

History of the Central Bank – A chronology of main developments 1943 - 2003

The Early Years and Consolidation: 1943-1964

1943

1 February

Currency Commission dissolved. The Central Bank of Ireland is established with particular powers and functions, the most important of which is “safeguarding the integrity of the currency” and, echoing a phrase from Article 45 of the State’s Constitution, ensuring that “in what pertains to the control of credit the constant and predominant aim shall be the welfare of the people as a whole.”

[Central Bank Act, 1942, (No. 22 of 1942), Section 6(1)].

However, certain functions regarded in other countries as characteristic of central banks were not assigned to the Central Bank:

- It did not acquire custody of the cash reserves of the commercial bank.
- The Bank of Ireland retained its position as banker to the government.
- The new institution had no statutory power to restrict credit, though it could promote its expansion (the conditions for influencing credit by open-market operation did not exist).
- Ireland’s external monetary reserves continued to be held largely in the form of the external assets of the Associated (i.e., clearing) Banks –

the former shareholding banks in the Currency Commission.

The President of Ireland, on the advice of the Government, appoints Dr. Joseph Brennan as Governor for a statutory 7-year term. He presides over an eight-person Board of Directors:

- Banking Directors [Associated Banks' nominees (3)]
- Persons in the permanent service of the State (2).
- others with appropriate expertise (3) – appointed under the 1942 Act by Minister for Finance, following transitional arrangements, for 5-year terms of office.

Mr. Richard T. McGuinness, former Secretary to the Currency Commission, becomes Secretary to the Board. The Central Bank is established in the former Currency Commission's offices in Foster Place.

23 November

The Board of the Central Bank fixes the minimum rate for rediscounting different classes of bills at 2½ per cent (The 1942 Act empowers the Bank to fix and publish from time to time the minimum rate or rates at which it would rediscount Exchequer Bills, other public sector bills and bills of exchange.). The rate remained unchanged until 25 March 1952 (see Appendix). No rediscounting took place until 1955.

1946

| | |
|----------------------------|---|
| July | Central Bank draws attention in its Annual Report for 1945/46 to the need for restraint in prices, wages and expenditure. |
| 1947 8 October | The paper, Some Aspects of Cheap Money, is presented by the Governor to the centenary session of the Statistical and Social Inquiry Society of Ireland. |
| 1949 December | Marshall Aid. - American Loan and Grant Counterpart Accounts opened at the Central Bank for the Minister for Finance. |
| 1950 October | Central Bank Annual Report for 1949/50 refers to the effect on net external assets of a persistent annual current balance-of-payments deficit. |
| December | Central Bank becomes a shareholding member of the Bank for International Settlements. |
| 1951 24 October | Central Bank expresses strong views in its Annual Report for 1950/51 on the domestic factors influencing the continued deterioration in the current balance of payments. |
| 1953 31 March | Resignation of Governor Brennan announced, following disagreement with the Government over opinions on economic and financial policy published in the Bank's recent Annual Reports. |
| 1 April | Dr. James J. McElliott, former secretary of the Department of Finance, is appointed Governor. |

| | |
|---------------------------|---|
| December | The Board of the Central Bank approves a proposal (of the Department of Finance) that up to US\$1 million a year of the proceeds of the sale of dollar securities in Irish ownership should be purchased for the Bank's General Fund. |
| 31 December | Consolidated Bank Notes – issue terminated. |
| 1954 April | The Board of the Central Bank agrees to active participation in the market for government securities. The Governor is given discretion to buy and sell government securities (which complied with provisions of Section 7 of the <i>Central Bank Act, 1942</i>). |
| 1955 13 April | First rediscounting of commercial Bills of exchange (for Tea Importers Ltd., a State-sponsored company). [Rediscounting of commercial bills ceased in November 1959.] |
| 31 December | Secretary to the Central Bank's Board of Directors, Mr. Richard T. McGuinness, retires. |
| 1956 1 January | Mr. William J. Meagher appointed Secretary to the Bank's Board of Directors. |
| 2 January | First rediscounting of Exchequer Bills, for a bank. |
| January | Central Bank's Quarterly Statistical Bulletin (QSB) draws attention to the importance for credit policy of the ratio of net external assets to banks' liabilities within the State. [Subsequently (January 1959 QSB) the 1955 and 1956 levels of this 'Central Bank Ratio' were deemed to |

be minimum levels of bank liquidity for the Associated Bank.]

22 August

Legal Tender Note Fund – US currency and securities admitted to the Fund, (In August 1957, Canadian dollars purchased for the General Fund.)

**1957
June**

Discussion of the powers, functions and future role of the Central Bank in its Annual Report for 1956/57.

July

Central Bank is appointed the depository for holding of Irish currency and other assets of the International Monetary Fund (IMF) and the International Bank for Reconstruction and Development (World Bank) under the *Bretton Woods Agreement Acts, 1957*. [The Bank was given a similar role when the *International Finance Corporation Act, 1958*, and the *International Development Association Act, 1960*, were enacted. On 1 July 1969, the *Bretton Woods Agreements (Amendment) Act, 1969*, transfers to the Bank functions previously performed by the Minister for Finance relating to payments and receipts from the IMF. Assets represented by the gold tranche and creditor position in the IMF are vested in the Bank.]

30 September

From this date changes in the Central Bank's minimum rediscount rate timed usually to coincide with changes in Associated Bank interest rates (which reflected closely movements in United Kingdom rates).

**1958
June**

Capital Investment Advisory Committee, established by the Minister for Finance on 30 November 1956 issues

its Third Report. The Central Bank's Economist, Mr. Josef Oslizlok, was joint Secretary to the Committee.

1 November

Regulations [(No. 1) 1958] made under the *Central Bank Act, 1942* (Section 51) requires every licensed banker to settle all clearances, arising from the exchange of cheques and other instruments between members of the Dublin Bankers' Clearing Committee, by cheques drawn on the Central Bank and to make and maintain with the Bank such balances as might be necessary for this purpose. Interest to be paid on clearing balances.

1959

May

Legal Tender Note Fund – Government securities for Central Bank advances to the Minister for Finance under the Bretton Woods Agreements Acts admitted to the legal Tender Note Fund by Order of the Minister (S.I. No. 92 of 1959).

1960

October

Central Bank decides to relate the minimum rediscount rate to the highest rate accepted at the preceding public tender for Exchequer Bills and to fix and publish it monthly: implemented in November (see Appendix).

31 December

Governor McElligott retires.

1961

1 January

Dr. Maurice Moynihan, former secretary to the Government, appointed Governor.

29 August

By order of the Minister for Finance (S.I. No. 186 of 1961) assets in which the Legal Tender Note Fund

may be held expanded to include a balance in the General Fund.

25 October

Review of functions and activities of the Central Bank, initiated by the Governor, submitted to the Board.

31 October

Secretary to the Central Bank's Board of Directors, Mr. William J. Meagher, retires.

1 November

Mr. Christopher A. Carroll appointed Secretary to the Bank's Board of Directors

1962

Discussions with the Department of Finance about the Central Bank becoming the Government's banker.

10 July

Question raised with the Department of Finance (in the context of discussions about becoming banker to the Government) regarding the transfer to the Central Bank of the external holding of Departmental funds.

1 December

Central Bank proposes to the Department of Finance that the prohibition on payment by the Bank of interest on deposits [*Central Bank Act, 1942*, Section 7(1) (b)] be removed.

December

Tax Reserve Certificates introduced – issue and management entrusted to the Central Bank by the Minister for Finance.

1963

10 May

The paper, Survey of Sources of Monetary Supply in Ireland, is presented by the Bank's Economist, Mr.

Josef Oslizlok, to the Statistical and Social Inquiry Society of Ireland.

