

Discussion of “How to Design Rules for Ex-Post Evaluation”

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Summary

- **Main point:** Regulations should be designed with ex-post evaluation in mind

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 - Ex-ante cost-benefit analyses (projections) are limited by uncertainty
 - Ex-post evaluations can yield more accurate estimates of realized costs
- Strategies to facilitate ex-post evaluation
 - Differentiated implementation
 - Selected examples: Tiering, staggered rollout, randomization
 - Dual reporting (behavior vs measurement changes)
 - Involve ex-post evaluation staff early in rulemaking process

Balanced view

- Benefits:
 - Support evidence-based policy adjustments (expand, modify or repeal rules)
 - Signal accountability through rigorous (external) causal analysis
 - Promote public trust through transparency
 - Strengthen legal defensibility of regulations
- Challenges:
 - Anticipation effects (behavior adjusts before implementation)
 - Disentangling short-term vs long-term effects
 - Multiple regulations triggered at the same threshold
 - Ethical concerns about unequal treatment in randomized trials

Comments

- Authorities design several regulations and collect data from financial intermediaries
 - Fortuitous differentiated implementation or sporadic natural experiments
- Intentionally create treatment/control groups in a systematic and structured way
 - Apple tree analogy
- Comments:
 1. Positioning
 2. Guidelines

Positioning

Comment 1: Position the paper in a broader context

- Currently positioned in US legal context
- Complement: Recent advances in causal inference
 - DiD (non-staggered, staggered), RDD (sharp, fuzzy), IV (Bartik, GIV), RCTs
- Alternative: Credibility revolution in econometrics (empirical research designs)
 - Angrist & Pischke (2010), Goldsmith-Pinkham (2024)

Guidelines

Comment 2: Discuss some guidelines or a few best practices for policymakers

- Complements paper's main point and aligns with its title
- Learning by doing okay, but already enough evidence to extract some lessons
- Also, some general guidelines seem reasonable:
 - Promote partnerships with academics to design implementation or assess effects
 - Ensure replicability (even though data might be proprietary, codes might not)
 - Allow researchers to use different research methods whenever possible

Conclusion

- Must-read paper for policymakers
 - Critical point: Institutionalize methods for an evidence-based regulatory system
- Comments:
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