

# Contents

---

<i>Acknowledgments</i>	vii
CHAPTER 1	
Introduction—Mathias Dewatripont, Jean-Charles Rochet, and Jean Tirole	1
<i>Regulation in a Historical Perspective</i>	1
<i>To Regulate or Not to Regulate?</i>	3
<i>The Challenges Facing Prudential Regulation</i>	6
<i>Building an Adaptive Regulatory System in a Global World</i>	7
<i>Keeping a Balance</i>	8
CHAPTER 2	
Lessons from the Crisis—Jean Tirole	10
<i>Part I: What Happened?</i>	11
<i>Part II: How Should the Financial System Be Reformed?</i>	47
CHAPTER 3	
The Future of Banking Regulation— Jean-Charles Rochet	78
<i>The Basel Accords</i>	78
<i>The Breakdown of the Basel Prudential Regime</i>	86
<i>The Necessary Reforms</i>	100
CHAPTER 4	
The Treatment of Distressed Banks— Mathias Dewatripont and Jean-Charles Rochet	107
<i>Reforming Prudential Policy for Distressed Banks</i>	110
<i>Macroeconomic and Systemic Considerations</i>	118
<i>International Cooperation</i>	122
<i>References</i>	131
<i>Index</i>	137