1964

3 March

Central Bank Act, 1964 (No. 3 of 1964), comes into force. The main provision is the removal of the prohibition in Section 7(1)(b) of the 1942 Act on the payment of interest on deposits in the General Fund.

A memorandum for the Board, The State of Research Work at the Central Bank of Ireland, leads to extra resources being provided for economic and monetary research.

EXPANDED ACTIVITIES AND FUNCTIONS:
1965 – 1972

1965

January

Redesign of Central Bank Quarterly Bulletin; monetary and financial analysis expanded.

3 May

Minister for Finance delegates to the Central Bank the normal day-to-day operations of exchange control.

13 May

Credit advice given to Associated Banks. The first occasion on which the Central Bank formally advised banks to restrict the increase in their aggregate credit. The issue of credit advice, including quantitative guidelines, by the Bank continued to form part of its expanding role in following years and was extended to non-Associated banks in 1969/70.

May/June and September

Management of two Government loans assigned to Central Bank.

| | |
|-------------------------|---|
| October | Quarterly Bulletin. - Publication of first (quarterly) issue of the Supplement to the Statistical Appendix. |
| 30 September | Central Bank takes up some £20 million of Government securities to help finance the residual Exchequer borrowing requirement. |
| December | Central Bank adopts a new official seal, based on a 1926 coinage design. |
| December | National Bank Ltd.'s Irish operations acquired by the Bank of Ireland (Hibernian Bank Ltd. in 1958). Final legal amalgamation of these three associated Banks took place in Spring 1972. |
| 1966 January | Government draws on first tranche (US\$22.5 million) of IMF quota through the Central Bank. |
| 12 April | Commemorative Coin - Silver coin of ten shillings denomination issued through the Central Bank on the occasion of the 50 th anniversary of the Easter Rising, 1916. |
| September | New bank holding company, Allied Irish Banks Ltd., established by three Associated Banks (The Munster & Leinster Bank Ltd., Provincial Bank of Ireland Ltd. and The Royal Bank of Ireland Ltd.). Final legal amalgamation of these three banks took place in Spring 1972. |
| 1967 | |

| | |
|----------------------------|--|
| June | Monetary Statistics - Expansion of statistics published by the Central Bank to cover non-Associated banks and hire-purchase finance companies. |
| 7 November | Central Bank announces a proposal to erect a new office building (including vaults) in Dame Street, Dublin, “specifically designed to meet the present and foreseen requirements of the Bank”. |
| 1968 24 January | Reorganisation of the Central Bank’s operational and management structure. |
| March | Diversification of the Central Bank’s external assets begins; sterling holdings reduced. |
| 16 July | Governor’s speech - “The Role of a Central Bank”, to 21 st International Banking Summer School, Trinity College, Dublin (Governor Moynihan, shortly after he retired from office on 16 May 1969, gave the John Busted memorial lecture, “The Central Bank of Ireland”, at University College, Cork.). |
| 25 September | Basle Facility for Sterling guarantees the value, in terms of US dollars, of portion of Ireland’s sterling external assets: the arrangements expired finally at end-March 1974 and the diversification of the official external reserves was resumed. Centralisation of external assets of banks at the Central Bank commences; a process, that along with the transfer to the Bank of remaining Departmental funds (begun in 1964), was completed in 1969/70. |

| | |
|--------------------|--|
| 2 October | Report of the Committee on the Functions, Operation and Development of a Money Market in Ireland, established by the Central Bank on 7 June 1967, submitted to the Governor. The Report was published on 2 May 1969. |
| | Central Bank begins acquiring the banks' surpluses of major foreign currencies. |
| | Central Bank extends the range of short-term deposits accepted by it from banks. |
| 1969 | |
| 28 February | Governor Moynihan retires. |
| 1 March | Dr. T. Kenneth Whitaker, former Secretary of the Department of Finance, appointed Governor. |
| 25 April | Central Bank assumes administrative responsibility for the issue of Exchequer Bills from the Minister for Finance. Bills, issued previously to banks, also issued to the public. Frequency of issue increased from quarterly to monthly. |
| July | Central Bank takes steps to improve the marketability of short-dated Irish Government securities. |
| August | External reserves. Central Bank starts to reduce its gold holdings. |
| 13 October | Signed article section introduced in Central Bank's Quarterly Bulletin. |

| | |
|-----------------------------------|--|
| December | Central Bank becomes the registrar of a National Loan for the first time. |
| 1970 | Management Committee established at the Central Bank. |
| July – December | Central Bank acquires site at Sandyford, Co. Dublin, for development as a currency centre for printing currency notes and minting coin. Expansion of the Central Bank’s function as registrar for Government stocks. Central Bank commences supplying major foreign currencies to banks. |
| 14 October | Secretary to the Central Bank’s Board of Directors, Mr. Christopher A. Carroll, retires. |
| 15 October | Mr. Bernard J. Breen appointed Secretary to the Central Bank’s Board of Directors. (Mr. Breen appointed Bank’s General Manager on 24 January 1973). |
| 10 November | Central Bank’s external reserves management function - “The management of official monetary reserves is a matter for the Central Bank, acting within its statutory powers.” (Minister for Finance in Dáil). |
| 1971 15 February | Decimal currency system introduced under <i>Decimal Currency Acts, 1969 and 1970</i> . Some decimal coins had already been issued (5 and 10 pence on 3 September 1969, 50 pence on 17 February 1970). |

| | |
|------------------|--|
| July | Associated Banks' Dispute (May – October) 1970. Publication by the Central Bank of a Survey of the Economic Effects of the Dispute. |
| 31 August | Disturbances on international foreign-exchange markets lead to supplementary exchange-control measures being introduced. |
| September | <p><i>Central Bank Act, 1971</i> (No. 24 of 1971) comes into operation. Its principal provisions confer responsibilities on the Bank for:</p> <ul style="list-style-type: none"> • licensing and supervision of banks • ensuring access to clearing facilities and charges applied by clearing banks to non-clearing entities • providing for the transfer of the Exchequer Account to the Bank (took place on 1 January 1972) • expanding the monetary policy powers of the Bank; in repealing Section 4 of <i>Currency Act, 1927</i>, providing changes in the exchange rate of the Irish pound can be made by Government Order, after consultation with the Bank • reducing the maximum number of Banking Directors from 3 to 2 (to be appointed by the Minister for Finance after consultation with the Governor, from members of Associated Banks' Boards) |
| Autumn | Publication of licensing and supervision requirements and standards for banks in Central Bank Quarterly Bulletin. |
| December | At the initiative of the Central Bank, certain Deutsche Mark, Swiss franc and French franc indebtedness of the |

Electricity Supply Board, amounting to £22 million, discharged.

21 December

Exchange-control measures of 31 August discontinued following Smithsonian (Washington, D.C.) Agreement of 17-18 December, which resulted in realignments of major foreign currencies.

**1972
April**

Associated Banks introduce a term lending system, following agreement with the Central Bank.

September

Initiation of formal study in the Central Bank of implications of Irish pound's one-for-one no-margins sterling link for the economy.

13 November

Central Bank establishes a Central Exchange for the clearance of cheques, payable orders and other payment instruments.

Autumn

Credit Policy - Central Bank introduces liquidity ratios (primary and secondary) for licensed banks.

DEVELOPMENT OF FINANCIAL MARKETS AND INSTRUMENTS: 1973 – 1988

**1973
1 January**

Accession of Ireland to the European Communities - The Governor of the Central Bank becomes a member of the Committee of Governors of EEC Central Banks and of the Board of Governors of the European Monetary Cooperation Fund.

