Institutional Structure Of Financial Regulation Theories And International Experiences Routledge Research In Finance And Banking Law

The single statutory regulator for financial services which is being established in the UK (the Financial Services Authority, quot;FSAquot;) will be the broadest financial regulator in the world, combining prudential, conduct of business and market conduct regulation across the full range of financial services, including banking, securities, investment management and insurance. A few other countries already have single financial services regulators, but the FSA will be the first in a major international financial centre.This paper considers the rationale for establishing a single national financial services regulator. The institutional structure of financial services regulation is important because of the impact of the efficiency and effectiveness of this regulation on the direct and indirect costs of regulation and on the success of regulation in meeting its statutory objectives. To what extent should the structure of financial regulation be driven by the functions which financial services firms undertake, reflecting market developments in the financial services industry? Is there a first-best institutional arrangement which is independent of these market developments, arising perhaps from economies of scale and scope in undertaking financial regulation, or from some underlying logic linking the structure of regulation with the objectives of regulation or with the institutional arrangements for monetary policy and for addressing systemic risk? Are there also implications here for the structure of regulation internationally, not just within national borders?Although the structure of financial regulation must depend in part on what is being regulated and why it is being regulated, this paper takes as given the rationale for financial services regulation as set out in Davies (1998a), Goodhart et al (1998) and Llewellyn (1999). This is not to deny the crucial importance of determining the rationale for intervention - and indeed the key interrelationships between this rationale and the choice of the tools of supervision - but this is too large a subject to cover within this paper.
Over the past several decades, as the pace of globalization has accelerated, operational issues of international coordination have often been overlooked. For example, the global financial crisis that began in 2007 is attributed, in part, to a lack of regulatory oversight. As a result, supranational organizations, such as the G-20, the World Bank, and the International Monetary Fund, have prioritized strengthening of the international financial architecture and providing opportunities for dialogue on national policies, international co-operation, and international financial institutions. Prevailing characteristics of the global economic systems, such as the increasing power of financial institutions, changes in the structure of global production, decline in the authority of nation-states over their national economy, and creation of global institutional setting, e.g., global governance have created the conditions for a naturally evolving process towards enabling national epistemic communities to create institutions that comply with global rules and regulations can control crises. In this context, transfer of technical knowledge from the larger organizations and its global epistemic communities to member communities is becoming a policy tool to “convince” participants in the international system to have similar ideas about which rules will govern their mutual participation. In the realm of finance and banking regulation, the primary focus is on transfer of specialized and procedural knowledge in technical domains (such as accounting procedures, payment systems, and corporate governance principles), thereby promoting institutional learning at national and local levels. In this volume, the authors provide in-depth analysis of initiatives to demonstrate how this type of knowledge generated at the international organization level, is codified into global standards, and disseminated to members, particularly in the developing world, where the legal and regulatory infrastructure is often lacking. They argue that despite the challenges, when a country intends to join the global system, its institutions and economic structures need to move toward the global norms. In so doing, they shed new light on the dynamics of knowledge transfer, financial regulation, economic development, with particular respect to supporting global standards and avoiding future crises.
Institutional Structure of Financial RegulationTheories and International ExperiencesRoutledge
Financial stability is one of the key tenets of a central bank’s functions. Since the financial crisis of 2007-2009, an area of hot debate is the extent to which the central bank should be involved with prudential regulation. This book examines the macro and micro-prudential regulatory frameworks and systems of the United Kingdom, Australia, the United States, Canada and Germany. Drawing on the regulator frameworks of these regions, this book examines the central banks’ roles of crisis management, resolution and prudential regulation. Alison Lui compares the institutional structure of the new ‘twin-peaks’ model in the UK to the Australian model, and the multi-regulatory US model and the single regulatory Canadian model. The book also discusses the extent the central bank in these countries, as well as the ECB, are involved with financial stability, and argues that the institutional architecture and geographical closeness of the Bank of England and Financial Policy Committee give rise to the fear that the UK central bank may become another single super-regulator, which may provide the Bank of England with too much power. As a multi-regional, comparative study on the importance and effectiveness of prudential regulation, this book will be of great use and interest to students and researchers in finance and bank law, economics and banking.
Legislation and Implications
Financial Regulation
One Step Forward, Two Steps Back? The Institutional Structure of U.S. Financial Services Regulation After the Crisis of 2008
The Rationale for a Single National Financial Services Regulator

