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Innovations: Global View of a Regulator



Why Is Regulation Important?

- Goals:
 - Stronger and more stable financial sector
 - Termination of “privatisation of profits and socialization of losses“
 - Reduction of burden for public finance to bail out banks
 - Maintaining customers’ trust in the financial market
- Reaction to a (likely) collapse of financial system during the financial crisis



Regulation: Trends

- EU (capital buffer of banks, division of big banks as not to be “too-big-too-fail”)
- Shadow Banking supervised by the Czech National Bank
- Taxation of banking products and financial transactions ?



Regulation: Examples

- Banking Structural Reform (division of big banks to core credit entities and trading entities/restriction of intragroup transactions)
- Bank Recovery & Resolution Directive (banks contribute to resolution financing arrangements, recovery plans or „bail-in tool“)
- Directive on Deposit Guarantee Schemes



Innovative Financial Instruments

- Intelligent way of spending of public funds (EU funds, EIB funds)
- Combination of private and public funds (private credit, state guarantees and state capital investment)
=> multiplication of effects of public investments
(„leverage“)
- Use of excess liquidity in the banking system
- Promotion of economic growth



Thank you