Dear SUERF Members

I am pleased to report that SUERF, after a very productive year 2014, is cruising under a fresh breeze in 2015. The year started with a timely conference on low (or negative) interest rates in Vienna. We are now looking forward to our forthcoming events, including a joint conference with Bank of Finland on Liquidity and Market Efficiency, and the 32nd SUERF Colloquium on the SSM at 1 in Frankfurt.

The SUERF Council of Management is revising its publication policy. The hub of communication is our homepage, which has lately been redesigned and improved. I would like to invite and encourage our Members to use the possibility of new services such as the Member Announcements.

At the same time, SUERF will cut back on printed versions of its products. Giving preference to electronic publications will speed up availability of papers to Members, and it will free some space on your bookshelves.

In recent years, more female members have joined the SUERF Council, and it has become younger, while still strongly benefitting from its more experienced members. We now have a rather ideal diversity of members and the ésprit de corps is as good as ever.

SUERF benefits from the support of central banks and institutional members. I would, however, also like to thank individual members for their loyal support. Your interest and engagement is SUERF’s lifeblood!

Urs W. Birchler, SUERF President
The recent financial crisis has given a serious blow to the doctrine of market efficiency. At the same time the need has arisen to better understand liquidity which evaporated in the midst of the crisis. How are liquidity and market efficiency related? It has been argued that liquidity in stock and debt markets, especially in short-term money markets, may be maximized under very different conditions regarding the information content of market prices. What are the implications for systemic risks and financial stability? This one-day conference aims to bring together experts from all sides to better understand the key concepts of market liquidity and efficiency in different markets that research has helped to identify, the incentives facing practitioners in the market place, and the role regulation may have in correcting any market failures.

**Programme**

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<td>Friday, 3 July 2015</td>
<td>08.30 Registration / Opening and welcome / Keynote Session I / Research Session / Keynote Session III</td>
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<td>08.45 Erkki Liikanen, Governor, Bank of Finland / Jouko Vilmunen, Head of Research, Bank of Finland / Urs Birchler, SUERF President and University of Zurich</td>
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<td>09.00 Keynote Session I / Chair: Jouko Vilmunen, Head of Research, Bank of Finland / Macropredential policy, financial stability, and liquidity / Hyun Song Shin, Economic Adviser and Head of Research, BIS</td>
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<td>10.00 Coffee / Policy Session / Chair: Ernest Gnan, SUERF / Secretary General and Oesterreichische Nationalbank / How has the (liquidity) crisis changed monetary policy operations?</td>
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<td>11.00 Coffee / Conference Dinner, Bank of Finland/ Banqueting Hall, Snellmaninaukio, Helsinki</td>
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<td>12.00 Lunch with Lunch address by Professor Bengt Holmström, MIT</td>
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<td>13.30 Keynote Session II / Chair: Esa Jokivuolle, Bank of Finland / Banks, taxes, and non-bank competitions / George Pennacchi, University of Illinois at Urbana-Champaign</td>
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<td>14.30 Research Session / Volcker Rule and liquidity / Jussi Keppo, National University of Singapore</td>
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<td>15.15 Coffee</td>
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<td>15.45 Keynote Session III / Chair: Robert N. McCauley, Bank for International Settlements / What is money, and who says so? – A pragmatist’s view / Peter Fisher, Senior Director, BlackRock Investment Institute</td>
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<td>16.45 End of Conference</td>
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www.suerf.org/helsinki2015
As from 4 November 2014, the ECB mandated a supervisory role to supervise centrally the financial stability of systemically relevant financial institutions based in participating countries. The Single Supervisory Mechanism (SSM) is the first established part of the EU Banking Union (EBU) and will function in conjunction to the Single Resolution Mechanism (SRM). At the Colloquium experience with the SSM in the first year of its existence will be summarized. It will be evaluated to which extent the SSM is already fulfilling the declared objectives. Areas of necessary improvements will be identified. Effects on banks, credit and the macroeconomy will be discussed. The Colloquium will bring together policy makers and supervisors, academics and financial industry practitioners to exchange their views.

