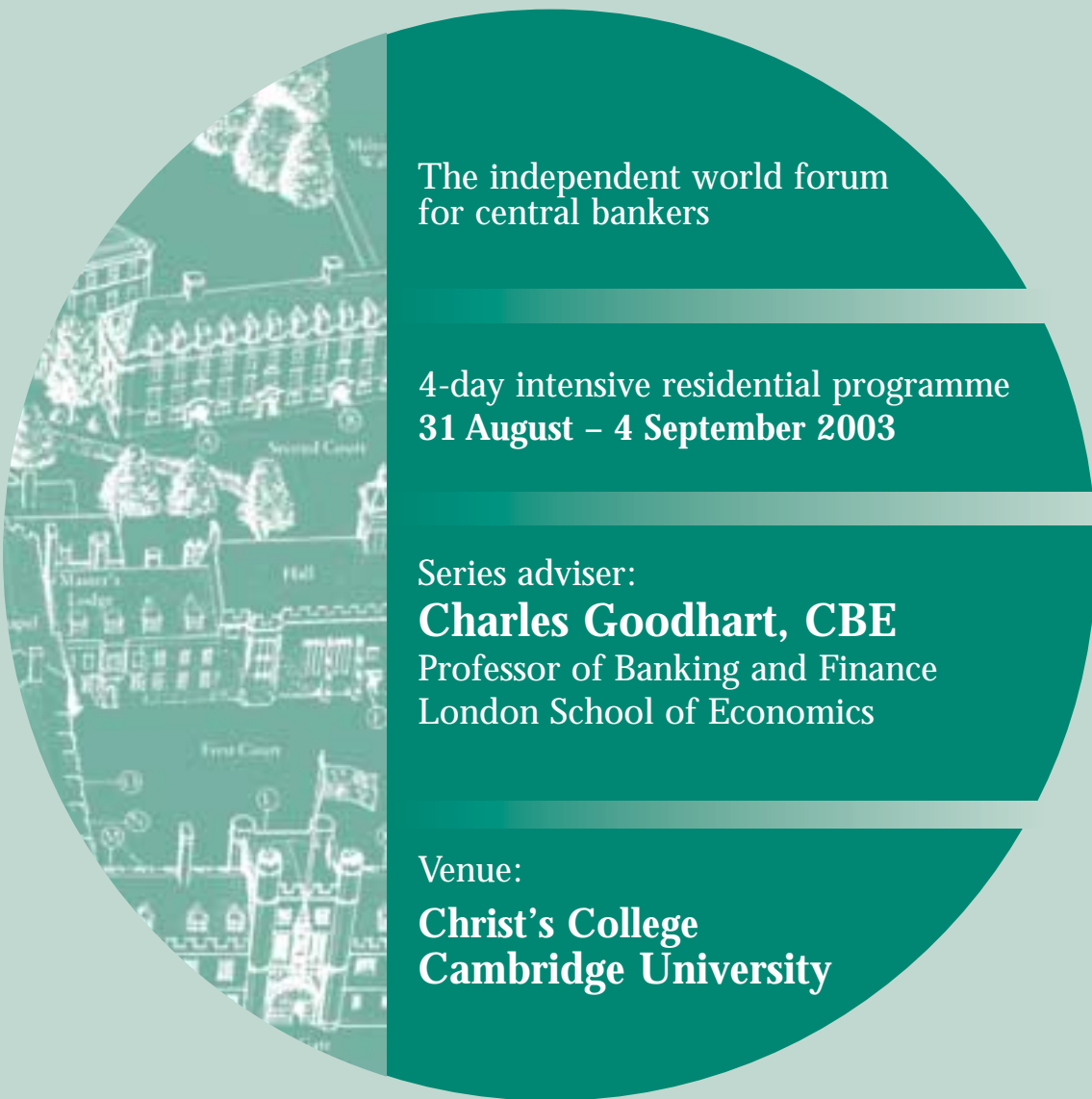


CENTRAL BANKING
ANNUAL TRAINING COURSE/SEMINAR SERIES
– AUTUMN 2003 –

LEGAL RISKS AND GOOD GOVERNANCE FOR CENTRAL BANKS AND SUPERVISORS



The independent world forum
for central bankers

4-day intensive residential programme
31 August – 4 September 2003

Series adviser:

Charles Goodhart, CBE
Professor of Banking and Finance
London School of Economics

Venue:

**Christ's College
Cambridge University**

Central Banking Publications Ltd

6 Langley Street

London WC2H 9JA, UK

Tel: 44 20 7836 3607 • Fax: 44 20 7836 3608

E-mail: conference@centralbanking.co.uk

Website: www.centralbanking.co.uk



CENTRAL BANKING PUBLICATIONS LTD

6 Langley Street, London WC2H 9JA • Tel (44) 20 7836 3607 • Fax (44) 20 7836 3608
E-mail info@centralbanking.co.uk • Website www.centralbanking.co.uk

Dear Delegate,

LEGAL RISKS AND GOOD GOVERNANCE FOR CENTRAL BANKS AND SUPERVISORS

Over the last decade, the legal environment in which central banks and financial market authorities operate has undergone far-reaching changes. Often, these legal and institutional changes bring with them new challenges and risks. In response, legal advisers and departments in both developed and developing countries need to prepare their institutions to meet these challenges – in addition to their traditional work.

This four-day residential course has been designed to offer legal officers a chance to meet and consider, in practical terms, how best to react to this changing landscape. The course addresses four key areas:

- **Legal risk profile of central banks and supervisors:** Nobody can ignore the growing readiness of those with a complaint against the central bank or supervisory authority to take legal action. How can this challenge best be met?
- **Good governance:** Senior decision makers recognise the critical importance of good governance for central banks and supervisory agencies. However, models of good corporate governance cannot be imported wholesale. How can official-sector institutions best implement good governance? What do international comparisons reveal?
- **Accountability:** National and international actors demand more transparency and accountability. How to react?
- **International developments:** Financial market authorities are under enormous pressure to stamp out money laundering and meet a host of other international standards. How, in practice, can this be done?

In addition, a key workshop, lead by Professor Charles Goodhart of the London School of Economics, examines how central bankers and regulators can measure – and thus demonstrate to their stakeholders – success.

Underpinning all these points is the recognition that legal officers need to be proactive in addressing the legal and governance risks which their institutions are likely to face in a fast-changing world. This training course/seminar offers senior law officers an up-to-date guide to the implications of central bank policymaking and restructuring in the light of selected recent experience and emerging international standards of best practice.

We look forward to welcoming you to Cambridge.

Yours sincerely,

A handwritten signature in blue ink that reads "William Clarke".

William Clarke, CBE, PhD Chairman,
Central Banking Publications Ltd

SUNDAY 31st AUGUST

Reception Drinks and Welcoming Dinner

MONDAY 1st SEPTEMBER

STATUTORY MANDATES AND GOVERNANCE

The changing central bank mandate

Professor René Smits

*Director, legal department, Netherlands Competition Authority
(former General Counsel, De Nederlandsche Bank)*

As the role of central banks and regulatory agencies has evolved, the job of managing these institutions has become more complex. Even agencies with well defined mandates and clear accountability structures must strive to define their role and carve out an institutional remit. This session concentrates on the key changes which affect central banks and regulatory agencies and investigates how different statutes/legal frameworks can affect governance and performance.

Governance challenges for central banks – case studies

Roundtable discussion led by Professor René Smits

What are the key governance challenges currently confronting law officers in central banks and regulatory agencies? This session aims to provide a perspective on the most pressing international legal issues by asking delegates to speak briefly on developments and challenges in their own institutions and jurisdictions. Through discussion and debate, delegates will have an opportunity to benefit from each other's expertise and experience. This session examines how governance standards can contribute to an agency's effectiveness and reduce its risk profile.

