

Call for Papers

European Central Bank

Macroprudential Stress Testing Conference

Frankfurt am Main, 5-6 February 2020

Submission deadline: 18 October 2019

Financial sector stress tests have, since the onset of the financial crisis, proved to be an important tool for assessing the robustness of the financial system and gauging risks arising at a system-wide level from a macroprudential perspective. Macroprudential stress-testing frameworks are now also used to calibrate and assess the impact of macroprudential policy instruments. In this context, macroprudential stress tests first need to adopt a dynamic approach that takes account of banks' behavioural responses to the relevant scenarios. Second, they have to take account of the two-way interaction between banks and the real economy. And third, they need to account for the interconnectedness of institutions and related contagion effects, which can amplify the initial stress.

As a result of these developments, stress testing as a discipline has become increasingly important for economic policy and research. In order to support research relating to macroprudential stress testing, the European Central Bank will hold its first Macroprudential Stress Testing Conference on 5 and 6 February 2020. Accordingly, the conference's organising committee is inviting potential participants to submit research papers on the subject of macroprudential stress testing.

Submissions on the following subjects would be particularly welcome:

- Modelling of dynamic feedback effects (e.g. fire sales and bank runs)
- Modelling of the feedback loop between the real and financial sectors
- Stress testing for non-bank financial institutions
- Modelling of interaction between banks and non-bank financial institutions
- Modelling of the interconnectedness of liquidity and solvency at system level
- Stress testing and the calibration of macroprudential policy instruments
- Financial stability implications of stress testing for risk taking and credit growth

Paper submission

The deadline for submissions is 18 October 2019. Papers – ideally, full drafts – should be emailed to ECBMacroPrudentialStressTestingConference@ecb.europa.eu. When submitting your paper, please indicate whether you are available to act as a discussant. In addition to the presentation of accepted papers, the programme will also feature speeches by invited keynote speakers.

Expenses

Registration will be free of charge. Financial assistance with travel expenses will be available on request for those presenting papers and discussants (though participants from national central banks and EU institutions will be expected to cover their own expenses).

Special Issue

Authors of selected papers presented at the conference will have the opportunity to have their work published in a special conference issue of the Journal of Financial Services Research. Papers will be reviewed and selected for presentation by the organising committee. Authors whose papers have been accepted will be notified by 30 November 2019.

Organising committee and editors of special issue

- Hans Dewachter
- Steven Ongena
- Cosimo Pancaro
- Carmelo Salleo