

Résumé

This thesis focuses principally on investment firm's governance and control system. Governance and control system is an integral part of prudential rules which every investment firm has to follow according to current state of regulation stipulated particularly by Act No. 256/2004 Coll., on Business Activities on the Capital Market. Nevertheless, other prudential rules and rules related to investment firm's conduct towards its clients have to be marginally observed in this thesis since they together form an inseparable regulatory complex. Definition of the most important terms (financial market, investment firm, governance and internal control system) in Chapter One is followed by short introduction to the development of Czech capital market and to the evolution of laws which are related to the regulation of this market in Chapter Two. Czech legislation was highly influenced by relevant European directives therefore a reference to the evolution of European legislation in the financial market field is made in Chapter Three. By investigating the history, amendments and revisions of Czech laws concerning capital market regulation in Chapter Four we analyze the concept of governance and control system in historical and material perspective. In this Chapter we also mention some other basic issues related to supervision of investment firms in the Czech Republic. Finally, we describe and analyze present state of requirements regarding investment firm's governance and control system in Chapter Five which is the essence of this thesis. We do not only use the current legal text of Act No. 256/2004 Coll., on Business Activities on the Capital Market and of Decree No. 237/2008 Coll., on the details of certain rules in the provision of investment services, but we consider also the context of relevant European directives (MIFID and ID). Our observations are supplemented by quotations of decisions of the Czech Securities Commission and the Czech National Bank. Chapter Five is followed by Conclusion where we sum up our findings. We maintain a position that investment firm's governance and control system is significant part of rules for prudent provision of investment services and crucial condition for proper fulfilment of the conduct of business rules when providing investment services to clients. We also find out that Czech concept of prudential rules regulation partially differs from MIFID structure due to pre-MIFID legal development.

Key words: governance, internal control system, investment firm, MIFID, financial market regulation, Czech National Bank, supervision

Klíčová slova: řídicí a kontrolní systém, obchodník s cennými papíry, MIFID, regulace finančního trhu, Česká národní banka, dohled