Financial Regulation in the European Union

The Consumer Financial Protection Bureau (CFPB) is a regulatory agency of the United States government with a mandate to make "consumer financial products and services work for Americans". A direct response to the recent financial crisis, the creation of the CFPB in 2010 marks an important departure from the U.S. regulatory tradition of decentralized agencies whereby the institutional locus of financial oversight depended on the precise nature of the legal structure of and business activities pursued by individual financial intermediaries. In its mandate and institutional structure, the CFPB unifies both "micro-prudential" and "macro-prudential" principles of financial regulation to enhance overall financial stability. From an historical perspective, the creation of the CFPB does not change the regulatory landscape to the same extent as did the creation of the Federal Reserve after the Panic of 1907 or the creation of the FDIC after the 1933 Banking Crisis. At the same time, however, the CFPB represents a unique historical shift in the policy focus of U.S. financial regulation away from bank stability and monetary policy to consumer protection.

This collection offers a comparative overview of how financial regulations have evolved in various European countries since the introduction of the single European market in 1986. It includes a number of country studies which provides a narrative of the domestic financial regulatory structure at the beginning of the period, as well the means by which the EU Directives have been introduced into domestic legislation and the impact on the financial structure of the economy. In particular, studies highlight how the discretion allowed by the Directives has been used to meet the then existing domestic conditions and financial structure as well as how they have modified that structure. Countries covered are France, Germany, Italy, Spain, Estonia, Hungary and Slovenia. The book also contains an overview of regulatory changes in the UK and Nordic countries, and in post-crisis USA. This comparative approach raises questions about whether past and more recent regulatory changes have in fact contributed to increase financial stability in the EU. The comparative analysis provided in this book raises questions on whether the past and more recent changes are contributing to increase the financial stability and efficiency of individual banks and national financial systems. The crisis has demonstrated the drawbacks of formulating the regulatory framework on standards borrowed from the best industry practices from the large developed countries, originally designed exclusively for large global banks, but now applied to all financial institutions.

There is a trend towards integration of financial regulation and supervision in Europe and in developed overseas countries. Nevertheless, integrated regulatory bodies are quite unusual worldwide and this relatively new structure should be examined in detail. There are a number of different models of the institutional structure of financial regulation and supervision specific to every country, and the question is what will be the best solution for Croatia?The problems of authority overlapping and insufficient regulation are becoming more complex by the development of Croatian financial sector. Although banks dominate the Croatian financial market, that has been threatened by the rapid growth of non-deposit financial institutions, especially investment funds and compulsory private pension funds. Also, there is a problem of formal or informal financial groups that are gathered around few banks owned by foreigners. Accordingly, one can say that Croatian financial market is dominated by financial conglomerates. That complexity enables them to avoid rules and regulations of financial supervisory authorities. Because of the growing role of financial groups it is necessary to coordinate work of different supervisory authorities and consider unification of different regulatory bodies.Only two years ago, supervision of Croatian financial system consisted of six independent regulatory institutions entrusted with different financial services ("solo" supervision), without any sufficient coordination of their activities. By adopting new laws in 2005, their partial integration started, based on two separate agencies. Croatian supervisory model at the moment is consisted of two regulators of the financial system, i.e. Croatian National Bank (HNB) and Croatian Financial Services Supervisory Agency (HANFA). This is an example of the twin peaks system, when banking supervision is carried out by the central bank (HNB), while non-bank financial institutions are regulated and supervised by another supervisory authority (HANFA).The aim of this paper is to discuss the present institutional structure and effectiveness of financial regulation and supervision in Croatia and to point out possible future development of the Croatian supervisory model.

A thorough inquiry into the distinctive features of cooperative financial institutions that should inform an appropriate legal, regulatory and supervisory framework.

The Cambridge Handbook of Twin Peaks Financial Regulation

Why, How and Where Now?
Global Governance of Financial Systems
Financial Market Regulation
Allocating Financial Institutions Regulatory Authorities
Financial Market Regulation and Reforms in Emerging Markets

This book aims to create an awareness of the potential of non-bank financial institutions (NBFIs) for developing countries, and to assist policy makers in the creation of coherent policy structures and effective regulatory systems for the development of these institutions. It considers the essential functions and characteristics of non-bank financial institutions and includes chapters on insurance companies, mutual funds and pension schemes, securities markets, and leasing and real estate companies.