The SSM at 1 – Preliminary Programme

Wednesday, 4 November 2015

13.00 Registration and Coffee

13.30 Opening and welcome
Claudia Buch, Deutsche Bundesbank
Willy Friedmann, Managing Director Stiftung Geld und Währung
Urs Birchler, SUERF President and University of Zurich

14.00 Keynote Speech
Chair: Jens Ulbrich, Deutsche Bundesbank
Monetary policy in the clutches of financial stability?
Jeremy C. Stein (tbc), Harvard University

15.00 Coffee and Poster viewing with authors

16.00 Panel: Interaction of micro-/macroprudential policies and monetary policy
Chair: Jan Pieter Krahnen, Goethe University Frankfurt

17.30 Keynote Speech
Chair: Ernest Gnan, SUERF Secretary General and Oesterreichische Nationalbank
Does regulation foster financial integration post crisis? What are the challenges and achievements in terms of financial integration post crisis?
Helene Rey (tbc), London Business School

18.35 End of first day’s proceedings

19.30 Dinner (tba)
Dinner Speaker: Rhaguram Rajan (tbc), Central Bank of India
Thursday, 5 November 2015

<table>
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<th>Time</th>
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| 09.00 | Panel 1: The SSM after the Comprehensive Assessment. Has the CA served its purpose? Have legacy assets been dealt with effectively?  
Moderator: Mark Schroers, Börsenzeitung  
Sabine Lautenschläger (tbc), ECB  
Thomas Wieser (tbc), EFC  
Martin Blessing (tbc), Commerzbank |
| 10.30 | Coffee                                                                   |
| 11.00 | Keynote Speech                                                           
Chair: Carl-Christoph Hedrich, Commerzbank  
*Loosening the sovereign-bank nexus: where do we stand?*  
Viral V. Acharya (tbc), NYU Stern, CEPR and NBER |
| 11.45 | Interview: Macroprudential instruments to contain systemic risk         
Moderator: Mark Schieritz, Die ZEIT  
Daniele Nouy (tbc), Chair of the Supervisory Board |
| 12.30 | Lunch                                                                    |
| 13.30 | Panel 2: Banks’ business models: trends towards specialisation or outsourcing to the shadow banking system? Do we need a “shadow banking union”?  
Moderator: Mark Schieritz, Die ZEIT  
Axel Weber (tbc), UBS  
Luc Coene (tbc), Supervisory Board  
Andrea Maechler (tbc), SNB |
| 14.30 | Coffee                                                                   |
| 15.00 | Marjolin Lecture and Marjolin Price                                      
Chair: Urs Birchler, SUERF President and University of Zurich  
Mario Draghi (tbc), President of the European Central Bank |
| 16.30 | End of Colloquium                                                        |

**The SSM at 1 – Preliminary Programme**

The SUERF Marjolin Prize

Established in 1995, the SUERF Marjolin Prize is awarded to the author(s) of the paper selected by the SUERF Council of Management for having made the best contribution to the Colloquium. The prize winner receives 2,000 EUR as well as a one year personal membership of SUERF Association. To qualify for the prize, authors must be under the age of 40 on the first day of the Colloquium. In awarding the Marjolin Prize SUERF wishes to honour Robert Marjolin's memory by recognizing and supporting publications of young outstanding authors.

