**CIFR’S RESEARCH FUNDING GUIDELINES**

**What is CIFR’s approach to funding research and disseminating research outputs?**

The Centre for International Finance and Regulation (CIFR) has been funding academic research designed to inform financial industry policy makers, regulators and other industry participants since 2012. We began by inviting researchers from our consortium member universities and research centres to submit expressions of interest in undertaking research on particular topics. If our Board Research Committee (BRC) considered the topic to be relevant and interesting, the research team was invited to submit a full research proposal. These proposals were reviewed by academic and industry experts and those that met the BRC’s requirements were allocated funding.

In mid-2013, CIFR decided to move to a ‘targeted’ funding model. This involved asking key stakeholders, such as ASIC, APRA, the RBA, Treasury and industry associations, to identify their research needs, and then inviting academics with experience and expertise in these areas to submit research proposals that address these needs. These proposals are reviewed by the BRC and allocated funding if their requirements are met.

CIFR is happy to work with researchers to ensure that their proposals meet the BRC’s requirements, and highlight the relevance and benefits of the research at the BRC meeting at which the proposal is being considered.

CIFR endeavours to ensure that all outputs of its research program are high quality, timely, relevant, easy to understand and useful. Unlike most other research funders, CIFR is committed to providing researchers with a broad range of opportunities to collaboratively disseminate their findings, including publication on the SSRN, on the CIFR website and in the CIFR newsletter; presentations to industry, government and financial regulators; media exposure; and video interviews.

**What are CIFR’s objectives?**

CIFR represents a strategic link between academia, financial regulators, policy makers and industry, promoting financial sector vibrancy, resilience and integrity, through leading research and education. The Centre seeks to fund new, innovative, multi-disciplinary research aligned with key themes.

**What does CIFR look for in a research proposal?**

CIFR favours research proposals that demonstrate **relevance**, **quality** and **value for money**, and can be completed within an acceptable **timeframe**. Specifically we look for:

* Research which is likely to provide innovative insights into ways in which the Australian financial industry might be strengthened.
* Proposals which include written endorsement by one or more of CIFR’s key stakeholders, such as ASIC, APRA, the RBA or Treasury.
* A high quality research team, with every member having a clearly defined role and sufficient experience and expertise to carry out their role. We want to work directly with academic experts, and not have important work outsourced to junior academics or higher degree students. The inclusion of an eminent international scholar can be advantageous.
* A comprehensive data set that is available from affordable subscriptions.
* Robust research methodology.
* A realistic and responsible budget, with adequate justification for all expenditure, including teaching buyouts, research assistants, consultants, travel and data.
* A timeframe of no more than twelve months, so there will be sufficient time to effectively disseminate the research outputs and inform public policy.

**What does CIFR tend not to fund?**

* Unsolicited research projects that do not fit within CIFR’s targeted research model.
* Projects which are not clearly relevant to CIFR’s stakeholders.
* Projects with a timeframe of more than one year.
* Projects that do not represent value for money or where expenditure cannot be justified.
* Databases which primarily provide long-term benefits to the university / research team.
* Research inappropriately outsourced to non-academic consultants or inexperienced researchers.
* Costs associated with attending conferences (which are normally covered by in-kind contributions from the university), unless they are directly relevant to the project.
* Travel, accommodation and out-of-pocket expenses in excess of university guidelines.

The above dot points are guidelines, rather than rules. Individual circumstances are taken into account when assessing each proposal.

**Research topics**

While CIFR is willing to consider funding research on any topic of fundamental importance to our stakeholders, our research program focuses on three broad themes: systemic risk; market and regulatory performance; and financial market developments. These themes can be broken down as follows:

***Systemic risk***

* Understanding and managing systemic risk;
* Specific systemic risks; and
* Transmission of systemic risk through the global financial system.

***Market and regulatory performance***

(encompassing all forms of regulation, such as legislation, self-regulation codes and regulation by the market)

* Informed regulation;
* Regulatory system architecture;
* Regulatory performance and reform (e.g. assessment of performance, enforcement experience, prudential and accounting standards);
* Superannuation / managed funds;
* Effective measures for financial consumer / investor protection; and
* Development of new markets (e.g. corporate bonds, carbon emission and other environmentally-motivated markets).

***Financial market developments***

* Market quality measurements;
* Market innovation, complexity and integrity (covering products, services, technologies, markets, payment systems, counterparty risk, outsourcing);
* International capital markets (including risks and benefits in flows, diversification, different regulatory frameworks); and
* Financial market integration.