Executive Summary

The Program on International Financial Systems (PIFS) is celebrating its 30th anniversary in 2016. Founded in 1986 under the direction of Hal S. Scott, PIFS contributed to the mission of Harvard Law School during the 2015-2016 academic year by advancing dialogue on issues related to the capital markets through a series of Symposia on regulation and international finance; a Guest Lecture Series featured at HLS; by hosting Socratic dialogues and panels with industry leaders on relevant topics; and by generating research on issues facing the capital markets.

PIFS annually produces five symposia on international financial systems that bring together financial, government, and academic leaders from the U.S., and their counterparts from China, Europe, Japan, India and Latin America, to discuss the common theme of Building the Financial System of the 21st Century. The series has been in existence since 1998 when the inaugural Japan-U.S. Symposium was convened. The 18th edition of the Japan-U.S. Symposium occurred in October of 2015; the 13th China-U.S. Symposium in September 2015; followed by the 14th annual Europe-U.S. Symposium in April 2016 and the 5th Latin America- U.S. Symposium will convene in November 2016 on campus at Harvard Law School. The inaugural India-U.S. Symposium was held in Mumbai in January 2016.

Research, Scholarship, and Project Activities

PIFS conducts research on international finance; encourages dialogue amongst international practitioners in the capital markets and educates international lawyers.

PIFS is collaborating with MetLife on sponsored research arguing that the SRISK measure is flawed and inappropriate for insurers. This research will be presented at a conference being hosted by the Institute of International Finance (IIF) and PIFS.

Research by Program Director

Professor Scott published the following commentary pieces in 2014-2015:

- Fix the Stock Market, Here’s how 7/29/2016 San Francisco Chronicle
- Publish the Secret Rules for Banks’ Living Wills, June 10 2016 WSJ
- When Treasury Intrudes, May 1, 2016 Washington Times
- Why U.S. investors are better off today, January 22, 2016 Washington Times
- New EU rate-swap rule will deal a big blow to US, January 21, 2016 CNBC
- Congress is playing with fire over Fed power, December 8, 2015 CNBC
- Nasdaq Mistaken on Next Market Shutdown 9/3/2016, WSJ

Speaking Appearances and other Media, 2015-2016:

- Congressional Testimony on the FSOC, November 19, 2015
- Congressional Testimony on Bank Capital and Liquidity regulation June 7, 2016

Symposium Series on Building the Financial System of the 21st Century

PIFS convenes five annual Symposia that gather senior government leaders, financial industry executives, and prominent academics for in-depth dialogue on issues relating to capital markets, financial regulation, and international finance. Conducted under Chatham House rules to facilitate an open exchange of ideas, each of these Symposia provides a valuable platform for dialogue on financial and economic matters. In 2015-16 PIFS hosted Symposia between the U.S. and Japan (18th year), Europe (14th year), China (13th year) and, for the first time, India.

The Symposia provide a valuable platform for a focused and thoughtful discussion on key issues relating to the international financial system and the measures aimed at returning growth to economies worldwide and preventing future crises. At the conclusion of each Symposium, the findings are collated into report that stands as a key assessment of issues relating to capital markets in each of these markets.

In 2015-2016 PIFS produced the following Symposia:

13th China-U.S. Symposium on Building the Financial System of the 21st Century
Armonk, New York – September 18-20, 2015

- Chinese capital market access and financial firms going abroad
- Role of China and the U.S. in the new international and regional financial architecture
- The bi-lateral investment treaty and its impact
18th Japan-U.S. Symposium on Building the Financial System of the 21st Century
Cambridge, MA - November 5-7, 2015

- The end of large global banks?
- Gauging the success of the three arrows
- Rise of China: Implications for Japan, the US and the global financial markets
- Reform of GPIF’s Investment Strategy and Governance: Implications for international capital markets