6 February

Credit Policy - Liquidity ratios raised; introduction of a 50 per cent deposit requirement at the Central Bank for

capital inflows through licensed banks; any rediscounting by the Bank to take place at higher than minimum rediscount rate; banks advised not to increase private-sector credit to non-productive sectors, i.e., financial, property companies and personal.

Spring

Redesign of Central Bank Quarterly Bulletin.

July

Central Bank's Annual Report for 1972 – 73 draws attention to the implications for the economy of the rapid rise in public expenditure which has taken place in recent years.

New Premises (Dame Street). - Building work interrupted following planning difficulties.

1974
26 February

Central Bank's role in managing the market in short-dated Government securities expanded to cover those falling into the three- to five-year maturity range.

March

As an exceptional measure, the Central Bank provides £20 million through an uptake of Government securities to help finance residual Exchequer borrowing requirements.

May

Central Bank's note printing works at Sandyford, Co. Dublin, becomes operational.

21 June

Credit Policy - Credit restrictions on licensed banks reinforced by provisions for special deposits at non-commercial rates of interest (lending for housing exempted).

| | |
|--------------------------|---|
| July | Central Bank expresses concern in its Annual Report for 1973/74 at the extent to which the rising volume of public expenditure has to be financed by foreign borrowing. |
| Summer | Further studies in the Central Bank of alternative exchange-rate regimes to the link with sterling. |
| Autumn | Re-orientation of economic model underlying monetary policy along the lines of the monetary approach to the balance of payments. |
| December | As holder of the Exchequer Account, the Central Bank provides an overdraft facility for the Minister for Finance limited to £14.2 million. |
| 1975 18 March | Internal Audit function set up by the Central Bank. (Subsequently, on 5 June 1980, a Financial Control Committee was established.) |
| Spring | Revised licensing and supervision requirements and standards for banks published in the Central Bank's Annual Report. |
| Spring | Central Bank offer detailed fiscal advice to the Government and in its Annual Report stresses that "a change in the exchange rate is not a magic wand which will make domestic pressures and difficulties disappear." |
| Spring | Credit Policy - Limitations on bank lending to the personal and financial sectors are relaxed. |

| | |
|-------------------------|---|
| Spring | New Premises (Dame Street) - Building work recommenced following resolution of planning problems. |
| Summer | First publication (in the Central Bank's Quarterly Bulletin) of formal national accounts forecasts. The Bank offers temporary finance for the Exchequer if the (Supplementary) Budget dispositions are adhered to and income restraint is made effective. |
| July – December | Central Bank provides £50 million to the Government in connection with the special IMF oil facility. |
| 1976 January | Central Bank states, in the Winter issue of its Quarterly Bulletin, that Government borrowings from the banking system and from abroad are of such proportions as to render monetary policy impotent. |
| 29 February | Governor Whitaker retires. |
| 1 March | Mr. Charles H. Murray, former Secretary of the Department of Finance, appointed Governor. |
| 26 March | Irish Trust Bank Ltd – liquidator appointed by the Supreme Court. |
| April | Central Bank's Mint at Sandyford, Co. Dublin, commences operation. |
| April | Credit Policy - Suspension of the special 50 per cent deposit requirement on capital inflows through banks. |

- May** Central Bank states, in its Annual Report, that monetary policy considerations call for the elimination of Exchequer current budget deficits.
- May** Staff Numbers - Central Bank publishes data for the first time; 568 employed at end-1975, compared with 552 at end-1974. To date, highest number employed, 755 at 1 September 1982; latest published number, 626 at end-1992.
- Autumn** Account of financial developments during and after the strike which closed the Associated Banks' branches between end-June and early September is published in the Central Bank's Quarterly Bulletin.
- 1 November** First denomination (£5) of new design legal tender notes issued by the Central Bank (£1 issued on 24 October 1977, and £10 on 14 August 1978, £20 on 4 February 1980 and £50 on 1 November 1982).
- Autumn** Framework for the Central Bank's concern that fiscal policy following the 1973 oil shock was too expansionary, and its adverse implications for external debt and monetary policy, is set out in the Bank's Quarterly Bulletin.
- 1977**
1 April Governor Murray appointed Chairman of the Committee of Governors of the EEC Central Banks and of the Board of Governors of the European Monetary Cooperation Fund for the period to 31 March 1978.

| | |
|----------------------|--|
| 23 June | <p>Credit Policy - Reintroduction of 50 per cent deposit requirement on net capital inflows through banks.</p> <p>Foreign Exchange Market Committee, chaired by the Bank and representing all market participants, to regulate and supervise foreign-exchange dealings is established.</p> |
| August | <p>Central Bank paper on provision of funds by the Bank to the Exchequer setting out strict principles under which short-term assistance would be considered is sent to the Department of Finance.</p> |
| September | <p>Measures taken by the Central Bank to reduce its direct role in the foreign-exchange market by encouraging interbank dealing.</p> |
| Autumn | <p>Central Bank states, in its Autumn Quarterly Bulletin, that there is a compelling need in the economy to encourage the use of labour relative to capital.</p> |
| 1978 June | <p>Central Bank's new headquarters in Dame Street, Dublin, completed. (Officially opened on 7 December 1979.)</p> |
| 7 July | <p>European Council of EEC Heads of State and Government meeting in Bremen, West Germany, makes a decision, in principle, to establish a scheme for closer monetary cooperation in the EEC.</p> |
| 3 October | <p>Credit Policy - Stricter credit guidelines, including a specific, more restrictive guideline for the personal (excluding housing) component of private-sector credit,</p> |

backed by supplementary non-interest bearing deposits, applied to licensed banks.

15 December

Exchange controls extended to transactions between Ireland and United Kingdom with effect from 18 December. Facility also provided to Authorised Dealers by the Central Bank for the purchase or sale of sterling forward against Irish pounds in respect of trade-related transactions.

December

Industrial relations dispute results in the closure of the Central Bank (Dame Street) for a number of days.

1979

13 March

European Monetary System commences, with Ireland as a full member of its exchange-rate mechanism, thereby precipitating the end on 30 March of over 150 years of parity between the Irish pound (IR£) and the pound sterling. As a transitional arrangement, the Central Bank administers the exchange rate for the IR£ on the spot and forward markets (These arrangements were terminated on 13 June and 27 November 1980, respectively). The Bank sets overnight limits on banks' open and, subsequently, on their current against forward positions vis-à-vis the IR£.

31 March

Credit Policy -Strict credit guidelines continue to be applied, but with suspension of the 50 per cent deposit requirement on capital inflows.

11 June

Central Bank introduces a Short-Term Facility which permits secured borrowing by banks under a quota system overnight and up to seven days (see Appendix).

| | |
|--------------------------|---|
| Summer | Credit Policy - Penalties on rediscounting, and on other forms of borrowing by the Associated Banks from the Central Bank, are increased. |
| Autumn | Credit Policy - A number of banks required to place supplementary deposits at the Central Bank at non-commercial rates of interest. |
| Autumn | Central Bank draws attention in its Quarterly Bulletin to the deteriorating balance-of-payments situation and to the broad principles which should guide the formulation of fiscal policy in a small open economy. The Bank expresses the view that reducing progressively Exchequer borrowing relative to Gross National Product need have only short-term effects on economic activity. |
| October | Credit Policy - Exemption of increase in banks' foreign-currency lending to residents from credit guidelines and of their foreign-currency deposits from the base on which primary and secondary ratios are calculated. |
| 8 November | Changes in primary and secondary liquidity ratios which licensed banks are required to observe. |
| 21 December | Banking Supervision - Provisions of EEC's First Banking Coordination Directive of 12 December 1977 come into force (S.1. No. 414 of 1979). |
| 1980 14 March | Credit Policy - Credit guidelines continue to be applied, including differential, i.e., tighter guidelines on the growth of licensed banks' lending for personal (excluding housing) purposes and lending to hire-purchase finance companies. Increase in banks' |

foreign-currency lending to residents continue to be exempted from guidelines.