World Bank Discussion Paper No. 362. There has been tremendous growth worldwide in the mobilization of financial resources outside traditional banking systems. Channeled mainly through capital markets, such rapid financial diversification is posing new challenges for regulators in many emerging markets. This document describes the various aspects and implications of this growth, reviews the regulatory framework adopted in some mature market economies, including the United States and the European Union, and discusses regulatory issues in emerging markets.

First proposed in 1994, the Twin Peaks model of financial system regulation employs two specialist peak regulators: one charged with the maintenance of financial system stability, and the other with market conduct and consumer protection. This volume, with contributions from over thirty scholars and senior regulators, provides an in-depth analysis of the similarities and differences in the Twin Peaks regimes that have been adopted around the world. Chapters examine the strengths and weaknesses of the model, provide lessons from Australia (the first to adopt the model), and offer a comparative look at the potential suitability of the model in leading non-Twin Peaks jurisdictions. A key resource for central bankers, public policy analysts, lawyers, economists, politicians, academics and students, this work provides readers with a comprehensive understanding of the Twin Peaks model, and a roadmap for countries considering its adoption.

The book sets forth the economic rationale for international financial regulation and what role, if any, international regulation can play in effectively managing systemic risk while providing accountability to all affected nations. The book suggests that a particular type of global governance structure is necessary to have more efficient regulation of the international financial system.

The Fundamental Principles of Financial Regulation
Estimating the Costs of Financial Regulation
Changing the Rules of the Game
Book Review of Institutional Structure of Financial Regulation
Financial Regulation and Supervision in Croatia
Institutional Structure of Financial Regulation in China

The rapid spread and far-reaching impact of the global financial crisis have highlighted the need for strengthening financial systems in advanced economies and emerging markets. Emerging markets face particular challenges in developing their nascent financial systems and making them resilient to domestic and external shocks. Financial reforms are critical to these economies as they pursue programs of high and sustainable growth. In this timely volume Masahiro Kawai, Eswar Prasad, and their contributors offer a systematic overview of recent developments in—and the latest thinking about—regulatory frameworks in both advanced countries and emerging markets. Their analyses and observations clearly point out the challenges to improving regulation, efficiency of markets, and access to the fi nancial system. Policymakers and financial managers in emerging markets are struggling to learn from the crisis and will need to grapple with some key questions as they restructure and reform their financial markets: • What lessons does the global financial crisis of 2007–09 offer for the establishment of efficient and flexible regulatory structures? • How can policymakers develop broader financial markets while managing the associated risks? • How—or should—they make the formal financial system more accessible to more people? • How might they best contend with multinational financial institutions? This book is an important step in getting a better grasp of these issues and making progress toward solutions that strike a balance between promoting financial market development and efficiency on the one hand, and ensuring financial stability on the other.

Staff Discussion Notes showcase the latest policy-related analysis and research being developed by individual IMF staff and are published to elicit comment and to further debate. These papers are generally brief and written in nontechnical language, and so are aimed at a broad audience interested in economic policy issues. This Web-only series replaced Staff Position Notes in January 2011.

This study discusses ways of evaluating financial regulations and their effect on macroeconomic, allocative, protective, and other financial systems. It is a handy guidebook to regulatory changes faced by banking and nonbanking markets alike.

This book chapter provides an overview of the key changes in the structure of U.S. financial services regulation in the wake of the global financial crisis of 2008. The crisis exposed numerous weaknesses in the U.S. system of regulatory oversight of the country's rapidly growing and complex financial services sector. In response, the U.S. Congress adopted the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the Dodd-Frank Act), a wide-ranging reform statute that explicitly pursues the objective of systemic risk mitigation. Among other things, this large-scale reform effort involved a rearrangement of the federal administrative apparatus in charge of overseeing the U.S. financial services sector. At this stage in the implementation of the Dodd-Frank regime, it is difficult to *predict how successful the new financial regulatory structure will be in safeguarding systemic financial stability in the long run. Without claiming to offer any definitive judgments, this chapter draws some preliminary assessments of the Dodd-Frank Act as a major milestone on the path of financial regulation reform in the United States. Placing the discussion of this latest agency restructuring in its broader historical, institutional, and intellectual context is particularly instructive. Against that broader backdrop, the Dodd-Frank Act can be viewed, somewhat paradoxically, both as an important advance and as a regrettable retrenchment on the road toward a better regulatory system.*

Research Handbook on International Financial Regulation

Why, How, and where Now?

