

**Labex ReFi International Advisory Board**  
November 30, 2016 Conference Call (4pm-4.30pm EST)

**Minutes**

*Attending:* Jill Fisch (Berkeley/Penn), Gerard Hertig (ETH Zurich, chair), Jean-Charles Rochet (Zurich), Marti Subrahmanyam (NYU), Shyam Sunder (Yale)

*Apologies:* Viral Acharya (NYU), Franklin Allen (Imperial College), Jan-Pieter Krahen (Frankfurt), Mark Roe (Harvard)

*Participating Labex ReFi Representatives:* Christian de Boissieu, François Gilles Le Theule.

**I. LABEX OBJECTIVES AND ACTIVITIES**

Participants are reminded that the Labex ReFi is focusing on regulation from a finance perspective; in other words, the approach is pluri-disciplinary and not limited to legal, respectively finance issues.

It is also pointed out that Labex ReFi comprises four sections, each focusing on a specific research topic (see Section III *infra*). However, this does not mean that research work is done in a segmented way. On the contrary, the aim is to approach research issues in a coordinated and ultimately integrated manner.

**II. THE IAB'S MANDATE**

The International Advisory Board was set-up in the wake of the Labex ReFi mid-term evaluation.

Its mandate is to also evaluate the Labex ReFi from a research point of view rather than merely from the originally set think thank/policy orientation.

**III. LABEX RESEARCH TOPICS**

Labex ReFi researchers currently focus on four research topics:

1. Financial information and accounting regulation
2. Finance and Society
3. Markets, Banking and Financial Risks Supervision
4. Systemic Risk, Resolution and Growth

It is pointed out that there is some overlap between these four orientations. However, this can be considered an advantage. On the one hand, it reduces the risk of having Labex ReFi researchers working in silos rather than on topics that are relevant across legislations and disciplinary fields. On the other hand, it minimizes the risk of research being done in a segmented way (see Section I *supra*).

That being said, it seems that current Labex ReFi contributions are rather long on finance and short on regulation. This is not surprising given that this issue (and its converse) is common in the Law & Finance area. At the same time, the IAB suggests that Labex ReFi researchers consider ways to address this issue.

**IV. COMPETITIVENESS OF THE PHD PROGRAM**

Two PhD students defended their thesis in 2015 and five did so in 2016.

However, only 3 PhD students have written their contributions in English. One approach would be for the IAB to focus on these when reviewing the competitiveness of the PhD program. Another approach would be to evaluate PhD contributions according to whether they have or could be published in top ranked reviews. Still another approach would be to take into account the positions PhD students got after getting their diploma.

## **V. RESEARCH RESULTS AND PROSPECTS**

This question can be addressed in different ways. Research output is often evaluated according to whether it is innovative or can be published in top-ranked journals.

This criteria may not be consistent with the objectives of the Labex ReFi, i.e. to focus on important regulatory issues. From that perspective, Labex ReFi researchers are providing significant contributions to the European debate.

It is pointed out that senior as well as PhD Labex ReFi research seems strong from a policy/public debate perspective, but less so from a research innovativeness/reputation perspective. It is also mentioned that it is unlikely that Labex ReFi research can be competitive on an ongoing basis across all regulatory sectors.

Going forward, it seems important that Labex ReFi research continues to provide a state-of-the-art picture of French financial regulation—either by making regulatory forecasts or by providing policy-related contributions. On the other hand, more attention could be given to pure research, both from an *ex ante* incentive and *ex post* evaluation point of view.

At this point in time, however, the overall view is that it would be premature to provide an assessment of the relative weight and value of Labex ReFi policy and research work.

## **VI. JUNE 19-20 IAB MEETING IN PARIS**

The forthcoming IAB meeting will comprise an evaluation part and a conference part.

For the evaluation part, Gerard Hertig will provide IAB members with a draft evaluation template (including task allocations among IAB members) in early April, with comments expected by mid-April.

Labex ReFi researchers would then provide IAB members with evaluation documentation by early May.

For the conference part of the meeting, some members of the IAB (in particular Marti Marti Subrahmanyam and Shyam Sunder) indicate that they would like to present their own work. It is also suggested to invite a few European (e.g. Patrick Augustin; Lorian Pelizzon; Rainer Jankowitsch; Nils Fiewald; Darya Yuferova; Florian Nagler) and French (e.g. Jeremy Bertomeu) scholars to present their ongoing work. Overall, it is suggested to have up to eight paper presentations.

Zurich, February 20, 2017

For the IAB:

Gerard Hertig