

## About the contributors

**Jean-Pierre Landau** is Professor of Economics at SciencesPo (Paris). He also was Dean of the School of Public Affairs. For most of his career he has worked in the French Government and Central Bank. He has served as Deputy Governor of the Banque de France, Executive Director of the International Monetary Fund (IMF) and the World Bank (Washington), Executive Director at the EBRD (London) and undersecretary for External Economic Relations, He has been Visiting Lecturer at Princeton University (Woodrow Wilson School) and Visiting professor at SAIS (John Hopkins - Washington DC).

**Glenn Tasky** is Director, Financial Stability and Supervision/Payment and Settlement Systems at The SEACEN Centre. Glenn joined the Centre in April 2017 after a long career as an international financial sector supervision and regulation advisor. Working under contract with the United States Agency for International Development, the International Monetary Fund, and the World Bank Group, Glenn has held long-term advisory positions in banking supervision and macroprudential supervision at central banks in Kazakhstan, Ukraine, Bulgaria, Afghanistan, Jordan, and Bangladesh.

Prior to relocating overseas in 1995, Glenn worked in his native United States as an Economic Analyst and Economist for the Federal Home Loan Bank of San Francisco and later as a Regulatory Policy Analyst, Financial Analyst, and Manager of Financial Analysis for the U.S. Department of Treasury's Office of Thrift Supervision, West Region Office.

Glenn holds a master's degree in Economics from the University of Chicago, and a bachelor's degree in Economics from Carleton College (Northfield, Minnesota).

**Grant Spencer** retired from the Reserve Bank of New Zealand in March 2018 where he held senior positions over a number of years, including Deputy Governor and Head of Financial Stability from 2007 to September 2017 and Acting Governor over the six months to March 2018. Grant has also held senior positions at ANZ Banking Group and was Alternate Executive Director at the International Monetary Fund.

As Deputy Governor and Head of Financial Stability, Grant oversaw the prudential regulatory and supervision functions of the Reserve Bank as well as macroprudential policy and the Bank's financial market operations.

Grant chaired the OECD Committee on Financial Markets from 2015 to 2018, and the Financial Markets Working Group of EMEAP.

Grant holds a BA (Hons) in Economics from Victoria University, and an M.Sc (Distinction) in Econometrics and Mathematical Economics from the London School of Economics and Political Science.

**Gary Gegenheimer** is a senior financial regulatory lawyer with more than 30 years' experience in financial institution regulation and supervision. Since 1995, he has served as an advisor to central banks and financial supervisory authorities in approximately 20 emerging market countries in all parts of the world on projects sponsored by USAID, the World Bank, Asian Development Bank, and the Canadian International Development Agency. He has assisted with drafting of many central bank and commercial banking laws and the accompanying regulations and supervisory policies. He also advises on anti-money laundering legislation, corporate governance and general commercial law. Previously he was an attorney with the U.S. Treasury Department during the U.S. savings and loan crisis. Holder of an advanced legal degree in international banking law from Boston University School of Law and a graduate of Georgetown University, Gary has authored many publications on bank supervision in transition economies in leading academic and practice-oriented legal journals.

## Letter from the Executive Director

Dear Colleagues and Readers

The first issue of the *Journal* for 2019 reflects the rapid changes taking place in the financial services industry that require cutting-edge thought and analysis as well as practical solutions to the many challenges remaining for the industry a decade after the Great Financial Crisis (GFC).

The lead article, by respected French academic and central banker Jean-Pierre Landau, traces the rise of shadow banking to the fundamental and immutable urges that drive all financial markets: suppliers of funds want instant access to their money, while users of funds need the money predictably and uninterrupted for long periods of time. The mutual satisfaction of these conflicting wants and needs is done through maturity transformation – which will be done through banks if permitted, and through shadow banks if banks are constrained.

Next, Chief Editor Glenn Tasky takes the reader through several sessions of a SEACEN high-level seminar and Policy Summit, focusing again on shadow banking but also covering financial technology (FinTech) and financial inclusion. All three aspects of financial services are undergoing profound change, as the industry recovers from the GFC, takes advantage of rapid improvements in information technology and communications, and reaches out to communities that are not well served by formal financial institutions. All of these changes are taking place against a backdrop of increasing consumer demands and deteriorating public trust, with misconduct by bankers a repeated and unwanted occurrence.

Former Reserve Bank of New Zealand (RBNZ) Governor Grant Spencer then looks at the recent financial stability landscape in New Zealand, and the efforts of the RBNZ to address potential risks such as the sharp rise in house prices with macroprudential policies. He concludes with three lessons for policymakers in other countries to boost the success of their macroprudential measures.

Finally, international banking law consultant and former U.S. regulator Gary Gegenheimer adds an AML/CFT perspective to the broad issue of consolidated supervision – when the banking supervisor examines and monitors banks that are part of a larger corporate group, which could include other financial institutions and even non-financial companies. He argues that loose money laundering / terrorist financing controls at other entities within a corporate group that includes a bank can damage the reputation of the bank, and makes the case that the banking supervisor should have the right to request information from these other entities on their AML/CFT regimes, and take that into account when making judgments about the ability of the parent or other affiliated entities to act as a source of strength for the bank.

I would like to express my sincere gratitude to our readers, authors, SEACEN member central banks and monetary authorities, and the *Journal's* Editorial Board for their contributions toward its success to date, and for their continued support. For this issue, a special word of thanks to Herman Saheruddin, Research Specialist, Research Group, Indonesia Deposit Insurance Corporation; and to Atty. Enrique C. Domingo, Executive Director II, ODG Resource Management Sector, Bangko Sentral ng Pilipinas.

**Dr. Hans Genberg**

Executive Director

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