

**Annual Report of the Irish Financial Services Appeals Tribunal for the
year ending 31 December 2010**

(Pursuant to Section 57AW of the Central Bank and Financial Services Authority of Ireland
Act 2003 (Central Bank Act 2003))

1. The Financial Services Appeals Tribunal (the Appeals Tribunal) is composed of two Executive Members and five Lay Members. The Executive Members are Francis D. Murphy, formerly a Judge of the Supreme Court, Chairperson and Inge Clissmann, Senior Counsel, Deputy Chairperson. The Lay Members are Geraldine Clarke, John Fish, Liam Madden, John Loughrey and Paulyn Marrinan-Quinn.
2. Treasa Kelly B.L. is Registrar to the Appeals Tribunal.
3. The offices of the Appeals Tribunal are located at Frederick House, 19 South Frederick Street, Dublin 2. Telephone No. 01- 6350040. Fax No. 01-6350249. Website www.ifsat.ie . The Tribunal offices have been located on South Frederick Street since it was constituted in 2007, but it is envisaged that this facility may terminate in the near future. For this reason provision for alternative accommodation has been made in the Tribunal's Budget for 2011.
4. a) One Notice of Appeal was received by the Appeals Tribunal during the year. The appeal was expressed to be made pursuant to Sections 18 and 20 of the Insurance Act 1989. The Chairman appointed two lay members to sit with him at the hearing of the appeal. As the purported Notice was admittedly incomplete, the Registrar in exercise of the powers conferred on her by Rule 4(1) of the Irish Financial Services Appeals Tribunal Rules 2008 (the Rules) extended the time for lodgement of an amended Notice. The Appeals Tribunal directed that the insurance company (the Company) concerned be joined as a Respondent to the proceedings.

b) The application was made by three Appellants claiming to have been authorised on behalf by the employees of the Company in respect of which the Financial Regulator had given a Direction. It was questionable whether some or all of the employees of the Company in respect of which the Financial Regulator had given a

Direction constituted “an affected person” within the meaning and for the purposes of Section 28 of the Central Bank Act 1942 as amended by 57A(1) of the Central Bank and Financial Services Authority of Ireland Act 2003. The named Appellants did not retain a solicitor to act on their behalf.

c) The named Appellants applied to the Appeals Tribunal to waive the deposit of €5,000.00 required by Rule 5(1) of the Rules. The Appeals Tribunal agreed to waive the entire deposit provided that the Appellants furnished an opinion of Counsel supporting the Appellants’ claim to appeal the Direction of the Financial Regulator. An opinion of Counsel having been received, the Appeals Tribunal waived the deposit.

d) The members of the Appeals Tribunal appointed to hear the appeal mentioned above dealt with the preliminary issues at meetings in the Tribunal’s offices or by conference phone calls where practicable.

e) The named Appellants subsequently withdrew the appeal without either of the Respondents being required to respond to the claims or allegations of the Appellants.

f) No other appeal was received by the Appeals Tribunal during the year.

5. In March 2010 the Deputy Chairperson and the Registrar attended the Financial Services and Markets Tribunal in London to study their appellate procedures. The relevant legal provisions and the practical administrative arrangements were explained to our representatives who were afforded the opportunity of sitting in on the hearings and deliberations of the host Tribunal over a two day period. A notable feature of the British appellate procedure was the reliance on written rather than oral evidence. It also emerged that the number of appeals to the UK Tribunal were relatively few. The costs and expenses of the Irish representation over the two day period were borne by the Appeals Tribunal and are included in the accounts for the year under review attached hereto.

6. In September 2010, the Deputy Chairperson arranged to attend a meeting with the German Federal Financial Supervisory Authority (BaFIN) in Berlin. The Appeals

Tribunal had been impressed by the role which the German authority had played in proceedings which had come before the Tribunal in 2007. It emerged that the legislative and practical provisions governing the procedures of BaFIN were significantly different from those in this country and did not provide a helpful model for us. The Deputy Chairperson did not seek to be reimbursed for any of the costs incurred by her in attending at BaFIN.

7. The information derived from visits to other relevant Appeal Tribunals and other relevant information was circulated by the Registrar to the members of the Appeals Tribunal.
8. All of the members of the Appeals Tribunal met once during the year to discuss the workings of the Tribunal and to maintain the professional connection between them. The cost of the lunch provided at that meeting was borne by the Appeals Tribunal.
9. The Registrar of the Appeals Tribunal deals with enquiries from members of the public and occasionally the media concerning the workings and procedures of the Appeals Tribunal. In addition, the Registrar maintains contact with the Department of Finance and the Central Bank on matters affecting the business of the Appeals Tribunal and the performance of its statutory functions.
10. The provisions contained in the Anglo Irish Bank Corporation Act 2009 which empowered the Appeals Tribunal to determine the value of shares in that Bank in certain circumstances were repealed in the Central Bank Reform Act 2010.
11. The accounts for the Appeals Tribunal for the year ended the 31st of December 2010 are annexed hereto.

Dated 22 March 2011

Chairperson Irish Financial Services Appeals Tribunal

Irish Financial Services Appeals Tribunal
Income and expenditure account for the period ended 31 December 2010

	2010	2009
	€	€
Income		
Funds provided by the Central bank	100,000	150,000
Expenditure		
Costs of hearings		
Panel Fees	2,145	22,808
Stenographer	0	3,489
Security	0	675
Administration costs		
Executive fees	90,965	91,799
Legal & professional fees	5,697	400
Accountancy	4,980	3,154
Stationery, printing & communications	695	436
Travel, subsistence & canteen	3,403	985
Bank Charges	46	67
Total expenditure	107,931	123,814
(Deficit)/Surplus of income over expenditure	(7,931)	26,186

The Executive fees of the Chairperson and the Deputy Chairperson are calculated on the basis that they made themselves available to the Appeals Tribunal for two days and one day per month respectively.

Registrar

We hereby certify that books and records were created by the Registrar in accordance with our advice and maintained under our supervision. We certify that the above accounts are based on the said books and records and give a true account of the income and expenditure of the Irish Financial Services Appeals Tribunal for the period ending 31 December 2010.

Spain McQuillan
Chartered Accountants & Registered Auditors