LAW & BANKING COLLOQUIUM
THURSDAY, 14 JANUARY 2016, 9.00AM TO 5.00PM [Registration begins at 8.30am]
MOOT COURT, BESIDE THE SUMMIT CAFETERIA, FACULTY OF LAW, NUS BUKIT TIMAH CAMPUS

About the Colloquium
The banking world is in turmoil. The credit crisis has generated major regulatory adjustments, both in quantitative and qualitative terms. At the same time, information technology developments are having a considerable impact on the provision and management of banking services. This Colloquium, the second in a series of NUS-ETH Conferences, aims at tackling some of the issues associated with these developments. More specifically, banking sector resilience will be addressed via contributions on capital and risk management whereas access to funding will be discussed via contributions on interbank markets and crowdfunding. In addition, the Colloquium will deal with two issues subject to significant media attention: consumer bankruptcy and banking secrecy.

0830 - 0900  Registration
0900 - 0915  Welcome and Introduction
The Impact of Housing Credit on Personal Bankruptcy
by Sumit Agarwal, Low Tuck Kwong Professor, School of Business, National University of Singapore
Commentator: Joseph Ooi, Dean’s Chair Associate Professor, Department of Real Estate, School of Design and Environment, National University of Singapore

0915 - 1010  The Promise and Perils of Crowdfunding
by Luca Enriques, Allen & Overy Professor of Corporate Law, Faculty of Law, University of Oxford
Commentator: Tjio Hans, Professor, Faculty of Law, National University of Singapore

1010 – 1105  Teabreak

1105 - 1135  Tea Break

1135 – 1230  Bank Capital: How Much is Enough?
by Lev Ratnovski, Economist, Research Department, The International Monetary Fund
Commentator: Douglas W. Arner, Professor, Faculty of Law, University of Hong Kong; Peter Ellinger Visiting Professor, Faculty of Law, National University of Singapore

1230 – 1345  Lunch Break

1345 - 1440  Risk Regulation and the New Corporate Governance in Banks
by Geoffrey Miller, Stuyvesant P. Comfort Professor of Law, School of Law, New York University
Commentator: Lawrence Low, Managing Director, Office of Regulatory Affairs, J.P. Morgan

1440 – 1535  Interbank Intermediation
by Jan Pieter Krahnen, Professor of Finance, House of Finance, Goethe University
Commentator: Christian Hofmann, Assistant Professor, Faculty of Law, National University of Singapore

1535 - 1605  Teabreak

1605 - 1700  Bank Secrecy: Erosion and Legal Convergence?
by Dora Neo, Associate Professor, Faculty of Law, National University of Singapore
Commentator: Gerard Hertig, Professor of Law, ETH Zurich

THE ORGANISERS
The Centre for Banking & Finance Law (CBFL) at the Faculty of Law, National University of Singapore, seeks to generate scholarship and promote thinking about the vibrancy, robustness and soundness of the banking sector, capital markets and other financial services. Through the research our scholars undertake and the events we organise, we seek to create and share knowledge, to engage stakeholders in an exchange of ideas, and to enhance the appreciation of legal and regulatory issues. We aim to bring greater theoretical and analytical clarity to these issues, to examine their policy impact, and to be a catalyst for ideas on how to improve banking and financial systems at the national, regional and global levels.

ETH Zurich is one of the leading international universities for technology and the natural sciences. It is well-known for its excellent education, groundbreaking fundamental research and for implementing its results directly into practice. Founded in 1855, ETH Zurich today has more than 18,000 students from over 110 countries, including 3,900 doctoral students. To researchers, it offers an inspiring working environment, to students, a comprehensive education. Twenty-one Nobel Laureates have studied, taught or conducted research at ETH Zurich, underlining the excellent reputation of the university.

REGISTRATION
Registration is complimentary but seats are limited. To register, please click [here] or scan:
Closing Date of Registration: Wednesday, 6 January 2016
The CPD Guidelines. This includes signing, among others.

...at an increase in housing credit increases the likelihood of personal bankruptcy.

