

[Home](#)

[News](#)

[Irish](#)

[European](#)

[International](#)

[Analysis/Comment](#)

[RSS FEED](#)

[XML](#)

How to use our RSS feed



[Ads by Google](#)

- [Irish Gifts](#)
- [Irish Blankets](#)
- [Irish Towels](#)
- [Irish Bed Linens](#)
- [Vietnam Economy](#)

[Web](#) [Finfacts](#)

[Google Search](#)

See Search Box lower down

[Irish health insurance](#)

Compare prices and plans. Find the best deal for you and your family  
[www.irishhealthinsurance.com/](http://www.irishhealthinsurance.com/)

[ECA International](#)

Cost of living, pay, benefits, tax: data & expertise for IHR managers  
[www.eca-international.com](http://www.eca-international.com)

Ads by Google

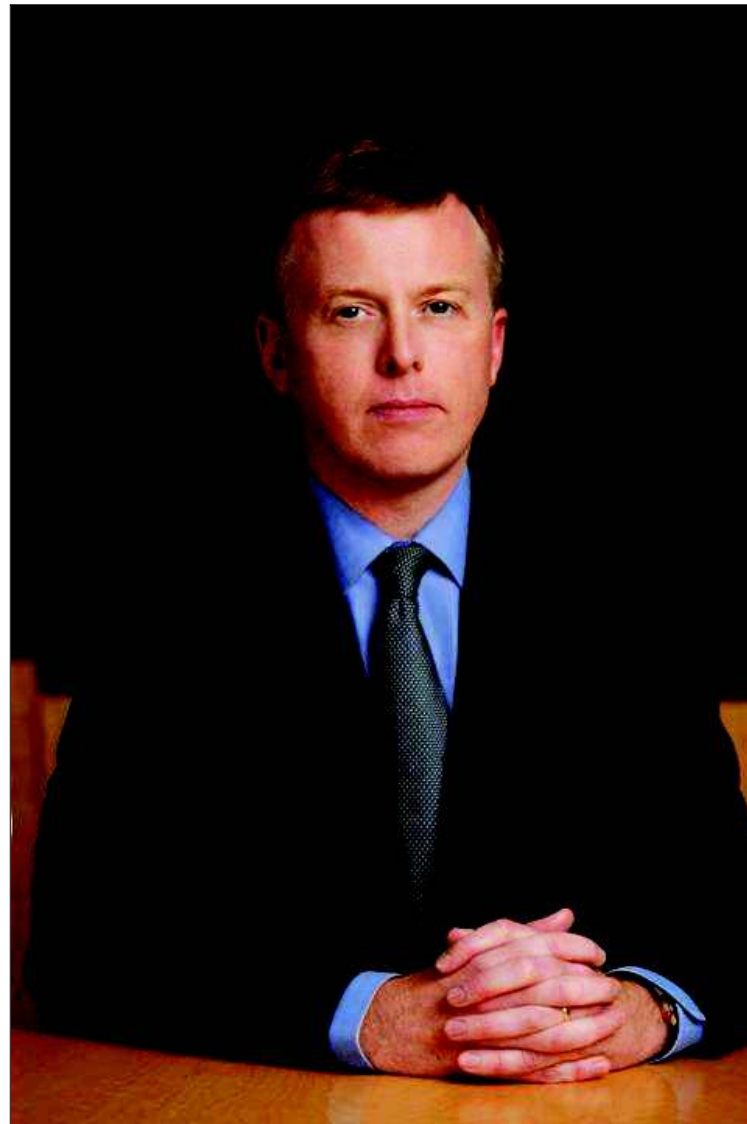
## NEWS : IRISH

Last Updated: Mar 12, 2010 - 5:47:11 AM

### New head of financial regulation in Ireland outlines plans for more effective supervision

By Finfacts Team  
Mar 12, 2010 - 5:41:30 AM

[Email this article](#)  
[Printer friendly page](#)



Matthew Elderfield, Head of Financial Regulation, Irish Central Bank

The new head of financial regulation in Ireland, Matthew Elderfield, outlined plans on Thursday for a more effective supervision of the banking and financial sector, in his first [public speech](#).