A full list of past winners of the SUERF Marjolin Prize can be found at: www.suerf.org/marjolin-prizes

Robert Marjolin (1911–1986)

Robert Marjolin (1911–1986) was one of the most distinguished European economists of his generation and a leading architect of post-war Europe. From 1948 until 1955 he was the first Secretary General of the OEEC (Organization for European Economic Cooperation). This organization was established to channel US Marshall Aid into the reconstruction of Europe. Marjolin was a leading negotiator of the Treaty of Rome for France and Vice President of the European Commission for finance and economics for 10 years. He served as a Professor of Economics at the University of Paris and the University of Nancy, and in the private sector as advisor to leading European and US Companies.

www.suerf.org/ssmat1
Asset-liability management with ultra-low interest rates

Insights from the conference jointly organised by SUERF, the OeNB and the Austrian Society for Bank Research
Vienna, 11 March 2015

Conference Report

By Christian Beer, OeNB, and Ernest Gnan, SUERF Secretary General and OeNB

In reply to the financial crisis, “Great Recession” and sovereign debt crisis, many central banks have pursued ultra-easy and far reaching unconventional monetary policies for several years. Yields on various bond classes – including euro area sovereign bond yields since the sovereign debt crisis has subsided – have reached extremely low levels. Prices on stocks and real assets have soared. In several countries, markets have been expecting a reversal of the interest rate cycle for some time now. As a result, the risk of – possibly substantial – price corrections in all these asset classes may be seen to have increased.

This environment poses challenges for banks’ asset liability and risk management as well as earnings. Institutional investors facing yield pressure may resort to more risky strategies, established forms of investment strategies may no longer be viable. Also official investors, like central banks and sovereign wealth funds, feel the pressure from lower current or future earnings and potential future risk from the current ultra-low yield and rather high pricing levels.

To discuss relevant issues, scenarios, options and risks in this environment, SUERF in cooperation with the Austrian central bank (OeNB) as well as the Austrian Society for Bank Research organized a full-day conference, which brought together financial practitioners, academics, supervisors and policy makers. Lessons from history were explored, a bird’s eye perspective from academia and international institutions as well as inside views from industry practitioners were provided. Possible consequences for financial stability, the macroeconomy at large as well as adequate policy responses were discussed.

The main findings were the following:

- Pressure on profitability, excessive risk taking, delayed balance sheet repair (evergreening of loans) and distortion in credit allocation are among the potential risks to the banking sector arising from ultra-low interest rates and unconventional monetary policy.

1 Helpful comments by Morten Balling are gratefully acknowledged.
• There is evidence that banks initially profit from ultra-low interest rates (lower funding costs, positive effects of a downward shift of the yield curve as the duration of deposits is shorter than that of assets); but a protracted period of ultra-low interest rates harms banks’ profitability (interest margin compression because of a flattening of the yield curve, zero interest rate floor on deposits).

• From a microprudential perspective, in response to negative rates banks also need to pay attention to the following three areas: First, whether their business infrastructure (e.g. derivative models) and their IT systems can handle negative rates; second, whether customer behaviour will change and deposit models are still valid with negative interest rates. Third, interest rate risk arising from a lengthening of duration needs to be adequately captured.

• Low interest rates have become a threat to the solvability and stability of life insurers. Austrian and German life insurers are particularly strongly exposed to interest rate risk (high guaranteed returns, large duration mismatch). There are two possible consequences from this: one is that insurance firms diversify into higher risk investments thus hoping for survival (“gambling for resurrection”). Alternatively, they might be locked into low-yielding low-risk fixed income securities, just barely being able to cover their guarantees.

• Currently not only are interest rates low, but so are expected returns in any investment class (such as equities, corporate bonds, or real estate) because any investment now has an underlying negative real return. Investors need to recognize this new reality. It is at this point not clear how long the current period of ultra-low nominal and real returns will last. In a benign scenario, as the European economy would recover gradually, so would the level of interest rates normalize over the medium run. In a scenario of “secular stagnation”, the current situation might last for many years to come. Conversely, in the longer run, some observers would not rule out a period of considerably higher inflation, implying a substantial increase in nominal yields as well. These three scenarios have very different implications for banks and institutional investors’ optimal asset liability management strategies, requiring a careful evaluation of risks and shock-bearing capacity under the different scenarios.

