

Call for Papers

Provision and Pricing of Liquidity Insurance

**The Inaugural Financial Stability Conference
of the *International Journal of Central Banking*
Hosted by the Federal Reserve Bank of New York
11-12 June 2009**

The *International Journal of Central Banking* (IJC B) is initiating two series of annual research conferences that will bring together leading economists from central banks and academic institutions to consider issues of critical importance for policymaking. Each spring conference will focus on topics related to financial stability, and each fall conference will focus on topics related to the design and conduct of monetary policy. The proceedings of each conference (the papers and comments) will be subsequently published in the IJC B.

The inaugural IJC B spring conference, on the topic of *Provision and Pricing of Liquidity Insurance*, will be hosted by the Federal Reserve Bank of New York on 11-12 June 2009, and is organised by Douglas Gale, Til Schuermann, Rafael Repullo and Frank Smets. Six papers will be selected from among those submitted in response to this announcement.

Central, commercial and investment banks as well as non-bank financial intermediaries all provide liquidity. Private financial institutions self-insure by building liquidity pools and managing the maturity profiles of their assets and liabilities. The way in which these institutions manage their liquidity risk and the way in which they determine the price, quantity and structure of liquidity provision contracts depends on how the central bank provides and prices systemic liquidity insurance. Drawing on recent events in the global financial markets, this conference seeks to investigate the private and public provision of liquidity insurance. How much self-insurance should financial institutions provide? How should they structure and price insurance to others? And in turn, how should the central bank structure and price systemic liquidity insurance? Who should be able to purchase such insurance, for how much, and how should these contracts be structured? What are the implications for capital requirements of financial institutions? Indeed, are liquidity and capital considerations separable? The conference will include papers that address these questions directly as well as papers that provide tools, models and empirical results that will help us understand the issues involved.

Submission guidelines: Complete manuscripts (not abstracts) should be sent in PDF format to ijcbspringconference@ecb.europa.eu and must be received by 15 February 2009. Manuscripts submitted for this conference may *not* be under review at any other journal. The author(s) of each accepted paper will be notified by 15 March 2009 and will receive editorial comments so that the paper can be revised for presentation at the conference and published shortly thereafter in the conference volume of the IJC B.