Measuring performance in central banks and regulatory agencies

Professor Charles Goodhart

Professor of Banking and Finance, London School of Economics

Both central banks and regulatory agencies are under continuing pressure to demonstrate to stakeholders that they are fulfilling their mandates in an efficient and effective manner: for many agencies this is a statutory requirement. However, the practical and conceptual difficulties of measuring performance in these fields are daunting. This workshop investigates a new framework for analysing these critical issues – offering central banks and regulatory agencies an improved means of demonstrating their effectiveness. Professor Charles Goodhart, himself formerly a member of the Bank of England's monetary policy committee, brings formidable experience as a practising central banker and a leading scholar of central banking and financial regulation to bear on this issue. He draws on both practical and theoretical experience in this presentation on measuring performance. How can central banks set and monitor standards for their own performance whether in the fields of monetary policy or in supervision? Should they set internal standards distinct from those set for them, explicitly or implicitly, by parliament or the public? In short, how do supervisors and central bankers know when they are doing a good job and when they are falling short?

TUESDAY 2nd SEPTEMBER

ACCOUNTABILITY AND LIABILITY

Transparency and financial reporting

Andrew Hawkins

Partner, PricewaterhouseCoopers

Central banks are under pressure to adopt “best practice” when it comes to financial disclosure. What does this mean in practice? In particular, to what extent can and should central banks adopt the same accounting standards and practices as commercial banks? How does financial transparency contribute to the core tasks of the central bank or supervisor?

Accountability for central banks and supervisors

Dr Rosa Lastra

*Senior Lecturer in Law, Centre for Commercial Law Studies,
Queen Mary College, University of London*

As central banks and supervisors are given more autonomy, accountability – to parliament, public and via the media – becomes ever more critical. However, precisely what is accountability held to comprise, and how can it be squared with other core functions? This session offers a building block approach to thinking about accountability and explains how different audiences can best be satisfied.

Central bank liability in civil law jurisdictions

Professor Michel Tison

Law School, University of Ghent

Increasingly, policy decisions by central banks and supervisory agencies are being questioned in the courts. The potential for decisions to be reversed by judicial authorities can seriously undermine the authority of central banks and regulators. This session examines the implications of this trend in civil law jurisdictions and how leading institutions in EU countries address the issue.

Regulatory immunity and legal risk

Charles Proctor

Partner, Tite and Lewis

As central banks perform their many public policy roles (in monetary policy, and as supervisor, market participant, and agent of the government) they are exposed to a variety of legal risks. Increasingly, central banks and supervisors may find themselves forced to account for their actions in a judicial setting. We examine key recent cases and the future implications of this trend.

Minimising the legal risk profile for central banks and supervisors

Roundtable discussion with Professor Michel Tison and Charles Proctor

WEDNESDAY 3rd SEPTEMBER

THE INTERNATIONAL DIMENSION

Banking law and central banks

Speaker to be confirmed

Although they operate in many ways as arms of national governments and thus enjoy a measure of sovereign immunity, central banks and financial market authorities can not remain unaffected by developments in commercial banking law around this world. This session examines the critical recent developments in banking law which most affect central banks and regulatory agencies.

Legal issues in monetary union: the case of EU accession

Dr Chiara Zilioli

Deputy General Counsel, European Central Bank

The accession of 12 countries to the European Union and the Eurosystem requires far-reaching legal and institutional reforms within these countries. This ranges from guarantees for central bank independence to adoption and implementation of the *acquis communautaire*. The European Central Bank plays a lead role in this process, and this session draws out the key features of this, and highlights the legal challenges of accession into a monetary union and how they are managed and monitored by the ECB.

IMF conditionality and international soft law

Speaker from the International Monetary Fund (invited)

Central banks and financial market authorities operate increasingly within a framework of international standards and agreements. This ranges from international supervisory standards set by institutions like the Basel Committee to IMF standards for governance and transparency of central banks and financial market authorities themselves. The IMF is one of the prime movers behind this trend, assessing and promoting compliance with these benchmarks. This sessions examines this trend and the role with IMF conditionality plays following the adoption of revised guidelines on conditionality by the IMF's board in September 2002.

