

Media Contacts: Emily Vogl, Frank Vogl tel: U.S. 202 331 8183 e-mail: voglcom@gmail.com

2009 Will Bring Major Changes in How Firms Finance Growth, Disclose Risks, and Engage with Government Says Barbara C. Matthews.

“No sets of new laws or regulatory models can substitute for sound judgment,” warns Matthews.

Washington, DC, January 8, 2009 – Former U.S. Treasury and Congress official Barbara C. Matthews sees the new Obama Administration leading global efforts in coming months to introduce far-reaching financial regulatory reforms that will change how economies function for the next generation. “The pressure on politicians on both sides of the Atlantic to legislate and restructure financial regulation is of course growing, but it contains dangers,” warns Matthews.

Ms. Matthews, a leader in global financial regulatory issues for more than 17 years, has established BCM International Regulatory Analytics to provide regulatory risk management analysis and public policy advisory services to financial firms, corporations, and the public sector around the world. BCM’s founder was until recently U.S. Treasury Attaché to the European Union in Brussels, where she participated in the U.S. – EU Investment Dialogue and the Financial Markets Regulatory Dialogue. Prior to that, she served as Senior Counsel to the Financial Services Committee under Chairman Michael G. Oxley at the U.S. House of Representatives.

Ms. Matthews stressed that, “It is critical that new risk management, valuation, transparency, and corporate governance standards address existing gaps and failures in a consistent way across jurisdictions. At the same time, legislators, regulators, risk managers and boards must remember that not all risks can be quantified. No model can substitute for good judgment.”

“The entire intermediation process is appropriately under reconsideration globally. I expect the U.S. Treasury to provide Congress with detailed domestic reform plans shortly after taking office. I also expect the Group of Twenty and the Transatlantic Economic Council to provide real leadership and find practical ways forward as the year progresses. One danger, however, is that policymakers overshoot and create a system in which worthy companies will find it harder to access working capital. Another danger is that domestic pressures will impede efforts to cooperate globally,” added Ms. Matthews.

On the positive side, the regulatory expert stressed that 2009 brings new leadership and new perspectives to both the U.S and the EU. She noted that Timothy Geithner, who President-elect Obama has nominated to head the U.S. Treasury, and his counterparts in Europe and the Group of Twenty, have strong track records in balancing domestic priorities with effective global standards. She then noted that “The next frontier is to pair credible international standards with reliable frameworks for consistent enforcement. A stronger system can be developed if the political will exists to address realistically and forcefully the key issues of valuation, regulatory capital, and transparency.”

Ms. Matthews, a member of the Council on Foreign Relations, holds two law degrees from the Duke University School of Law and, prior to entering public service, played leading roles in establishing the regulatory policy activities at the Institute of International Finance.