The Twin Peaks Model and Consumer Protection in the United States and the United Kingdom

Building Supervisory Structures in Sub-Saharan Africa

A Reprint from the ¿Economic Quarterly¿

Institutional Reform, Post-Crisis Governance, and the New Regulatory Landscape in the United States

This book examines the area of financial regulation in the banking sector. Editors Mayes and Wood bring together such acadmics as Charles Goodhart, Charles Calomiris and Kern Alexander whose expertise shines through this volume to provide a reference tool for researchers, students and bankers themselves which will prove invaluable.

The financial system and its regulation have undergone exponential growth and dramatic reform over the last thirty years. This period has witnessed major developments in the nature and intensity of financial markets, as well as repeated cycles of regulatory reform and development, often linked to crisis conditions. The recent financial crisis has led to unparalleled interest in financial regulation from policymakers, economists, legal practitioners, and the academic community, and has prompted large-scale regulatory reform. The Oxford Handbook of Financial Regulation is the first comprehensive, authoritative, and state of the art account of the nature of financial regulation. Written by an international team of leading scholars in the field, it takes a contextual and comparative approach to examine scholarly, policy, and regulatory developments in the past three decades. The first three parts of the Handbook address the underpinning horizontal themes which arise in financial regulation: financial systems and regulation; the organization of financial system regulation, including regional examples from the EU and the US; and the delivery of outcomes and regulatory techniques. The final three Parts address the perennial objectives of financial regulation, widely regarded as the anchors of financial regulation internationally: financial stability, market efficiency, integrity, and transparency; and consumer protection. The Oxford Handbook of Financial Regulation is an invaluable resource for scholars and students of financial regulation, economists, policy-makers and regulators.

"Institutional structure of financial regulation is currently a subject of significant academic and practical interest, in light of the ongoing global financial crisis. The financial crisis has called into question the adequacy of financial regulation at the national and supranational levels. Financial regulatory structure has now been considered a key issue behind the financial crisis and as such, a wave of financial regulatory reform has ensued in major markets overseas, including the enactment of the Dodd-Frank Act in the US and the program to split the Financial Services Authority in the UK. Mainland China and Hong Kong are no exceptions. In Hong Kong, the much-publicized Lehman Brothers minibond saga has prompted the Hong Kong government to reconsider its financial regulatory regime. Likewise, the Mainland has recently staged a reshuffle at the top financial regulators.This book examines the institutional structure reform of financial regulation presently going on at the international level, and the resulting policy implications for the local reforms in Hong Kong and Mainland China. The book will consist of three parts the first of which explores the theory of financial regulatory structure, the second considers international perspectives on financial regulatory structures, and the third focuses on local issues in Mainland China and Hong Kong. The book contains contributions from renowned experts in the field of financial regulation including Douglas Arner, Jeffery Carmichael, Robin Hui Huang, Dirk Schoenmaker, Andrew Sheng and Michael Taylor allowing for authoritative and interdisciplinary analyses"--

Policy makers around the globe will find that Restructuring Regulation and Financial Institutions offers a cogent assessment of the contemporary regulatory environment in the U.S. financial markets, and a blueprint for action in evolving global financial markets. Financial markets are among the most highly-regulated markets in the world. Nevertheless, financial crises still occur, witness the U.S. savings-and-loan fiasco of the late 1980s and early 1990s, and the Mexican and East Asian Financial implosions of 1994 and 1997. What role does regulation play in stabilizing-or-destabilizing financial markets? Restructuring Regulation and Financial Institutions answers this question with incisive analysis of financial market regulation in the United States. Each paper considers how regulation enhances or impedes the efficiency of a particular financial sector, and is followed by comments by two or three noted experts. The result of this approach is a wealth of useful information that may be applied by policy makers contemplating the restructuring of regulations and financial institutions. The contributors to this volume are distinguished economists, many of whom have careers not just in business, government, or academia, but have held influential positions in all three. Such varied backgrounds enable the contributors to offer remarkable insights based on the best of theory and practice. Never before has understanding the workings of U.S. financial market regulation been so important to the development of world financial markets. The ramifications of financial regulation in the United States extend far beyond the nation's borders. World financial markets are undergoing dramatic change, driven by the rapid development and deployment of new technology that enables information-and money-to travel farther, faster. However, a Byzantine array of regulatory structures in the international arena hinders the development of efficient global financial markets. Policy makers around the world are attempting to address the issues by emulating the financial markets of the United States.

