



**DEPARTMENT OF COMMERCE
(SCHOOL OF MANAGEMENT)
PONDICHERRY UNIVERSITY, PUDUCHERRY**

**INTERNATIONAL CONFERENCE
ON
“DEBT AND DEBT DERIVATIVES”**



23, 24 & 25th January, 2014

CALL FOR PAPERS & PARTICIPANTS

Last date for submission of

Abstract : 30th November 2013

Full paper : 20th December 2013.

PONDICHERY UNIVERSITY

The Pondicherry University was established in 1985 by the Government of India through an Act of Parliament. It is an outstanding institution among Central Universities in India, with teaching and research as primary functions. The University has several unique features such as to dissemination and promotion of knowledge by providing instructional and research facilities. The campus is located in a sprawling area spread over seven hundred and eighty acres of land facing Bay of Bengal. The University is a member of the Association of Commonwealth Universities and has signed MOU with several foreign recent survey by the UGC, NAAC and several independent rating agencies has ranked the institution as one of the best in the country.

ABOUT DEPARTMENT OF COMMERCE

The Department is presently assisted by the UGC at DRS-I level of SAP, to carry out research in the field of "Derivatives and Risk Management" for 5 years and several of the faculty members of the department have undertaken minor and major projects assisted by UGC. The Department offers M.Com (Business Finance), M.Com (Accounting & Taxation), & Ph.D programmes with a total placement focus. The curriculum of the department is attracting the attention of companies which are involved in Banking, Foreign Trade, Capital Market, Stock Broking and Forex Dealings. Continuous research activities are also going on in the department in the above areas. It is a constituent of the School of Management, which is one of the popular Schools of Excellence in the Campus primarily focusing in the business related courses since the very inception of the University.

ABOUT THE CONFERENCE

A well-developed debt market plays a critical role in the overall economic development of the country reducing funding mismatches for corporations and sovereign, particularly for projects with longer gestation periods or corporate with higher dependence on long-term debt such as infrastructure companies. However, an important constraint to financial reform has been dealing with the policy vintages in the debt market that largely crowds out growth critical institutions in emerging economies.

Despite the growth and development of equity capital markets, challenges remain on several fronts in most emerging markets. These include improvements in market access and infrastructure; cross-border issuance; transparency; efficient risk management by financial institutions; the legal and regulatory framework; and market liquidity. The major impediments to the growth of debt markets in most emerging markets remain the remain bank dominance; lack of standardization; narrow investor base and preponderance of buy-and-hold investors; embryonic legal and regulatory framework for nonbank financial institutions; tax and capital controls for FIIs; weak corporate governance; inadequate pricing transparency; infrastructure issues; high issuance/ transaction costs; lack of pricing benchmark; effective hedging instruments; and lack of a robust framework for development of markets for asset-backed securitization. A study of development of debt markets in some of the markets reveals that existence of derivative instrument kindled transactions in the underlying debt instruments. While most developed markets have well developed exchange traded markets in interest rate derivatives even on cross-border debt assets efforts of developing economies to grow and nurture debt derivative instruments on transparent electronic platforms of the exchanges have remained futile leaving the risk of unfavorable rate movements uncovered in the debt markets. Moreover, efforts of most emerging nations to introduce credit derivatives remained largely OTC characterized by opacity and illiquidity making them unattractive for real market participants.

The Credit Derivative is a security that allows investors to transfer credit risk to other investors who are willing to take it. By facilitating the allocation of risk, these instruments have an important economic function. Yet they have hit the headlines recently for their inefficiency by damaging the global financial stability.

ABOUT THE CONFERENCE (Continuation)

The growth in the volume of credit derivative transactions has exceeded expectations year by year after they were introduced in the early nineties. The trading of credit derivatives reached a peak in January 2008, when industry sources estimated the total notional of credit derivatives outstanding at 62 trillion dollars. The financial crisis highlights the need for a holistic, objective, and transparent approach to accurately measurement of credit risks. Events like the recent financial crisis call for meaningful regulation of the credit swap and general credit derivatives market. Presently, governments, central banks and regulatory authorities are actively discussing the need for more transparency and basic regulation of the credit derivatives market including standardization of the existing CDS instruments. At the same time it is true that while market liquidity has dried up, though the economics behind a credit derivative contract remains robust. For example, banks making loans will continue to have a basic need for hedging loan exposures. Therefore, we expect the credit derivatives market to survive in a leaner, more transparent form that is subject to basic regulation.

