



File no. 1912 dated 3/10/2019

Tit. 2019 - III / 13.5.8

**SELECTION ANNOUNCEMENT  
FOR THE AWARDING OF RESEARCH GRANTS (TYPE A)**

**THE HEAD OF DEPARTMENT OF  
ECONOMICS AND MANAGEMENT "MARCO FANNO"**

**No.2019AR05**

HAVING REGARD TO Law no. 168 dated 9 May 1989;

HAVING REGARD TO the Statute of the University of Padova, published in the Official Gazette no. 300 dated 27 December 2011, plus subsequent amendments and integrations;

HAVING REGARD TO Art. 22 of Law no. 240 dated 30 December 2010, which envisages the awarding of research grants in accordance with budget availability;

HAVING REGARD TO Ministerial Decree DM no. 102 dated 9 March 2011, which establishes the minimum annual gross amount of research grants, published in accordance with Art. 22 of Law no. 240 dated 30 December 2010;

HAVING REGARD TO the current "Regulations Governing Research Grant Awards" pursuant to Art. 22 of Law no. 240 dated 30 December 2010;

HAVING REGARD TO Legislative Decree DL no. 17 dated 9 January 2008, pertaining to the admission of third-country nationals for the purposes of scientific research;

HAVING REGARD TO Italian Presidential Decree D.P.R no. 62 dated 16 April 2013, "Regulations governing code of conduct for civil servants" in accordance with Art. 54 of Law no. 165 dated 30 March 2001, which has extended, where relevant, the obligations under the code of conduct for collaborators and consultants with any type of contract or role;

HAVING REGARD TO Law no. 11 dated 27 February 2015, converted into law with amendments of Decree-Law No. 192 dated 31 December 2014, containing provisions on the extensions of deadlines provided for by law, extending the duration of the working relations established in accordance with Art. 22, Paragraph 3 of Law No. 240 dated 30 December 2010 by two years.

HAVING REGARD TO the decision of the Department Board made on 19th September 2019 which approved the establishing of 1 grants to carry out research activity related to the project "The Effects of changes in Accounting Regulation on the Volatility of Regulatory Capital and Bank Lending" at the Department of Economics and Management "Marco Fanno" acting as the Research Base, under the supervision of Professor Amedeo Pugliese, who is the Research Project Supervisor.

IT BEING DEEMED EXPEDIENT to issue a selection announcement for the awarding of no. 1 research grants.



## HEREBY DECREES

### Art. 1 - Purpose

A selection announcement has been published for the awarding of 1 research grants for the research project entitled “The Effects of changes in Accounting Regulation on the Volatility of Regulatory Capital and Bank Lending” to be conducted at the Department of Economics and Management “Marco Fanno” under the supervision of Professor Amedeo Pugliese, who is the Research Project Supervisor.

The research grant, which shall last for *24 months* and be for a gross amount of *22.797,55 euros per annum*, is issued in accordance with the current Regulations Governing Research Grant Awards and Art. 22 of Law no. 240/2010 for the aforementioned research project, in University Scientific Area no. 15 - Economics and Statistics (Economics / CUN Area 13 Economics and Statistics) and Scientific Sectors and Disciplines SECS-P07.

The purpose of this research grant, which is funded by “The Effects of changes in Accounting Regulation on the Volatility of Regulatory Capital and Bank Lending”, is to fund research that is structured as follows:

Since 2018 a significant change to accounting rules (e.g. IFRS 9) has occurred, with its effects becoming visible in financial statements available by mid-2019. Changes in accounting standards have been prompted by the global financial crisis (2008) and the sovereign debt crisis in Europe (2010-2011); indeed the incurred loss model adopted in the valuation of losses on loans and receivables (e.g. IAS 39) was held responsible for banks’ untimely recognition of losses in their financial statements. The infamous adage “too little, too late” reflects this view. Regulators, standard setters and bankers called for accounting rules allowing a timelier recognition of loan losses, without waiting until debtors’ bankruptcy prior to writing down the loans. This project aims at complementing early evidence by seeking to address the following research questions: (i) do the application of expected credit loss model- in lieu of incurred credit loss model- and, (ii) the disappearance of the prudential filters arising of distinction between available-for-sale (AFS) and held-for-trading (HFT) affect the volatility of regulatory capital and bank lending?