Elderfield said the obvious conclusion is that weaknesses in regulation contributed to the financial crisis in Ireland. "Ireland is competing as a premier financial services centre. But you can't referee a Premier League match with one linesman and no red card in your pocket," the Leeds United fan said in an address at a Leinster Society of Chartered Accountants lunch.

Elderfield said it will be important to take a balanced and measured approach. While regulatory weaknesses did indeed contribute to the crisis, the Financial Regulator has also done a good job in many areas and has many dedicated and hard-working professionals fighting in the front line of the crisis to strengthen the financial system and protect Irish consumers.

Search

**IRISH**

**Latest Headlines**

[Innovation Ireland Taskforce's aspirational report: US banks / credit-card companies contribute most money for start-ups - - not venture capital companies](#)

[New head of financial regulation in Ireland outlines plans for more effective supervision](#)

[Taoiseach launches Innovation Ireland Taskforce report: Says important marketing message for Ministers to carry abroad for St. Patrick's Day](#)

[Irish deflation eased in February as consumer prices fell at an annual rate of 3.2%](#)

[Coughlan launches nine "transformational" Competence Centres for research and public investment of €56 million](#)

[Dempsey says Dublin Airport Authority can operate Dublin Airport's Terminal 2 - - T2 - - if it meets agreed benchmarks](#)

[IFSC accounts for €789.1 billion of €1.1 trillion of external Irish debt](#)

[Markets News Wednesday: Aer Lingus cuts 250 cabin crew jobs and pay 2 weeks redundancy per year of service; Tullow Oil reports a 93% drop in 2009 pre-tax profits](#)

[Glanbia reports 19% fall in 2009 pre-tax profits; Majority shareholder is interested in acquiring Glanbia's Irish dairy operations](#)

[Innovation Ireland Taskforce: Yet another 120,000 jobs plucked from the air by insiders?: In UK 2,900 high-tech companies in business since 1991 have only 40,000 jobs](#)

[Ryanair condemns Irish Government for losing "500 well paid engineering jobs for Ireland": Genuine or another publicity stunt?](#)

[Aer Lingus reports revenue fall of 11% in 2009 and operating loss before exceptional items of €81.0m; Board to meet on restructuring plan](#)

[New Irish car sales in February rose strongly compared with lows of February 2009](#)

[Conditions at Irish construction firms worsened again in February: Pace of contraction was the weakest in twenty-seven months](#)

[An estimated 345,000 houses or 17% of the Irish housing stock is vacant](#)

[Aer Lingus reports 32.4% plunge in long haul traffic in February](#)

this column for searches of Finfacts news pages. Where there may be the odd special character missing from an older page, it's a problem that developed when Interactive Tools upgraded to a new content management system.

### Welcome

Finfacts is Ireland's leading business information site and you are in its business news section.

We provide access to live business television and business related videos from: Bloomberg TV; The Wall Street Journal; CNBC and the Financial Times. Click image:



### Links

- [Finfacts Homepage](#)
- [Irish Share Prices](#)
- [Euribor Daily Rates](#)
- [Irish Economy](#)
- [Global Income Per Capita](#)
- [Global Cost of Living](#)
- [Irish Tax 2008](#)
- [Climate Change Reports](#)

### Global News

- [Bloomberg News](#)
- [CNN Money](#)
- [Cnet Tech News](#)

### Newspapers

- [Irish Independent](#)
- [Irish Times](#)
- [Irish Examiner](#)
- [New York Times](#)
- [Financial Times](#)
- [Technology News](#)

- [Feedback](#)

### Search Finfacts News Pages



All Categories  
[Advanced Search](#)