• For central bank reserve management the current situation implies that first of all central banks should consciously position themselves within the “reserve management triangle” as central bank reserve management has elements of economic policy, market liaison and of financial management. On this basis, a central bank should determine the relative importance of security, liquidity and return among its investment objectives and how it can pursue these objectives in a sustainable manner.

• Historically, bubbles occurred in a wide range of assets. Most bubbles were largely financed by debt, and importantly bank credit, thus increasing the likelihood of a banking crisis. Bubbles were usually triggered by technological or financial innovations or by political events.

• In response to bubbles, a policy of early leaning against the wind is preferable to a late pricking of bubbles. The use of macroprudential instruments was sometimes (but by no means always) successful. Macroprudential measures are more targeted than interest rate policies because they can focus on specific sectors but at the same time they can be more easily circumvented. All in all, there are therefore no simple prescriptions – no instrument works in all circumstances.

• Currently, there is a build-up of risk in many markets due to search for yield. However, there is no clear threat to financial stability as long as there is no sharp expansion of credit. Furthermore, financial crises usually only arise from ultra-low interest rates if additionally other incentives to take on risk are present. It is therefore unlikely that the current ultra-low interest rate environment will lead to a financial crisis as long as there is no substantial macroeconomic upswing.

• However, the exit from ultra-low interest rates will pose risks to financial stability. Thus, the exit should be carefully planned and well communicated. Furthermore, policy makers should be aware of a potential shifting of risks to other, less regulated sectors (e.g. shadow banks).
With around 170 registered participants, the conference demonstrated impressively how useful and crucial an interdisciplinary dialogue between practitioners, policy makers and academics is in particular when it comes to new, complex and multidimensional topics such as the one addressed in this conference. To fully grasp relevant scenarios, challenges and possible solutions to the topic at hand, the conference combined insights from economic history, macroeconomics, finance and business administration as well as legal and institutional expertise on relevant supervisory frameworks, including various operational aspects. Only such a holistic view allows financial firms and policy makers to make adequate assessment and decisions, and enables academics to tailor their analysis and research to the needs of practitioners and policy makers and society at large. SUERF thanks its co-organisers, its members as well as conference speakers and participants for supporting activities like this.

The full conference report and the conference presentations are available online at www.suerf.org/vienna2015

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**Conference Announcement**

SUERF and EY will hold a joint one-day conference on “Banking Reform” in London on Thursday, 3 December 2015. Further information on the conference programme, venue and registration will be available at www.suerf.org/london2015

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**SUERF Studies**


www.suerf.org/studies

The following SUERF publication is currently in preparation: “Asset and liability management with ultra-low interest rates.” The volume will be edited by Ernest Gnan and Christian Beer.

www.suerf.org
Review by Niels Thygesen
Professor Emeritus of International Economics, University of Copenhagen, SUERF Honorary Member

A delightful book, based on joint interviews by the three authors, brings out the exceptional life story and the amazingly rich professional experience of Alexandre Lamfalussy, who passed away on May 9th 2015. Members of SUERF will appreciate that their Council a few years ago made the best possible choice of their first Honorary Member: Alexandre Lamfalussy embodied the combination of talents that SUERF has tried to attract to its activities. His profile was primarily that of a central banker at the centre of international policy cooperation, but his career also spanned nearly two decades in one of the three major banks in Belgium, ending as its CEO, and a lifelong association with academia, illustrated by an impressive publication list for someone who held top positions with massive policy-making and administrative obligations. In the absence of an autobiography by Lamfalussy himself, the three authors – Christophe Lamfalussy, his oldest son and a journalist, Economics Professor Ivo Maes of the National Bank of Belgium, and History Professor Sabine Peters of the ICHEC Brussels Management School – have earned the gratitude of readers for their well-told story.