21 March

Tender system for the issue of Exchequer Bills instituted. Subsequently, frequency of issue doubled to six per quarter: the practice of rediscounting Exchequer Bills for banks is discontinued.

25 July

Central Bank Submission to the Commission on Taxation (published subsequently in Quarterly Bulletin, Winter 1980).

17 October

Credit Policy - Increases in banks' foreign-currency lending to residents from mid-October. Bank return date brought back within credit guidelines.

8 December

Daily Interbank settlement facilities are provided by Central Bank so banks can facilitate end-of-day settlements in Central Bank funds.

1981

13 February

Gold - Market-related method of valuing the Central Bank's holding introduced.

28 February

Credit Policy (credit guidelines) - Explicit Sectoral guidelines discontinued.

Central Bank undertakes intermittent discretionary intervention in the foreign-exchange swap market to supplement other mechanisms used to influence the liquidity of licensed banks.

8 May

Exchequer Bills - Weekly tender instituted.

General Management (GMC) and Departmental Management Committees (DMC) established by the Central Bank.

Autumn

Revised licensing and supervision requirements and standards for banks published in the Central Bank Quarterly Bulletin, incorporating provision of the EEC's first Banking Coordination Directive.

31 October

Governor Murray retires.

1 November

Mr. Tomás F. Ó Cofaigh, former Secretary of the Department of Finance, appointed Governor.

1982

17 April

Credit Policy (Specific guidelines) – Tighter guidelines reimposed on licensed banks' sectoral lending.

24 May

Merchant Banking Ltd – liquidator appointed by the High Court.

31 December

Implementation of new monthly statistical reporting system for licensed banks: the first major change in banks' statistical reporting to the Central Bank since the monthly return was inaugurated in 1932.

1983

May

New mechanism introduced regarding sale and repurchase agreements in respect of government securities for supplying liquidity to the interbank market.

1984

1 January

Governor Ó Cofaigh appointed Chairman of the Committee of Governors of EEC Central Banks and of

the Board of Governors of the European Monetary Cooperation Fund for the year to 31 December 1984.

25 February

Monetary Policy - Formal guidelines for licensed banks' lending to the private sector terminated. Former sectoral guideline retained for a further year, to be succeeded by an 'indicative' guideline. Instruments of liquidity management and interest-rate policy to be used increasingly to influence monetary conditions in the economy and to maintain official external reserves at an adequate level.

1985

29 January

Settlement of the strike of majority of Central Bank staff which began on 3 December 1984.

8 March

Monetary Policy - 'Warranted' growth rate of bank lending to the private sector and for personal purposes (excluding housing) and hire-purpose finance companies published by the Central Bank.

31 May

Central Bank's General Manager and Secretary to the Board of Directors, Mr. Bernard J. Breen, retires.

31 May

Central Bank announces new Associated Bank interest rate arrangements, which led to the effective decartelisation of their retail lending and deposit rates.

1 June

Mr. Timothy O'Grady Walsh appointed General Manager of the Central Bank.

1 June

Mr. Michael P. Coffey appointed Secretary to the Bank's Board of Directors.

- June** Central Bank's General Manager, Mr. T O'Grady Walsh, elected Chairman of the EEC Commission's Banking Advisory Committee under the First Banking Directive (He relinquished the chairmanship in June 1988.).
- 4 October** Central Bank announces details of the arrangements for the financing of the Insurance Corporation of Ireland plc (under Administration).
- 1986**
29 January The Interbank Money Market Committee, chaired by the Central Bank and representing market participants, is established.
- 4 February** Associated Bank Interest-Rate Arrangements. - Normal operation suspended because of speculation regarding an EMS realignment. The Central Bank requires banks to increase rates on short-term business loans and mobile deposits by 3 percentage points. The arrangements were reinstated and rates restored to their previous levels on 10 April.
- 6 March** Monetary Policy - Issue of indicative credit guidelines to licensed banks discontinued. Primary reliance placed on the use of instruments of liquidity management and interest-rate policy, with regard being given to trend in licensed banks' total Irish-pound lending to the private sector and the Exchequer. Changes in the Central Bank's official interest rates become the principal method of indicating to the financial markets the Bank's views on sustainable levels of interest rates.

| | |
|--------------------|--|
| May | Advice offered to the Government in the Central Bank's Annual Report indicates that fiscal adjustment need not necessarily be detrimental to the long-term growth of output and employment. |
| 30 October | Central Bank issues a 20 pence coin. Weekly Markets Committee, chaired by the Governor is formally established. |
| 1987 | |
| January | Coinage - Halfpenny demonetised (ceases to have legal tender status) under an Order issued by the Minister for Finance under Section 12 of the <i>Decimal Currency Act, 1969</i> on 23 May 1986. |
| 30 April | Governor Ó Cofaigh retires. |
| 1 May | Mr. Maurice F. Doyle, former Secretary of the Department of Finance, appointed Governor. |
| September | Central Bank agrees to make advance payments of surplus income to the Exchequer to assist in financing costs of public service early retirement/redundancy schemes. |
| Autumn | Revised licensing and supervision requirements and standards for banks published in the Central Bank's Quarterly Bulletin. |
| 13 November | Announcement of a major relaxation of exchange controls, to take effect from 1 January 1988. |
| 1988 | |
| 22 February | Monetary Policy - The Central Bank expresses concern about the rate of increase in banks' lending to the |

personal sector (both for housing and other purposes) in 1987.

May Central Bank, in drawing attention in its Annual Report to the “extraordinary accumulation” of national debt over the previous ten years, defines the magnitude of the task that lies ahead for fiscal policy.

31 May Coinage - Specially designed 50 pence coin issued by the Central Bank to commemorate the Dublin Millennium.

ADDITIONAL RESPONSIBILITIES AND EC CAPITAL MOBILITY: 1989-1993

1989

1 January Further relaxation of exchange controls - All restrictions on the purchase of medium and long-term foreign securities by Irish residents removed.

1 February Start of guaranteed settlement system for wholesale transactions in gilts, operated through a Gilts Settlement Office established.

3 March Monetary Policy - Central Bank indicates concern at the rapid expansion of mortgage credit.

Spring Redesign of Central Bank Quarterly Bulletin.

May Monetary Statistics - Frequency of publication increased with first issue by the Central Bank of Monthly Statistics.

29 May Irish Futures and Options Exchange (IFOX) begins trading.

- 1 June** Central Bank given responsibility for authorising and supervising Undertakings for Collective Investment in Transferable Securities (UCITS) operating in Ireland [European Communities (UCITS) Regulations, 1989 (S.I.No. 78 of 1989)].
- 18 July** *Central Bank Act, 1989* (No. 16 of 1989) comes into operation and the *Currency Act, 1927* is repealed. Its principal provisions include:
- Strengthening licensing and supervision powers of the Bank in respect of banking business.
 - Provide for the establishment and maintenance of a scheme for the protection of small deposits at licence holders.
 - Supervision of certain financial institutions in Dublin's International Financial Services Centre.
 - Give power to the Minister for Finance, after consultation with the Bank, to change the exchange rate or exchange-rate arrangements of the Irish pound.
 - Amend the structure of the Bank's Board of Directors (number expanded to 9 and the requirement that 2 be drawn from Associated Bank's Directors removed). [Deposit protection scheme came into operation on 1 November 1989.]
- 1 September** *Building Societies Act, 1989* (No. 17 of 1989) - This Act gives the Central Bank responsibility for authorising and supervising building societies, including the establishment and maintenance by the Bank of a deposit protection scheme (which came into effect on 1 May 1990).