This project seeks to answer two research questions, partly overlapping. Due to data availability, it is reasonable foreseeing that the first part of the project (Q4/2019-Q3/2020) will focus on the effects of the prudential filters on bank lending, whilst in the second part (Q4/2020-Q3/2021) the focus will shift on the relationship between Loan-Loss Provision, Regulatory Capital and Bank Lending.

#### Part A: The Effects of Prudential Filters on Bank Lending

The first part of the research project will substantiate the debate surrounding the importance of having (removing) prudential filters. It will seek to answer two questions: (i) do banks rely on the accounting-based information (e.g. equity and other comprehensive income)- vis-à-vis regulatory capital- in their lending decisions? And (ii) do banks exploit the different country-level arrangements in relation to prudential filters in their credit allocation?

#### Part B: Loan-Loss Provisioning, Regulatory Capital and Bank Lending



The second part of the research project will focus on effects of the adoption of the expected credit loss (ECL) model (following IFRS 9) on the volatility of income and regulatory capital, and banks lending behaviours. This is similar in spirit to the ECB' initial assessment of the impact of IFRS 9 on European banks (EBA, 2016 & 2017), although it differs in noticeable ways: while the ECB was concerned with estimating the quantitative impact on CET 1 and regulatory ratios, given the current state of banks' investments and financing, this project will exploit bank-level heterogeneity along some key dimension (e.g. size, complexity, governance) to assess the effects of ECDL on bank regulatory capital and lending.

At the end of the research period the expected results concern:

Short-Term Goal 1.1:

Provide evidence that even under the incurred loss model a significant degree of subjectivity existed in terms of timeliness of loan loss provisions. In fact, based on the results of the asset quality review performed by EBA (2013) we shall be able to document a significant heterogeneity and different behaviours of banks, and provide evidence that a number of bank-level characteristics could help predicting timeliness.

Short-Term Goal 1.2:

Providing first-hand evidence in terms of how some of the most salient attributes of banks (e.g. size, governance, complexity) will enable or curtail the timely recognition of impaired loans, thus affecting the effectiveness of ECL models. Relying on internal bank level data (provided in conjunction with the University of Bolzano) we shall document how the effectiveness of an ECL rests on a bank's ability to detect deterioration in debtors' condition (a technical issue) as well as the willingness to disclosure and anticipate the (unrealised) loss in the financial statements (an incentive-related issue). This short-term goal has practical implications for banks in their operations as well as for regulatory institutions when performing their supervisory duties.

## **Art. 2 - Admissions requirements**

The following are entitled to take part in this selection announcement:

- graduates with an Italian specialisation degree (specialistica/magistrale) or pre Italian-university-reform graduates (vecchio ordinamento) who have completed suitable and documented academic and professional experience in an area related to the aforementioned research field;

Candidates must have their degree by the selection announcement deadline.

Should the candidate's degree or PhD have been awarded abroad, then, for the sole purposes of this selection procedure, it must be declared to be the equivalent of an Italian specialisation degree (specialistica/magistrale) by a Selection Committee. Similarly, if the PhD has been awarded abroad, then it must have been conducted over a minimum of three years and, for the sole purposes of this selection procedure, must be declared to be the equivalent of an Italian PhD by a Selection Committee.



In accordance with Art. 22 of Law no. 240 dated 30 December 2010, the Grant Holder may not be a permanent employee at the following universities, institutes and public research and experiment organisations: the Italian National Agency for New Technologies, Energy and Sustainable Economic Development (ENEA), the Italian Space Agency (ASI), the European University Institute, the Scuola Normale Superiore di Pisa, the Scuola Superiore di studi universitari e di perfezionamento di Pisa, the Scuola internazionale superiore di studi avanzati di Trieste, and the other Italian post-graduate schools that provide the equivalent of doctoral researcher courses.

The maximum period of time of research grant contracts awarded in accordance with Art. 22 of Law no. 240 dated 30 December 2010, including extensions, shall not exceed 6 years, excluding the time that coincides with the completion of a PhD and that is within the maximum legal time limit of the related course.

