

INTERNATIONAL MONETARY FUND
Joint Vienna Institute / IMF Institute for Capacity Development
Macro-Prudential Policies (JV14.32)
Vienna, Austria
December 8 – 12, 2014
READING LIST

Session	Readings
L-1	<p>Why Macro-Prudential Policies? International Monetary Fund, PR/13/342, September 16, 2013, “Key Aspects of Macroprudential Policy.” http://www.imf.org/external/np/sec/pr/2013/pr13342.htm</p> <p>Hanson, Samuel, Anil Kashyap, and Jeremy C. Stein, 2011, “A Macroprudential Approach to Financial Regulation,” <i>Journal of Economic Perspectives</i>, Vol. 25, No. 1, (Winter), pp. 3–28. http://A Macroprudential Approach to Financial Regulation</p> <p><i>Supplementary:</i> Bank of England, 2009, <i>The Role of Macroprudential Policy</i> (London). http://The Role of Macroprudential Policy (Bank of England)</p> <p>Bernanke, Ben, Mark Gertler, and Simon Gilchrist, “The Financial Accelerator in a Quantitative Business Cycle Framework,” NBER Working Paper No.6455 (Cambridge, Massachusetts: National Bureau of Economic Research). http://www.nber.org/papers/w6455</p> <p>Brunnermeier, Markus, 2009, “Deciphering the Liquidity and Credit Crunch 2007–2008,” <i>Journal of Economic Perspectives</i>, Vol. 23, No. 1 (Winter), pp. 77–100. http://Deciphering the Liquidity and Credit Crunch 2007-2008</p> <p>Brunnermeier, Markus, and others, 2009, “The Fundamental Principles of Financial Regulation,” Geneva Reports on the World Economy-Preliminary Conference Draft No. 11 (Switzerland: International Center for Monetary and Banking Studies). http://www.princeton.edu/~markus/research/papers/Geneva11.pdf</p>

	<p>Christiano, Lawrence, Roberto Motto, and Massimo Rostagno, 2009, “Financial Factors in Economic Fluctuations,” Working Paper Series No.1192 (Frankfurt: European Central Bank). http://faculty.wcas.northwestern.edu/~lchrist/research/ECB/factors.htm</p> <p>Claessens, Stijn, M. Ayhan Kose, and Marco Terrones, 2008, “What Happens During Recessions, Crunches, and Busts?,” IMF Working Paper No. 08/274 (Washington: International Monetary Fund). http://www.imf.org/external/pubs/cat/longres.aspx?sk=22511.0</p> <p>De Nicolò, Gianni, Giovanni Favara, and Lev Ratnosvski, 2012, “Externalities and Macroprudential Policy,” IMF Staff Discussion Note 12/05, June 7 (Washington: International Monetary Fund). http://www.imf.org/external/pubs/ft/sdn/2012/sdn1205.pdf</p> <p>Morris, Stephen and Hyun Song Shin, 2008, “Financial Regulation in A System Context,” <i>Brookings Papers on Economic Activity</i> (Fall), Brookings Institution. http://www.brookings.edu/~media/Projects/BPEA/Fall%202008/2008b_bpea_morris.PDF</p> <p>Shleifer, Andrei, and Robert Vishny, 2011, “Fire Sales in Finance and Macroeconomics,” <i>Journal of Economic Perspectives</i>, Vol. 25, No. 1 (Winter), pp. 29–48. http://scholar.harvard.edu/shleifer/publications/fire-sales-finance-and-macroeconomics</p> <p>Kamil, Herman. and Kulwant Rai, 2010, “The Global Credit Crunch and Foreign Banks’ Lending to Emerging Markets: Why did Latin America Fare Better?,” IMF Working Paper 10/102 (Washington: International Monetary Fund). https://www.imf.org/external/pubs/cat/longres.cfm?sk=23797.0</p>
<p>L-2</p>	<p>Macro-Prudential Policies and Instruments: Overview</p> <p>Borio, Claudio, Craig Furfine and Philip Lowe, 2001, “Procyclicality of the Financial System and Financial Stability: Issues and Policy Options,” <i>BIS Papers</i>, Bank for International Settlements, No.1, pp.1-57. www.bis.org/publ/bppdf/bispap01a.pdf</p> <p>Saurina, Jesus, 2009, “Dynamic Provisioning,” No. 10241 (Washington: The World Bank). https://openknowledge.worldbank.org/handle/10986/10241</p>