| | |
|--------------------|--|
| 1990 | |
| 1 February | Central Bank assumes responsibility for the supervision of trustee savings banks under <i>Trustee Savings Banks Act, 1989</i> (No. 21 of 1989). |
| Spring | Statistical reporting - Extension of the Central Bank's monthly reporting system for licensed banks to other credit institutions (building societies, trustee savings banks, Agricultural and Industrial Credit Corporations) and to accommodate the introduction of new ('Basle') capital adequacy standards. |
| 28 February | Monetary Policy - Central Bank draws attention to slow growth of banks' deposit resources, with its implications for interest rates and credit. |
| 20 March | <i>Decimal Currency Act, 1990</i> - Provides for issue of £1 and ECU coins. (ECU coins issued through Central Bank in second quarter, £1 coin on 20 June). |
| 1 April | Exchange controls – further relaxations. |
| June | Central Bank draws attention in its Annual Report to major structural problems facing the economy and the continuing high level of Government debt. |
| 10 August | Central Bank's General Manager, Mr. Timothy O'Grady Walsh, retires. |
| 11 August | Mr. Michael P. Coffey appointed General Manager of the Central Bank. |

| | |
|--------------------|---|
| 11 August | Dr. Pádraig McGowan appointed Secretary to the Bank's Board of Directors. |
| 3 December | Central Bank ceases dealings in short-dated Government securities with the assumption by the National Treasury Management Agency of the responsibility for primary market dealings in all Government stocks. |
| 26 December | <i>Unit Trusts Act, 1990</i> confers responsibility on the Central Bank for the authorisation and prudential supervision of unit trusts. |
| 1991 | |
| 1 January | Exchange controls – Further relaxations. |
| 1 February | Central Bank given responsibility for the authorisation and prudential supervision of investment companies with variable capital under the <i>Companies Act, 1990</i> , part XIII. |
| March | Monetary Policy - Differentials of domestic interest rates over other (narrow-band) EMS exchange-rate mechanism members stressed. Standard primary liquidity ratio for licensed banks reduced from 10 per cent to 8 per cent with effect from 20 March. |
| 24 May | Government announces proposal to transfer authorisation and supervisory responsibility for the Stock Exchange, stockbroker, etc., to the Central Bank. |
| 1 June | Further relaxation of exchange controls - Domestic financial institutions permitted to operate foreign-currency deposit accounts for residents. |

- June** Central Bank urges, in its Annual Report, the need to maintain the momentum of fiscal adjustment of recent years for EMU convergence purposes.
- Payments and Clearing Systems - Committee established, chaired by the Central Bank, to examine Daily Interbank Settlement system with a view to automating it.
- 8 November** Industrial Policy - Central Bank makes a Submission to the Industrial Policy Review Group; published by the Group in January 1992.
- 1992**
1 January Exchange Controls - Removal of restrictions on non-residents holding Irish pound (IR£) accounts and obtaining (medium-term) IR£ loans. Limitations on foreign-currency borrowing by residents and on financing of investments or properties outside the State removed also.
- 3 February** Foreign Exchange Market - Overnight limit on banks' current against forward positions vis-à-vis Irish pound (IR£) removed. From 2 March, overnight limits on banks' open positions vis-à-vis IR£ discontinued.
- February** Liquidity Ratios - Central Bank announces a reduction from 8 per cent to 6 per cent in the licensed banks' standard primary liquidity ratio. Secondary liquidity ratio - banks relieved of requirement to take up additional Government securities as their resources grow beyond their end-December 1991 levels.

| | |
|----------------------|---|
| June | Central Bank, in its Annual Report, advises that the principal response to unemployment must involve supply-side measures and draws attention to specific areas for action recommended in the Report of the Industrial Policy Review Group. |
| June | Monetary Statistics - Expanded measures of money and credit published. |
| Mid-September | Turbulence in international foreign exchange markets leads to pressures on the Irish pound in the European Monetary System (EMS) exchange rate mechanism and consequently on domestic interest rates. |
| 9 November | The Bank begins the issue of the new £20 note, the first in the new “C” series designed by Robert Ballagh. |
| 23 November | Amid continued turbulence on foreign exchange markets the Bank suspends the Short-Term Facility. By end-November, the Bank’s overnight support rate has risen to 100 per cent, and this level is reached again (twice) in January 1993. |
| December | Minister for Finance announces that the Government has decided to assign responsibility for the prudential supervision of investment intermediaries (previously unregulated) to the Bank. |
| 1993 | |
| 1 January | Remaining exchange controls are removed on schedule. |
| January | Implementation of the Second Banking Coordination Directive. |

| | |
|---------------------|---|
| 1 February | Continued turbulence in the foreign-exchange markets contributes to a realignment of the Irish pound within the narrow ERM (Exchange Rate Mechanism) band, with its central rate against other ERM currencies being reduced by 10 per cent. |
| 5 February | Following the resolution of the currency crisis, the Bank's Short-Term Facility is restored. |
| March | Formal adoption of Capital Adequacy Directive. |
| May | Special edition of the Annual Report is published to mark the 50 th anniversary of the Central Bank. European Council formally adopts EU Investment Services Directive |
| 1 August | The ERM fluctuation bands are widened to +/-15 per cent with bilateral central rates remaining unchanged. |
| 20 September | The Bank issues the second in the "C" series of banknotes (£10). |
| September | NTMA commences trading gilt futures contracts on the Irish Futures & Options Exchange (IFOX) in addition to 2 and 3 year swap contracts. |
| 15 November | New and smaller 10p is put into circulation. |
| November | The primary liquidity ratio applying to licensed banks is reduced by 1 percentage point to 4 per cent in late November. |
| 1994 | |

| | |
|--------------------|---|
| 1 January | At the start of the second stage of EMU, the Committee of Governors is replaced by the European Monetary Institute (EMI); Governor Doyle becomes a member of the Council of the EMI. |
| | The secondary liquidity ratio is terminated in accordance with Article 104 of the Maastricht Treaty, which prohibits privileged access to funds by Governments from financial institutions. |
| 20 January | The primary liquidity ratio applying to licensed banks is reduced by 1 percentage point to 3 per cent. |
| January | A Steering Committee and Project Group are established by the Bank and the members of the Daily Interbank Settlement system to commence a project to institute real-time gross settlement for large-value interbank payments. |
| February | Having regard to the widening of the fluctuation bands within the EMS in August 1993, the Bank's <i>Statement on Monetary Policy 1994</i> reaffirms that the price stability objective of monetary policy would continue to be served by preserving a stable currency relationship with other low-inflation countries and that the exchange rate of the Irish pound would be managed within the ERM in a manner fully consistent with that objective. |
| 21 February | The primary liquidity ratio for credit institutions other than licensed banks is increased from 2 to 3 per cent. |

| | |
|-----------------|--|
| February | Implementation of Directive on the monitoring and control of Large Exposures of credit institutions. |
| March | The Financial Action Task Force (FATF) of the OECD conducts an inspection of Ireland's anti-money laundering procedures. The inspection concludes that Ireland's anti-money laundering legislation would provide a generally comprehensive legal framework for combating money laundering. |
| 18 April | New £5 note, third in the "C" series, is issued. |
| 30 April | Maurice Doyle, Governor, retires. |
| 1 May | Maurice O'Connell appointed as Governor. |
| 1 May | In order to enhance the efficiency of the foreign exchange market, and to promote a more orderly trading environment, an operational understanding on market-making between the Bank and the main foreign exchange market participants is introduced. |
| 17 June | Finex Europe, which is a branch of the Financial Instrument Exchange and a division of the New York Cotton Exchange (NYCE), commences trading in the International Financial Services Centre (IFSC). |
| 30 June | Enactment of Criminal Justice Act, 1994. |

