

The Czech National Bank, its legal status and scope of activities

Abstract

The theme of this thesis is the Czech National Bank, its legal status and scope of activities. The aim of the thesis is to describe and analyse the development of central banking and to evaluate current legal status of the Czech National Bank. Due to the volume of the Czech National Bank's activities, the work is focused only on the supervisory activities of the Czech National Bank and on the examination of the functioning of the unified supervision system.

The thesis is divided into five parts. The first part deals with theoretical issues of the emergence of central banking and with the functions of central banks. The following part deals with the development of central banking in the Czech lands from the time of the Austrian Empire until the establishment of the independent Czech Republic. The third part of the thesis describes legal status of the Czech National Bank, its establishment in the Constitution of the Czech Republic, its tasks, objectives and its independence. Furthermore, the thesis describes bank's relationship with other constitutional institutions, its organizational structure, management and regulatory activities.

The fourth part of the thesis deals with the supervisory activities of the Czech National Bank. At the beginning of this section, the basic concepts related to the supervision of financial markets are discussed. Additionally, a possible classification of supervision is described with an emphasis on the evaluation of unified supervision of financial markets, which exists in the Czech Republic. The reasons and objectives of regulation and supervision and the individual instruments available to the Czech National Bank in the exercise of supervision are also being analysed. Moreover, the individual financial sectors in which the Czech National Bank supervises are described. Emphasis is placed especially on the banking sector, which is crucial for the Czech financial system. Attention is also paid to capital markets, insurance markets and financial conglomerates.

The fifth and final part of the thesis deals with the participation of the Czech National Bank in European institutions. In addition to the European Central Bank and the European System of Central Banks, the European System of Financial Supervision and its various parts are also described. The conclusion of this section deals with the emerging banking union and evaluates the positives and negatives of the potential participation of the Czech Republic in this organization.

Keywords: Czech National Bank, Central banking, Supervision of financial markets

