

Dé Máirt, 24 Feabhra, 2009
Tuesday, 24th February, 2009

2.30 p.m.

GNÓ COMHALTAÍ PRÍOBHÁIDEACHA
PRIVATE MEMBERS' BUSINESS

Fógra i dtaobh leasú ar Thairscint : Notice of Amendment to Motion

60. “That Dáil Éireann:

recognises that:

- reckless and incompetent management, regulation and oversight of the domestic Irish banking system has damaged domestic and international confidence in Ireland’s economy;
- the Irish economy cannot recover from the deepening economic depression without a functioning banking system that enjoys the trust of depositors, international markets and the community at large;
- there is growing market scepticism that the recently announced €7 billion recapitalisation plan for AIB and Bank of Ireland has been designed in a way that can restore the health of the Irish financial system and credit availability to Irish businesses and families; and
- there is a public perception that the resolution of this banking crisis is being manipulated in the interests of powerful and wealthy elites and that unless the Government addresses this suspicion in an open and transparent manner, it will not have the legitimacy needed to gain the necessary support for the painful measures needed to put our public finances and economy back on a sounder footing;

calls on the Government to:

- take more decisive action to restore the financial health and reputation of the Irish banking system as a prudent and responsible manager of investors’ capital and depositors’ savings and as a reliable source of credit for Irish businesses;
- engage more decisively with other EU Governments to agree a common EU model of bank recapitalisation and bad debt resolution that ensures that losses are absorbed first and foremost not by taxpayers but by those who took on the risk of funding the risky lending policies of the banks;
- replace the current board and senior management team of the Irish Financial Services Regulatory Authority (IFSRA);
- give the Office of the Director of Corporate Enforcement the lead role in all

investigations into recent transactions by banks, their investors and directors that may have breached both company law and financial regulation, given that IFSRA itself was at the centre of many of these transactions;

- reveal the names of the ‘Golden Circle’ of ten investors in Anglo Irish Bank, and outline what steps the Government and the bank are now taking to recover the associated €300m in debts on behalf of the tax-payer;
- open up the appointment of the next Governor of the Central Bank to open international competition and scrutiny by the Oireachtas;
- set a cap of €250,000 on the salaries (including bonuses and share options) of senior managers of financial institutions whose liabilities have been guaranteed by the State and/or in which the State has invested, until the guarantee has expired and the State investment has been repaid;
- publish an abridged version of the PricewaterhouseCoopers report into the loan exposures of all the banks whose liabilities have been guaranteed by the State; and
- insist that the banks provide a more credible estimate of their likely loan losses over the coming years prior to any form of State recapitalisation.” — *Richard Bruton, Enda Kenny, Bernard Allen, James Bannon, Seán Barrett, Pat Breen, Ulick Burke, Catherine Byrne, Joe Carey, Deirdre Clune, Paul Connaughton, Noel J. Coonan, Simon Coveney, Seymour Crawford, Michael Creed, Lucinda Creighton, Michael D’Arcy, John Deasy, Jimmy Deenihan, Andrew Doyle, Bernard J. Durkan, Damien English, Olwyn Enright, Frank Feighan, Charles Flanagan, Terence Flanagan, Brian Hayes, Tom Hayes, Phil Hogan, Paul Kehoe, Pádraic McCormack, Shane McEntee, Dinny McGinley, Joe McHugh, Olivia Mitchell, Denis Naughten, Dan Neville, Michael Noonan, Kieran O’Donnell, Fergus O’Dowd, Jim O’Keeffe, John O’Mahony, John Perry, James Reilly, Michael Ring, Alan Shatter, Tom Sheahan, P. J. Sheehan, David Stanton, Billy Timmins, Leo Varadkar.*

Leasú:

Amendment:

1. To delete all words after “Dáil Éireann” and substitute the following:

- “ — notes that the Government has taken determined and decisive action to restore, through the Bank Guarantee Scheme, recapitalisation and otherwise, the health and reputation of the financial system;
- notes that the Government has engaged with the European Commission and the ECB on the development of a common framework on capitalisation and has contributed to the development of a common approach to bad debt resolution;
- notes that the current board of IFSRA is engaged in an extensive and personnel intensive investigation of issues which have arisen in Anglo Irish Bank in co-operation with the Office of the Director of Corporate Enforcement and the Garda authorities;
- notes that the ongoing investigation has a criminal dimension and urges all Deputies to exercise the restraint essential to any successful prosecution as appropriate and otherwise;
- affirms that the Irish economy needs a functioning banking system that enjoys the trust of depositors, international markets and the community at large in order to withstand the current economic and financial position; and
- supports the Government’s structured and measured approach to the issues facing the financial sector which represents the best way to secure the position of the financial services sector generally while keeping in mind the requirements of the EU and the interests of the State; this approach includes:

- the guarantee on deposits up to September 2010 to stabilise the funding position of the banks and add a further level of protection for depositors;
 - the recapitalisation programme of Allied Irish Banks and Bank of Ireland and the commitment to look at the needs of other institutions;
 - the nationalisation of Anglo Irish Bank, necessitated by particular circumstances at the time, to provide protection and support;
 - consideration of further interventions, including possible extension of the guarantee for limited purposes and the reduction of risk associated with assets;
 - review and reform of the structures, role and functioning of the Financial Regulator and the relationship with the Central Bank in light of the current situation; the stated intention of the Minister for Finance is to bring proposals in this regard to Government as a matter of urgency;
 - the ongoing commitment to work with the EU to frame a common approach to the issues faced by the financial services sector; and
 - to progress work already commenced in relation to remuneration of senior executives and board members in Allied Irish Banks and Bank of Ireland in light of the report of the Covered Institution Remuneration Oversight Committee (CIROC), headed by Mr. Eddie Sullivan, which is due to report on this matter by 5th March, 2009, and which will include a cap on the salaries of senior executives;
- expresses its confidence in the Government's measures to stabilise and revitalise the banking system.” — *An tAire Airgeadais*.