



# **Economics of financial regulation**

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**DG FISMA**

**European Commission**

# Outline

*Topics researched by our stagiaires atypiques 2014-2016*

*Where we see the gaps: possible topics for economic analysis where we reach out to academic research (supported by JRC)*

*Horizontal, multi-disciplinary projects: FDS, Task Force Fintech*

# CBCR, CRR2, EDIS

## CBCR proposal

<http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52016SC0117>

### *some of the challenges involved*

- *New measure, lack of precedents*
- *Looking for analogies, literature review*
- *Discussion of possible impacts depending on competitive environment, governance, shareholder structure*

# What do we offer?

*90% policy*

*10% research*

*Between 2 and 5 months*

*Timing: end of master studies, or PhD with completed course work*

## Topics for theoretical and empirical academic research

### *COEURE research manifesto*

- **Role of trust for risk taking**
- **Lack of data: availability, access, format**
- **(role of literature reviews, often the only quick access)**

### *Further needs that have been identified:*

- **More granular models of household behaviour**
- **Better understanding of micro-macro interactions (micro-, macro-pru policies, provision of clearing services, problem of feedback in a game without nature)**
- **Missing markets (e.g. non-performing assets, household risks)**

*Big Data: a sea change in economic research, triggering regulation issues before we fully understand all its implications*

*Complexity economics: models not yet ready for use, more mutual understanding needed between natural sciences and social sciences*

*→ Conclusion: focus on resilience of households in addition to risk reducing measures (also incoming G20 presidency)*

# New work streams

→ *Increasing importance of horizontal, multi-disciplinary projects*

*Data 4 Policy (Big Data)*

*FDS*

[http://ec.europa.eu/isa/library/documents/isa2-work-programme-2016-detailed-action-descriptions\\_en.pdf](http://ec.europa.eu/isa/library/documents/isa2-work-programme-2016-detailed-action-descriptions_en.pdf)

*Task Force Fintech*