Alexandre Lamfalussy was born in provincial Hungary in 1929 with ancestors from several other countries in Central Europe. He was in the middle of his second year as a university student in Economics, with a solid background in Mathematics and in languages, when in early 1949 Soviet control of political and intellectual life in Hungary tightened to such an extent that he and three of his friends courageously chose to flee the country, walking across the border to the Soviet zone of Austria. They arrived in Belgium without resources other than some prior contacts and enrolled at the University of Louvain (then in Leuven). After graduation in 1952 and a year as Assistant to Professor Leon Dupriez, working mainly on competitiveness issues for Belgian industry, Lamfalussy was awarded a two-year fellowship to pursue a DPhil at Nuffield College, Oxford, supervised by P.W.S. Andrews and John Hicks. He obtained his degree in 1956, his last foray into competition and industrial policy; by that time he had returned to Belgium as an economist at Banque de Bruxelles, building up reputation as an analyst, then as a Chief Economist and, over his final five years there from 1971 as Chairman of the Executive Committee. All through this active career he maintained close links to his alma mater at Louvain, spent a very fruitful sabbatical year at Yale University in 1960–61, contributed very actively to policy analysis and advice in Belgium and in the European Economic Community, membership of the Committee headed by Claudio Segre on the integration of European capital markets being a prime example.

Having completed the negotiations for the merger of his bank into Banque Bruxelles Lambert, Lamfalussy had expected to return to academia, but an offer from the Bank for International Settlements (BIS) in Basel to take over as Head of the Monetary and Banking Department was too tempting. He was to remain two decades at the BIS, the second one as General Manager, building the reputation of his institution as the analytical centre for international cooperation on monetary policy and financial regulation. Using the rich information available...
at the BIS, he made the Annual Report the most analytically interesting document to appear from the central banks, while greatly strengthening the BIS as the forum for internationally significant central banks and financial supervisors; in the 1980s overreliance on exchange-rate adjustments and a protracted Latin American debt crisis put both global and intra-European coordination of monetary and financial policies at the top of the agenda of national policy makers. As host of the monthly meetings of central bank governors from both the Group of Ten and the European Community, Lamfalussy provided analytical input as well as constructive and authoritative contributions to often polarized exchanges.

Lamfalussy similarly became the perfect host for the meeting of the Delors Committee in 1988–89 of which he was an independent member and where I had the privilege of observing at first hand the respect in which he was held by the central bankers. He provided much of the background research, with the able assistance of Claudio Borio and others, relating not least to what he saw as the necessary underpinnings of monetary union in terms of both fiscal rules to discipline national participants and coordination of national budgetary policies to facilitate a better macroeconomic policy-mix that was a hallmark of all BIS advice. He was not listened to sufficiently, and the design of EMU in the end contained little in terms of either effective monitoring of national budgetary policies or coordination. Looking back, however, he at least was able to remark in the book, that most of the congenital weaknesses in the design were repaired in the update undertaken by van Rompuy in 2010–12, not least the monitoring of macroeconomic – and not only budgetary - imbalances.

When the Delors Report had been signed by all members, Lamfalussy expressed the view that, while a solid job had been done in defining the final stage of EMU, the proposals for the transition were so vague as to endanger the arrival at the destination. He had himself proposed in the Committee that national central banks needed to develop some joint operational experience in the second stage, before a new European Central Banking System could reliably take over sole responsibility for the common monetary policy, but his proposal did not win general support from other members and was seen as difficult to reconcile with the German notion of the indivisibility of responsibility for monetary policy at all times. However, on this point the history later allowed Lamfalussy provide proof that, for once, he had been mistaken. As President of the European Monetary Institute (EMI) over three and a half years from the beginning of 1994 he prepared the ground for the future permanent ECB so meticulously that the transition to full centralization of monetary policy proceeded seamlessly without the prior joint operational experience of the national central banks that he had seen as essential a few years earlier. The book gives a fine, though understated, account of this crowning achievement in Lamfalussy’s long central banking career which was so widely recognized that he was under major pressure to continue as the first President of the ECB – which he resisted with reference to advancing age, though also, as he recounted, that he was reluctant to accept a mandate of only the first half of the eight years mandated by the Treaty – an arrangement later imposed on Wim Duisenberg.

