



Don Nakornthab
Head, Balance of
Payments Division
Bank of Thailand

Don Nakornthab is Head of Balance of Payments Division in the Monetary Policy Group. Since joining the Bank of Thailand in 2002, he has also been actively involved with the analysis of macroeconomic policy, inflation pressure, and especially financial imbalances to support the Bank's monetary policy decisions.

Dr. Nakornthab holds a Ph.D. and M.A. from Harvard University and a B.S. (with distinction) from Yale University.



**Phurichai
Rungcharoenkitkul**
Senior Economist
Bank of Thailand

Phurichai Rungcharoenkitkul has been with the Bank of Thailand since 2006, spending the first few years of his career as a financial market analyst before assuming policy-oriented responsibilities, including making monetary policy recommendation and building macro forecasting models.

Dr. Rungcharoenkitkul holds a DPhil and MPhil from Oxford University, and a BSc (First Class Honours) from the University of Bristol.

Marrying Monetary Policy with Macroprudential Regulation: Exploration of Issues

Abstract

Since the eruption of the global financial crisis in 2008, macroprudential regulation has become a mantra in the regulatory world. The soon-to-be-widespread adoption of macroprudential tools will inevitably affect the dynamics of the economy and consequently have a direct bearing on the conduct of monetary policy. This paper explores theoretically several issues surrounding the interplay between macroprudential regulation and monetary policy. Among the key issues examined are the economic stabilization role of rule-based macroprudential policy, the implications of a countercyclical capital requirement on the monetary transmission mechanism, and the optimal policy combination.