



World Bank Group / International Monetary Fund / Federal Reserve System

**21st Annual International Conference
on Policy Challenges for
the Financial Sector**

May 31–June 2, 2022

**Evolution or Revolution?
Re-inventing Financial Supervision
in the Era of Paradigm Shifts**



Sessions

Tuesday, May 31, 2022 (8:00 AM – 10:00 AM EDT)

1. Fostering systems of financial supervision for an evolving and uncertain macroeconomic environment (FED)

The pandemic and trend towards digitalization of financial services have tested the existing frameworks and revealed their strengths and weaknesses. Banks have been investing in new technologies to better service their customers and comply with regulations. New entrants, including fintech firms and large diversified technology companies (i.e., big tech), are increasingly moving into financial services as well, challenging traditional bank business models. While these new financial technologies and/or firms can bring benefits such as improved cost efficiencies and wider financial inclusion for previously underserved groups, they can also increase risks in other areas including financial stability, corporate governance, AML, operational resilience, cybersecurity, and consumer protection. Recognizing that existing regulatory frameworks were not built with a digital financial system in mind, some policy makers have suggested that a re-design of the regulatory and supervisory architecture may be necessary, while others think only modifications to existing laws and regulations are warranted. *Are structural changes and the creation of new rules necessary? What actions should financial supervisors undertake to regulate the evolving digital financial system to ensure the safety and soundness of banks and resiliency of the financial sector? What steps are financial supervisors currently taking to strengthen regulation and supervisory capabilities to better address these new challenges and to improve national and cross-border cooperation?*

Opening Remarks: Mr. Jerome H. Powell, Chair of the Board of Governors of the Federal Reserve System of the United States

Panel

Moderator: Mr. Art Lindo, Deputy Director, Policy, Board of Governors of the Federal Reserve System

Panelists:

Ms. Lisa Quest, Partner, Oliver Wyman

Mr. Neil Esho, Secretary General, Basel Committee on Banking Supervision

Ms. Sheila M’Mbijewe, Deputy Governor, Central Bank of Kenya

Mr. Chris Calabia, Chief Executive Officer, Dubai Financial Services Authority



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Wednesday, June 1, 2022 (8:00 AM – 10:00 AM EDT)

2. Embracing climate risk perspective in a new mindset to transform supervisory and market approaches (IMF)

Climate related risks impact supervisory systems and financial businesses across the board, demanding holistic responses. Enormously complex problems of managing and pricing climate related risks, often requiring a shift in the mindset of finance professionals and supervisors, are gradually grasped by evolving approaches and methodologies. These challenges are anticipated by recent regulatory products which typically formulate overarching principles and promote good practices, rather than set detailed rules. However, policy makers should still strive to ensure a globally consistent, sensitive and timely implementation of climate risk regulation. *How to prioritize regulatory reforms? How to achieve consistency across countries? What are the core approaches to be implemented and essential steps to be taken by supervisors? What are the major challenges in building supervisory capacity? What are the synergies in collaboration of sectoral supervisors?*

Keynote: Mr. Tobias Adrian, Financial Counsellor and Monetary and Capital Markets Dept. (MCM) Director, IMF

Panel

Moderator: Mr. Aditya Narain, MCM Deputy Director, IMF

Panelists:

Ms. Valda Henry, Deputy Governor, Eastern Caribbean Central Bank

Mr. Ricardo Moura, Head, Prudential and Foreign Exchange Regulation Department, Banco Central do Brasil

Mr. Kuben Naidoo, Deputy Governor and CEO of Prudential Authority, South Africa Reserve Bank

Mr. Rajeshwar Rao, Deputy Governor, Reserve Bank of India



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Thursday, June 2, 2022 (8:00 AM – 10:00 AM EDT)

3. Navigating priorities in credit risk supervision through new challenges to retain strong financial systems (WB)

The COVID-19 pandemic has exacerbated macro and micro financial vulnerabilities across emerging markets and developing economies (EMDEs), making the ‘sovereign-bank nexus’ more acute. With many plausible triggers for shocks, including geopolitical tensions translating into macroeconomic instability, supervisory priorities need to be adjusted to anticipate and respond to new challenges, specifically in the area of credit risk. *When is the right time to recognize credit losses including those hidden or delayed by exceptional COVID-19 measures? How can EMDEs banks’ resilience be strengthened, while Covid-19 forbearance measures eroded transparency in banks’ balance sheets, and further shocks could materialize? What should EMDEs supervisors focus on to have a reliable understanding of credit risks drivers, and adequate information to make decisions in stressed conditions? What are the short and medium-term priorities in such an environment and what lessons can be learnt from the COVID-19 pandemic?*

Keynote: Anshula Kant, Managing Director and WBG Chief Financial Officer

Panel

Moderator: Mr. Jean Pesme, Global Director Finance, Competitiveness and Innovation, World Bank

Panelists:

Mr. Aishah N, Ahmad, Deputy Governor, Central Bank of Nigeria

Mr. Jorge Pellicer Ugalde, Vice President, Comision Nacional Bancaria y de Valores of Mexico

Ms. Madina Abylkassymova, Agency of the Republic of Kazakhstan for Regulation and Development of Financial Market

Mr. Jaturong Jantarangs, Assistant Governor, Bank of Thailand