

The Effects of the Financial Crisis on the Regulation of Financial Markets with a Focus on Securitization

Abstract

The thesis investigates the influence of the financial crisis on financial markets regulation, with a focus on securitization. In its first part, it attempts to identify the causes of the financial crisis from years 2008 and 2009. It builds up the attention onto the regulatory tendencies of the 20th century from the Great Depression until the 2008 financial crisis. Then it focuses on the monetary policy of central banks, especially the FED in the USA and its influence on the mortgage market. The following part contains a brief description of the development of the US mortgage market and the start of mortgage loan securitization. The chapter of financial crisis also addresses the role of rating agencies in the securitization system and their impact on the creation of toxic assets. The main part of the thesis is dedicated to securitization, where it is analyzed its economic essence, legal definitions and process of securitization, which is further divided into traditional and synthetic securitization. In order to discuss the synthetic securitization more in depth, one chapter is dedicated to credit derivatives. The securitization process is concluded with the release of ABS as a securitization product. The point of this part of the thesis is European regulation of securitization, a regulation on securitization. In conclusion is evaluated the appropriateness of the adopted legal regulation in the context of the impact of the securitization on the emergence of the financial crisis.