### [Content Management](#)

**Irish health insurance**  
Compare prices and plans. Find the best deal for you and your family  
[www.ajshort.ie/health\\_insurance/](http://www.ajshort.ie/health_insurance/)

**eircom Business Broadband**  
We Help You Choose The Broadband Package To Suit Your Internet Needs  
[business.eircom.net/broadband](http://business.eircom.net/broadband)

**Global location benchmark**  
fDi Benchmark from the FT - authoritative site selection tool.  
[www.fDiBenchmark.com](http://www.fDiBenchmark.com)

**Health Insurance Ireland**  
Best Value - Best Cover Contact Us Today to Save Money!  
[www.CKFinancial.ie](http://www.CKFinancial.ie)

Ads by Google

- [Inconvenient Truths: ESRI responds to criticism of Irish waste management policy report; Gormley commissions new report from high fee lawyer on incinerator plan for his constituency](#)
- [Grafton Group reports revenue fell 26% to €1.98bn in 2009; Pre-tax profits dipped 79% to €13.6m](#)
- [Irish National Pension Framework: Retirement age to be raised eventually to 68; New mandatory "auto-enrolment" pension to be introduced in 2014](#)
- [Irish retail sales dipped 17.3% in month of January 2010](#)

However, he said "it is already clear to me that we need to undertake a fundamental overhaul of the regulatory model for financial services in Ireland. We need to address the obvious weaknesses that have caused problems here and also keep pace with best practice internationally, as regulators around the world are reassessing their approach."

He said he intended to implement a framework of assertive risk-based regulation underpinned by the credible threat of enforcement. "We need to insist that the biggest and riskiest firms manage themselves better and that firms and their management are held more accountable for their actions."

"A risk-based model means that we will not have a one size fits all approach," Elderfield said. "We need to be balanced and proportionate depending on the risk of the sector or firm in question."

To be effective regulation needs to be underpinned by a credible threat of enforcement, the new Head of Financial Regulation added.

Peter Oakes, Managing Director & Company Solicitor [Compliance Ireland](#) commented: "Refreshingly Matthew Elderfield does not adopt a doomsayer's approach to Ireland's problems. Rather he looks ahead to the benefits that Ireland shall reap in the near future. Perhaps this is driven by his success in turning around the Bermudian financial market, in particular the insurance and reinsurance sectors, a skill he can deploy in Ireland with the advent of Solvency II."

SEE: Finfacts article, May 2009: [Irish Financial Regulator's failure to control property bubble contributed to economic crash and consumer wealth losses](#)

In June 2007, Sean FitzPatrick, then chairman of Anglo Irish Bank said in a speech that politicians and regulation may have been about to stifle growth as in the 1980s. "Having developed this marvellous entrepreneurial culture which is delivering so many benefits in terms of employment and wealth to the country we must ask ourselves if there is now a danger that our regulatory environment has gone too far? Are we starting to shackle instead of encourage the entrepreneurs who in turn generate more wealth not just for themselves, but for the country as a whole."

Stating that we may have reached a situation where the weight of compliance with the various financial reporting standards and other corporate regulations was so heavy that entrepreneurs are no longer willing to bear it, FitzPatrick said: "Among the more insidious and I believe iniquitous aspects of the current regulatory environment is its apparent presumption of guilt on the part of entrepreneurs and businesspeople generally. The whole structure seems to be geared towards an annual proof of innocence statement. This is corporate McCarthyism and we shouldn't tolerate it."

He said that we should be proud of our successful business people and not pillory them. "It is time to shout stop. The tide of regulation has gone far enough. We should be proud of our success, not suspicious of it. Our wealth creators should be rewarded and admired not subjected to levels of scrutiny which convicted criminals would rightly find intrusive."

FitzPatrick, a council member of the Institute of Chartered Accountants, was engaged in hiding huge loans to him from the bank over several years, when he made the speech.

On Thursday, the now State-owned Anglo Irish Bank began legal action against FitzPatrick in an attempt to recover unpaid loans of €70 million.

by  
interactivetools.com.

