

Credit transactions in corporate banking

Abstract

Credit transactions in corporate banking are among the significant active transactions of Czech banks. However, there are a number of specific risks related to these transactions. Those risks are the reason why these transactions are being given increased attention not only by banks but also by the legislator. As a result, there is an increasing number of banking and other public law norms that have a significant impact on bank corporate lending.

Therefore, the subject of this thesis is to carry out legal analysis of banking corporate credit transactions, especially with regard to their financial regulation. This thesis is divided into four parts. The first one focuses on the financial definition of these transactions, their types, risks, and other related aspects. The second part presents an overview and analysis of banking and other public law norms regulating these transactions, both Czech and those accepted under the European Union law. Therefore, within this part are elaborated in relation to these transactions not only the prudential requirements arising from the Act on Banks, Prudential Decree No. 163/2014 Coll. or the directly applicable CRR regulation, but also the requirements of European laws implemented in the Czech legislation through BRRD, AMLD or DAC II directives. The third part deals with the description of the credit process of bilateral corporate credit transactions of banks, especially with the emphasis on the role of the corporate credit agreement and its collateral as instruments to ensure the compliance of these transactions with requirements of financial regulation. This role is then elaborated in detail in the final part of this thesis, which describes the selected measures, which should be taken by banks within preparation of their credit or collateral documentation to ensure compliance of corporate credit transactions with requirements of finance laws, and which addresses the related issues of banking law practice.

Key words: Bank Credit, Corporate Banking, Bank Regulation