

Abstract

Financial market regulation and role of compliance function in the Czech Republic

The topic of this diploma thesis is the evaluation of the current legislative regulation of financial markets in the Czech Republic, the principles of their regulation and related supervision. The next part of the work is devoted to the complex characteristics of the compliance function and the concept of corporate governance inextricably linked with it. The subject of the compliance function is comprehensively analysed in the work to define its scope and the regulations by which it is defined. Although the compliance function is present in many areas of business activities, this work is focused primarily on financial markets and specifically on banking.

The first part of the thesis describes the characteristics of financial markets, the need for their regulation and supervision.

The second part contains an analysis of legislative and non-legislative regulation of financial markets, both at the national, international and European Union level. Special attention is paid to the CNB and its efforts to mediate legal binding for non-legislative acts and the associated analysis of their enforceability.

The third part of the thesis defines the content and activities of the compliance and corporate governance functions, translated into Czech as the "management and control system of the company". It defines their position within the concept of 3 lines of defence and describes their appropriate organizational structure in the company structure, with emphasis placed on clarifying the principle of 3 lines, which is crucial for clarifying the proper functioning of the corporate governance and the appropriate setting of processes within the internal structure of the company.

The fourth part of the work is then devoted to the legal basis of the above-mentioned functions, again both legislative and non-legislative regulations in the national and European Union regulations. These legal regulations form one complex whole and such their perception is necessary for understanding the legal definition of the compliance function.

The fifth part compares the theoretical definition of compliance and corporate governance with the knowledge gained in the previous two parts. It highlights 4 key findings from the facts demonstrated in previous chapters. Emphasis is placed on the principle of 3 lines of defence, which, although it is explicitly

stated minimally in the legislation, is projected through its principles into the whole concept of the researched issue.

Keywords: compliance, corporate governance, 3 lines of defence