



**Universität
Zürich** UZH

Rechtswissenschaftliches Institut

Organising Financial Market Supervision

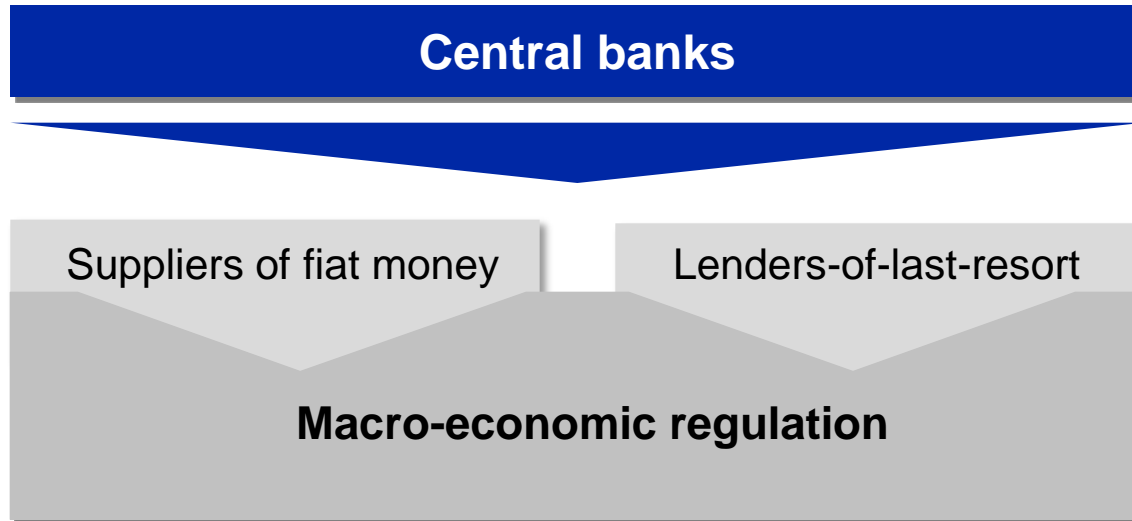
***3rd Annual Conference of the Post-Graduate Programme
“Global Financial Markets”***

