

Abstract

State supervision of financial activities

I have chosen this topic because financial supervision plays a very important role as it ensures stability of financial markets and thereby helps to stabilize national economies. Contemporary legislation in the area of financial supervision is undergoing major changes in order to reflect devastating impact of the financial crisis. Therefore it is substantial to analyze this legislation because its effect on financial law can be significant.

The aim of this thesis is to analyze financial supervision and its different methods together with the proposed changes of financial supervision in the European Union. I have decided to concentrate on current and proposed legislation in the European Union because it will directly affect the Czech Republic as a member state.

Chapters two and three explain the term financial supervision and major methods of financial supervision used in different countries. Chapter four analyzes legislative aspects of financial supervision in Czech Republic and its major current objectives. Legal status of the Czech National Bank as an integrated financial supervisor is also assessed in this chapter.

Different types of financial supervision are then compared in chapter five. No financial supervision method is preferred because I believe that each method can be effective as long as it reflects unique economic, political and other characteristics of each country.

Chapter six deals with issues of European financial supervision. The chapter starts with a short historical excursion when the process of a single market for financial services has been started. The role of the European action plan and Lamfalussy Process is then explained.

With regards to future prospects of the financial regulation in Europe chapter seven concentrates on the High Level Group report and discusses its main legislative proposals. Opinions of the Czech National Bank are provided in this matter in order to reflect the point of view of the Czech financial supervisor.

Chapter eight deals with the proposed legislative acts carried out as a response to the report of the High Level Group including proposals to create ESRC and ESFS. Legal structure and organizational structure of these proposed bodies is then analyzed in the same chapter.

Chapters seven and eight also deal with the issue of credit rating agencies supervision. I have decided to include this type of regulation because it represents a whole new supervisory legislation.

However it has to be noted that chapters seven and eight deal mostly with legislative proposals. Therefore it can be expected that these proposals will be different when valid.

I also analyzed the Lisbon treaty in chapter nine. This treaty likewise substantially affected the area of financial supervision in the European Union. Emphasis is put on the new competences of ECB with regards to this important Treaty.

Final chapter closes with a message that legislative proposals on the European level concerning the financial supervision should be put under more critical thought and their adoption should not be expeditious. It is also recommended that Czech Republic should play a more extensive role in contemporary legislative process in EU in order to protect its interests.

Due to the nature of the topic, many types of sources are used in this thesis including financial law textbooks, work papers, other qualified studies and legal articles together with actual and proposed legislation at Czech and European level.