2013 Resolution Conference

Sponsored by the Board of Governors of the Federal Reserve System and the Federal Reserve Bank of Richmond

8:10 – 9:10 AM

What Have We Learned from Lehman?

This panel will explore the Lehman Brothers bankruptcy, specifically highlighting the key obstacles to resolution with particular focus on how financial contract challenges and interconnectivity, which will be covered in more detail in the subsequent panel discussions, played out in Lehman.

9:10 – 10:40 AM

Orderly G-SIB Resolution under the Bankruptcy Code – Practicalities and a Prospective View

This panel session will discuss practicalities of employing the current Bankruptcy Code for resolution of a G-SIB, including the possibility of using an SPOE approach under the Bankruptcy Code, and will highlight possible changes to the Code which could improve the likelihood of an orderly G-SIB resolution.

11:00 – 12:30 PM

Financial Contract Challenges

Post-crisis, global financial regulators have focused on the potential for contractual rights to hinder the execution of an orderly resolution of a G-SIB, even if an SPOE approach is used. This panel will explore what can be done to reduce the risk posed by QFCs, QFC default and cross-default provisions (especially in the context of SPOE), and the QFC Safe Harbors.

2:00 – 3:25 PM

Interconnectivity – Economies of Scale Versus Risk Transmission Mechanisms

This panel will discuss a wide range of financial firm business transactions, practices and products, financial relationships, and operational practices that reinforce a high degree of interconnectivity at firms. Panelists will also spend some time talking through how a high degree of interconnectivity presents efficiencies during normal times but may create obstacles for resolution under the Bankruptcy Code and other applicable insolvency and resolution regimes.

4:00 – 5:30 PM

Does Being More Resolvable Make a Firm More Resilient?

For supervisors and firms, recovery planning and resolution planning have become another tool for assessing the quality of a firm's risk management. In certain instances, understanding a firm's risks and evaluating possible mitigation actions can improve a firm's ongoing risk management as well as help facilitate an orderly resolution, but this may not always be true. This panel will incorporate different views on whether being more resolvable makes a firm more resilient.