



The logo for the Financial Stability Forum (FSF), consisting of the letters "FSF" in white on a blue square background.

IMF-FSF High-Level Meeting on the Recent Financial Turmoil and Policy Responses

Washington - October 9, 2008

AGENDA

Keynote speaker: U.S. Treasury Secretary Paulson

Session 1. The Current Crisis and Key Risks.

Chair: John Lipsky (IMF)

Lead Speakers: To be determined

Background: Since the onset of the turmoil, there have been extraordinary liquidity and solvency strains in the financial system. To contain the systemic risks associated with these strains, central banks have had to provide large amounts of liquidity support over extended periods, and public funds have also had to be committed to mitigate the impact of the failure of large financial institutions on systemic stability. These shocks and the ongoing funding difficulties and deleveraging processes have heightened the risk of a negative feedback loop between financial sector weakness and the macro-economy. Against this background, there remains the need for central banks and financial market supervisors to remain vigilant to cross-border and cross sectoral spillovers; to ensure that key financial institutions remain well capitalized; to review and update contingency plans; and to strengthen cross-border coordination arrangements.

Key issues for discussion:

- What are the main challenges and risks faced among mature economy financial markets?
- What are the key lessons from existing and new emergency liquidity facilities and other support to key financial institutions?
- What is the impact and key transmission channels to emerging markets?



Session 2. Building a More Resilient System.

Chair: Mario Draghi (FSF)

Lead Speakers: To be determined.

Background:

Over the last year, national authorities, international groupings and institutions have engaged in an intensive collaborative effort to identify the key weaknesses that caused recent problems and draw together an appropriate and coordinated response to enhance the resilience of the financial system going forward. The FSF's April report called for concrete actions in five areas: (1) strengthened prudential oversight of capital, liquidity and risk management; (2) enhancing transparency and valuation; (3) changes in the role and uses of credit ratings; (4) strengthening the authorities' responsiveness to risks; (5) robust arrangements for dealing with stress in the financial system. A large body of work is underway to further develop and implement recommendations in these areas, in a manner that preserves the advantages of integrated global financial markets and a level playing field across countries.

Key issues:

- What progress is being made by international standard setting bodies in taking forward policy development work and by national authorities in key financial centres in implementing the recommendations?
- What if any additional issues and concerns have come to the fore since the FSF's April report?
- What issues has the turmoil raised for emerging market financial authorities? What challenges does the implementation of the FSF's recommendations raise for them?