Other, more part-time, assignments followed, notably the Presidency of the “Wise Men’s Committee” on EU Securities Regulation in 2000–01 which produced the first vital step towards Europeanization of financial regulation and supervision. Less timid progress had to await the financial crisis of 2008, but without the inspiration of the “Lamfalussy process” these later steps would have been much more difficult. As Jacques de Larosiere says in his very eloquent foreword to the book, this slim volume brings to life not only a number of important debates on international economics and central banking, but also the vital role that an individual with the unique mix of determination, demonstrated so clearly in his personal history, intelligence and human skills including great persuasiveness can play in moving events. Alexandre Lamfalussy has made a difference, even though the authors at times clearly had a hard time getting him to accept that.
Progress through crisis?

Proceedings of the Conference for the 20th Anniversary of the Establishment of the European Monetary Institute

By Ivo Maes and Frank Moss (eds.)


ISBN 978-92-899-1398-0 (epub)
ISBN 978-92-899-1396-6 (online)

Reviewed by Guy Verfaille, Senior Manager of the Risk Department, BNP Paribas Fortis

The European Monetary Institute (EMI) started its activities with the beginning of Stage Two of EMU on 1 January 1994. The EMI was a somewhat special Community body in between the Committee of Governors of the central banks of the Member States and a full-fledged European Central Bank. The EMI had no responsibilities in terms of monetary policy as such but had as a mandate to make all necessary preparations for the establishment and operational capacity of the Eurosystem at the start of Stage Three of the EMU i.e. 1 January 1999. As the predecessor of the ECB, the EMI fulfilled a crucial role in the orderly and successful transition towards a monetary union. The environment in which the EMI had to start its activities was not an easy one however as during the first years of the 1990s the EMS seemed to be dragging itself from crisis to crisis.

In January 2014, the European Central Bank and the National Bank of Belgium co-hosted a conference to commemorate the 20th anniversary of the key milestone on the way to EMU. At the same time the Conference was the opportunity to honor the first president of the EMI, Alexandre Lamfalussy who successfully steered the EMI through its first three and a half years of its existence. The book brings together the contributions made at this Conference. The organizers of the Conference explicitly asked contributors to draw parallels between how the lessons from the crisis of the 1990s had influenced the progress towards EMU with how the recent euro crisis could give some pointers for the future functioning of the EMU. In this way the book is more than a mere remembrance of the past but tries to shed some light on the path ahead. The fact however that most of the contributors were or still are holding official positions is of course likely to guide the views expressed.

The contributions to the conference are divided into three parts with some concluding remarks made by Alexandre Lamfalussy. The first part looks back at the turbulent 1990s in terms of monetary cooperation in Europe and tries to identify the lessons that this period might hold. What are these lessons? The book lacks a proper synthesis by the editors, but such synthesis could possibly run along the following lines. The convergence criteria for entry into the EMU were mainly nominal criteria with effective policy coordination too soft and economic governance too weak as there was too much confidence in the corrective power of market discipline. It took the recent crisis to develop new instruments and procedures to correct for this (see the contribution of Wieser and Haine). The sustainability of public finances came to the forefront of the discussions on monetary union after 1993. The view was that free ride attitudes of irresponsible governments with undisciplined fiscal policies risked undermining the stability of the monetary union. As D. Gros points out however, countries with high levels of debt might be forced to pay high risk premia irrespective of the fact whether they are in a monetary union or have monetary policy autonomy. In the former case the risk premium will reflect the risk of default, in the latter the inflation risk. In any case, high interest rates will impose a cost to the country. The EMS of the 1990s had to avoid two types of mistake: to defend exchange rate parities that were perceived by markets to
be misaligned given the economic fundamentals and to give in to speculative pressures when the exchange rates were in fact in line with the fundamentals. In analogy, Gros continues, the EMU should avoid providing financing to countries with public debt levels that are considered by the markets to be unsustainable and to give in to speculative pressures when public finances are fundamentally sound. Dwelling further on this, A. Sapir argues in his contribution that in order to solve the crisis in an efficient way, the nature of the crisis should be clearly identified. While the EMS crisis of the 1990s was perceived as a liquidity crisis while in fact being a crisis of fundamentals, the opposite was to a large extent the case with the EMU crisis. An incorrect diagnosis leads to a waste of time and ineffective policies. Furthermore, Sapir points to a number of failures in the set-up of the monetary union such as the failure to fully recognize the heterogeneity of the member countries and its implications for coordination policies and adjustment paths.