In accordance with Art. 18 of Law no. 240/2010, Research Grants may not be awarded to anyone who is related to or has an affinity with, up to and including the fourth degree of kinship, a professor or researcher working at the Department elected as "Research Base", or the Rector, Director General, or a member of the University Board of Governors.

Candidates shall be admitted to the selection procedure with reserve. The Department that published the selection announcement may at any moment, even after the examinations have been held, exclude candidates for not having the aforementioned requisites by reasoned order from the Head of the Department.

### **Art. 3 – Application Process**

The application to take part in this selection procedure must be written on unstamped paper and addressed to the Head of the Department of Economics and Management "Marco Fanno"; it must, under penalty of exclusion, be submitted in one of the following methods within 15 days of this selection announcement being published in the Official University Register:

- 1) **delivered in person** in a sealed envelope to the following address:

Head of the Department of Economics and Management "Marco Fanno" – Via del Santo 33  
35123 Padova (PD) Italy.

- 2) **posted by registered mail with advice of receipt** to the following address:

Head of the Department of Economics and Management "Marco Fanno" – Via del Santo 33  
35123 Padova (PD) Italy.

Should the application be sent by registered letter, the postmark will not be accepted as evidence of meeting the application deadline.

- 3) **posted by courier with advice of receipt/delivery** to the following address:

Head of the Department of Economics and Management "Marco Fanno" – Via del Santo 33  
35123 Padova (PD) Italy.

Alternatively, the application can be sent to the Department's certified e-mail (PEC) address [dipartimento.decon@pec.unipd.it](mailto:dipartimento.decon@pec.unipd.it) by the deadline. If using this method, the application must be sent:



- through certified e-mail (PEC). The application must be signed and any documents for which a traditional signature is required must carry the applicant's digital signature.

- through certified e-mail (PEC). The copy of the application must have an original signature, together with a copy of the applicant's identity document. Any electronic documents that are required to have a traditional signature must be sent in simultaneously with the application. Only scanned copies shall be accepted. through his/her personal certified e-mail (c.d. CEC PAC) (in accordance with the Decree of the President of the Council of Ministers (DPCM) dated 27/9/2012 together with all the relevant documentation.

If using electronic mail, documents must be sent in a fixed and not directly editable format without macros or executable codes, preferably in PDF. Documents must not exceed 1 MB.

Any additional documents must be included with the application and submitted by the Selection Announcement deadline.

Documents submitted at a later date will not be accepted.

The University shall accept no liability should it not be able to locate candidates or should any correspondence be lost due to candidates providing imprecise addresses, or no or late notice of any change to the address stated in the application. Neither shall the University accept any liability for postal, IT or third-party errors, nor for errors due to chance or force majeure.

The postal envelope or email subject must include the title of the selection announcement the candidate is applying for.

The application form, a copy of which can be downloaded from the website <http://economia.unipd.it/>, must include the candidate's:

- 1) surname and name;
- 2) Italian tax payer's code (codice fiscale)
- 3) date and place of birth;
- 4) nationality
- 5) fixed address and domicile address for the purposes of this selection announcement;
- 6) telephone number and email;
- 7) a statement saying that he/she has the qualifications required by this selection announcement;
- 8) a statement saying that he/she is not a permanent employee at a university or the other organisations listed in Art. 22 of Law 240/2010;
- 9) a statement saying that he/she is not related, or does have not an affinity, up to and including the fourth degree of kinship, to a professor working in the Department where the research is based, or to the Rector, Director General, or a member of the University's Administrative Board;
- 10) a list of the qualifications and publications the candidate is presenting;
- 11) a statement declaring that the information included in the CV is true and that the qualifications and publications enclosed with the application are true copies of the originals (required in accordance with Art. 46 and 47 of Italian Presidential Decree DPR 445/2000.)



The following must be enclosed with the application:

1. a photocopy of a valid form of identification;
2. an academic and professional curriculum vitae, duly signed and dated on each page;
3. a list of the qualifications and publications the candidate is presenting with his application;
4. no. 2 letters of presentation.

