



South African Reserve Bank

Conference

Biographical notes template for contributing authors

Title of paper:

Regulatory change and monetary policy: Report submitted by a working group established by the Committee on the Global Financial System and the Markets Committee (Co-chaired with Ulrich Bindseil).

Name and surname:

William Nelson

Position held:

Deputy Director, Division of Monetary Affairs, Federal Reserve Board

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Achievements: (major research output/publications)

Managed several of the Fed's emergency liquidity facilities during the crisis. Led or participated in many of the BIS committees on the new liquidity regulations (from a markets/monetary policy perspective). Current responsibilities (and research) include monetary policy tactics and communication, discount window policy analysis, lender of last resort, and financial institution supervision and regulation.

Abstract of paper:

Financial regulation is evolving, as policymakers seek to strengthen the financial system in order to make it more robust and resilient. Changes in the regulatory environment are likely to have an impact on financial system structure and on the behaviour of financial intermediaries that central banks will need to take into account in how they implement monetary policy.

Against this background, in February 2014, the Committee on the Global Financial System (CGFS) and Markets Committee (MC) jointly established a Working Group – co-chaired by Ulrich Bindseil (European Central Bank) and William Nelson (Federal Reserve Board) – to assess the combined impact of key new regulations on monetary policy.

This report presents the Group's findings. It is based on information from a range of sources, including central bank case studies as well as structured interviews with private sector market participants. It argues that the likely impacts of the new financial regulations on financial

institutions and markets should have only limited and manageable effects on monetary policy operations and transmission. Hence, as necessary, central banks should be able to make adjustments within their existing policy frameworks and in ways that preserve policy effectiveness. These adjustments will tend to differ across jurisdictions according to the financial systems and policy frameworks in place. Specific implications, and examples of potential policy responses, are set out and elaborated in the report.