Journal of Political Economy

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IPO stage and equity crowdfunding further expose the riskiness of the latter, given the absence of most of the institutional

The comparison allows us to highlight the promise of reward crowdfunding and in terms of the risk crowdfunders bear, the motivations that may lead them to invest, and the potential for irrational herding behaviour. The comparison allows us to highlight the promise of reward crowdfunding and the perils of equity crowdfunding from the standpoint of the investing crowd. A comparison between retail investing at the IPO stage and equity crowdfunding further expose the riskiness of the latter, given the absence of most of the institutional mechanisms that have developed in decades to protect investors in the former, including securities regulations. After describing the legal regime in two sample jurisdictions, the US and the UK, we conclude with some tentative thoughts on the merits of introducing a light regime for equity crowdfunding and what its features could be.

The Unintended Consequences of Credit: The Impact of Housing Credit on Personal Bankruptcy

Standard economic theory suggests that housing credit can facilitate consumption-smoothing for house buyers. However, recent research in the US shows that increasing the flow of credit might be counterproductive. The expansion of mortgage credit leads to excessive household debt and mortgage default, causing individuals to spend less. However, it is not clear whether access to relatively low-interest credit, such as housing credit, is related to personal bankruptcy. In this paper, the existing literature is linked by studying the impact of housing credit on personal bankruptcy in Singapore. Using a difference-in-differences (DD) approach, it was found that an increase in housing credit increases the likelihood of personal bankruptcy by 0.15-0.22 percentage points for house buyers who have more exposure to the housing credit increase. To investigate the mechanism, it was shown that the observed effect is unlikely to be driven by consumption effects and selection for irresponsibility.

Luca Enriques

Alien & Overy Professor of Corporate Law, Faculty of Law, University of Oxford

Luca Enriques is the Alien & Overy Professor of Corporate Law at the Faculty of Law of Oxford University, where he is also a Fellow at Jesus College. He is ECGI Fellow and the Editor of the ECGI Law Working Paper Series. He has published widely in the fields of corporate law and financial regulation. He is one of the coauthors of The Anatomy of Corporate Law (2nd ed., OUP: 2009) and, together with John Armour, Daniel Aawy, Paul Davies, Jeffrey Gordon, Colin Mayer, and Jennifer Payne, of Principles of Financial Regulation (OUP: forthcoming). He currently advises the Italian Ministry of the Economy and Finance and large Italian corporations on corporate law and financial regulation matters. Luca Enriques has held visiting positions at the University of Cambridge, Interdisciplinary Center Hertziya, Harvard Law School, and other Universities. Between 2007 and 2012 he was a commissioner at Consob, the Italian Securities and Exchange.

The Promise and Perils of Crowdfunding

Crowdfunding—raising many small contributions of capital from individual funders via the internet—is a burgeoning phenomenon. We focus on two forms of crowdfunding that are especially fit for financing innovative start-ups, ‘reward’ crowdfunding and ‘equity’ crowdfunding. In the former, individuals contribute money in exchange for a reward—generally a new product, in the case of consumer products, a share of the equity interest in the funded venture. We first contrast these two forms in terms of the risk crowdfunders bear, the motivations that may lead them to invest, and the potential for irrational herding behaviour. The comparison allows us to highlight the promise of reward crowdfunding and the perils of equity crowdfunding from the standpoint of the investing crowd. A comparison between retail investing at the IPO stage and equity crowdfunding further expose the riskiness of the latter, given the absence of most of the institutional mechanisms that have developed in decades to protect investors in the former, including securities regulations. After describing the legal regime in two sample jurisdictions, the US and the UK, we conclude with some tentative thoughts on the merits of introducing a light regime for equity crowdfunding and what its features could be.

