Question for written answer Z-067/2018
to the European Central Bank
Rule 131
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Subject: Banking oversight pre 2008

Europe's response to the 2008 financial crisis was a report commissioned from Jacques de Larosiere by then Commission President Barroso, which made recommendations on micro and macro banking regulations to stop a similar financial and fiscal crisis arising in Europe again. That report, published in 2009, was instrumental in changing the institutional banking architecture and regulatory environment and produced a Communication from the EU Commission in Sept 2009 about new banking regulatory environment under the control of the European Central Bank, which is now in place.

However much of the financial crisis was over by 2008, leaving catastrophic financial losses for investors, for creditors, but most of all, for the already-suffering people of various Member States in its wake – Ireland alone was left with a bank bailout bill of €69.7 billion.

What was the ECB's role in the pre-2008 prudential oversights and financial architecture? Gresham's law is a monetary principle stating that "bad money drives out good"; in 2015 renowned economist Prof William Black told the Irish Banking Inquiry that 'Gresham's Dynamic' led to wholesale looting by credit institutions in Ireland – did the ECB have any role in policing those credit institutions and/or their auditors?