| | |
|--------------------|---|
| September | Publication of the Stock Exchange Bill (providing for supervision by the Bank of the Irish Stock Exchange (ISE) and its member firms. |
| October | The Bank introduces an information note for the media on the principal statistical developments as part of its publication <i>Monthly Statistics</i> . |
| Late 1994 | The Bank-sponsored Central Exchange is subsumed into the Dublin Bankers' Clearing. |
| 1995 | |
| 27 February | The <i>Statement on Monetary Policy 1995</i> emphasises that the maintenance of price stability is the most effective way in which the Bank can contribute to balanced economic growth and sustainable employment. |
| 2 May | Record-keeping and reporting obligations under Sections 32 and 57 of the Criminal Justice Act come into operation. Money Laundering Guidance Notes issued to all credit and financial institutions. |
| July | Netting of Financial Contracts Act, 1995, is enacted. This Act clarifies the legal validity of the netting of obligations under derivatives contracts in Irish law in preparation for the implementation of the EU Contractual Netting Directive in June 1996. The Directive allows the Bank to recognise, for capital adequacy purposes, the reduced credit risk for banks that can set off their claims on counterparties on certain derivative contracts against their liabilities to those same counterparties. |

| | |
|-----------------------|--|
| 1 August | Commencement of Stock Exchange Act, 1995 (SEA) which provides for the approval and supervision of stock exchanges and for the authorisation and supervision of their member firms. The Investment Intermediaries Act, 1995 (IIA) is also enacted transposing the 1993 EU Investment Services Directive into Irish Law, appointing the Bank as the competent authority for investment firms covered by the Directive and its related Directive - the EU Capital Adequacy Directive. |
| 6 November | New £50 note from “C” series is issued. |
| 8 December | ISE formally separates from the London Stock Exchange. |
| 15/16 December | European Council in Madrid agrees and adopts a scenario for the changeover to the single European currency, to be called the euro. |
| 21 December | Bank formally approves the ISE - Bank is appointed as competent supervisory authority for ISE member firms. |
| 29 December | Bank issues EU Capital Adequacy Directive Implementation Notices to credit institutions and investment firms. |
| | Publication of the revised Licensing and Supervision Requirements and Standards for credit institutions. |
| 1996 | |
| 1 January | Implementation of EU Capital Adequacy Directive. |
| | EU Investment Services Directive comes into force. |

| | |
|--------------------|---|
| 27 February | The <i>Statement of Monetary Policy 1996</i> emphasises, among other things, that price stability is predicated on maintaining a firm exchange rate <i>vis-à-vis</i> other low inflation countries, supported by changes in interest rates as required. |
| March | Bank signs declaration endorsing a memorandum of understanding entered into by a number of international futures exchanges. |
| April | The Irish Real-time Interbank Settlement Company Limited (IRISCO) is incorporated to enable its members to purchase and establish a real-time gross settlement system for large-value interbank payments. |
| May | <p>The Bank introduces a new category of collective investment scheme, which will market solely to qualifying investors. This new category is suitable for investment by high net worth individuals and institutional investors.</p> <p>Responsibility for bank charges transfers to the Director of Consumer Affairs following the coming into force of the Consumer Credit Act, 1995.</p> |
| 27 June | The EU Directive on the recognition of contractual netting is implemented by the Bank. |
| June | Bank issues General Supervisory Requirements for investment firms on codes of conduct |

| | |
|---------------------|--|
| July | A Report entitled <i>Statistical Requirements for Stage Three of Monetary Union – Implementation Package</i> is published by the EMI. |
| 9 September | Minister for Finance signs SI No. 267 of 1996 (Supervision of Credit institutions, Stock Exchange Member firms and Investment Business Firms Regulations, 1996). |
| 16 September | Last in the “C” series of banknotes (£100) designed by Robert Ballagh is issued. Bank issues General Supervisory Requirements for investment firms on client money |
| October | The Bank, along with the CSO and the Department of Finance, commences detailed preparations to enable Ireland to be among the first group of countries to subscribe to the IMF’s Special Data Dissemination Standard (SDDS). |
| 23 October | Bank revokes rules of IFOX, at the request of the company. |
| November | Bank issues General Supervisory Requirements for investment firms on advertising. 13/14 December European Council in Dublin agrees on new exchange rate mechanism (ERM II) and on Stability and Growth Pact. |
| 1997 | |

- 25 January** The *Statement on Monetary Policy 1997* emphasises that monetary policy would be conducted in such a manner as to ensure that the price stability criterion for joining EMU would be satisfied and that the scene would be set for successful membership of the monetary union on an ongoing basis.
- February** A report entitled *The Single Monetary Policy in Stage Three: Elements of the Monetary Policy Strategy of the ESCB* is published by the EMI.
- 3 March** The Irish Real-Time Gross Settlement system (RTGS) commences live operations and replaces the Daily Interbank Settlement system. The system facilitates settlement of individual payments between participating credit institutions across their settlement accounts at the Bank in real-time throughout the working day.
- 9 April** The Central Bank Act, 1997, comes into operation and empowers the Bank to regulate payment systems. The Act provides for the Bank to authorise all payment systems in the State and to approve their rules.
- April** The Bank becomes responsible for the authorisation and supervision of bureaux de change in the context of ensuring the effective implementation of the money laundering provision of the Criminal Justice Act, 1994.
- June** The Irish Payment Services Organisation is established to act as the umbrella organisation for the payments industry in Ireland.

| | |
|---------------------|---|
| 10 September | Introduction of procedures relating to the operation of the Determinations Committee (for the purpose of Section 74 of the IIA and Section 65 of the SEA). |
| September | EMI issues report entitled <i>The Single Monetary Policy in Stage Three: General Documentation on ESCB Monetary Policy Instruments and Procedures</i> . |
| 20 November | In order to prepare the market for the advent of EMU and the operational framework that will apply for implementing a single monetary policy, the Bank introduces a weekly tendering system for repos as its main management instrument and an averaging provision in relation to the reserve requirement system for credit institutions. |
| November | Bank signs Declaration of Cooperation with Hong Kong securities and Futures Commission. |
| December | Bank approves the rules of a second exchange located at the Dublin Exchange Facility, the New York Futures Exchange (NYFE). |
| | Founding of Forum of European Securities Commissions (FESCO) |
| 1998 | |
| 6 January | The <i>Statement on Monetary Policy 1998</i> notes that, with the approach of EMU, monetary policy is being formulated in unique circumstances and that the room to make independent use of traditional monetary policy instruments will be reduced as the year progresses. |

| | |
|-----------------|--|
| 16 March | The central rate of the Irish pound in the ERM band is revalued upwards by 3 per cent. |
| 18 March | Central Bank Act, 1998 enacted. |
| April | FATF expert group undertakes second evaluation of Ireland's anti-money laundering legislation. |
| 28 April | Revision of the Bank's criteria on bank ownership in order to deal with applicants where the ultimate parent had a dominant commercial interest. |
| 2 May | EU Council confirms that eleven EU Member States, including Ireland, fulfil the necessary conditions for the adoption of a single currency on 1 January 1999. It also agrees that the prevailing ERM bilateral central exchange rates will be used for determining the irrevocable conversion rates <i>vis-à-vis</i> the euro. |
| 1 June | The European Central Bank and the European System of Central Banks are established. Governor O'Connell becomes a member of the Governing Council. |
| June | EU Council issues Guidance Note on the information technology implications of Year 2000 for Financial Institutions. The Bank surveys all regulated entities to assess their readiness for Year 2000. |
| 7 July | The Governing Council of the ECB adopts a Recommendation for a Council Regulation (EC) concerning the application of minimum reserves by the Eurosystem central banks in Stage Three of Economic and Monetary Union. |