Lev Ratnovski

Economist, Research Department, The International Monetary Fund

Lev Ratnovski is an economist at the International Monetary Fund. As a member of the macro-financial team in the Research Department, he is responsible for formulating Fund views and policies on bank regulation and structure, shadow banking, and global liquidity. In addition, Mr. Ratnovski is a team member for IMF programs in Ireland, Portugal, Spain and Ukraine. Prior to the current assignment, Mr. Ratnovski worked on U.S. and Canada desks of the IMF (2008-10), and in the Financial Regulation division of the Bank of England (2005-08). Lev Ratnovski has published in Journal of Financial Intermediation, Journal of Banking and Finance, Review of Finance, and International Journal of Central Banking. His work has been featured on Bloomberg, Reuters, and Businessweek. Mr. Ratnovski holds a B.Sc. from HSE-Moscow and a Ph.D. from the University of Amsterdam.

Bank Capital: How Much is Enough?

Few issues in the post-crisis policy debate have been more contentious and elicited a wider range of firmly held views than the appropriate level of capital requirements. This paper explores how different levels of bank capital would have fared in past banking crises. Using alternative approaches, we find that, for advanced economies, the marginal benefits of higher bank capital in terms of banking crises avoided are substantial at first, but decline rapidly once bank capital reaches a few points above the 15.5 percent recommended under Basel III. Results are more nuanced for emerging and developing economies where banking crises were historically associated with greater baseline losses. The paper also explores the literature on the costs associated with higher bank capital. Existing studies suggest that the steady-state (long-term) costs of higher bank capital are likely small. In contrast, the costs of transitioning to higher bank capital might be substantial. The key danger is that banks may temporarily constrain the supply of credit to comply with higher capital ratios. It follows that to minimize the transition costs, higher capital requirements should be imposed gradually, and supervision should encourage banks to increase capital ratios by raising equity rather than constraining asset growth.
**Speakers & Abstracts**

**Geoffrey Miller**  
Stuyvesant P. Comfort Professor of Law, School of Law, New York University

Geoffrey Miller is the Stuyvesant P. Comfort Professor at New York University School of Law. He directs or co-directs the law school's Center on Financial Institutions, Center on Civil Justice, and Program on Corporate Compliance and Enforcement. Miller is the author or editor of six books on financial regulation, including "Economics of Financial Law," "The Law of Banking and Financial Institutions" (co-authored with Jonathan Macey and Richard Scott Carnell), now in its Sixth Edition; "The Law of Governance, Risk-Management and Compliance;" "The Governance of International Banking" (co-authored with Fabrizio Cafaggi); and "Costly Policies: State Regulation and Antitrust Exemption in Insurance Markets" (co-authored with Jonathan Macey). Miller has published more than two hundred research papers, many focusing on risk management, compliance, company law, securities law, or financial institution regulation. Miller has been a visiting professor or scholar at Harvard, Columbia, Minnesota, and Cornell law schools, and at universities in Italy, Switzerland, Germany, The Netherlands, Australia, New Zealand, and Singapore. He was a visiting scholar at the Bank of Japan and a consultant at the Federal Reserve Bank of Chicago. He earned a BA from Princeton University, and a JD from Columbia University, where he was editor-in-chief of the Columbia Law Review.

**The Rise of Risk Management**

Risk management has emerged as a central feature both of modern corporate governance and of advanced approach to regulation and supervision. For highly regulated firms, management of compliance risk is an important part of this approach. A risk-based approach to compliance forces the organization to undertake a compliance risk assessment and facilitates efficient allocations of compliance resources within the organization. However, there is a possibility that the underlying risk assessment may be wrong. There is also tension between the concept of compliance violations as an acceptable risk and the notions of zero tolerance for legal infractions and "broken-windows" approaches to compliance violations. At the level of regulation and supervision, risk-based regulation focuses the attention and resources of regulators to areas posing greatest threats to the public interest; also, the awareness of regulators influences the compliance-related activities of regulated firms. Risk-based regulation also promotes "principles-based" rather than "check-the-box" regulatory strategies, which may be more effective at deterring and sanctioning misconduct. However, there is a risk that the regulators' risk assessments will be wrong and that regulated firms will use their knowledge of the regulators' risk assessment to predict areas of heightened scrutiny and thereby avoid detection of wrongful behavior.