The second part focuses on the role the EMI has played in preparing the ground for the ECB. In many ways, the EMI had to boldly go into uncharted territory. The Treaty of Maastricht laid down the global framework of principles, guidelines and objectives for the EMU. The EMI had to translate all this into practicable, manageable and commonly accepted rules, procedures and instruments to conduct monetary policy in a completely new environment. It had to federate member countries while at the same time guarding the relationship with those staying out. Preparing the single monetary policy and strengthen policy coordination was top of mind, but also reporting on the progress that countries made on letting their economies converge and adapting their institutional framework was key in the preparation. Not less important was the need to design a painstakingly detailed changeover scenario taking into account the numerous interdependencies between steps towards the union.

The contribution of F. Moss provides an in-depth insight into the EMI’s assessment of sustainable convergence based on the broad principles laid down in the Treaty and the difficulties inherent in this task. H. Scheller focuses on the design of the ECB’s monetary policy strategy and its toolbox of instruments.

The third part is of a more forward looking nature. In his contribution Jean-Claude Trichet points to the incompleteness of the EMU and the ways in which it has already been tried to remedy this through a strengthening of the governance. Further steps are necessary however. Progress should be made by giving Commission and Council the possibility to take over decision-making from countries that are behaving badly and are unwilling to adapt. At the same time a stronger democratic anchoring is called for through a more decisive role of the European Parliament. I am curious to learn how Athens would react to such line of thinking. Several contributors pointed to the elephant in the room when designing the EMU i.e. the role of increasing private debt levels and inherent instability of the financial sector. In his contribution, M. Draghi elaborates on the role of the banking union in making financial integration sustainable.

In his concluding remarks, A. Lamfalussy reflects on the reasons for the good track record of the EMI. He finds these in the political support of the EMU project and the fact that the institution-building process was governed by the Maastricht Treaty. A Treaty that not only provided a strict time constraint for the start of the single monetary policy but also assigned specific roles to all institutions involved.

A. Lamfalussy ends with one final word of caution though. He points to the fact that - as a result of the crisis - the ECB has received on top of its traditional mandate of monetary policy also a macro-prudential mandate. He warns that central banking independence could in this way be put at risk and that this will in any way add to the complexity of the task of central banking. If so, this could spell trouble ahead. We may have to wait another 20 years to fully assess whether or not this remark was indeed a well-aimed prophecy of that wise old man A. Lamfalussy.
New SUERF Members

A warm welcome to all new SUERF Members!

CORPORATE MEMBERS

Aktia Bank Plc
Helsinki, Finland

ACADEMIC INSTITUTIONS

WU Gutmann Center for Portfolio Management
WU Vienna University of Economics and Business
Vienna, Austria

HEC Montréal
Alphonse and Dorimène Desjardins
International Institute for Cooperatives
Montréal (Québec), Canada

PERSONAL MEMBERS

Liliana Craciun
Associate Professor
Bucharest University of Economic Studies
Bucharest, Romania

Billy Franklin Darley
Economist
Schoten, Belgium

Koen Harmsen
ING Bank
Amsterdam, The Netherlands

Dr. Anca Gabriela Molanescu
Bucharest University of Economic Studies
Bucharest, Romania

SUERF Member Announcements

We cordially invite SUERF Members to submit announcements including call for papers and information about conferences or other events that are of interest to the SUERF membership.