The letter of presentation may be received separately from the application but no later than the deadline of this announcement, by certified mail PEC [dipartimento.decon@pec.unipd.it](mailto:dipartimento.decon@pec.unipd.it), or by email to the address [direzione.economia@unipd.it](mailto:direzione.economia@unipd.it).

European citizens may self-certify their academic and professional qualifications. Publications may be presented as originals or as copies with a statutory declaration in accordance with DPR 445/2000.

Non-European citizens may present their original qualifications, authenticated copies thereof, or copies that have been declared to comply with the original. Non-European citizens may submit statutory declarations, as if they were European citizens, should they have to provide evidence of statuses, information and personal qualities that can be certified or attested to by Italy's Public Administration, or should a self-certification be envisaged by international conventions between Italy and the candidate's country of origin.

In circumstances other than the aforementioned, at the time of the award, the status, personal qualities and facts declared in the application must be certified true by the foreign state's competent authorities, accompanied by an Italian translation that is certified it conforms to the original by the Italian Consulate, as specified in Art. 3 of Presidential Decree no. 445/2000.

According to Law no. 104 dated 5 February 1992, candidates with a recognized disability must specify in their application any special aids or additional time they may need during the interview and which is relevant to their status.

The candidate undertakes to notify the Administration of any changes to the contact details listed in the application form.

#### **Art. 4 – Selection Procedure**

Candidates are selected by a comparative evaluation of their qualifications, academic and professional curriculum vitae, publications, an interview and letter of presentations. Candidate applications shall be evaluated by a Selection Committee appointed by the Head of the Department of Economics and Management "Marco Fanno"; the Selection Committee shall comprise three members who are experts in the field of research, one of which, normally, shall be the Research Project Supervisor.

The Selection Committee has 100 points to evaluate the candidates and they shall be awarded for:

- **qualifications up to 30 points:** degree, PhD, specialisation degree, postgraduate certificates (awarded in Italy and abroad). If a PhD or an equivalent qualification obtained abroad or, for relevant research areas, specialisation degrees in medicine together with adequate scientific production output, is not deemed compulsory, for ranking purposes these qualifications will be considered desirable.
- **the curriculum vitae up to 30 points:** performance of documented research activity at public and private organisations with contracts, grants or appointments (both in Italy and abroad) relevant



to research stated in this selection announcement.

**-publications up to 20 points:** including postgraduate dissertations (Laurea Specialistica/Magistrale) or PhD theses

**- interview and the letters of presentation up to 20 points.**

The date of the interview is set for **22nd October 2019 at 02:30 pm** at the “Aula Lim”, Department of Economics and Management “Marco Fanno”, Via del Santo n. 33 – Padova. On motivated request, it will be assessed the possibility of making an interview by Skype. If necessary, the candidate must write his/her own Skype address into the application form.

Candidates who have not been notified of their exclusion from the selection are required to attend the interview, without prior notice, on the days and at the times aforementioned.

Absence from the interview, whatever the cause, will be considered as the candidate’s withdrawal from the selection.

In order to be admitted to the interview, candidates must provide a valid identity document.

At the end of the evaluation, the Selection Committee shall draw up a provisional ranking based on the total of the scores the candidates were awarded for each category.

To be included in the ranking, candidates must be awarded a minimum overall score of 50 points. In the event of a tie, preference will be given to the younger candidate.

The selection report and the provisional ranking shall be officially approved by a Rector's Decree and then published in the Official University Register.

#### **Art. 5 - Entering into the agreement**

Research grants are awarded with bespoke research activity agreements entered into with the Department of Economics and Management “Marco Fanno” that published the announcement.

An individual agreement will establish the successful candidate’s specific tasks, rights and duties, assigned tasks and research activities, payable salary and social security.

The Department of Economics and Management “Marco Fanno” shall notify the winner of the date by which he or she must enter into the agreement, under penalty of cancellation.

Should the agreement not be entered into by this date, the winner shall forfeit the right to the research grant. In the event of this, the second-placed candidate in the ranking shall be declared the winner.

Research activity may not be commenced before the winner has entered into the agreement, which shall normally come into force on the first day of the month after it was signed.

Should the winner be an employee of the Public Administration, then he or she must be placed on unpaid leave for the entire duration of this research grant.