**Jan Pieter Krahnen**  
Professor of Finance, House of Finance, Goethe University

Jan Pieter Krahnen Krahnen is a Professor of Finance at Goethe University's House of Finance. He is a Director of the Center for Financial Studies (CFS) and the Research Center SAFE. His current research interests focus on the implications of the 2007-2010 financial turmoil for banking, systemic risk, and financial market regulation. His publications appeared, among others, in the Review of Economic Studies, the Journal of Financial Intermediation, the Journal of Banking and Finance, and Experimental Economics. Krahnen is a CEPR research fellow, and was President of the European Finance Association in 2011. Krahnen has been involved in policy advisory on issues of financial market regulation, most recently as a member of the High Level Expert Group on Structural Reforms of the EU Banking Sector ("Liikanen Commission"), implemented by EU Commissioner Michel Barnier. From 2008 until 2012 he was a member of the Issing-Commission, advising the German government on the G-20 meetings. He is also a member of the Group of Economic Advisors (GEA) at the European Securities and Markets Agency (ESMA), Paris, and a member of the Academic Advisory Board of Germany’s Federal Ministry of Finance.

**Understanding Interbank Markets: an Empirical Study of Short and Long Term Exposures among Banks in Germany**

We study the structure and the dynamics of interbank lending, based on a large data set of major borrowing and lending exposures between all German banks during the period 2002-2012. We find that the interbank loan book of banks tends to be large, persistent, with average maturity above 1 year, and with significant volume on both sides of the balance sheet. We then study the dynamics of the interbank loan book and find a strong relationship to the dynamics of the client loan book, where clients are defined as all counterparties other than banks, like retail or corporate customers. Finally, we try to relate our findings to the theoretical banking literature.

**Dora Neo**  
Associate Professor, Faculty of Law, National University of Singapore

Dora Neo is an Associate Professor and the Director of the Centre for Banking & Finance Law (CBFL) at the Faculty of Law, National University of Singapore (NUS). She specialises in banking, secured transactions and contract law. She is co-author of Ellinger & Neo, The Law and Practice of Documentary Letters of Credit (Hart Publishing, Oxford, 2010). She also researches on international economic law, particularly trade in services. A first class honours graduate from Oxford University, she also holds an LLM from Harvard Law School, she is a member of the Injunction Proposals. His current research interests focus on the implications of the...
Joseph T.L. Ooi
Dean's Chair Associate Professor, School of Design and Environment, National University of Singapore

Joseph Ooi is concurrently the Deputy Head (Academic) and Director of the Graduate Certificate in Real Estate Finance at the Department of Real Estate as well as the Deputy Director (Development) at the Institute of Real Estate Studies in National University of Singapore (NUS). Joseph has published more than 50 peer-reviewed papers on Real Estate Investment Trusts (REITs) and Real Estate Development in top real estate journals, such as Journal of Real Estate Finance & Economics and Journal of Money, Credit & Banking. A multiple winner of international research awards, Joseph received the NUS Young Researcher Award in 2005 and more recently, the Dean’s Chair in recognition of his outstanding scholarly accomplishments. Joseph is also a recipient of multiple teaching awards including the NUS Outstanding Educator Award. Joseph is the Associate Executive Director of the International Real Estate Society and a director of the Asia Pacific Real Estate Society. He sits on the editorial board of nine real estate journals. Besides receiving three outstanding service awards, Joseph is a recipient of the International Real Estate Society’s Achievement Award (2008). Joseph obtained his B.Sc. (Estate Management) and M. Sc. (Real Estate) degrees from NUS and his PhD from the University of Manchester (formerly UMIST).

Tjio Hans
Professor, Faculty of Law, National University of Singapore

Hans is a Professor of Law at the Faculty of Law, National University of Singapore and Co-Director of its Centre for Banking and Finance Law. He has written and edited books on securities regulation and trust law, and is a contributor to Palmer’s Company Law (Geoffrey Morse ed). He was previously seconded to the Monetary Authority of Singapore and the Ministry of Law, and a member of the Ministry of Finance’s Company Legislation and Regulatory Framework Committee. He is presently serving on the Securities Industry Council, and was a former co-chair of the Asia Securities Industry & Financial Markets Association and was a former co-chair of the Asia-Pacific Legal and Regulatory Committee of the International Swaps and Derivatives Association, Inc. He also chaired the J.P. Morgan Singapore Diversity Council from 2012 to 2013. He graduated from Cambridge University in 1990 and qualified as a Solicitor in England and Wales as well as Hong Kong.