| | |
|--------------------|--|
| July | EU Commission publishes amendments to Capital Adequacy, Solvency Ratio and First Banking Directives. |
| 1 August | Investor Compensation Act comes into force (implementing the EU Investor Compensation Directive) providing for the establishment of the Investor Compensation Company Limited (ICCL). Bank commences publication of warning notices in relation to unauthorised investment firms. |
| 1 September | The Governing Council of the ECB endorses the Report entitled <i>The Single Monetary Policy in Stage Three: General Documentation on ESCB Monetary Policy Instruments and Procedures</i> . |
| September | The International Organisation of Securities Commissions (IOSCO) publishes <i>Principles of Securities Regulation</i> . |
| 13 October | The Governing Council of the ECB announces the main features of the stability-oriented monetary policy strategy that the Eurosystem will pursue in Stage Three of Economic and Monetary Union. |
| 23 November | Council Regulations (EC) on the collection of statistical information by the European Central Bank. (No. 2533/98), on minimum reserves (No. 2531/98) and powers of the ECB to impose sanctions (No. 2532/98) are issued. |
| 1 December | ECB Regulations on money and banking statistics (ECB/1998/16) and on minimum reserves |

(ECB/1998/15) are issued. Also, ECB Guideline and ECB Recommendation on balance of payments and international investment position statistics are issued (ECB/1998/17). The Governing Council of the ECB decides that the first reference value for monetary growth will be 4.5 per cent with this referring to the broad monetary aggregate M3 for the euro area.

22 December

The Governing Council of the ECB decides the first main refinancing operation of the Eurosystem will be a fixed rate tender offered at an interest rate of 3 per cent. It also decides that the interest rate for the marginal lending facility will be at a level of 4.5 per cent and the interest rate for the deposit facility at a level of 2 per cent for the start of Stage Three, i.e., from 1 January 1999.

December

Restricted Activity Investment Product Intermediaries (RAIPIs) now require authorisation from the Bank.

EU Directive

98/26/EC on Settlement Finality in Payment and Securities Settlement Systems – the ‘Settlement Finality Directive’ – is transposed into Irish law on 31 December (with effect from 4 January 1999) by the European Communities (Finality of Settlement in Payment and Securities Settlement Systems) Regulations, 1998.

Allegation of malpractice in the banking sector, particularly relating to fees, charges and taxation compliance, generate extensive public debate and lead to a number of investigations and inquiries by the bank.

1999

1 January

Stage Three of EMU commences with eleven countries, including Ireland, now sharing a common currency, the euro. Euro-denominated statistical reporting commences for money and banking statistics that take account of the new currency and a number of conceptual changes. New balance of payments reporting requirements are also introduced.

4 January

The Irish Real-Time Gross Settlement (RTGS) system is linked to the domestic RTGS systems of the 14 other EU Member States and to the ECB Payment Mechanism to form the Trans-European Automated Real-time Gross settlement Express Transfer (TARGET) system, which facilitates cross-border payments in euro between the 16 systems.

Credit institutions, which have entered into the necessary legal arrangements with the Bank, may avail of the Eurosystem's Standing Facilities and Monetary Policy Operations.

The Correspondent Central Banking Model (CCBM) is introduced to enable counterparties to deliver to national central banks eligible assets located in another Member State which are required as collateral for credit operations. Under the CCBM, central banks act as custodians for each other in respect of securities accepted in their local depository or settlement system.

January

Bank is a signatory to the FESCO Memorandum of Understanding.

As provided for in the Maastricht treaty, the Bank transfers 425 million to the foreign reserve assets of

the European Central Bank – which is Ireland’s share of the ECB’s pooled reserve assets – in return for a claim on the ECB.

- 15 March** MMI Stockbrokers Ltd placed in liquidation by order of the High Court.
- 31 March** Bank launches its lo-call investor line, providing an enquiry facility for the public on the authorisation status of firms.
- July** FATF issues its report on assessment of Ireland’s anti money- laundering regime.
- The Dublin Bankers’ Clearing is split into three separate entities, as follows: the *Irish Retail Electronic Clearing Company* - to maintain and operate a clearing and settlement system for domestic electronic payments, the *Irish Paper Credit Clearing Company* for domestic paper credits and the *Irish Paper Debit Clearing Company* for domestic paper debits.
- 14 August** EU Directive 97/5/EC on Cross-Border Credit Transfers is transposed into Irish law by the European Communities (Cross-Border Credit Transfers) Regulations, 1999.
- September** Euro coin production commences in the Currency Centre in Sandyford.
- 23 September** ECB Regulation is issued on the power of the ECB to impose sanctions (ECB/1999/14).

| | |
|--------------------|---|
| 29 November | A millennium commemorative coin, with a design based on the Broighter boat in the National Museum of Ireland, is launched. Of this design 38,000 silver proof coins were sold out by the end of 1999. Subsequently, five million circulating coins are issued during the year 2000. |
| | 21 December Insurance Bill, 1999 published. |
| December | The Governing Council of the ECB endorses the manual entitled <i>European Union Balance of Payments/International Investment Position Statistical Methods</i> . |
| | Publication of the Comptroller and Auditor General's (C&AG) report on <i>Evaluation of Effectiveness: Central Bank Financial Regulation</i> . |
| 31 December | The maximum payout under the Deposit Protection Guarantee Scheme and the Investor Compensation Scheme increases to 20,000. |
| 2000 | |
| 1 January | Bank establishes new supervision department – IFSC and Funds Supervision. |
| 18 February | Revised requirements for deposit agents and other RAIPs are issued during the year. |
| April | Euro banknote production commences. |
| 11 May | An ECB Guideline and an ECB Recommendation are issued on the statistical reporting requirements in the field of balance of payments statistics, the international |

reserves template and international investment position statistics, which replace the former Guideline and Recommendation of 1 December 1998.

May

In order to improve the Bank's ability to forecast the liquidity requirements of the domestic market, a new arrangement for managing the Exchequer account is implemented whereby the balance is stabilised by the NTMA around a target level.

June

In view of the severe overbidding that had developed in the context of the fixed rate tender procedure, the Governing Council of the ECB decides that the main refinancing operations of the Eurosystem will be conducted as variable rate tenders, with a minimum bid rate. In conjunction with this, the ECB decides to publish liquidity forecasts at the time of announcements of weekly tenders in order to assist credit institutions in preparing their bids.

August

An ECB report on the statistical requirements of the ECB in the field of general economic statistics is published.

22 September

For the first time since the introduction of the euro, the ECB and other Eurosystem central banks take part in concerted foreign exchange intervention to support the euro.

September Irish coin production ends.

13 November

An ECB Guideline on statistical reporting requirements in the field of money and banking statistics is issued (ECB/2000/13).

| | |
|--------------------|---|
| November | <p>Bank publishes Guidance Note on the valuation of assets of collective investment schemes.</p> <p>The ECB publishes a document entitled <i>The Single Monetary Policy in Stage Three: General Documentation on Euro System Monetary Policy Instruments and Procedures</i>.</p> <p>Bank issues its revised Handbook for Investment and Stockbroking Firms.</p> <p>The Bank participates with the ECB and other central banks of the Eurosystem in foreign exchange intervention to support the euro.</p> |
| 1 December | <p>Following a strategic review by a study group, which was established in September 1998, the Central Bank of Ireland Securities Settlements Office - formerly known as the Gilts Settlement Office, established in 1989 - ceases operations.</p> |
| 4 December | <p>The settlement function in respect of Irish Government bonds is transferred to Euroclear. Following transfer of the settlement function, the Bank continues to maintain the register of bonds issued on the domestic market by the National Treasury Management Agency, the Housing Finance Agency, and the European Investment Bank and Ulysses Securitisation plc.</p> |
| 20 December | <p>Insurance Act, 2000 signed into law.</p> |
| December | <p>An external assessment by the IMF's Financial Sector Assessment Programme (FSAP) of the Bank's role as</p> |

supervisor (in 2000) concluded that the overall framework of the Bank's prudential regulation and supervision was well developed and showed a high degree of observance with international standards and codes.