The awarding of the research grant does not constitute subordinate employment nor does it entitle the Grant Holder to a permanent position at the University.



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Grants shall be paid in deferred monthly instalments.

#### **Art. 6 – Rights and Duties**

The Grant Holder shall conduct his/her research activity personally and fully, which is of a flexible nature, with no set working hours, in a continuous and not merely occasional manner, autonomously within the limits of the programme or stage thereof as laid out by the Research Project Supervisor and in accordance with his/her general instructions.

The grants within this announcement may not be combined with other grants or with study grants of any other kind, unless they have been awarded by national or international organisations and involve trips abroad as part of the Grant Holder's research.

Grant Holders are not allowed to enrol in degree courses, specialisation degrees (specialistica/magistrale), funded PhDs or medical specialisations in Italy or abroad. Nor is holding a research grant compatible with enrolment at specialisation schools. An employee of the Public Administration must be placed on unpaid leave.

#### **Art. 7 - Confidentiality and intellectual property**

Should the Grant Holder come into contact with information or data covered by confidentiality agreements signed by the Department for which he/she works during the performance of his/her duties, then the Grant Holder hereby pledges to keep all of this information and data confidential.

Attribution of the right to register a patent for the inventions produced on the basis of any scientific research activity carried out with the facilities and funds of the University of Padua is generally governed by the University's Patent Regulations.

#### **Art. 8 - Tax, social security and insurance**

The grants within this present announcement are governed by a series of laws:

- Art. 4 of Law no. 476 dated 13 August 1984, for tax;
- Art. 2, paragraphs 26 and following of Law no. 335 dated 8 August 1995, plus subsequent amendments and additions, for social security;
- the Ministry of Labour and Social Security decree dated 12 July 2007 for maternity leave (see Official Gazette no. 247 dated 23 October 2007);
- and Art. 1 paragraph 788 of Law no. 296 dated 27 December 2006, plus subsequent amendments, for sick leave.

The University shall provide insurance coverage for accidents and civil liability in accordance with the conditions stated in the policies taken out by the University.





Should the Grant Holder be sent on leave for official university business, then the costs shall be sustained by the Research Project Supervisor's funds, or by the Grant Holder from his/her research funds, or by the host organisation in accordance with the University Regulations Governing Leave for Official University Business.

#### **Art. 9 - Verifying the Grant Holder's activity**

The evaluation method, determined by the Board of the Department which publishes the selection announcement, comprises the following:

At the end of the research assignment, the Grant Holder shall present the Director of the Department of Economics and Management with a final report that includes a statement of the activity he/she has conducted and the results obtained. This report shall be accompanied by the Supervisor's assessment.

#### **Art. 10 - Final Provisions**

For anything not specified within this present announcement, reference shall be made to the provisions of Law no. 240/2010, to the University of Padua's current Regulations Governing Research Grant Awards in accordance with Art. 22 of Law no. 240/2010, and to current law.

The University Administration reserves the right to verify a candidate's self-certifications and statutory declaration, in accordance with Italian Presidential Decree DPR 445/2000, at any stage of the procedure. If the aforementioned statements are found to be false, then the declarer shall forfeit any benefits that he/she may have gained from the false statements, without prejudice to any sanctions envisaged by the Italian criminal code or by special laws governed by Art. 76 of Italian Presidential Decree DPR no. 445/2000.

The person responsible for the selection process is the Head of Department of Economics and Management "Marco Fanno", Professor Giulio Cainelli.

#### **Art. 11- Handling Personal Data**

Treatment of personal data complies with the general elements of EU General Data Protection Regulation (GDPR, 27.04.2016 no. 679)

Personal data provided by candidates in print or electronic format is processed for the purposes of this announcement and the entering into and managing of the relationship with the University, strictly for the period relevant to administration of the grant.

The data obtained for this selection process is necessary for the administration of this selection announcement and, in the case of sensitive information, is handled in accordance with Law no. 68/1999 and Law no. 104/1992.



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Complete version of information note on processing of personal data is available on this link:  
<http://www.unipd.it/privacy>.

Padova, 3/10/2019

The Head of Department of Economics and  
Management "Marco Fanno"

Professor Giulio Cainelli