	<p>Repullo, Rafael, Jesus Saurina, and Carlos Trucharte, 2010, “Mitigating the Procyclicality of Basel II,” <i>Economic Policy</i>, Volume 25, Issue 64, 105. ftp://ftp.cemfi.es/pdf/papers/repullo/RST_G20_ebook.pdf</p> <p>Basel Committee on Banking Supervision, 2011, <i>Basel III: A Global Regulatory Framework for More Resilient Banks and Banking Systems</i> (Basel). https://www.bis.org/publ/bcbs189.pdf</p> <p><i>Supplementary:</i> Bank for International Settlements, 2008, <i>Addressing Financial System Procyclicality: A Possible Framework</i> (Basle). www.financialstabilityboard.org/.../r_0904e.pdf</p> <p>Lim, and others, 2011, “Macroprudential Policy: What Instruments and How to Use Them? Lessons from Country Experiences,” IMF Working Paper 11/238 (Washington: International Monetary Fund). http://www.imf.org/external/pubs/ft/wp/2011/wp11238.pdf</p> <p>Kim, Choongsoo, 2014, “Macroprudential Policies in Korea—Key Measures and Experiences”, <i>Financial Stability Review</i>, Banque de France, No.18, pp. 121-130. https://www.banque-france.fr/fileadmin/user_upload/banque_de_france/publications/FSR18_Kim.pdf</p> <p>Drehmann, Mathias, and Leonardo Gambacorta, 2012, “The Effects of Countercyclical Capital Buffers on Bank Lending,” <i>Applied Economics Letters</i>, 19(7), pp. 603-608. http://www.tandfonline.com/doi/abs/10.1080/13504851.2011.591720</p>
<p>L-3/ W-1</p>	<p>The Basel III Countercyclical Capital Buffer</p> <p>Basel Committee on Banking Supervision, 2010, “Guidance for National Authorities Operating the Countercyclical Capital Buffer,” December (Basel: Bank for International Settlements). http://www.bis.org/publ/bcbs187.pdf</p> <p>Drehmann, Mathias, Claudio Borio, Leonardo Gambacorta, Gabriel Jiménez and Carlos Trucharte, 2010, “Countercyclical capital buffers: exploring options,” BIS Working Paper No 317, July. http://www.bis.org/publ/work317.htm</p> <p>Drehmann, Mathias, Claudio Borio and Kostas Tsatsaronis, 2011, “Anchoring countercyclical capital buffers: the role of credit aggregates,” BIS Working Paper No 355, November. http://www.bis.org/publ/work355.htm</p>

	<p>Drehmann, Mathias and Kostas Tsatsaronis, 2014, “The credit-to-GDP gap and countercyclical capital buffers: questions and answers,” BIS Quarterly Review March 2014, p. 55-73.</p> <p>http://www.bis.org/publ/qtrpdf/r_qt1403g.pdf</p> <p>Gersl, Adam and Jakub Seidler, 2011, “Credit Growth and Capital Buffers: Empirical Evidence from Central and Eastern European Countries”, Czech National Bank, Research and Policy Note No. 2/2011.</p> <p>http://www.cnb.cz/en/research/research_publications/irpn/2011/rpn_02_2011.html</p> <p>Repullo, Rafael and Jesus Saurina, 2011, “The Countercyclical Capital Buffer of Basel III: A Critical Assessment”, CEMFI Working Paper No. 1102, June.</p> <p>http://www.cemfi.org/ftp/wp/1102.pdf</p>
<p>L-4/ W-2</p>	<p>Caps on Loan-To-Value (LTV) and Debt-To-Income (DTI) Ratio</p> <p>Lim, C., Columba, F., Costa, P., Kongsamut, P., Otani, A., Saiyid, M. Wezel, T., & Wu, X., 2011, “Macroprudential Policy: What Instruments and How to Use Them? Lessons from Country Experiences,” IMF Working Paper 11/238.</p> <p>https://www.imf.org/external/pubs/ft/wp/2011/wp11238.pdf</p> <p>Crowe, C., Dell’Ariccia, G., Igan, D., Rabanal, P., 2011, “How to Deal with Real Estate Booms: Lessons from Country Experiences,” IMF Working Paper 11/91.</p> <p>https://www.imf.org/external/pubs/ft/wp/2011/wp1191.pdf</p> <p>Drehmann, M., Juselius, M., 2012, “Do debt service costs affect macroeconomic and financial stability?” BIS Quarterly Review, September.</p> <p>http://www.bis.org/publ/qtrpdf/r_qt1209e.pdf</p> <p>He, D., 2014, “The effects of macroprudential policies on housing market risks: evidence from Hong Kong,” Financial Stability Review No 18, Banque de France, April.</p> <p>https://www.banque-france.fr/fileadmin/user_upload/banque_de_france/publications/FSR18_DONG-HE.pdf</p> <p>Kim, C., 2014, “Macroprudential policies in Korea. Key measures and experiences,” Financial Stability Review No 18, Banque de France, April.</p> <p>https://www.banque-france.fr/fileadmin/user_upload/banque_de_france/publications/FSR18_Kim.pdf</p> <p>Igan, D, Kang, H., 2011, “Do Loan-to-Value and Debt-to-Income Limits Work? Evidence from Korea,” IMF Working Paper 11/297.</p> <p>https://www.imf.org/external/pubs/ft/wp/2011/wp11297.pdf</p>

