In the wake of the global financial crisis, financial stability has become an explicit goal of central banks, supervisory, and regulatory authorities around the world. However, this goal faces many challenges ahead. One of the leading challenges refers to measuring systemic risk and evaluating the policies that can best manage it.

A great deal of research has been undertaken by academics and policymakers on the definition and measurement of systemic risk, as well as on the design of policies and regulations that safeguard the financial system. Among the many tools and instruments that feature in this work, network theory and stress testing have taken center-stage in the effort to better understand systemic risk and design macroprudential policies that mitigate it.

This conference aims to bring together policymakers, academics, and industry representatives to examine our progress in designing a safer financial system and to explore recent methodological advances in the study of systemic risk.

TOPICS

The conference topics are related to the application of network models to financial stability, stress testing, and the design and implementation of macroprudential policy. These include (but are not limited to):

- Network models for systemic risk measurement and monitoring and applications to the design of macro prudential policy;
- Stress testing: methodological developments, the interaction between solvency and liquidity, translating stress testing results into concrete policy measures;
- Early warning systems and detection of build-up of systemic risk: data gaps, design of early-warning indicators, theoretical and empirical advances, financial cycle;
Systemic importance: too big to fail, too interconnected to fail, systemic externalities, and related issues;

Macroprudential policies: design, implementation, effectiveness, interaction with other macroeconomic policies (fiscal, monetary, etc.);

Understanding the complexity of the modern financial system;

Shadow banking: measurement, monitoring, financial stability implications;

Systemic liquidity funding risk;

Data standards for systemic risk and stress testing analysis.

**SUBMISSION DEADLINE:** June 30, 2015.

**SUBMISSIONS:** We welcome submissions that report original work and are not already published, accepted for publication, or forthcoming in peer-reviewed journals. Submissions may be part of a working paper series. The papers should be emailed to the following address: smartin@banxico.org.mx with the following subject line “Submission – Networks and Stress Testing Conference.”

**DECISIONS:** The authors will be informed of the final acceptance to the conference by July 31, 2015. The sponsors will cover accommodation for invited participants.

**SPECIAL ISSUE OF THE JOURNAL OF FINANCIAL STABILITY:** A special issue of the Journal of Financial Stability will include selected papers presented at this conference. Authors whose papers are accepted for presentation at the conference are encouraged, but not obliged, to submit their papers for consideration at the JFS special issue. Papers submitted for the special issue will be reviewed according to the normal JFS standards. Details regarding the journal submission process will be provided after the conference.

The conference will be held in Mexico City. The program will include 12-17 papers depending on the quality of submissions. A concluding panel featuring senior policymakers will discuss how to achieve global financial stability by designing macroprudential policy anchored in recent advances in network theory and stress testing.

More details about the conference can be found at:


KEYNOTE SPEAKERS:
Professor Xavier Freixas (Pompeu Fabra University, Spain)
Professor Sanjeev Goyal (University of Cambridge, UK)

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