

THE ORGANIZATION OF FINANCIAL SERVICES SUPERVISION

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A COMPARISON OF CZECH REPUBLIC, GERMANY, AUSTRIA AND SWITZERLAND

Summary

Financial services supervision has become an inexhaustible subject matter of intense debates in the past two decades and many countries have recently adopted a new, mostly integrated, institutional structure of financial supervision, among them the Czech Republic, Germany, Austria and Switzerland, four countries, each representing a different type of political and economic system.

This thesis deals with the institutional issues of financial services supervision, successively in the named countries. Actually, these issues are a prerequisite for effective and efficient execution of all supervisory functions. The institutional aspects are presented in their three main forms. First, the focus is given on institutional structure of supervision, especially with regard to the model structures, as presented and analyzed in the first part of the thesis. Closely related to this is also the internal organizational set-up of the supervisory agency; an appropriate designation of corporate governance can positively influence the supervisory process. Second, for the mere operability of every organization disposable resources are essential. There are two points of view concerning the funding dealt in this paper. The focus is given to the source of funds, whether they are provided by government (public funding) or by supervised institutions (private funding), and also to the way the funds are handled. Therefore the budgetary conditions of supervisory agencies are mentioned. The third main theme covered by the study presents a brief survey of the legislation of supervision of financial services in the countries discussed. The legal background forms the supervisory structure, sets its goals and provides the indispensable implementations needed for achieving the intended goals.

The final part of the thesis brings a cross-country comparison of all mentioned factors determinant for the successful performance of financial supervision in the globalized financial market, the world of financial conglomerates, new interbranch financial instruments and undiscovered risks sequent upon the new structure of the financial system.