	<p>JIN, Y., LENAIN, P., & O'BRIEN, P. (2014): "Macroprudential Policy Tools in Norway: Strengthening Financial System Resilience", OECD Economics Department Working Papers, No. 1126, OECD Publishing.</p> <p>http://dx.doi.org/10.1787/5jz2mm2vbhjk-en</p>
L-5/ W-2	<p>Liquidity Standards in a Macro-Prudential Framework</p> <p>Van den End, Jan Willem, 2010, "Liquidity Stress-Tester: Do Basel III and Unconventional Monetary Policy Work?," DNB Working Paper No. 269 (Amsterdam: De Nederlandsche Bank).</p> <p>http://www.dnb.nl/en/binaries/269%20-%20Liquidity%20Stress-Tester_tcm47-243122.pdf</p> <p>Bank of England, 2011, <i>Instruments of Macroprudential Policy</i> (London).</p> <p>Instruments for Macroprudential Policy: A ... - Bank of England</p> <p>Van den End, Jan Willem, and Kruidhof, M. (2012), "Modeling the Liquidity Ratio as Macroprudential Instrument," DNB Working Paper No. 342 (Amsterdam: De Nederlandsche Bank).</p> <p>Modelling the liquidity ratio as macroprudential ... - Vastgoedkennis</p>
L-6/ W-3	<p>Towards Macro Stress Testing</p> <p>Borio, Claudio with Mathias Drehman and Kostas Tsatsaronis, 2012, "Stress-testing macro stress testing: does it live up to expectations?" BIS Working Papers No 369 (Basel: Bank for International Settlements)</p> <p>http://www.bis.org/publ/work369.pdf</p> <p>Čihák, Martin, 2007, "Introduction to Applied Stress Testing," IMF Working Paper 07/59 (Washington: International Monetary Fund).</p> <p>http://www.imf.org/external/pubs/ft/wp/2007/wp0759.pdf</p> <p>Oura, Hiroko, and Liliana Shumacher, 2012, "Macrofinancial Stress Testing: Principles and Practices," IMF Paper on Policy (Washington: International Monetary Fund).</p> <p>http://www.imf.org/external/np/pp/eng/2012/082212.pdf</p> <p>Viral Acharya, Robert Engle, and Diane Pierreta, 2014, "Testing Macroprudential Stress Tests: The Risk of Regulatory Risk Weights," paper presented at the Carnegie Rochester Conference on Public Policy, Pittsburgh, November.</p> <p>http://web-docs.stern.nyu.edu/pa/Testing_Macro_Stress_Tests.pdf</p>

L-7

Macro-Prudential Issues: Systemic Risk and the Network Approach

Espinosa-Vega, Marco, and Juan Solé, 2010, “Cross-Border Financial Surveillance: A Network Perspective,” IMF Working Paper 10/105 (Washington: International Monetary Fund). <http://www.imf.org/external/pubs/ft/wp/2010/wp10105.pdf>

Supplementary:

Hałaj, Grzegorz and Christoffer Kok, 2013, “Assessing Interbank Contagion Using Simulated Networks,” European Central Bank Working Paper No 1506 (Frankfurt am Main: European Central Bank)

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L-8	Monitoring & Regulating the Shadow Banking System
	<p>Global Financial stability report IMF april 2014, chapter 2. “Shadow Banking around the Globe: How Large, and how Risky?” https://www.imf.org/external/pubs/ft/gfsr/2014/02/pdf/c2.pdf</p> <p>Financial Stability Board: Global Shadow Banking Monitoring Report 2012. http://www.financialstabilityboard.org/publications/r_121118c.pdf</p> <p>Financial Stability Board: Strengthening Oversight and Regulation of Shadow Banking Entities: An Integrated Overview of Policy Recommendation http://www.financialstabilityboard.org/publications/r_121118.pdf</p> <p>Financial Stability Board: Policy Framework for Strengthening Oversight and Regulation of Shadow Banking Entities http://www.financialstabilityboard.org/publications/r_121118a.pdf</p> <p>Policy Recommendations to Address Shadow Banking Risks in Securities and Lending Repos http://www.financialstabilityboard.org/publications/r_121118b.pdf</p>
L-9	<p>Macro-Prudential Policies: IMF Perspectives and Recent Country Experiences</p> <p><i>Required readings</i></p> <p>International Monetary Fund, 2011, “Macroprudential Policy: An Organizing Framework” (Washington: International Monetary Fund). https://www.imf.org/external/np/pp/eng/2011/031411.pdf</p> <p>IMF, 2013, “Key Aspects of Macroprudential Policy” (Washington: International Monetary Fund). http://www.imf.org/external/np/pp/eng/2013/061013b.pdf</p> <p>International Monetary Fund, September 2011, <i>Toward Operationalizing Macroprudential Policies: When to Act?</i>, Global Financial Stability Report, World Economic and Financial Surveys (Washington). http://www.imf.org/external/pubs/ft/gfsr/2011/02/pdf/ch3.pdf</p>

L-10

Systemic Risk and the Regulatory Architecture

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Viñals, Jose and Jonathan Fiechter, 2010, “The Making of Good Supervision: Learning to Say ‘No’,” IMF Staff Position Note 10/08, May (Washington: International Monetary Fund).

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