

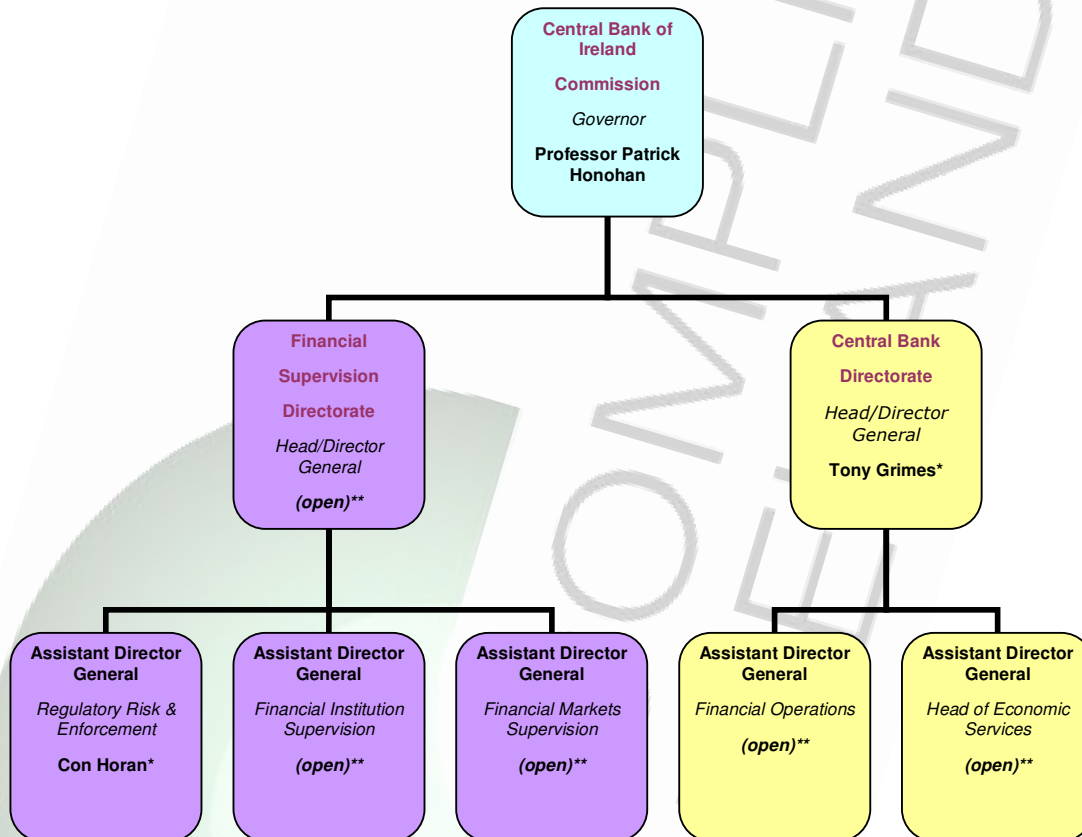


REGULATORY UPDATE 7/2009

Special Edition: Minister of Finance announces new Governor of Central Bank of Ireland

This newsletter is available online at:
<http://www.complianceireland.com/Newsletter.html>

Proposed regulatory structure following announcement of new Governor



* Con Horan and Tony Grimes were named to these positions in the Irish Times on Saturday 27 June 2009.

** the positions marked open are those advertised on the Central Bank's and Financial Regulator's websites today, with the exception of the ADG Financial Markets Supervision role.

The Minister for Finance, Mr. Brian Lenihan T.D., announced today (Thursday 3 September 2009) his decision to appoint Professor Patrick Honohan as the next Governor of the Central Bank. The current Governor, Mr. John Hurley will retire on the 25th September 2009. Professor Honohan is currently

Compliance Ireland

Professor of International Financial Economics and Development at Trinity College Dublin. Professor Honohan is an outsider by virtue of being the first non-civil service appointment to the role. Perhaps this a trend which should continue for all senior posts within the forthcoming Central Bank of Ireland Commission (CBIC)?

Based upon today's statement by the Minister and pulling together various sources of data about the possible structure and appointees to the senior positions at the CBIC, the above organisational chart was put together.

To many some financial services firms, domestic and overseas, Professor Honohan may not be familiar. However followers of www.irisheconomy.ie have been provided a very good opportunity to understand the thinkings and works of Professor Honohan who regularly contributes to that website. Indeed regular contributors to the website are the very people which the media is now turning to for independent comment on issues like NAMA, the economy and financial regulation. Professor Honohan's full Curriculum Vitae is available at <http://www.tcd.ie/Economics/staff/phonohan/>.

The appointment of Professor Honohan meets all the criteria of what a governor of a central bank should be – i.e. academically renowned, able to reduce complicated matters to their basic elements, analyses critically the impact of government policy on international markets and the public but *most importantly acts independently*. This last quality is one which should encourage everyone in financial services and those that depend upon the industry that the CBIC will become a potent leader in fostering financial stability, sound prudential regulation and, as a by-product, higher levels of consumer safeguards.

