

WFE's Clearing and Derivatives Conference 2021 Virtual Conference, 19 – 23 April 2021

Call for papers

Submission deadline: Friday, 15 January 2021

The World Federation of Exchanges is organising its 38th Annual Clearing and Derivatives Conference, to be held from the 19th to the 23rd April 2021. We invite the submission of theoretical and empirical research on issues related to the conference topics. Papers accepted will be considered for a special issue of the *Journal of Financial Markets Infrastructures (JFMI)*.

Keynote speakers

Dawn DeBerry Stump, Commissioner of the U.S. Commodity Futures Trading Commission

Rod Garratt, Maxwell C. and Mary Pellish Chair in Economics, University of California Santa Barbara

Conference format

The aim of the meeting is to bring together academics with industry and policy-makers from around the world to share original research and engage in a multi-jurisdictional exchange of ideas on the opportunities and challenges for the future of central and bilateral clearing.

The programme will comprise keynote speeches, expert panels, and paper presentations.

The meeting will be virtual given the ongoing Covid-19 pandemic.

Topics

Market infrastructure has proved as robust as ever through what is seen as the biggest test of market functioning since the Global Financial Crisis of 2008. The increased activity and volatility triggered by the pandemic has been met with extraordinary resilience, with CCPs successfully managing extreme volumes and market moves in exceptional circumstances, proving their contribution to systemic stability and to fully functioning markets. Against this background, the conference is an opportunity to continue with our ongoing conversation about clearing, to reflect on the lessons learned from the pandemic, including the

performance of the broader eco-system that CCPs serve and interact with, and to examine the questions and challenges, old and new, that lie ahead.

Specific topics of interest include:

- 1) **CCP Resolution:** cross-border cooperation; legal obstacles to resolution; differences between CCP and banking resolution.
- 2) **Clearing structures and incentives:** CCPs' loss allocation models; skin in the game (SIG), non-default losses (NDL); client clearing.
- 3) **CCP auctions.** Auction design and incentives; client participation.
- 4) **Operational risk.** Lessons learned from the management of COVID-19 crisis and the deployment of business continuity plans (BCP); cyber-threats; operational risk models.
- 5) **Model risk management (MRM).** Model risk management frameworks and the design of efficient testing and validation methodologies; model risk in big data and advanced analytics models.
- 6) **Risk models.** Implications for risk models' design and calibration of the unprecedented moves observed in risk factors (negative WTI, the repo/future/US Treasury basis, the gold-cash futures basis, etc.); modelling of volatility products; liquidity risk modelling.
- 7) **LIBOR transition.** Impact on derivative markets; implications for pricing and risk models.
- 8) **New modelling methodologies:** Applications of big-data analysis, agent-based modelling, machine learning, or behavioral models in the CCP context.
- 9) **Technological innovation:** New technologies for clearing; legal and regulatory implications; the future of FMI service provision; issues around the use crypto-assets that represent securities (e.g. stable coin and virtual assets); crypto-derivatives.
- 10) **Liquidity risk transmission:** Lessons learned from the dash-for-cash run during the COVID-19 stress; network models; contagion effects; feedback loops; procyclicality; measures of vulnerability; complexity; implications for financial stability.
- 11) **Climate change.** Impact of climate change on derivatives markets; modelling climate events risk; implications for crisis management; scenarios design and stress-testing; changes in market behaviour and in business models.

Program Committee

- Evangelos Benos (University of Nottingham)
- Ron Berndsen (Tilburg University)
- Fernando Cerezetti (ICE Clear Europe)
- Mark Manning (UK Financial Conduct Authority)
- Mike McClain (DTCC)
- Andreea Minca (Cornell University)
- David Murphy (Bank of England)
- Travis Nesmith (Federal Reserve Board)
- Ketan B. Patel (Federal Reserve Bank of Chicago).
- Robert Steigerwald (Federal Reserve Bank of Chicago)

Paper submission procedure

Submissions should consist of a full paper sent in PDF format to research@world-exchanges.org, to be received no later than Friday, **15th January 2021**. Papers should be in English and include an abstract. Authors of accepted papers will be notified by Monday 1st March 2021 and will be asked to provide a final paper which is of academic journal standard no later than Monday 5th April 2021. Papers will be assigned a discussant.

Completed papers presented at the conference will also be considered for publication in a special issue of the JFMI according to that journal's usual procedures (<http://www.risk.net/static/risk-journals-submission-guidelines>). However, review by the JFMI will be a separate and independent exercise conducted by the JFMI and not the conference organizers. For the avoidance of doubt, having a paper selected for the conference is not a guarantee that it will be published in the JFMI in a special issue or otherwise. The JFMI may also consider for publication papers on the conference themes that are not accepted for presentation at the conference.

Practical information

An invitation to, and attendance at, the virtual conference is limited to authors of accepted papers and to WFE members, affiliates, long-term partners, and special guests. There is no charge for the conference.

Additional information on the conference and its program will be available at the WFE website:

<https://www.world-exchanges.org/>

Queries can be directed to: research@world-exchanges.org