

Abstract

Supervision in banking industry

The purpose of my thesis is to analyse a role and competences of the new architecture of European financial supervision in the context of achieving effective banking supervision.

The thesis is composed of five parts – introduction, three main chapters and conclusion .

Chapter one deals with banking as a type of business and its importance for society. Then it defines the term bank from economic and legal view, and finally it describes the position of banking in EU and the present trends in banking business.

Chapter two deals with banking supervision in general view. It is divided into two parts. Part one defines terms regulation and supervision and the difference between. Then part one deals with specification of basic reasons of banking supervision, basic areas of supervision and the main goals of supervision. Part two is defining the criteria of effective banking supervision in the context of basic goals of supervision as defined in part one of chapter two.

Chapter in its beginning describes relevant parts of Larosiere report. Rest of the chapter analyses European system of financial supervision in the context of effective banking criteria and is divided into four main parts. Part one analyses parts of European system of financial supervision and relations between them. Second part analyses European systemic risk board, its role and its powers. Part three analyses European banking authority, its role and powers. Part four analyses main obstacles of establishing pan-European supervisor.

Conclusion of my thesis is that new European layer of banking supervision has not changed the division of powers. Centre of power is still in hands of national supervisors and member states. European supervisors have no direct supervisory role. Powers that could be termed as significant, can be exercised only under specific conditions and member states can easily achieve their abolishment. Main role of European system of financial supervision can be seen in harmonizing supervisory practices and in supporting and coordinating cooperation of national supervisors.