Systemic Risk, Institutional Design, and the Regulation of Financial Markets
After the Financial Crisis
Regulation and Supervision of Financial Institutions in the NAFTA Countries and Beyond
The Oxford Handbook of Financial Regulation
Theories and International Experiences
U.S. Financial Regulatory Structure

Published in association with the Bank of England, this volume presents an important restatement of the purposes and objectives of financial regulation.

Current trends in financial sector development in sub-Saharan Africa are prompting policymakers to focus on the design of appropriate supervisory structures. Against the backdrop of worldwide efforts to remodel supervisory structures, this paper develops an analytical framework for designing a regulatory strategy that could assist in prioritizing the needs for regulation and supervision over time. Such a strategy should facilitate the design of a supervisory structure suitable for an individual country's current and future needs. The paper emphasizes that in the case of sub-Saharan Africa, any such strategy is constrained by the reality of capacity limitations and should take into account the need to keep the central bank involved in the process. Building on the framework, the paper identifies a number of supervisory structures that could meet sub-Saharan Africa's needs.

In light of the recent global financial crisis, this article aims to critically examine China's financial regulatory structure and based on the results of such examination, set out reform proposals for China. At present, China adopts a traditional sectoral system of financial regulation, which has exhibited several inadequacies in meeting the regulatory challenges in a rapidly changing market. In quest of a solution to the problem, a comparative analysis is conducted of the financial regulatory regime in some advanced economies including the US, the UK and Australia, each of which is representative of a distinct regulatory model. When looking to these overseas experiences for guidance, regard is had not only to their objective advantages and disadvantages, but also to the local conditions in China. It is concluded that the US model merits consideration in the short term, and with the further growth of China's financial markets in the long run, the Australian model provides the preferred direction for reform over the UK model.

This publication contains the proceedings of an international conference on the regulation of financial institutions and supervisory structural reforms, held in Washington D.C., United States in December 2003 and involving participants from 52 countries. It considers case studies of experiences of regulatory reform approaches adopted in a number of countries including Australia, South Africa, Ireland, Sweden, Hungary and Estonia.

Financial Regulation at the Crossroads
The United States, the European Union, and Other Countries
Principles of Financial Regulation
Financial Regulation and Supervision: A post-crisis analysis
Restructuring Regulation and Financial Institutions
Does the Institutional Structure of Financial Regulation Matter?

In light of on-going global financial crises, the institutional structure of financial regulation is currently a subject of significant academic and practical interest. The financial crisis has called into question the adequacy of financial regulation at the national and supranational levels, and has instigated financial regulatory reforms in major markets overseas. This has included the enactment of the Dodd-Frank Act in the US, and the programme to split the Financial Services Authority in the UK. This book examines the institutional structure reform of financial regulation from a comparative perspective, exploring both fundamental theories and international experiences. The book explores the three main institutional structures of financial regulation in the world; the sectors-based model, adopted in the US, Mainland China and Hong Kong; the twin-peaks model with Australia and the Netherlands as its pioneers; and the single-regulator model as represented by the former Financial Services Authority in the UK and the Financial Services Agency in Japan. The book contains contributions from renowned experts in the field of financial regulation including Douglas Arner, Jeffrey Carmichael, Robin Hui Huang, Dirk Schoenmaker, and Michael Taylor, and will be of interest to students and researchers of banking and finance law, and comparative economics.