1st India-U.S. Symposium on Building the Financial System of the 21st Century

- Financing Infrastructure and the Role of Insurance and Pension Funds
- The development of INR Bond Markets inside and outside of India
- Building profundity & resilience in India’s derivatives market: Effective tool of risk management, liquidity and price discovery
- Internationalization of the rupee (capital account, rupee denominated debt, lessons from China) and the role of the INR as a ‘next generation’ currency

15th Europe-U.S. Symposium on Building the Financial System of the 21st Century
Armonk, NY – April 7-9, 2016

- What is the future of large global banks?
- Divergence between US and EU regulations (focus on CCPs, Capital)
- Liquidity in the private fixed income market
- Reform of secondary market structure for equities

14th China-US. Symposium on Building the Financial System of the 21st Century
Hangzhou, China – May 19-21, 2016

- Stabilizing Markets: The Role of individual countries and G20 and FSB
- Infrastructure financing and multilateral cooperation
- Financial services and regulation in the age of “digital finance”
- The rate hike cycle in the US and exchange rate of RMB

HLS Student Research:
In 2015-16, PIFS drew on HLS student resources for various research projects, including Professor Hal Scott’s International Finance textbook, his working paper, as well as research materials relating to each of the PIFS Symposia.

The International Finance Seminar Guest Lecture Series
Guest speakers during 2015-16 included:
- Chris Giancarlo, Commissioner, CFTC – “Global Financial and Derivatives Markets & Regulatory Reform”
- Mel Watt, Director, FHFA - “Managing the conservatorships of Fannie Mae and Freddie Mac”
- Sinichi Uchida, Director-General of Monetary Affairs, Bank of Japan - “Getting out of Deflation: An Experience of Unconventional Monetary Policy”
Richard Shelby, U.S. Senator-“The Failures of Dodd-Frank”
Kara Stein, Commissioner, U.S. SEC- “Surfing the Wave: Technology, Innovation, and Competition”

Plans for Academic year: 2016-2017:

Executive Summary
In 2016-2017, PIFS will support the core missions of Harvard Law School by continuing its efforts in the areas of programs, research, and scholarship on issues relating to capital markets, financial regulation, and international finance. Given the ongoing prevalence of these issues around the globe following the financial crisis, PIFS will endeavor to contribute to this dialogue through its various activities.

Symposia Series on Building the Financial System of the 21st Century:
PIFS will maintain its series of five Symposia in 2016-2017 and look to maximize benefits garnered from each.

Program on International Financial Systems Guest Lecture Series
PIFS will continue to host the International Guest Lecture Series in 2016-2017, with three speakers already confirmed and more speakers in process of being confirmed.

Research by Program Director
In 2016-2017 Professor Scott will continue to produce timely research in the areas of capital markets, financial regulation, payment systems, and international finance.

HLS Student Research:
PIFS will continue to draw on HLS students for research projects, including preparatory materials for various Symposia in 2016-2017.

Fellowships:
PIFS will sponsor fellows doing work in the area of capital markets, financial regulation, and international finance in accordance with the needs of the program. In 2016-17, the Program will have as fellows, Brian Johnson, Vladimir Stolyarenko, Marshall Lux, Heath Tarbert and Don Kanak.

Collaborations:
For the fifth consecutive year Professor Hal Scott will co-host a financial discussion group with Professor Lawrence Summers. The discussion group gathers faculty from across the Business School, Kennedy School and Law School, as well as the Economics Department, for two-hour-long discussions focused on financial regulation. The group will meet three times per semester in 2016-17.

Executive Education:
PIFS and the International Organization of Securities Commissions (IOSCO) will launch a Global Certificate Program for Regulators of Securities Markets in 2016. IOSCO and PIFS jointly developed this executive education program for regulators of securities markets. It will examine
current and future regulatory challenges and emerging issues. This new program is part of PIFS and IOSCO’s ongoing capacity building efforts and is in response to the needs and growing demands for enhanced education and training of regulators of securities markets globally.