

Abstract

The topic of the final thesis is The Legal Status of the Czech National Bank and its Powers. Even though this topic is quite extensive, I have decided to focus on powers of the Czech National Bank with regards to the implementation of the directive establishing a framework for the recovery and resolution of credit institutions and investment firms. In order to fulfill the topic and understand properly the current legal status of the CNB, I included the history of the CNB as well. Based on it, I set forth its status in Czech law with regards to the organizational structure, goals, powers or activities. Subsequently, I addressed the BRRD itself. The CNB obtains new scope of powers with regards to the directive that shall solve the Too big to fail doctrine.

This doctrine was highly reflected in politics during the financial crisis in 2008, which begun in the USA after the bubble on a real estate market burst and irresponsible activities of investment banks were disclosed. The investment banks undertook higher risk than they were able to manage. After the bubble burst, consequences of fall of some investment banks would have been more serious than amount of money that was actually needed for bail-out.

In order to limit such consequences in future, the BRRD was prepared to tackle this issue. The BRRD completes the whole banking regulation system, which is set by the CRR and CRD IV that regulates banks from the preventive point of view. This directive leads at the final stage to protect consumers by new planning institutes (resolution planning), early intervention measures or resolution actions. The consumers were basically biggest victims of financial crisis, because they had to pay huge bail-out packages vicariously through taxes. This final thesis describes among other things the way the directive has been implemented, its advantages, disadvantages or possible ways how to amend the transposition act. The author refutes, discusses some institutes incorporated or submits his opinions as well.