

## Conference

# **DERIVATIVES IN CRISIS: SAFEGUARDING FINANCIAL STABILITY**

Organised by the European Commission  
DG Internal Market and Services

**Friday, 25 September 2009**

Auditorium, Charlemagne Building  
Rue de la Loi 170, 1000 Brussels

Derivatives play an important role in the economy but are associated with risks to the financial system. The crisis has highlighted that these risks are particularly evident in the over-the-counter (OTC) part of the market, especially as regards credit default swaps (CDS). Since the beginning of the financial crisis, the Commission has been working to address the most urgent of these risks.

In October 2008 Commissioner McCreevy called a meeting with the industry and European regulators to discuss two sets of objectives:

- to have concrete proposals as to how the risks from credit derivatives can be mitigated; in particular, he asked for ambitious plans for moving CDS on to central clearing facilities;
- more generally, to have a systematic look at derivatives markets in the aftermath of the lessons learned from the crisis.
- In addition, in the Communication of 4 March 2009 on 'Driving European recovery' the Commission committed to deliver, on the basis of a report on derivatives and other complex structured products, appropriate initiatives to increase transparency and to address any financial stability concerns.

On 3 July 2009 the Commission adopted a Communication on ensuring efficient, safe and sound derivatives markets. The Communication looks at the role played by derivatives in the financial crisis and at the benefits and risks of derivatives markets, and assesses how risks can be reduced. It is accompanied by a Staff Working Paper, which contains an overview of (i) derivatives markets, (ii) OTC derivative market segments, and (iii) an assessment of the effectiveness of current measures to reduce risks, notably as regards CDS. It is further accompanied by a Consultation Paper, which asks stakeholders and public authorities for their opinion on the policy tools presented in the Communication. The consultation period ends on 31 August 2009. The purpose of this conference is to conclude the consultation. All documents can be found at:

[http://ec.europa.eu/internal\\_market/financial-markets/derivatives/index\\_en.htm](http://ec.europa.eu/internal_market/financial-markets/derivatives/index_en.htm)

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8.30           **Registration**

9.30           **Keynote speeches**

David Wright (Deputy Director General, European Commission DG MARKT)  
Gary Gensler (Chairman, U.S. Commodity Futures Trading Commission)

10.15          **The Economists' View**

*Chair:* Mario Nava (European Commission, DG MARKT)

Viral Acharya (Professor, New York University, Stern School of Business)  
Nadège Jassaud (Banque de France, Chairwoman ESCB Task Force CDS)  
Jan Pieter Krahnert (Professor, University of Frankfurt, Center for Financial Studies)  
Jean-Pierre Zigrand (Professor, London School of Economics)

11.45          **Regulators and Industry**

Panel 1: Derivatives in general

*Chair:* Alberto Giovannini (Chairman, Unifortune)

Gary Gensler (Chairman, CFTC)  
Guido Ravoet (Chairman, European Banking Federation)  
Daniela Russo (Director, European Central Bank)  
Pablo Salame (Co-Head Trading and Sales, Goldman Sachs)

13.15          **Lunch**

15.00          **Regulators and Industry**

Panel 2: Credit Default Swaps

*Chair:* Gillian Tett (Capital Markets Editor, Financial Times)

Athanassios Diplas (Counterparty Portfolio Management, Deutsche Bank)  
Theo Lubke (Head Financial Infrastructure, Federal Reserve Bank of New York)  
Blythe Masters (Head of Global Commodities, JP Morgan Chase)  
Eddy Wymeersch (Chairman, Committee of European Securities Regulators)

16.30          **Conclusions:** David Wright

17.00          **End**