MSc in Finance and Banking

Banking Regulation and Supervision

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Description
In all market based economies banks are regulated. This is justified by the need to avoid bank crises and their economic consequences and to preserve financial stability. In order to fulfill its mission each country defines a safety net for banks. The main objective of the course is to examine how this safety net works in practice and how it is expected to work in the future. For each particular regulatory policy, its theoretical justification, the practical implementation it implies and its effectiveness will be discussed.

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Session 1
> Part 1
  — The safety net and the regulation framework.
  — Bank failures, investor protection and market discipline
> Part 2
  — Deposit Insurance
  — Theory and practice of deposit insurance

Session 2
> Part 1
  — The role of capital requirements.
  — Tier 1, tier 2, regulatory capital
> Part 2
  — The Basle II second and third pillars: the role of supervision and market discipline

Session 3
> Part 1: Basel III and the future of banking regulation
> Part 2: The Basle II second and third pillars: the role of supervision and Market discipline

Session 4
> Part 1: Systemic risk
> Part 2: Macroprudential regulation

Session 5
> Part 1: Effective Banking Supervision
> Part 2: Banking crises and their resolution
Bio of the professor

He is visiting professor of Finance of the Department of Business Administration at Charles III University of Madrid. He holds a PhD in Economics from New York University and a Degree in Economics from Charles III University of Madrid. His areas of research are Banking and Corporate Finance, with a focus on informational aspects of agents’ relationships.