THURSDAY 4th SEPTEMBER

EXTRATERRITORIALITY AND CROSS-BORDER LEGAL ISSUES

Cross-border funds transfers: the role of the central bank

Thomas Baxter

General Counsel, Federal Reserve Bank of New York

The recently issued core principles for large payment systems spell out central banks' responsibilities for their national payment system. However, important issues concerning cross-border, and in particular dollar, payments are still unresolved. Thomas Baxter, general counsel and executive vice president of the legal group at the Federal Reserve Bank of New York, discusses the issue.

Extraterritoriality and US money-laundering regulation

Dr Kern Alexander

Judge Institute of Management, University of Cambridge

The US Financial Services and Modernization Act 2000 and the recent PATRIOT Act provide US authorities with substantial new powers to regulate the global activities of multinational banks. This raises profound legal and cooperation issues for central banks. This talk will also address issues of extraterritorial legal process regarding money laundering. In its pursuit of Iraqi assets the US administration has sought the confiscation of over half a billion dollars held outside its own borders. The speaker will discuss the implications for national authorities and payment systems of the US financial war on Iraq.

Other training courses in ANNUAL TRAINING COURSE / SEMINAR SERIES – AUTUMN 2003 –

Financial and Operational Risk Management for Central Bankers (31 Aug–4 Sept)

looks in detail at how financial and operational risks are managed in a central bank. It provides a forum for risk managers and financial market directors to benchmark their risk management framework against other central banks.

Communications and External Relations for Central Bankers (31 Aug–4 Sept)

analyses how changes in the external environment are throwing up challenges to central banks' communication strategies, and how central banks can respond and thereby maximise policy credibility.

Current Trends for Libraries in Central Banks/Regulatory Agencies (31 Aug–3 Sept)

aims to maximise the output and impact of the library function in a central bank/regulatory agency, raising the library's role to the policymaking level. The course will comprise presentations by distinguished experts in all fields of information management and librarianship.

Human Resources Planning and Performance Measurement in Central Banks (7–11 Sept)

explores how an effective human resource/personnel function is at the heart of an efficient modern central bank. Faced by competition outside the central bank for key personnel, this course examines how central banks and regulatory agencies must rise to the challenge of ensuring appropriately qualified and experienced staff are at the right place at the right time.

National and International Payment Systems and the Impact of E-money (7–11 Sept)

provides the practical and technical background necessary to assess risks and manage change in the context of national payment systems infrastructure and international technological developments.

The Emerging Framework of Financial Regulation (7–11 Sept)

provides an overview of implications for central bankers and supervisors of developments in international capital markets and examines the practical steps which supervisors need to follow to adapt to evolving international supervisory norms.

For detailed programmes and a fax-back registration form for each of these key courses, please visit:
www.centralbanking.co.uk/conferences



The Hall, Christ's College



The Lloyd Room, Christ's College

Previous attendees:

