

[Working Paper No. 71](#)

Autor o Editor

Santiago Caicedo

Dairo Estrada

Mariana Laverde

Fecha de publicación

Thursday the 20th of December, 2012

In this document we develop a DSGE model to analyze the effect that a consumption boom and a productivity shock have over financial stability and macroeconomic variables, in both, an economy with and without Basel III capital requirements and earnings reinvestment rule. The results suggest that Basel III requirements have a positive impact over financial stability variables and that additional capital requirements do not restrict banking activity.