

## **The Czech National Bank, its Role and Activities**

In my Diploma Theses I would like to discuss the role and position of the Czech Central Bank. My theses is formally divided into five chapters, these chapters are divided into subchapters and sections. The purpose of this structure is for the theses to be complex and easy to work with.

The first chapter, called "History and Origin/Formation of The Central Banking System", surveys the history of central banking system in this area since the beginning of the 19th century till 1993, when the Act No. 6/1993 Sb. about the Czech National Bank came into force in a word of later regulations.

In the second chapter I am discussing various banking systems, focusing on the basic one-stage and two-stage classification.

The third and fundamental chapter is called "The Role and Activity of The Czech National Bank." It consists of four subchapters, of which the first three - "The Central Banking System in the Czech Republic according to the actual legal regulations", "Constitution" and "Act on The Czech National Bank" should clear up the legal principles, basic determination and position of the Czech National Bank. A brief section about evolution of integration of the charge of the financial market till 1989 is also included in this chapter. The fourth and last subchapter - "The functions of the Central Bank and their diving into isolated divisions" - describes closer in their sections each function of The Czech National Bank. The basic function of The Czech National Bank is without a doubt being the supreme subject of the monetary policy. Therefore rather closer attention is paid to the section discussing instruments of monetary policy. The role of a regulator and supervisor over the financial market is no less important.

Considering the integrating financial market supervision into one body in 2006 and The Czech National Bank becoming this body after long discussions the shaping of this function is still an up-to date topic.

The fourth chapter under the name "The Czech National Bank in context of the European currency integration" focuses in its first two subchapters on evolution of European currency and economic integration going on since 1950's. The system of European central banks along with The European Central Bank guaranteeing to carry out unified currency policy is also being discussed in these subchapters. The third subchapter describes the European currency integration process from The Czech National Bank point of view. The admittance of Czech Republic into the European Currency Union is recently put behind. Nevertheless, considering the claims given to the ten countries newly affiliating in 2004 such an act is inevitable. Problems connected will be sooner or later an order of the day.