Bank issues a consultation paper to industry on proposed regulation of insurance intermediaries.

2001

1 January

Greece becomes the twelfth EU Member State to adopt the single currency.

During 2001, the Bank is invited to become a member of the IOSCO Standing Committee Number 5, which deals with the regulation, management and distribution of collective investment schemes.

1 April

Insurance Act, 2000 confers responsibility on the Central Bank for the authorisation and supervision of Insurance Intermediaries.

12 April

Bank publishes consultation paper to industry on proposed amendments to its client money requirements

April

Irish banknote production ends.

1 May

Maurice O'Connell, Governor, reappointed for second term.

May

Bank issues two draft handbooks; Authorised Advisors and Restricted Intermediaries (effective November 2001).

| | |
|---------------------|--|
| 21 May | W&R Morrogh dissolved by order of the High Court. |
| June | The Committee of European Securities Regulators (CESR) is established by the European Commission. |
| July | Codes of Conduct for the banking industry are prescribed for all credit institutions operating in the State, following consultation with the Minister for Finance. |
| August | Establishment of two new Supervision departments: Regulatory Enforcement & Development and Retail Investments & Insurance Supervision. |
| 10 September | The Bank commences administration of the daily interbank settlements in respect of the interbank clearing process. |
| September | In order to facilitate the functioning of the financial markets in the aftermath of the terrorist attacks in the United States on 11 September, the Governing Council of the ECB issues a press release stating that the Eurosystem stands ready to support normal functioning of markets and will provide additional liquidity, if needed. In addition, the ECB and the US Federal Open Market Committee agree on a swap arrangement whereby liquidity in dollars is made available to euro-area market participants. Other measures are taken on issues of common interest in relation to securities settlements systems and information-sharing concerning cross-border transactions. |

Sept.-December In preparation for the euro changeover, 970 million euro coins are distributed to financial institutions, their agents and customers.

Oct.–December Similarly, 129.4 million euro banknotes are distributed.

22 November An ECB Regulation is issued on the collection of data concerning the consolidated balance sheet of the monetary financial institutions sector (ECB/2001/13).

November Revised Money Laundering Guidance Notes for credit institutions are issued.

20 December An ECB Regulation is issued on ECB statistical requirements concerning the interest rates applied by monetary financial institutions to deposits and loans *vis-à-vis* households and non-financial corporations (ECB/2001/18).

December Legislation relating to Asset Covered Securities enacted.

The level of net assets under management by Irish authorised collective investment schemes reaches 285.2 billion by end -year.

The Bank issues a revised guidance note on investment by authorised collective investment schemes in overseas schemes established in jurisdictions which allow unregulated schemes.

2002

1 January Euro notes and coins are introduced.

| | |
|--------------------|--|
| February | Amendments to EU Directive 85/611 regarding Undertakings for Collective Investment in Transferable Securities (UCITS) come into force by way of two separate Directives. Member States must transpose both Directives into national legislation by 13 August 2003. |
| 9 February | By the end of the dual-circulation period, when the Irish pound ceases to hold legal tender status, the Bank has withdrawn 119.5 million Irish banknotes and 686 million Irish coin. |
| 21 February | An ECB Guideline is issued on the statistical reporting requirements of the ECB in the field of quarterly financial accounts. |
| 26 February | A formal agreement is concluded between the Bank and the Central Statistics Office aimed at fulfilling the statistical standards and requirements of the ECB for balance of payments and international investment position statistics. |
| 10 March | Maurice O’Connell retires as Governor. |
| 11 March | John Hurley, Bank Director and former Secretary General of Department of Finance, appointed as Governor. |
| 15 March | Consultation Paper <i>Joint Work of the ESCB and the Committee of European Securities Regulators in the Field of Clearing and Settlement</i> published on the Bank’s website. |
| 19 March | <i>Electronic Money Systems Security Objectives</i> - Consultation Paper published on the Bank’s website. |

- 9 April** *A European Regime of Investor Protection – The Harmonisation of Conduct of Business Rules* is published by CESR
- 12 April** Bank publishes second consultation paper on proposed changes to its client money requirements.
- 13 April** Enactment of Pensions Act 2002.
- 16 April** Publication of the *Central Bank and Financial Services Authority of Ireland Bill, 2000* to establish the Irish Financial Service Regulatory Authority (IFSRA) within the new structure of the Central Bank and the Financial Services Authority of Ireland (CBFSAI). The appointment of the interim Board of IFSRA is announced. The Directors are: Brian Patterson (Chairman), Liam O'Reilly (Chief Executive), Mary O'Dea (Consumer Director), Alan Ashe, Friedhelm Danz, Gerard Danaher, John Dunne, Jim Farrell, Deirdre Purcell and Dermot Quigley.
- 26 April** The ECB publishes an updated version of the document entitled *The Single Monetary Policy in the Euro Area: General Documentation on Euro System Monetary Policy Instruments and Procedures* replacing version published in November 2000.
- 29 May** *European Communities (Electronic Money) Regulations 2002* (which implement the provisions of two EU Directives on this issue) are signed by the Minister for Finance.

- 1 July** Regulation (EC) No. 2560/2001 of the European Parliament and of the Council of 19 December 2001 is transposed into Irish law by the European Communities (Cross Border Payments in Euro) Regulations, 2002. This legislation provides that charges to bank customers in respect of ATM withdrawals and use of bank cards should be the same for both national and cross-border transactions. From 1 July 2003, this proviso will also apply to credit transfers.
- 8 July** *Oversight Standards for Euro Retail Payment Systems - Consultation Paper* published on Bank's website.
- 30 July** An ECB Guideline on the procedures for reporting by national central banks of statistical information in the field of money and banking statistics is issued, replacing earlier Guidelines (ECB/2000/13).
- 16 September** Consultation Paper *E-Payments in Europe* published on Bank's website.
- 7 October** *Measures to Improve the Efficiency of the Operational Framework for Monetary Policy – Consultation Paper* published on the Bank's website.
- 21 November** An ECB Guideline is issued on the statistical reporting requirements of the ECB in the field of quarterly financial accounts.
- 16 December** Consultation Paper published on the Bank's website *TARGET2 – Principles and Structure*.

| | |
|-------------------|--|
| December | Following an industry consultation, the Bank issues a new non-UCITS Notice that will permit the authorisation of retail funds of hedge funds. |
| | The level of net assets under management by authorised collective investment schemes reached 303.9 billion by end-year represented by 3,300 funds including sub-funds. |
| 2003 | |
| 23 January | The Governing Council of the ECB announces measures to improve the efficiency of the operational framework for monetary policy, to be implemented during the first quarter of 2004. |
| 4 February | The Governing Council formally recommends a new voting system, which will become necessary to maintain its capacity for efficient and timely decision-making in an enlarged euro area. |
| 6 February | The Governing Council of the ECB adopts a new Guideline on the statistical reporting requirements of statistical information in the field of money and banking statistics by central banks. |
| 20 March | The ECB issues a press release following the start of military action in Iraq, stating that financial markets can rely on the provision of sufficient liquidity even under exceptional circumstances, as was demonstrated in the past. |
| 16 April | Twenty-five heads of state sign the EU accession treaties, formally recognising that ten new members, on top of the current fifteen, will join the EU on 1 May 2004. |

1 May

Commencement date of the Central Bank and Financial Services Authority of Ireland.