Systemic Risks and International Financial Regulation

Prof. Dr. Rolf H. Weber

Dornburg/Jena, 16 June 2011







Main systemic risks

Payment and settlement system

Failure of big financial institution

Solo-large size

Conglomerate

Synthetic products

Regulatory heterogeneity



Preventive measures

1 Risk avoidance

2 Risk mitigation

Curative measures

1 Stabilization

2 Recovery



Macro-prudential oversight

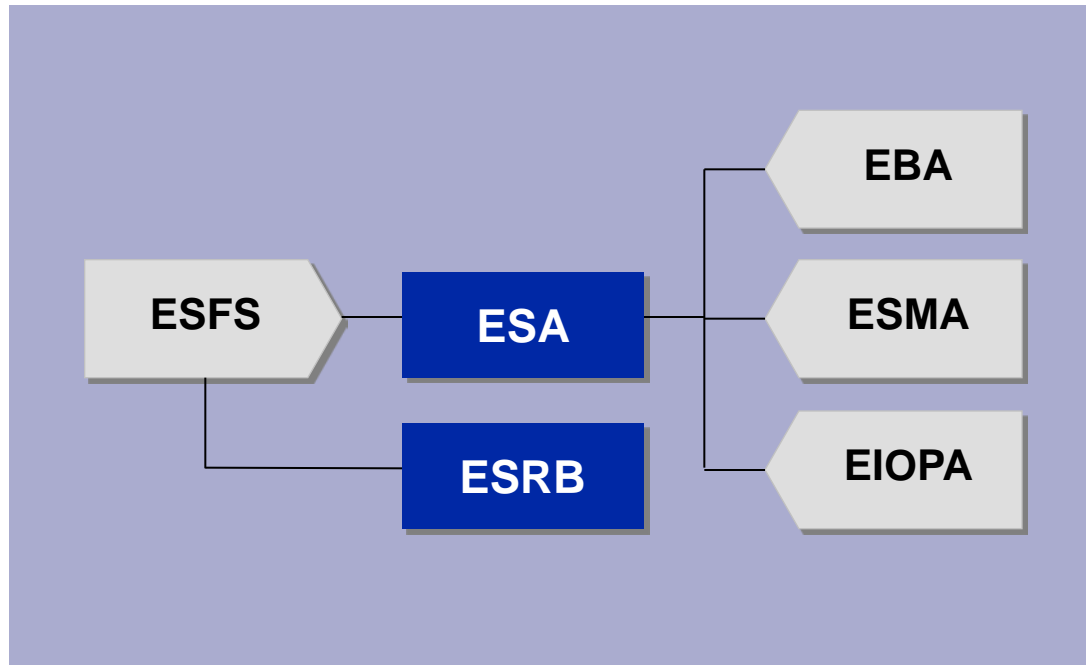
Traditional Instruments

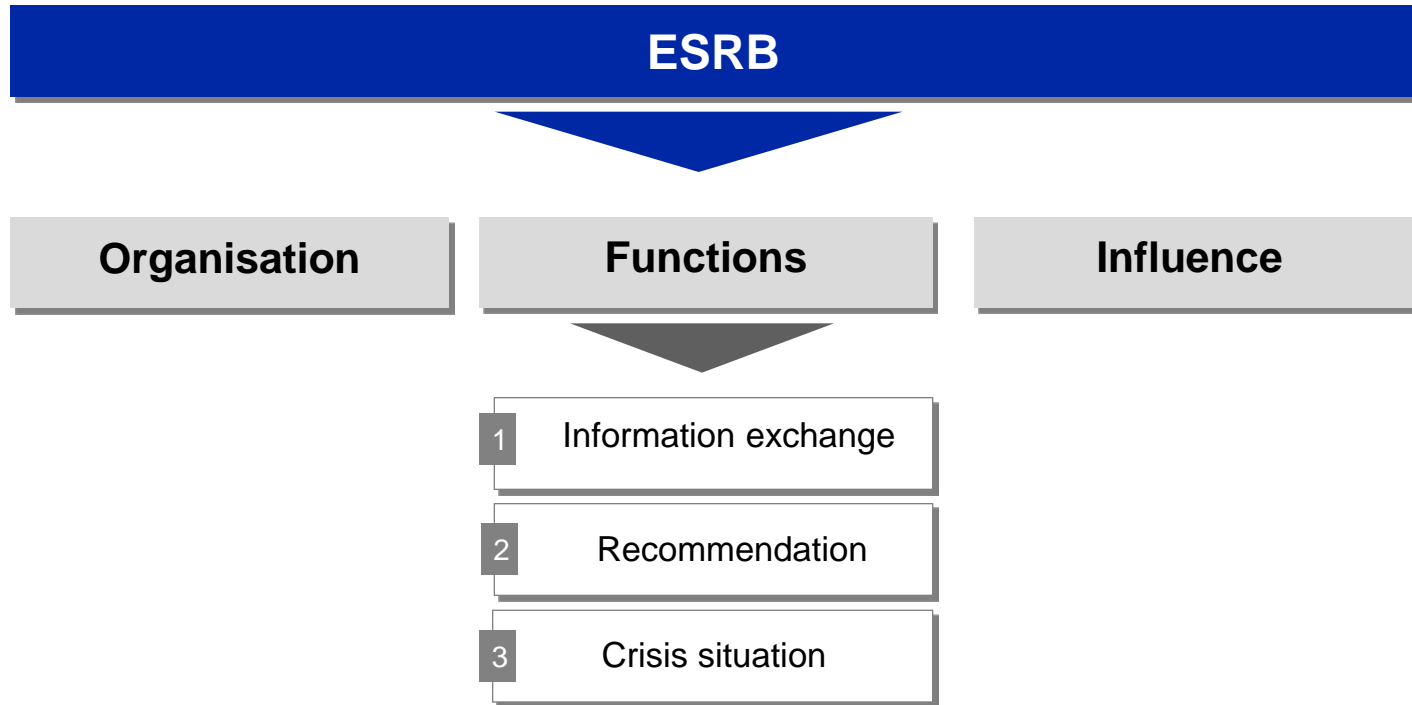
Monetary policy

Price stability

Public goods approach

Rule-oriented system → Structural approach







Trend to conglomeration

Banks (credit institutions)

Securities firms

Insurances

Pension funds

“Shadow” financial institutions



Conglomerate-wide measures

Accounting
and capital
adequacy
(Basel III)

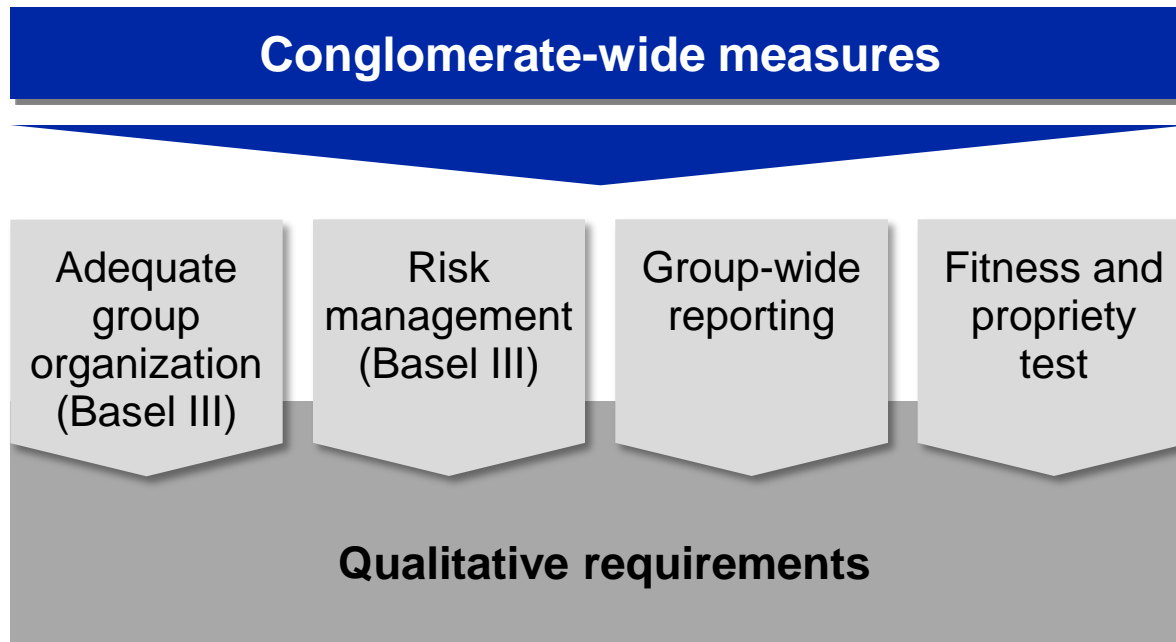
Consolidated
risk
supervision

Concept
of economic
unity

Liquidity
require-
ments
(Basel III)

Intra-
group
transactions

Quantitative requirements





Organizational issues

Living wills

Separation of business units

Resolvability

Coherence with group principle?