Central Bank of **Algeria**; Central Bank of the Rep of **Armenia**; Central Bank of **Aruba**; Oesterreichische Nationalbank (**Austria**); Central Bank of the **Bahamas**; Central Bank of **Barbados**; National Bank of **Belgium**; Commission Bancaire et Financière (Belgium); **Bermuda** Monetary Authority; Bank of **Canada**; Bank of **Cape Verde**; **Eastern Caribbean** Central Bank; **Cayman Islands** Monetary Authority; Central Bank of **Chile**; Banco de la República, **Colombia**; Superintendencia General De Valores (**Costa Rica**), Consejo Nacional de Supervision del Sistema Financiera (Costa Rica); **Croatian** National Bank; Central Bank of **Cyprus**; National Bank of **Denmark**; Bank of the **Dominican Republic**; Bank of **England**; Bank of **Estonia**; Bank of **Finland**; Financial Supervision Authority (Finland); Bank of **France**; Central Bank of **The Gambia**; **Deutsche Bundesbank**; Ministry of Finance (Germany); **European Central Bank**; Securities and Regulatory Commission (**Ghana**); Bank of **Ghana**; Bank of **Greece**; Bank of **Guatemala**; Bank of **Haiti**; Securities and Futures Commission (**Hong Kong**); National Bank of **Hungary**; Central Bank of **Iceland**; Bank **Indonesia**; Indonesian Capital Market Supervision; Central Bank of **Iran**; Central Bank of **Ireland**; Bank of **Israel**; Commissione Nazionale per le Società e la Borsa (**Italy**); Bank of **Jamaica**; The Bank of **Japan**; Central Bank of **Kenya**; The Bank of **Korea**; Central Bank of **Kuwait**; Bank of **Latvia**; Central Bank of **Lesotho**; Central Bank of **Libya**; Due Diligence Unit (**Liechtenstein**); Bank of **Lithuania**; Reserve Bank of **Malawi**; Bank Negara **Malaysia**; Securities Commission (Malaysia); Labuan Offshore Financial Services Authority (Malaysia); Bank of **Mexico**; National Bank of **Moldova**; Central Bank of **Montenegro**; Bank of **Namibia**; **The Netherlands** Bank; Reserve Bank of **New Zealand**; Central Bank of **Nigeria**; Central Bank of **Norway**; State Bank of **Pakistan**; National Securities Commission (**Panama**); Superintendencia de Banca y Seguros (**Peru**); Central Bank of the **Philippines**; **Poland**'s State Office for Insurance Supervision; National Bank of Poland; Bank of **Portugal**; Central Bank of **San Marino**; **Saudi Arabian** Monetary Agency; Bank of **Sierra Leone**; The Monetary Authority of **Singapore**; National Bank of **Slovakia**; **South African** National Treasury; South African Reserve Bank; Central Bank of **Sri Lanka**; Bank of **Sudan**; Sveriges Riksbank (**Sweden**); **Swiss** National Bank; **BIS**; Central Bank of China (**Taiwan**); Bank of **Tanzania**; Bank of **Thailand**; Central Bank of **Trinidad and Tobago**; Capital Market Board (**Turkey**); Central Bank of the Rep of Turkey; Bank of **Uganda**; Central Bank of the **United Arab Emirates**; Bank **Indonesia (USA)**; **Federal Reserve System (USA)**; Central Bank of **Venezuela**

REGISTRATION FORM

ANNUAL TRAINING COURSE/SEMINAR SERIES – Autumn 2003 –

LEGAL RISKS AND GOOD GOVERNANCE FOR CENTRAL BANKS AND SUPERVISORS

I would like to confirm my registration for *LEGAL RISKS AND GOOD GOVERNANCE FOR CENTRAL BANKS AND SUPERVISORS*

Delegate details **Title**

Surname/Family name **First Name**

Job Title

Organisation

Address

.....

.....

Tel **Fax**

E-mail (PLEASE WRITE IN CAPITALS.)

Signature **Date**

I enclose payment as detailed below:

- by cheque made payable to Central Banking Publications Ltd.
- by bank transfer to Royal Bank of Scotland (London Holborn Branch), 127 High Holborn,
London WC1V 6PQ Account No: 10043240 Sort Code: 16-00-53
(Please pay the course fee net of all bank charges and send us the copy of the transfer details)
- by credit card: Visa Mastercard

Card No.:

Cardholder's name: Expiry date:

Signature Date:

Course Fee: £2,600 (inc.VAT at 0% for delegates employed by government in furtherance of its sovereign activities.)

4 day (4 nights) residential course (6pm 31st August - 2pm 4th September)
Course fee includes accommodation in Christ's College, meals, drinks, all course materials
and a complimentary copy of the most recent issue of the *Central Banking* journal.
Accommodation outside these dates is available on request at extra charge.
Please contact Ikuko Hiroe.

We accept delegates on a "first-come, first-served" basis. A full refund will be given for cancellations received (in writing) up to 30 days before the event, but a handling fee of £70 will be deducted from the refund. Cancellations received 30 days or less, a 50% refund will apply. Cancellations received one week prior to the event are liable to pay the full registration fee. Disclaimer: Central Banking Publications Ltd reserves the right to change or cancel any part of this programme due to unforeseen circumstances.

Please complete and return this registration form with payment details to:
Central Banking Publications Ltd., 6 Langley Street, London WC2H 9JA, UK.

Tel: +44 20 7836 3607 Fax: +44 20 7836 3608

E-mail: conference@centralbanking.co.uk

Website: <http://www.centralbanking.co.uk>