

## **ABOUT THE CONFERENCE**

**SYNOPSIS:** China has come a long way in developing and reforming its capital markets. Its approach has been cautious, particularly regarding liberalizing cross border capital flows. At the same time, its direction for reforms is firm, e.g., most recently in raising the limit of foreign ownership of China's financial institutions. Clearly there are tradeoffs in designing regulation policies. Strong commitment and fast moves raise the risks of being front run by private sector opportunists. Yet, dragging the feet on reforms and liberalization can lead to entrenchment, opportunistic arbitrage over policy gaps, and distortions in resource allocation.

Furthermore, reforms and liberalization of China's capital market might have significant ramifications on the world's international monetary payment system and capital markets. Constraining cross border capital flows in China may create a sense of calm with regard to exchange rate volatility but may introduce distortions in capital allocation as well as complicate the path towards full liberalization. China's pending full fledged free convertibility of renminbi and capital market liberation will, however, create significant impact on global monetary payment system, reserve holdings, and global portfolio rebalancing.

INSEAD, National University of Singapore (NUS) Business School, and Tsinghua University PBC School of Finance (Tsinghua PBCSF) are planning a series of academic conferences on these topics. Our first conference, to be held in Beijing in September 21-22, 2018, features theoretical and empirical work on critical issues relevant to solving China's Gordian Knot in further reforming and liberalizing China's capital market. Our second conference, to be held in Singapore in 2019, features work on the impact of fuller RMB internationalization and liberalization of China's capital markets on the international financial system and capital markets.

### **CO-ORGANIZERS**

INSEAD

National University of Singapore Business School

Tsinghua University PBC School of Finance

## **CONFERENCE CO-CHAIRS**

Bernard Yeung                      National University of Singapore and Asian Bureau of  
Finance and Economic Research (ABFER)  
Hao Zhou                              Tsinghua University

## **CONFERENCE COMMITTEE MEMBERS**

Antonio Fatas                      INSEAD and Asian Bureau of Finance and Economic  
Research (ABFER)  
Beatrice Weder di Mauro      Centre for Economic Policy Research (CEPR), INSEAD  
and Johannes Gutenberg University of Mainz  
Hong Zhang                         Tsinghua University  
Xiaodong Zhu                        University of Toronto and Tsinghua University

## CONFERENCE PROGRAM

### **Friday, September 21, 2018** **Tsinghua University PBC School of Finance**

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11:00-17:00	Registration	Lobby, 1/F Building 1
12:00-13:00	Luncheon	Cafeteria, B1/F Building 3
13:00-13:15	Welcome Speech: Bernard Yeung	3-300, 3/F Building 3
13:15-14:15	Keynote Speech: Hao Zhou	
	Coffee Break (14:15-14:30)	3-300, 3/F Building 3
14:30-16:00	Session I: New Approaches to Globalization: on China's Capital Account and Current Account	
	Coffee Break (16:00-16:15)	3-300, 3/F Building 3
16:15-17:45	Session II: Banking and Shadow Banking in China	3-300, 3/F Building 3

### **Friday, September 21, 2018** **ZUI AI Restaurant**

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18:00-19:30	Dinner	Hall 666, 3/F
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### **Saturday, September 22, 2018** **Tsinghua University PBC School of Finance**

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08:30-17:00	Registration	3-300, 3/F Building 3
09:00-11:45	Session III: Bond Market: Policies and New Developments	
	Coffee Break in Between (10:30-11:00)	3-300, 3/F Building 3
12:00-13:00	Luncheon	Cafeteria, B1/F Building 3
13:00-14:00	Keynote Speech: Beatrice Weder di Mauro	
	Coffee Break (14:00-14:30)	3-300, 3/F Building 3
14:30-17:15	Session IV: Equity Market: The Influence of Government and Regulations	
	Coffee Break in Between (16:00-16:30)	3-300, 3/F Building 3
17:30-19:00	Dinner	Cafeteria, B1/F Building 3

## PROGRAM DETAILS

**Friday, September 21, 2018, 11:00 am - 5:00 pm**

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**Registration** - Lobby, 1/F Building 1, PBC School of Finance

**Friday, September 21, 2018, 12:00 pm - 1:00 pm**

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**Luncheon** - Cafeteria, B1/F Building 3, PBC School of Finance

**Friday, September 21, 2018, 1:00 pm - 1:15 pm**

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**Welcome Speech** - Room 3-300, 3/F Building 3, PBC School of Finance

**Speaker:** Bernard Yeung, Dean and Stephen Riady Distinguished Professor, National University of Singapore Business School; President, ABFER

**Friday, September 21, 2018, 1:15 pm - 2:15 pm**

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**Keynote Speech** - Room 3-300, 3/F Building 3, PBC School of Finance

**Speaker:** Hao Zhou, Associate Dean and Unigroup Chair Professor of Finance, Tsinghua University PBC School of Finance; Vice Chair, Tsinghua University National Institute of Financial Research

**Speech:** A Reform Perspective on China's Macroeconomy and Financial Policy

**Coffee Break (2:15 pm - 2:30 pm)**

## PROGRAM DETAILS

**Friday, September 21, 2018, 2:30 pm - 4:00 pm**

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**New Approaches to Globalization: on China's Capital Account and Current Account**

