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**IMF – Singapore Regional Training Institute (STI)**

**Course on Financial Sector Policies (ST17.14)**

**June 26 – July 7, 2017**

**READING LIST**

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**Monday, June 26, L-0: Macro-Financial Linkages, Rationales, and Objectives of Financial Sector Policies**

[Brunnermeier, Markus K., Thomas M. Eisenbach, and Yuliy Sannikov, 2012, “Macroeconomics with Financial Frictions: A Survey,” NBER Working Paper No. 18102 \(Cambridge, Massachusetts: National Bureau of Economic Research\).](#)

[Hanson, Samuel, Anil Kashyap, and Jeremy C. Stein, 2011, “A Macroprudential Approach to Financial Regulation,” Journal of Economic Perspectives, Vol. 25, No. 1, \(Winter\), pp. 3–28.](#)

[De Nicolò, Gianni, Giovanni Favara, and Lev Ratnovski, 2012, “Externalities and Macroprudential Policy,” IMF Staff Discussion Note, No.12/05. \(Washington: International Monetary Fund\).](#)

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**Monday, June 26, L-1: Financial and Business Cycles**

[Gorton, G., and G. Ordonez, 2016, “Good Booms, Bad Booms,” NBER WP 22008, February.](#)

[Schularick, Moritz, and Alan M. Taylor, 2012, “Credit Booms Gone Bust: Monetary Policy, Leverage Cycles, and Financial Crises, 1870-2008,” American Economic Review, Vol. 102, pp. 1029-61.](#)

[Claessens, Stijn, M. A. Kose, and Marco F. Terrones, 2012, “How do Business and Financial Cycles Interact?” Journal of International Economics, Vol. 87, no. 1, pp. 178-190.](#)

[Adrian, Tobias, and Hyun Shin, 2008, “Liquidity, Monetary Policy, and Financial Cycles,” in Current Issues in Economic and Finance, Vol. 14, No. 1, January/February \(New York: Federal Reserve Bank of New York\).](#)

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**Tuesday, June 27 L- 2: Taxonomy and Measurement of Financial Risks**

[Laeven, Luc, and Fabián Valencia, 2014, Chapter 2, in “Systemic Banking Crises,” in S. Claessens, M.A. Kose, L. Laeven, and F. Valencia Eds., Financial Crises: Causes, Consequences, and Policy Responses, Washington DC.](#)

[Čihák, Martin, 2014, “Stress Tester: A Toolkit for Bank-by-Bank Analysis with Accounting Data,” Chapter 3, in A Guide to IMF Stress Testing \(edited by Li Lian Ong\), Washington DC.](#)

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**Tuesday, June 27 L- 3: Mitigating Financial Risks: Basel III Capital Regulation**

[Basel Committee on Banking Supervision, 2011, “Basel III: A Global Regulatory Framework for More Resilient Banks and Banking Systems.”](#)

[Basel Committee on Banking Supervision, 2013, “The Regulatory Framework: Balancing Risk Sensitivity, Simplicity and Comparability,” July.](#)

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**Wednesday, June 28 L-4: Mitigating Financial Risks: Basel III Liquidity Regulation**

[Basel Committee on Banking Supervision, 2013, “Basel III: The Liquidity Coverage Ratio and Liquidity Risk Monitoring Tools.”](#)

[Basel Committee on Banking Supervision, 2014, “Basel III: The Net Stable Funding Ratio.”](#)

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**Thursday, June 29 L-5: Understanding Systemic Risk**

[De Nicolò, Gianni, Giovanni Favara, and Lev Ratnovski, 2012, “Externalities and Macroprudential Policy,” IMF Staff Discussion Note, No.12/05, \(Washington: International Monetary Fund\).](#)

[Bisias, Dimitrios, Mark Flood, Andrew Lo and Stavros Valavanis, 2012, “A Survey of Systemic Risk Analytics, Office of Financial Research,” Working Paper 0001, January.](#)

[Adrian, Tobias, and Markus K. Brunnermeier, 2016, “CoVaR,” American Economic Review Vol. 106\(7\), pp. 1705-1741, July.](#)

