



UNIVERSITÀ
CATTOLICA
del Sacro Cuore

2024 AEDBF ANNUAL CONFERENCE

European Society for Banking and Financial Law (AEDBF / ESBFL Europe)

Associazione Europea per il Diritto Bancario e Finanziario (AEDBF Italia)

In collaboration with
the School of Banking, Finance and Insurance Sciences
of the Università Cattolica del Sacro Cuore

THE BANKING AND FINANCIAL SYSTEM CONFRONTED WITH 'EXTREME' RISKS

TEN YEARS AFTER THE ENTRY INTO FORCE OF THE SSM

Friday, 18 October 2024

Conference room of the Milan Branch of the Bank of Italy
Via Moneta 2 (near Piazza Tommaso Edison), 20123 Milan

PROGRAMME

Presentation

The last major financial crisis of 2008 highlighted the vulnerabilities and latent risks—often invisible or poorly understood—that led to a crisis of global proportions. Regulators' response, particularly in Europe, involved implementing new mechanisms for risk prevention and detection while enhancing supervision at the European Union level. This is where the significance of the Banking Union lies, notably relying on the single supervisory mechanism.

Ten years after the implementation of these new European rules enabling single supervision at the EU level, it seems pertinent to take stock and engage in a prospective exercise regarding risk regulation in the banking and financial sector.

Indeed, it is necessary to update the initial question: Is the banking and financial system resilient to the risks of our time, in 2024?

The objective of our conference is thus to address several questions:

- Have the mechanisms established since 2014 within the framework of the banking union fulfilled their promises? What assessment can be made of the Single Supervisory Mechanism (SSM)?
- Has this new approach, initiated in 2014, generated specific regulatory methods? How have the relevant stakeholders (private actors, regulators, and judges) adapted to this change?
- Are extreme risks sufficiently considered within the scope of regulation? Recent events suggest that very significant risks are just as systemic as the traditional financial risks that led to the banking union. In 2024, it seems that alongside the traditional financial risks which have not disappeared, other risks must be considered: the resurgence of major international conflicts, the widespread use of new technologies (cloud, artificial intelligence), the digitisation of practices, the prospect of quantum computing, the possibility of a global health crisis, and scenarios of the climate crisis.

Do current regulations address these newly identified risks? Would it be pertinent to propose a new framework to better account for these extreme risks? What legal definition should be adopted for the notion of "extreme risks"?

The answers to these questions should achieve three objectives:

- Assess the past decade in light of the mechanisms established under the single supervisory mechanism.
- Analyse the current situation of risks to identify new areas of vulnerability in the form of a panorama or mapping.
- Propose a renewed approach to regulation based on the concept of extreme risk to ensure optimal resilience of the banking and financial system.

First Session – The Past

Chair: **Giovanni Petrella**, Dean of the School of Banking, Finance and Insurance at the Università Cattolica del Sacro Cuore and Chair of the Securities and Markets Stakeholder Group at ESMA

8:30 – 9:00 am	Check-in of participants
9:00 – 9:15 am	Introductory welcome <ul style="list-style-type: none"> – Giorgio Gobbi, Manager of the Milan Branch of the Bank of Italy – Roberto Ferretti, President of AEDBF Europe – Elena Beccalli, President of AEDBF Italy and Rector of the Università Cattolica del Sacro Cuore
9:15 – 10:05 am	Opening remarks <ul style="list-style-type: none"> – The notion of “extreme” risks under the banking and financial perspective - Jean-Pierre Mattout, Honorary President and member of its Scientific Committee of AEDBF Europe – Systemic risks in the framework of the design of the Banking Union – Almorò Rubin de Cervin, Head of the Banking Regulation and Supervision Department, DG FISMA
10:10 – 11:10 am	Roundtable <ul style="list-style-type: none"> – Filippo Annunziata, Professor of Law of Financial Intermediaries and Markets at the Commercial University Luigi Bocconi, Milan – Gilles Briatta, Senior Counsel at Gide Loyrette Nouel, ancien Secrétaire Général of Société Générale, ancien diplomate and ancien Président du Conseil de Surveillance of the Fonds de Garantie des Dépôts et de Résolution – Gregory Lewkowicz, Professor at the Université Libre de Bruxelles

