

TCH Association President Paul Saltzman Calls for Greater Individual Accountability in Banking

Thought-provoking remarks preceding regulatory symposium also call for a recalibration in the regulatory approach to rule-writing

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August 6 – New York, NY – Paul Saltzman, President of The Clearing House Association and Executive Vice President and General Counsel of The Clearing House Payments Company, opened up *The Financial Industry in a Post-Crisis World Symposium* last month with [remarks](#) entitled *Mitigating Risk through Clearer Substantive Rules and Greater Individual Accountability: A Few Observations on Recalibrating our Regulatory Approach*. At the event, co-sponsored by The Clearing House Association (TCH) and the Center for Financial Policy at the Robert H. Smith School of Business at the University of Maryland, Mr. Saltzman called for a collective renewed focus on clear, prescriptive, and transparent rules that effect behaviors and produce substantive outcomes. He cautioned that he is starting to see two trends, one toward process-based regulation and another toward institution-focused enforcement, both of which he argued could potentially leave the banking system vulnerable to the risks regulatory and industry reform efforts are trying to mitigate.

“I believe consumers and counterparties would be better served with a regulatory framework based on clear, substantive behavioral norms to which individuals can be and are held accountable on a much more frequent basis,” Saltzman said before a group of regulators, academics, and industry representatives. “Once individuals understand that they can no longer hide behind the institutions they work for and know in advance precisely what standards their behavior must conform to, I am hopeful that we will start to see the cultural shift in banking that we all desire.”

The conference brought together leading voices in the regulatory, academic, and business fields to discuss how the financial industry is being impacted by regulatory changes in the wake of the 2008-2009 crisis. It included panel discussions on regulation and the shadow banking system; identifying risks in central clearing; and post-crisis changes in bank balance sheets.

Richard Berner, Director of the Office of Financial Research, provided a keynote address on the progress made in addressing gaps in data analysis and the broader understanding of the financial system that were exposed by the crisis.

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