In India, for instance, the Central Bank, has issued draft guidelines for banks and dealers to begin trading credit default swaps in the country to mitigate risks arising out of credit default events. Despite much of the efforts to develop markets for CDS instruments, it could not take off. Same has been the case with interest rate derivative markets in India. However, rate swaps are widely traded between the banking and other financial institutions to manage risks. Under such a OTC market structure and arrangement the rate risk would largely remain within the system and could potentially add up to the cost of participants or as a cost to the economy as a whole due to price and monetary uncertainty.

Against this backdrop, the present conference aims to analyze the development of debt, interest rate and credit derivative markets as well as focus on policy, regulatory and institutional issues across the emerging nations. Significantly international experiences in developing these markets shall be useful to study the implications for monetary policy operations and financial stability for a developing country like India. With this prelude, the department felt that there is a necessity for development of healthy debate on appropriate strategies to support, sustain and take forward the Debt and Debt Derivatives Markets. Taking a step in this direction, the Department of Commerce, is organizing this International Conference on the "Debt and Debt Derivatives Market" to discuss and deliberate on various related issues with international participation.

OBJECTIVE OF THE CONFERENCE

The primary objective of this conference is to give a concise overview of the current debt and debt derivative markets landscape globally as well as in India with application cases, potential problems and possible solutions by providing a platform for formal discussion with reference to debt and debt derivatives.

The specific objectives are: to analyze the developmental experiences of various developing and developed markets; to suggest appropriate regulatory structure; examine policy and institutional reforms that could make debt instruments play a key role in cost effective intermediation of debt capital; and management of risks such as rate and defaults in a more economical manner.

FOR WHOM ?

The Proposed conference will be open to international and national participants comprising of researchers and practitioners in regulatory agencies, academic institutions, central banks, depositories, legal practitioners and market participants. It is expected to come up with a no. of reforms in the area of standardization of debt instruments, reforms in sovereign issuances, institutional reforms such as the role of credit rating agencies, pricing agencies, etc., and regulatory and policy reforms that would boost issuances in the Indian markets to take the economy to a new level towards bond markets from the current loan markets.

MAIN THEMES FOR DISCUSSION

- 1) Cross Country Experiences in Development of Corporate Bond Debt Markets with Particular Emphasis on ASEAN**
- 2) Regional Integration Initiatives of ADB and Its Benefits**
- 3) Role of Debt Derivative Markets in the Development of Debt Markets or Vice-Versa**
- 4) Critical Appraisal of Global Market Structure and Efficiency of Global Markets**
- 5) Lessons of Financial Crisis for Development and Regulation of Debt Derivatives In India**
- 6) Issues in Development of Interest Rate Derivative Markets in India**
- 7) Issues in Pricing and Valuation of Derivatives In India- Importance of Benchmark Rates, Role of Information, Participant Profile and Transparency**
- 8) Empirical Modeling of Default Events in Debt Markets - Its Role in Development of CDS Markets**
- 9) Role of Institutions Particularly Banks in Development of Debt And Debt Derivative Markets**
- 10) Credit and Rate Risk Measurement Methods and Role of Derivative Instruments**
- 11) Electronification of Debt Markets and Its Role in Development of Retail Participation**
- 12) Analyzing the Aggregate Effects of Credit Derivatives from a Macro Economic Perspective & its Implications for the Financial System and the Conduct of Monetary Policy**
- 13) Role of Institutions such is International Swaps and Derivatives Association (ISDA) in Promotion of s Secure Credit Derivatives Trading**
- 14) Challenges in Development of Markets for Credit Default Derivatives - Indian and Global Perspectives**
- 15) Imperatives from the DODD-FRANK ACT of 2010 and other Emerging Global Regulations for Regaining Financial Stability**
- 16) Impact of Credit Derivatives Instruments on Monetary Policy and the Resultant Financial Stability, for Developing Economy like India**
- 17) Need for Improving Liquidity in Debt Market and Interest Rate Derivatives Market in India**
- 18) Issues in Development of Term Money Market in India and Lessons from Global Markets**
- 19) The Influence of Sovereign Bond and Equity Markets on The Liquidity and Credit Risk Premia in Corporate Bond Market**
- 20) Corporate Bond Yield Curves for Pricing and Valuation - Issues and Suggestions**