11:10 - 11:30 pm – Coffee break

Second Session – The Present

Chair: **Paola Lucantoni**, Professor of Financial Market Law at the University of Rome "Tor Vergata", member of the Scientific Committee of AEDBF Europe

11:30 – 12:20 am	Opening remarks <ul style="list-style-type: none"> – The new systemic risks: an outline of The Global Risks Report 2024 of the World Economic Forum – Representative of the World Economic Forum – Bank governance and risk culture – Lorenzo Bini Smaghi, Chairman of the Board of Directors of Société Générale
12:20 am – 1:20 pm	Roundtable <ul style="list-style-type: none"> – Despina Chatzimanoli, Senior Legal Expert, Team Leader- Regulatory Policy Advice 2, Legal Unit, European Banking Authority – Lucian Bercea, Professor of Commercial Law and Banking Law and Dean of the School of Law at the West University of Timisoara, Romania, and Ioan Şumandea-Simionescu, Head of Corporate Governance and Capital Markets Bureau at Banca Transilvania and Teaching Assistant at the Babes-Bolyai University Cluj-Napoca, Romania – Silvia Vori, Deputy Director General for Economics, Statistics and Research of the Bank of Italy

1:20 - 2:15 pm – Light lunch

Third Session – The Future

Chair: **Roberto Ferretti**, President and member of the Scientific Committee of AEDBF Europe and Adjunct Professor of Business and Digital Law at the Università Ca' Foscari di Venezia

2:20 – 2:45 pm	Opening remarks – Thorsten Beck , Professor of Financial Stability at the Florence School of Banking and Finance and member of the Advisory Scientific Committee of the European Systemic Risk Board
2:45 – 3:45 pm	Roundtable – Giovanni Bassani , Principal Legal Counsel, DG Legal Services, European Central Bank – André Prüm , Professor of Financial and Business Law at the Université de Luxembourg – Bertrand Bréhier , Head of Banking Regulation, Financial Security and Competition Law - Société Générale Group and Vice-President and member of the Scientific Committee of AEDBF Europe – Christos Gortsos , Professor of Public Economic Law at the National and Kapodistrian University of Athens and President of the Academic Board of the European Banking Institute

Fourth Session – Presentation of the selected papers

Chairs: **Eugenio Maria Mastropaolo**, Adjunct Professor of Law and Economics and Banking Law at the Università Telematica Pegaso and member of the Board of Directors of AEDBF Europe – **Lucian Bercea** – **Bertrand Bréhier**

3:50 – 5:10 pm	Presentation of the selected papers – Federica Agostini and Nicolò Galasso , “Hoping for the best but expecting the worst”: the prudential framework for "bottom-up" scenario analysis on climate risks – Riccardo Canossa and Daphne Farmaki : Sustainable Finance and Prudential Regulation – Marialena Ntelekou and Filippos Siozos , Emerging Extreme Risks a Decade after the SSM: A Focus on Climate Risks and Cyber-Quantum Threats – Matteo Arrigoni , AI and information-based Market Manipulation: an EU Perspective – Michiel De Muynck , Artificial Intelligence and Consumer Credit Intermediation: How Does the Emerging Regulatory and Liability Regime Ensure Responsible Lending? – Nicola Faraone , AI and Banking Supervision: In Search of a New Statute for Institutional Governance between ECB and Member States – Daniel Foà , The Functioning of Banks' Internal Controls: Insights from the Signalling Theory – Estela Mihai , Living on the Edge or: Who Watches Bank's Backs When Nobody Else Can? – Adelina Elena Bădescu and Dragoș Mihail Mănescu , The Evolution of the Banking Union as a Response to the Economic Crisis: From Concept to Implementation Measures
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5:10 – 5:30 pm – **Summary report** – **Marina Teller**, Professor of Private Law at the University of Nice Côte d'Azur and member of the Scientific Committee of AEDBF Europe

5:30 pm – End of the conference

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