Latest Member Announcement

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<td>WU Gutmann Center</td>
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<td>Retirement and Asset management</td>
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<td>University of Zurich, Department of Banking and Finance</td>
<td>Call for Papers</td>
<td>Network models, stress testing, and other tools for financial stability monitoring and macroprudential policy design and implementation</td>
<td>30 July, 2015</td>
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For further information and details please visit:

www.suerf.org/member-announcements
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<td>Ryszard Kokoszczynski</td>
<td>David T. Llewellyn</td>
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<td>Michala Marcussen</td>
<td>Robert N. McCauley</td>
<td>Debora Revoltella</td>
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<td>Jens Ulbrich</td>
<td>Natacha Valla</td>
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News from the SUERF Secretariat

Heidrun Kolb has joined the Secretariat from 1 April 2015, as the new SUERF Secretary. Heidrun holds a Master’s degree in Communication Science and Japanese Studies from the University of Vienna, and has considerable international work experience in the fields of administration, communication as well as event organization.

Veronika Brookes retired from her position as SUERF Secretary at the end of March 2015. On behalf of the SUERF Council of Management, we would like to express our sincere thanks and appreciation for all her work and support, and wish her all the best for a wonderful and well-deserved retirement.
**Forthcoming SUERF Events**

**Friday**  
3 July 2015  
6th SUERF/Bank of Finland Conference  
“Liquidity and Market Efficiency – Alive and Well?”  

**Wed-Thurs.**  
4–5 November 2015  
32nd SUERF Colloquium in co-operation with the Deutsche Bundesbank “The SSM at 1”  
in Frankfurt [www.suerf.org/c32](http://www.suerf.org/c32)

**Thursday**  
3 Dec 2015  
SUERF-EY Conference “Banking Reform”  
in London [www.suerf.org/london2015](http://www.suerf.org/london2015)

Further information about SUERF membership, events and publications can be found on the SUERF Website at [www.suerf.org](http://www.suerf.org) or by contacting the SUERF Secretariat (suerf@oenb.at).
In memory of Baron Alexandre Lamfalussy

It is with great sadness that we learnt about the passing of SUERF’s Honorary Member Baron Alexandre Lamfalussy at the age of 86. Born in Hungary, Lamfalussy studied economics at the Catholic University Leuven and Oxford University’s Nuffield College. The world knows him well as an outstanding expert and professor of money and finance, and from his important public functions and contributions during his rich professional career as General Manager at the Bank for International Settlements, President of the European Monetary Institute (the forerunner of the ECB), and Chairman of the Committee of Wise Men on the Regulation of European Securities Markets. Baron Lamfalussy was among Europe’s foremost thinkers and policy makers, putting his life in the service of European monetary and financial integration.

Baron Lamfalussy was a founding member of SUERF and served as Honorary Treasurer between 1963 and 1966. In 1997, he delivered the Marjolin Lecture on “Back to Fundamentals: Why a Monetary Union?”. In 2001, he authored a SUERF Study entitled “Reflection on the Regulation of European Securities Markets”. For his continued support and lifelong close and friendly relation to SUERF, he was awarded Honorary Membership at SUERF’s 40th Anniversary in 2003.

I had the privilege to work with Baron Lamfalussy between 1994 and 1997 at the European Monetary Institute in Frankfurt. I will always remember his academic precision, his friendly and generous ways with staff, his sense of humour, eloquence and openness to new and unconventional ideas, as well as his discipline, integrity and adherence to principles of monetary stability and sound public policy making.

We will deeply miss him and will always hold fond memories of his life and work.

Ernest Gnan, Secretary General, SUERF
## Contact information

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