



**UCD Commercial Law Centre**

# **Rethinking Capital Adequacy**

- The Revision of the EU Capital Requirements Directive

Wednesday, 19<sup>th</sup> November 2008  
8.30 a.m. – 12.30 p.m.

Global Irish Institute / William Jefferson Clinton Auditorium  
(Formerly University Industry Centre)  
Stillorgan Gate Entrance – Car Park 3  
University College Dublin  
Belfield  
Dublin 4

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**4 CPD HOURS**

# **Rethinking Capital Adequacy**

## **- The Revision of the EU Capital Requirements Directive**

On 1<sup>st</sup> October, the EU Commission published its legislative proposal for a revision of the Capital Requirements Directive (CRD). The revisions are expected to be adopted by April 2009.

The proposals are designed to reinforce the stability of the financial system, reduce risk exposure and improve supervision of cross-border banking, including liquidity risk management.

The main changes proposed to the CRD are as follows;

- Improving the management of large exposures
- Improving supervision of cross-border banking groups
- Improving the quality of banks' capital
- Improving liquidity risk management
- Improving risk management for securitised products
  - Rules on securitised debt will be heightened. Originators will be required to retain some risk exposure to their securities while investors will be required to conduct comprehensive due diligence with failure to do so attracting heavy capital penalties.

At this timely seminar, a panel of experienced practitioners will take delegates through the rationale for the changes proposed, analyse in detail the proposed revisions and focus on whether the new proposals go too far or not far enough.

<b>Date</b>	Wednesday 19 <sup>th</sup> November, 8.30 a.m. – 10.30 p.m.; breakfast from 7.45am.
<b>Venue</b>	William Jefferson Clinton Auditorium (formerly University Industry Centre), University College Dublin, Belfield, Dublin 4. Located beside Car Park 3 (opposite athletics track). Vehicular access is possible only through <b><u>Stillorgan Gate Entrance</u></b> to UCD.
<b>Cost</b>	<b>€400</b> (to include seminar materials and refreshments)
<b>Booking</b>	The <b>attached booking form</b> must be completed and returned in order to reserve places.
<b>CPD</b>	<b>4 Hours.</b> Certificates of attendance will be provided.
<b>Contact</b>	<b>Tel:</b> (01) 716 8763 <b>Fax:</b> (01) 269 3463 <b>E-Mail:</b> <a href="mailto:clc@ucd.ie">clc@ucd.ie</a>

# Seminar Schedule

- 07.45 – 08.30 **Registration and Continental Breakfast**
- 08.30 – 08.50 **Chairman's Introduction**
- Rethinking Capital Adequacy**  
**- The Background to the Commission's Legislative Proposals**
- Paul O' Connor, Head of Wholesale Banking and Risk,  
Irish Banking Federation*
- 08.50 – 09.30 **Pan-European Supervision of Banks – A New Landscape?**
- Enhancing Cross-Border Supervisory Co-operation
  - Colleges of Supervisors – How will they work?
  - Improving Liquidity Risk Management – The Role of the Colleges of Supervisors
- Simon Hills, Director, British Bankers' Association; Director, Prudential  
Capital and Risk Team*
- 09.30 – 10.10 **Towards an EU-Wide Definition of Hybrid Capital**
- Hybrids as a funding source for banks
  - The Background – Inconsistent National implementation of Sydney Press Release
  - The eligibility criteria for recognition of hybrids as eligible capital
  - The Loss of Absorption Principle – the role of CEBS and the need for clarity
- Marie Mangan, Director, Regulatory Advisory Services, KPMG*
- 10.10 – 10.40 **Coffee**
- 10.40 – 11.20 **Improving Risk Management for Securitised Products**
- Background to the Securitisation Proposal
  - Obligation of Originator to retain material stake in securitised assets of at least 5%
  - Obligation of Originator to provide greater transparency in respect of securitised assets
  - Obligation of Investor to undertake due diligence – the Marginalisation of Credit Rating Agencies
- Kevin Ingram, Partner, Clifford Chance, London*
- 11.20 – 12.00 **The Securitisation Proposals – The Industry View**
- Why is the Industry hostile to the Proposals?
  - Will they have a negative economic impact within EU?
  - Will they damage investors' ability to access markets?
  - Will they place EU at a competitive disadvantage?
  - The Industry initiatives to improve transparency in the Securitisation markets
  - What Industry measures are necessary to restore confidence to the securitisation markets?
- Christian Krohn, Director, Regulatory Policy, Securities Industry and  
Financial Markets Association SIFMA - Europe*
- 12.00 – 12.25 **Questions & Discussion**
- 12.25 – 12.30 **Chairman's Closing Remarks**

## Seminar Presenters

### Chairman

#### **Paul P. O' Connor, Irish Bank Federation**

Paul O' Connor is Head of Wholesale Banking & Risk with the Irish Banking Federation. In that capacity he has represented the Federation in discussions with the European Commission on the proposed legislative changes to the Capital Requirements Directive.

### Speakers

#### **Simon Hills, British Bankers' Association**

Simon Hills is Executive Director and Director of the Prudential Capital and Risk Team at the British Bankers' Association. Much of his time is taken up interfacing with the UK Financial Services Authority on issues relating to prudential regulation but he is also interested in liquidity issues and instruments used in the issuance of bank capital. Simon leads the BBA team working on the Basel 2 and its implementation in Europe via the Capital Requirements Directive (CRD) and the FSA's prudential sourcebook.

He was previously a Director in the Debt Capital Markets Origination team at BZW and also has experience of energy and aerospace project finance gained at First Chicago. Simon is a member of the Court of the Guild of International Bankers.

#### **Marie Mangan, KPMG**

Marie Mangan is Director of Regulatory Advisory Services at KPMG. Her role involves advising a wide range of clients in regulatory matters across the banking, investment firm and insurance sectors. She has 20 years experience in regulation having held senior positions at an IFSC Bank and with the Financial Regulator prior to joining KPMG.

#### **Kevin Ingram, Clifford Chance**

Kevin Ingram is a partner in the leading City of London law firm, Clifford Chance. In his practice, Kevin specialises in debt securitisation, principal finance, asset backed commercial paper conduits, structured repackagings, secured lending and all types of structured finance transactions.

#### **Christian Krohn, SIFMA - Europe**

Christian Krohn works for the Securities Industry and Financial Markets Association focusing on European regulatory issues. Mr Krohn is a LLM and MBA graduate with 13 years' experience working in the financial services industry. Prior to his current position he worked in the FSA Market Policy Department focusing on the UK implementation of the Transparency Directive and the development and implementation of FSA policy relating to the clearing and settlement of securities transactions. From 2000-2002 Mr Krohn was legal consultant to the Association of National Numbering Agencies (an international entity standardising securities data and disseminating financial information), and from 1995-2000 he was in-house legal advisor to the Danish Securities Centre (an electronic securities depository and clearing house).

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- The Revisions of the EU Capital Requirements Directive**

**Wednesday 19<sup>th</sup> November 2008**

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