ACCOMMODATION & TRANSPORT FACILITIES

For domestic participants, fees will cover food and conference materials. Fees do not cover accommodation for the participants. The organizers make a list of affordable hotels where the accommodation can be availed at the expense of participants. The organizers will be obliged to make advance room bookings at the request of interested participants with an additional cost of R. 1000 per day at Pondicherry. Transport facilities to and from the place of stay at Pondicherry will be provided by the organizers. For participants from other countries, the accommodation will be provided at the University Guest House itself, without any extra charges.

SUBMISSION OF PAPERS

The last date for submission of abstract submission is 30th November, 2013. Abstract should be between 150 - 200 words, should be sent in electronic format (Microsoft word document) to Dr **Velmurugan.PS, Dy.Coordinator at velmuruganps@yahoo.com** . The last date for submission of full paper is 20th December 2013. Paper submitted after this deadline will not be considered for the Conference. Two copies of the full paper, (one hard copy and one soft copy) not exceeding 20 pages should be submitted in A4 size, MS Word format, Times New Roman Font with heading in Font size 14 and the remaining text of the font size 12 with 1.5 line spacing, so as to reach the organizers in time.

PUBLICATION AND AWARD

Outstanding research contributions will be awarded cash prize in the Conference and all papers selected will be taken up for publication after the double blind review process. Only original research contributions will be entertained after carrying out plagiarism check through TURNITIN®.

EXPERTS ASSOCIATED WITH THE CONFERENCE

Dr.V.Shunmugam, Chief Economist, MCX-SX Ltd, Mumbai
Dr. Sabyasachi Mitra, Principal Economist, Asian Development Bank
Prof. Samson Moharana, Utkal University, Bhubaneswar.
Prof. K.V.Bhanumurthy, Delhi University

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REGISTRATION FORM

Please complete the form send by E-Mail or post to the conference secretariat before 07/01/2014
should you have any questions please do not hesitate to contact
Tel: +91- 9944115566; 0413-2654695; +91-9443095454; 0413-2654694
E-Mail: velmuruganps@yahoo.com ; natarajanppu@yahoo.co.in

Part - 1: Personal information "all fields marked with a star are required for Registration (Please type or Print clearly in CAPITAL LETTERS)

*Please choose the position:

Industry Professional Academician Doctoral Student Student

*Name _____

* Organization / Institute's Name _____

*Designation _____ *Mobile _____

*Postal Address _____

_____ Country _____

*Tel No. _____ *E-Mail Id _____

Accommodation Needed Yes No

Part 2: Registration Fee Details

STAGES	LAST / IMPORTATNT DATES
Abstract Submission	30/11/2013
Acceptance of Abstract	01/12/2013
Submission of Full Paper	20/12/2013
Acceptance of Full Paper	25/12/2013
Payment of Registration Fee	30/12/2013
CATEGORY OF DELEGATES	REGISTRATION
Foreign (Professional / Corporate Participants)	USD 250
Foreign (Academician, Research Scholars & Students)	USD 200
Indian (Industry / Professional Participants)	Rs. 2500
Indian (Academician, Research Scholars & Students)	Rs. 1500
In Absentia (Indian Participants only)	Rs. 1500
On spot Registration by any of the categories	Rs. 500 (to pay Additional)

Part 3: Payment Details

Payment (by one of the methods listed below) must accompany the registration form

Cheque / Demand Draft (in favor of **The Coordinator, UGC SAP DRS-1 Payable at Pondicherry**, enclose details)

Participants, who want to pay online / through **NEFT (National Electronic Fund Transfer)**, may send the payment directly to our Indian Bank, Account Number: 843648055, IFS Code: IDIB000P152, Branch Code: 1574, Pondicherry University Branch, Pondicherry, India

Cheque/DD No./RTGS/NEFT No. _____ Banker Name _____

Amount _____ Date _____ Cash _____

** Kindly note your Registration will not be processed until payment has been received in full

Date:

Signature