

## Financial Market Supervision

Significance of financial market as a part of modern economy is undisputable. Financial market serves as mediator of important economic procedures. Its specific character constitutes a need of unusual approach in its regulation and supervision. In general, regulation is goal-directed effort to construct consistent framework of rules, which moderates behavior of regulated entities. Supervision is continuous inspection of such behavior and penalizing infringements of defined rules.

This paper's intention is to contribute to debate on purposes, means and extend of execution of financial market's regulation in Czech Republic. Nature of financial market, especially its progress dynamic, makes this intention difficult to fill. Every specific financial market requires unique solution of regulation framework's construction. Nevertheless similar trends can be recognized on them. This partial conformity enable to create several types of regulatory framework, which can be applied to number of markets.

Law is a basic instrument of financial market's regulation. Economic nature of financial market necessitates consistent comparison of legal acts' interpretation with market's true needs. Flexibility of regulation framework is crucial factor of its efficiency. Its system should be able to reflect every single change in financial market condition and secure its stability. On the other hand it should be predictable and consistent.

Supervision of financial market in Czech Republic passed through significant changes in last few years. Discussion about optimal shape of regulation and supervision system offered many interesting conclusions, which brought increase of its efficiency. Institutional integration of supervision is to be supplemented by legal transformation soon. Main objective in this time is to discover imperfections of contemporary enactment and find solutions that could be implemented in new legal act.