulouse School of Economics

13:00 – 14:30

Lunch

Session 4

Troubled Financial Institutions

14:30 – 16:00

- **Bank Restructuring without Government Intervention**

**Jean-Charles Rochet**, Université de Genève and Swiss Finance Institute

- **Too Correlated to Fail: Bailouts and Systemically Important Institutions**

**Levent Altinoglu**, Federal Reserve Board of Governors (co-author: Stiglitz, J.)

16:00 – 16:30

Coffee Break

Session 5

Capital Requirement

16:30 – 18:00

- **Optimal Capital Requirement with Noisy Signals on Banking Risk**

**David Perez-Reyna**, Universidad de los Andes (co-author: Ding, K; Hill, E.)

- **Regulatory Capital Requirements and Capital Structure**

**Jorge Pozo**, Central Reserve Bank of Peru

## Policy Panel

### Fintechs: development, stability and policy

There is an unavoidable trend worldwide: technological developments are leading a rapid process of digitalization of most human activities. Financial markets are far the exception, and indeed one of the most impacted sectors. Fintech, i.e. “technologically enabled financial innovation that could result in new business models, applications, processes, or products with an associated material effect on financial markets and institutions and the provision of financial services”, imposes challenges for financial stability. It also implies opportunities for development and financial inclusion. This policy round table will focus on the state of fintech developments in Latin America, main global and regional trends regarding fintech, challenges and opportunities they imply for the stability of financial markets and the regulatory perspective.

#### Participants:



**Santiago Fernández de Lis** is currently Head of Financial Systems and Regulation at BBVA Research. He is also Chairman of the Banking Stakeholders Group of the European Banking Authority (EBA).

From 2007 to 2011 he was partner and Director of the International Department of Afi, a consultancy and think tank. He joined the Banco de España in 1986, where he held several management positions, among them Head of the Monetary and Financial Division and Director of the International Department. Between 1998 and 2000 he worked in the Bank for International Settlements (BIS) in Basel, in the secretariat of the Committee of the Global Financial System (CGFS).

He is an economist from Universidad Autónoma de Madrid and he was a lecturer in Universidad Carlos III (Madrid). He is the author of several papers and publications on financial stability, financial regulation, monetary policy, international economics and central banking.



**Christine Parlour** is currently Sylvan C. Coleman Chair in Finance and Accounting and associate Professor of Finance in Haas School of Business and Carnegie Mellon University. She is an associate editor for the Journal of Finance, Journal of Financial Markets; Review of Finance and Journal of Financial Intermediation and provides consulting services to Morgan Stanley (Auctions) Nasdaq Economic Advisory Board. She holds a PhD in Economics from Queen’s University at Kingston.

She has published numerous papers in microstructure, credit markets and banking. Most recently, she has been doing research in payments systems and the effect of various “FinTech” changes on the payments and banking system.

She has been visiting professor in numerous organization including INSEAD, Paris, London School of Economics, the S.E.C. as visiting Economist and Dauphine, Paris.



**Jorge Ponce** is Head of the Financial Stability department at the Central Bank and professor at Universidad de La República and Universidad de Montevideo. He holds a PhD in Economics from Toulouse School of Economics, France.

His research interests include financial stability, macroprudential policy, microeconomics, banking regulation, industrial organization and mechanism design in financial markets. He has published in numerous scientific journals such as the Journal of Financial Intermediation and the Journal of Financial Stability.

He is currently working on digital currency and fintech developments including central banking research, working groups with the industry and CEMLA international coordination group on fintech.



**Jean-Charles Rochet** is Professor of Banking at Geneva Finance Research Institute, Swiss Finance Institute Senior Chair and Head of Research, and Research Associate at Universität Zürich and Toulouse School of Economics. He has been associate editor of several distinguished journals such as the Journal of Finance, Econometrica and Journal of Mathematical Economics among others. He currently holds an advisory board position on the Journal of Financial Stability and Mathematics and Financial Economics. He holds a PhD in Economics from University Paris, France.

He has contributed extensively with influential articles and books on bank theory, insurance and finance, as well as on economic general theory. He is one of the founding members of the Institut d'Economie Industrielle (IDEI) in Toulouse (France). His current research interests include Systemic Risk and Macro-Prudential Regulation of Banks, Sustainable Finance, Industrial Organization of the Banking Sector and Dynamic Contract Theory and Applications.