The staff of the Central Bank and the Financial Regulator should be heartened by Professor Honohan's appointment as it should not only provide vision, strategic leadership and independence at these organisations but will help restore confidence in, and morale within, the regulatory bodies.

The Minister's press release notes that "*Professor Patrick Honohan is highly regarded internationally as an expert on banking and financial systems. His experience in the various positions he has held during his career, including the Central Bank, the World Bank and the academic world will be of enormous value to him in working through the difficulties which the Irish Financial System faces*". The Minister also states that "*Throughout this financial crisis I have sought the views of Professor Honohan and he has consistently provided valuable advice. I look forward to working with him in his new role.*" ([click here](#)).

The current Governor John Hurley leaves with the good wishes of the Minister of Finance. In fact the Minister provides quite a slap on the back (no doubt deservedly) for the exiting Governor. The Minister wrote seven paragraphs on Mr Hurley outlining his credentials and thanking him for his work. One might compare this to the very short and terse statement issued upon the retirement of Patrick Neary (the last permanent Chief Executive of the Irish Financial Services Regulatory Authority) in February this year (2009). At the time, the Department of Finance simply said "*The Minister notes the retirement of the Authority's Chief Executive*" ([click here](#)).

More information on the new Governor of the Central Bank (courtesy of www.finance.gov.ie)

Patrick Honohan is Professor of International Financial Economics and Development at Trinity College Dublin. He took up this position in April 2007, after spending almost a decade at the World Bank where he was Senior Advisor on financial sector policy. Previously he was Research Professor with the Economic and Social Research Institute, Dublin (1990-98), Economic Advisor to Taoiseach Garret FitzGerald (1981-82 and 1984-86) and he also spent several years as an economist at the Central Bank of Ireland (1976-81 and 82-4), and at the International Monetary Fund (1971-73).

Compliance Ireland

His position in the World Bank entailed the provision of policy advice to numerous central banks and governments around the world. He was influential in the design and implementation of the IMF-World Bank Financial Sector Assessment Program as applied to developing countries from its initiation in 1999.

In his earlier career in the Irish Public Service and at the ESRI he contributed policy advice directly or indirectly to successive Governments.

A graduate of University College Dublin, he received his Ph.D. in Economics from the London School of Economics in 1978. He has taught Economics at the LSE and at the University of California–San Diego, the Australian National University and University College Dublin, as well as at Trinity College Dublin.

In recent years, Dr. Honohan's research has mainly focused on monetary and financial sector policy. His specialist work on financial crises includes an evaluation of how different policy approaches have affect the overall cost of these crises in both developing countries and advanced economies. He has also studied exchange rate regime choice. More recently, he has been working on access of low income households to financial services. His books (jointly authored) include *Systemic Financial Crises*, *Finance for Growth*, *Financial Liberalization: How Far, How Fast?* and *Finance for All?*

His academic work on the Irish economy includes analysis of the fiscal crisis of the 1980s, the performance of Ireland in the euro zone and before that in the European Monetary System, the role of multinational corporation profits and the interaction of unemployment and migration.

He is a member of the Royal Irish Academy and Past-President of the Irish Economic Association. Patrick Honohan is married with one son.

Professor Patrick Honohan's full Curriculum Vitae is available at <http://www.tcd.ie/Economics/staff/phonohan/>

Compliance Ireland Regulatory Services Limited

email@complianceireland.com

To subscribe to future editions of this newsletter, send an email to news@complianceireland.com with 'subscribe' in the header. Be deleted by sending an email to deleteme@complianceireland.com at anytime

Our Newsletters, briefings and news alerts serve only to alert readers to recent developments and to act as preliminary, but not comprehensive or definitive guides. Always contact your professional adviser when ascertaining your legal or regulatory rights and obligations. Any reliance you place upon any information published herein, on www.complianceireland.com, www.mifid.ie, www.antimoneylaundering.ie and/or on www.privacy.ie (the 'services') is at your sole risk.

***Compliance Ireland** reserves the right without any obligation, to make amendments or improvements to, or withdraw or correct any error or omission in any portion of, the services without notice.*

***Compliance Ireland** provides the services on a free and on an "as is" basis and expressly disclaims any and all warranties, express or implied including without limitation warranties of satisfactory quality, merchantability and fitness for a particular purpose, with respect to the services or any materials and products*

Visit our other informative websites – www.mifid.ie, www.antimoneylaundering.ie, www.privacy.ie, www.compliancejobs.ie and www.complianceireland.com

© Compliance Ireland Regulatory Services Limited 2009

Newsletter 7/2009 – September 2009

page 3/3

© Compliance Ireland Regulatory Services Limited
www.complianceireland.com / email@complianceireland.com