

From deregulation to destabilisation: the risks of rolling back financial market safeguards

Wednesday 4 November
15.00 – 16.15 CET

The global financial crisis of 2008 triggered a decisive regulatory response. Governments introduced wide-ranging reforms aimed at reducing excessive leverage and volatility in financial markets and strengthening banking supervision. While these reforms increased the resilience of the banking sector, risks have not been fully contained. In particular, non-bank financial intermediaries (NBFIs) have not been subject to the same level of prudential scrutiny.

Over time, the relative weight of the shadow banking system in global credit markets has grown substantially. Global sovereign and corporate bond debt has surpassed USD 100 trillion, raising renewed concerns about financial and macroeconomic stability.

Technological developments, from artificial intelligence to the rapid expansion of cryptocurrencies and stablecoins, add further complexity and uncertainty to an already evolving financial landscape. Yet efforts to address risks in the NBFI sector have remained limited. At the same time, there is increasing pressure to unwind some of the post-crisis banking safeguards, as calls for broad deregulation gain momentum.

Critics argue that complex capital and liquidity requirements undermine competitiveness and constrain credit provision. Are these claims justified? Or are we witnessing the gradual return of financial fragility - a new “Minsky moment” in which prolonged stability breeds complacency and rising risk appetite?

This webinar will discuss how to safeguard financial stability – and how to ensure the costs of future crises are not, once again, shifted onto the public.

Moderator

Michael Budolfson, President, UNI Europa Finance

Speakers

Ann Pettifor, Director, Policy Research in Macroeconomics (PRIME)

Daniel K. Tarullo, Nomura Professor of International Financial Regulatory Practice,
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Vítor Constâncio, Former Vice President, European Central Bank; Professor, University of Navarra