*-Room 3-300, 3/F Building 3, PBC School of Finance*

**Session Chair:** Antonio Fatas, INSEAD and ABFER

### **Optimal Capital Account Liberalization in China**

Zheng Liu, Federal Reserve Bank of San Francisco

Mark M. Spiegel, Federal Reserve Bank of San Francisco

**Jingyi Zhang**, Shanghai University of Finance and Economics

**Discussant:** Xiaodong Zhu, University of Toronto and Tsinghua University

### **Trade Reforms and Current Account Imbalances: When Does the General Equilibrium Effect Overturn a Partial Equilibrium Intuition?**

Jiandong Ju, Tsinghua University

**Kang Shi**, The Chinese University of Hong Kong

Shang-Jin Wei, Columbia University and NBER

**Discussant:** Changhua Yu, Peking University

**Coffee Break (4:00 pm - 4:15 pm)**

**Friday, September 21, 2018, 4:15 pm - 5:45 pm**

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**Banking and Shadow Banking in China** - *Room 3-300, 3/F Building 3, PBC School of Finance*

**Session Chair:** Hao Zhou, Tsinghua University

### **The Risk of Implicit Guarantees: Evidence from the Shadow Interbank Market in China**

**Ji Huang**, The Chinese University of Hong Kong

Zongbo Huang, The Chinese University of Hong Kong

Xiang Shao, Fudan University

**Discussant:** Ruichang Lu, Peking University

### **Going Bankrupt in China**

**Bo Li**, Tsinghua University

Jacopo Ponticelli, Northwestern University and CEPR

**Discussant:** Hao Liang, Singapore Management University

**Friday, September 21, 2018, 6:00 pm - 7:30 pm**

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**Dinner** – *Hall 666, 3/F, ZUI AI Restaurant*

## PROGRAM DETAILS

**Saturday, September 22, 2018, 8:30 am - 5:00 pm**

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**Registration** - Room 3-300, 3/F Building 3, PBC School of Finance

**Saturday, September 22, 2018, 9:00 am - 11:45 am**

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**Bond Market: Policies and New Developments** - Room 3-300, 3/F Building 3, PBC School of Finance

**Session Chair:** Hong Zhang, Tsinghua University

### **Corporate Foreign Bond Issuance and Interfirm Loans in China**

Yi Huang, The Graduate Institute Geneva

**Ugo Panizza**, The Graduate Institute Geneva and CEPR

Richard Portes, London Business School, CEPR and NBER

**Discussant:** Si Cheng, The Chinese University of Hong Kong

### **Pledgeability and Asset Prices: Evidence from Chinese Corporate Bond Markets**

**Hui Chen**, Massachusetts Institute of Technology and NBER

Zhuo Chen, Tsinghua University

Zhiguo He, The University of Chicago and NBER

Jinyu Liu, University of International Business and Economics

Rengming Xie, CITIC Securities

**Discussant:** Jennifer Huang, Cheung Kong Graduate School of Business

**Coffee Break in Between (10:30 am - 11:00 am)**

### **Understanding China's Evolving Credit Risk Maze**

**Ronald W. Anderson**, London School of Economics and Sun Yat-Sen University

**Discussant:** Ning Zhu, Tsinghua University

**Saturday, September 22, 2018, 12:00 pm - 1:00 pm**

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**Luncheon** - Cafeteria, B1/F Building 3, PBC School of Finance

## PROGRAM DETAILS

**Saturday, September 22, 2018, 1:00 pm - 2:00 pm**

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**Keynote Speech** - *Room 3-300, 3/F Building 3, PBC School of Finance*

**Speaker:** Beatrice Weder di Mauro, President, CEPR; Distinguished Fellow, EMI INSEAD; Professor of Economics Policy and International Macroeconomics, Johannes Gutenberg University of Mainz

**Speech:** Freeing Capital Flows

**Coffee Break (2:00 pm - 2:30 pm)**

**Saturday, September 22, 2018, 2:30 pm - 5:15 pm**

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**Equity Market: The Influence of Government and Regulations** - *Room 3-300, 3/F Building 3, PBC School of Finance*

**Session Chair:** Bernard Yeung, National University of Singapore and ABFER

### **Government Incentives and Financial Intermediaries: The Case of Chinese Sell-Side Analysts**

Sheng Cao, Tongji University

Xianjie He, Shanghai University of Finance and Economics

Charles C.Y. Wang, Harvard Business School

**Huifang Yin**, Shanghai University of Finance and Economics

**Discussant:** Li An, Tsinghua University

### **Gate Fees: Shell Values and Regulatory Risk in Chinese Equity Markets**

Charles M. C. Lee, Stanford University

Yuanyu Qu, Tsinghua University

**Tao Shen**, Tsinghua University

**Discussant:** Laura Liu, Peking University

**Coffee Break in Between (4:00 pm - 4:30 pm)**

### **State Capitalism vs. Private Enterprise**

Donghua Chen, Nanjing University

Dequan Jiang, Wuhan University

Alexander Ljungqvist, New York University and NBER

**Haitian Lu**, Hong Kong Polytechnic University

Mingming Zhou, University of Colorado at Colorado Springs

**Discussant:** Hong Ru, Nanyang Technological University

**Saturday, September 22, 2018, 5:30 pm - 7:00 pm**

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**Dinner** - *Cafeteria, B1/F Building 3, PBC School of Finance*