

Summary

The main aim of this Master's Degree thesis is to analyse legal questions about commercial and investment banking.

Just before I get to some concrete aspects of these problems, it is necessary to deal with general theses of banking in part one in itself.

It is possible and it would be an honour for me, if any ordinary person will read my thesis, so for that reason I think it is necessary to explain at the very beginning what the conception of banking is, what is its object and from which sources the legal form is coming-out.

Banking is based first of all on economics. That is the reason, why at the beginning of third subchapter I explain economic characteristic of the bank firstly, following by legal point of view.

As a student of law school, and not a student of economics, I should concentrate only at legal nature of my thesis and not economic, but I am really persuaded, that both science disciplines are so connected and close-knitted, so it is impossible to totally disconnect or separate them.

Subchapter Four reflects about that and describes essential bank functions.

I finally get into banking system in subchapter Five, to its regulation a characteristic of its particular types of banking systems, which outline us slowly the problem of connection or separation of these particular banking system types. Of course, the main task for us is the connection or disconnection between commercial and investment banking systems.

After short excursion to central banking, its standing, major goals and functions in subchapter Six, I subsequently just in next chapter get to commercial banking, its characteristics and classification by different angles.

In part Two I deal with investment sphere, where in subchapter of models of integration I am getting back to characteristics of banking types from subchapter Five and I extend the historical progress of separation both, commercial and investment banking spheres in the USA, which was so typical for this area and it expanded to many other countries in the world from there.

If it comes to full connection between commercial and investment banking in very universal banking system or full separation of them, always it brings either advantages or disadvantages. There are a lot of problematic aspects here. One of the most significant is security of name and description accompanying the battle of interest. Chapter eight is trying to solve this problem. Naturally, it involves an elaboration of security of name and description

in banking area, which is the most important for the subject matter of my thesis. Fundamental areas are composed of the battle of interest, then retention of bank secret and giving bank references at the observation of laws.

The year 2007 or 2008 was the year of big changes not only in banking, but in whole market in itself. Markets in Financial Instruments Directive (MiFID) was passed by European parliament and Council and member states of The European Union were obliged to specific date to implementation the MiFID to their national legal orders. The Directive afflicted to many different areas of our Czech legal order, it was necessary to novelize the Banking Act, Act of Collective Investment and many other acts. The implementation mostly touches The Act of Business on Capital Market, which had to be changed by major part.

Part Three is generally dealing with the MiFID Directive, about its impacts and main changes, which fetches along and it is followed by comparison of implementation of the Directive to the Act of Business on Capital Market and which changes it brings in comparison with original legal form. Then the problem of the battle of interest comes again in comparison with original legal form.

The reason why I have decided to choose this topic is that I am really interested in banking and I hope one day I will be able to work there.

In the conclusion I summarize the problems mentioned in previous text and give my opinion that the legal form and system security in this area is on standard level and rest with banks only how fair and seriously they will approach to regulations and also rest with supervisory bodies how they will execute the supervision. It is all in the interest either of banks or all of us as a clients or potential clients.