Lawrence Low
Managing Director, Office of Regulatory Affairs, J.P.Morgan

Lawrence Low joined the Office of Regulatory Affairs in 2014 and is involved in developing adaptive strategies for the complex and dynamic regulatory environment in the region. In this current role, he engages in dialogues with lawmakers and regulators across Asia Pacific advocating for clients and J.P. Morgan businesses throughout the cycle of policy-making, legislative and regulatory implementation processes. Prior to taking up his current role, he was co-head of Global Markets Legal for Asia Pacific as well as global co-head of the Regulatory Reform legal practice group in the JPMorgan legal department. He has more than 20 years of experience as a lawyer and has held a number of private practice as well as in-house legal positions in capital markets, derivatives, securitization and asset management, based in London, Hong Kong, Singapore and Tokyo. Lawrence is active on various committees of the Asia Securities Industry & Financial Markets Association and was a former co-chair of the Asia-Pacific Legal and Regulatory Committee of the International Swaps and Derivatives Association, Inc. He also chaired the J.P. Morgan Singapore Diversity Council from 2012 to 2013. He graduated from Cambridge University in 1990 and qualified as a Solicitor in England and Wales as well as Hong Kong.

Christian Hofmann
Assistant Professor, Faculty of Law, National University of Singapore

Christian Hofmann holds a PhD ("Dr. iur."") from the University of Halle-Wittenberg, a professorial qualification ("Habililitation") from Humboldt-University Berlin, an LL.M. in Global Business Law from NYU and an LL.M. in Corporate and Financial Services Law from NUS. Prior to joining NUS law as an assistant professor, he held several faculty and research positions. He was a visiting professor at the University of Cologne (Germany) and Goethe-University Frankfurt (Germany), a visiting scholar and Humboldt Fellow at UC Berkeley, a Global Research Fellow at NYU School of Law and a law professor at the Private University in the Principality of Liechtenstein. He was also a senior legal counsel for the German Central Bank ("Bundesbank"). Christian’s main research areas are regulation of financial institutions and markets, sovereign debt restructuring, company law and corporate governance, civil law and European Union law.

Gerard Hertig
Professor of Law, ETH Zurich

Gerard Hertig has been Professor of Law at ETH Zurich since October 1995. Prior to that, he was Professor of Administrative Law at the University of Geneva Law School and Director of its Centre d’Études Juridiques Européennes (1987-1995). He has also been visiting professor of law at the College of Europe, Columbia, Louvain-la-Neuve, NYU, NUS and University of Tokyo. Principal research interests are in Law & Finance and European integration. Recent publications include ‘Governance by Institutional Investors in a Stakeholder World’ (forthcoming in Handbook of Corporate Law and Governance, OUP); ‘Shadow Resolutions as a No-No in a Sound Banking Union’ (with Luca Enriquez, forthcoming in Financial Regulation: A Transatlantic Perspective, CUP); and ‘Governments as Investors of Last Resort: Credit Crisis Comparative Case Studies’ (2012 Theoretical Inquiries in Law). Gerard Hertig is also a co-author of ‘The Anatomy of Corporate Law’ with Reinier Kraakman et al. (2d ed., OUP 2009). He is EECI (European Corporate Governance Institute) fellow and a member of CLEF (Comparative Law and Economics Forum). Professional appointments currently include memberships of the ECGI Board and Research Committee, Brussels; Research Advisory Council, SAFE (Sustainable Architecture for Finance in Europe), Frankfurt; Research Advisory Council, CFS (Center for Financial Studies, House of Finance), Frankfurt; Scientific Committee, IAST (Institute for Advanced Study in the Social Sciences), Toulouse; Conseil Scientifique, Labex ReFi (Laboratoire d’Excellence Regulation Financiere), ESCP Europe, Paris.