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**Thursday, June 29 L- 6: Macro-Prudential Policies: Design and Tools**

[CGFS 2012, “Operationalising the Selection and Application of Macroprudential Instruments,” Papers No 48, December.](#)

[IMF, 2014, “Staff Guidance Note on Macroprudential Policy,” November](#)

[Claessens, Stijn, 2015, “An Overview of Macroprudential Policy Tools,” Annual Review of Financial Economics, Vol. 7\(1\), pp. 397-422, December. IMF Working paper](#)

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**Friday, June 30 L-7: Countercyclical Capital Buffers**

[Basel Committee for Banking Supervision, 2010, “Guidance for National Authorities Operating the Countercyclical Capital Buffer, December.](#)

[Mathias Drehmann, Claudio Borio, and Kostas Tsatsaronis, 2011, “Anchoring Countercyclical Capital Buffers: the Role of Credit Aggregates,” BIS Working Paper No 355, November.](#)

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**Monday, July 3 L-8: Macroprudential Tools for Liquidity Risk**

[Jan Willem van den End, 2013, “A Macroprudential Approach to Address Liquidity Risk with the Loan-to-Deposit Ratio,” DNB Working Papers 372, Netherlands Central Bank, Research Department.](#)

[Basel Committee on Banking Supervision, “Assessing the Macroeconomic Impact of the Transition to Stronger Capital and Liquidity Requirements.”](#)

[Brunnermeier, Markus K, Gary Gorton, and Arvind Krishnamurthy, 2013, “Liquidity Mismatch,” NBER Chapters in: Risk Topography: Systemic Risk and Macro Modeling, pp. 99-112 National Bureau of Economic Research.](#)

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**Monday, July 3 L-9: Macroprudential Tools for Housing Markets**

[Crowe, C., G. Dell’Ariccia, D. Igan, and P. Rabanal, 2011, “Policies for Macrofinancial Stability: Options to Deal with Real Estate Booms,” IMF Staff Discussion Notes No. 11/2.](#)

[Jacome, Luis I., and Srobona Mitra, 2015, “LTV and DTI Limits—Going Granular,” IMF Working Paper 15/154.](#)

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**Tuesday, July 4 L-10: Systemically Important Financial Institutions (SIFIs)**

[BCBS, 2011, “Global Systemically Important Banks: Assessment Methodology and the Additional Loss Absorbency Requirement,” November.](#)

[BCBS, 2012, “A Framework for Dealing with Domestic Systemically Important Banks, June.](#)

[BCBS, 2013, “Global Systemically Important Banks: Updated Assessment Methodology and the Higher Loss Absorbency Requirement, July.](#)

[BCBS, 2013, “G-SIB Framework: Cut-off Score and Bucket Thresholds,” November.](#)

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### **Wednesday, July 6 L- 11: Interactions between Macroeconomic and Prudential Policies**

[CGFS, 2015, “Regulatory Change and Monetary Policy,” Publications No 54, May.](#)

[Antipa, P., and J. Matheron, 2014, “Interactions between Monetary and Macroprudential Policies,” Financial Stability Review, No 18, Banque de France, April.](#)

[Medina, Juan Pablo, and Jorge Roldos, 2014, “Monetary and Macroprudential Policies to Manage Capital Flows,” IMF Working Papers 14/30 \(Washington: International Monetary Fund\).](#)

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### **Thursday, July 7 L-12 Evaluating Policy Effectiveness**

[Arregui, Nicolas, Jaromír Beneš, Ivo Krznar, Srobona Mitra, and Andre Oliveira Santos, 2013, WP/13/167, “Evaluating the Net Benefits of Macroprudential Policy: A Cookbook,” IMF Working Paper No. 13/167 \(Washington: International Monetary Fund\).](#)

[BNM and BIS, 2017, “Financial Systems and the Real Economy,” BIS Papers No. 91 \(March\).](#)

[Price, Gael, 2014, “How has the LVR Restriction Affected the Housing Market: A Counterfactual Analysis,” Reserve Bank of New Zealand Analytical Note 2014/03, May.](#)