The bank gave FitzPatrick until this week to provide a repayment schedule for his loans.

A summary summons seeking judgment against FitzPatrick for €70.4 million was lodged with legal papers in the Central Office of the High Court yesterday. The case is due to be heard by the Commercial Court.

#### Related Articles

[IFSC accounts for €789.1 billion of €1.1 trillion of external Irish debt](#)

[Irish Life & Permanent reports loss of €310m in 2009; 22% of mortgage accounts in "negative equity"; 7,228 mortgage accounts in arrears for over 90 days](#)

[AIB reports loss of €2.3bn for 2009 after a bad debt charge of €5.4bn; First annual loss since bank was founded in 1966](#)

[Ulster Bank reports loss of £368m for 2009; Parent bank Royal Bank of Scotland reports loss of £3.6bn](#)

[Markets News Monday: Public stake in Bank of Ireland rises to 16%; Oil price above \\$80 in New York; Euro expected to fall further against dollar](#)

[Property related private sector lending accounted for 63% of total Irish private sector debt in December 2009; Manufacturing lending fell 20%](#)

[Bank of Scotland Ireland to close Halifax network with loss of 750 jobs; Entry to Irish mortgage market in 1999 resulted in significant increase in competition](#)

[Honohan says Government will provide further significant capital funding to the Irish banks in coming weeks](#)

[AIB Bank error in account classification results in overcharging on 40,000 accounts - - requiring average refunds of €100](#)

[National Irish Bank reports 2009 pre-tax loss of €661 million](#)

[Central Bank says in 2009 credit ex-valuations effects dipped 3.2% for Irish non-financial corporations; Household credit dropped 1.5% and residential mortgages were 0.3% lower](#)

[Markets News Afternoon: S&P downgrades Irish banks; Tullow agrees Uganda deal with heritage; Shares trade in narrow ranges](#)

[EU Commission requests Bank of Ireland to suspend coupon payments on some securities](#)

[Honohan calls for inquiry into Irish banking crisis similar to investigation of 9/11 security failures by the US Congress](#)

[National Irish Bank announces closure of 25 branches and 150 job losses](#)

[Markets News Afternoon: Honohan says Irish banks have good prospects; Shares fall in Europe; Oil price falls and US dollar rises](#)

[Markets News Afternoon: Permanent TSB to cut 120 jobs; Shares rise in Europe](#)

[Honohan says "ignorance and inattention" were at the heart of regulatory failure; IFSC group warns income tax hikes will cause job losses](#)

[Irish Financial Services Ombudsman awards €250,000 to ex-farming couple whose €2m investment fell to €1.6m](#)

[Central Bank says Irish residential mortgage lending fell for seventh straight month](#)

[AIB and Bank of Ireland announce EGMs to approve participation in "bad bank" NAMA - - discounts of 30% expected on transferred loans](#)

[Anglo Irish Bank begins legal proceedings for recovery of €8 million against former chief executive David Drumm](#)

[Bank of Ireland tells Office of the European Competition Commissioner that it will not require any more State aid](#)

[Markets News Tuesday: Irish Life & Permanent issues restructuring document ahead of EGM; Lloyds prices rights issue; Shares fall following China slide](#)

[FBD Holdings to post operating profits in both underwriting and non-underwriting businesses in 2009](#)

[Markets News Afternoon: Somers to join AIB board; European Commission approves restructuring of bailed out banks Lloyds, ING and KBC](#)

[AIB raises 2009 bad debt charges to €5.3bn](#)

[Irish Life & Permanent says new lending down 80%; Dependence on ECB borrowings falls to €7bn](#)

[New Irish mortgages issued down 56.4% in Q3 2009; AIB says it financed 40% of all residential property transactions in quarter](#)

Bookmark with:



digg



del.icio.us



redditt



Newsvine



stumbleUpon

[What are these?](#)