The financial crisis of 2007-9 revealed serious failings in the regulation of financial institutions and markets, and prompted a fundamental reconsideration of the design of financial regulation. As the financial system has become ever-more complex and interconnected, the pace of evolution continues to accelerate. It is now clear that regulation must focus on the financial system as a whole, but this poses significant challenges for regulators. Principles of Financial Regulation describes how to address those challenges. Examining the subject from a holistic and multidisciplinary perspective, Principles of Financial Regulation considers the underlying policies and the objectives of regulation by drawing on economics, finance, and law methodologies. The volume examines regulation in a purposive and dynamic way by framing the book in terms of what the financial system does, rather than what financial regulation is. By analysing specific regulatory measures, the book provides readers to the opportunity to assess regulatory choices on specific policy issues and encourages critical reflection on the *design of regulation.*

What role should regulation play in financial markets? What have been the ramifications of financial regulation? To answer these and other questions regarding the efficacy of legislation on financial markets, this book examines the impact of the Gramm Leach Bliley Act (GLBA), also called the Financial Modernization Act of 1999, which fundamentally changed the financial landscape in the United States. The GLBA allows the formation of financial holding companies that can offer an integrated set of commercial banking, securities and insurance products. The tenth anniversary of the most sweeping financial legislation reform in the industry's structure is a natural benchmark for assessing the effects of the law and for questioning whether changes are necessary in the working of this historic legislation. The importance of this review is reinforced by a variety of proposals in the last several years to reform the regulation of financial institutions that have attracted considerable attention among regulators and in the financial firms that they regulate. Most recently, the financial crisis and the failure of some large financial institutions have called into question the legitimacy of America's current financial structure and its regulation, including to some degree the GLBA. There is no doubt that regulatory reform is front and center on today's policy agenda. The lessons of the GLBA experience and its effects, both domestic and international, on financial markets and competitiveness, risk-taking and risk management by financial services firms and their regulators will be critical to the direction the country takes and the effort to ensure that future financial crises do not occur or have less costly damage. With contributions from academics, policy experts, and a sponsor of the GLBA, Congressman James Leach, this book is invaluable to anyone interested in financial system reform.

"Today's financial regulatory systems assume that regulations which make individual banks safe also make the financial system safe. The eleventh Geneva Report on the World Economy shows that this thinking is flawed. Actions that banks take to make themselves safer can - in times of crisis - undermine the system's stability. The Report argues for a different approach."--P. xvi.

The Regulation of Non-bank Financial Institutions

Lessons from the Global Financial Crisis

The International Regulation of Systemic Risk

A New Proposal for the Organizational Structure of Financial Regulation and Supervision in Mexico

Handbook of Central Banking, Financial Regulation and Supervision

Industry Changes Prompt Need to Reconsider U.S. Regulatory Structure : Report to the Chairman, Committee on Banking, Housing, and Urban Affairs, U.S. Senate

Following the recent financial crisis, regulators have been preoccupied with the concept of systemic risk in financial markets, believing that such risk could cause the markets that they oversee to implode. At the same time, they have demonstrated a certain inability to develop and implement comprehensive policies to address systemic risk. This inability is due not only to the indeterminacy inherent in the term 'systemic risk' but also to existing institutional structures which, because of their existing legal mandates, ultimately make it difficult to monitor and regulate systemic risk across an entire economic system. Bringing together leading figures in the field of financial regulation, this collection of essays explores the related concepts of systemic risk and institutional design of financial markets, responding to a number of questions: In terms of systemic risk, what precisely is the problem and what can be done about it? How should systemic risk be regulated? What should be the role of the central bank, banking authorities, and securities regulators? Should countries implement a macroprudential regulator? If not, how is macroprudential regulation to be addressed within their respective legislative schemes? What policy mechanisms can be employed when developing regulation relating to financial markets? A significant and timely examination of one of the most intractable challenges posed to financial regulation.

Financial Regulation presents an important restatement of the purposes and objectives of financial regulation. The authors provide details and data on the scale, nature and costs of regulatory problems around the world, and look at what sort of countries and sectors require special attention and policies. Key topics covered include: * the need to recast the form of regulation * incentive structures for financial regulation * proportionality * new techniques for risk management * regulation in emerging countries * crisis management * prospects for financial regulation in the future.

This comprehensive account of financial regulation and supervision in times of crisis analyses the complex changes under way regarding the new financial regulatory structures in the EU. Focusing on the organisation of financial supervision, it deals with the background to the reforms, the architecture of the regulatory system, the likely implications for the financial institutions and the challenge of international co-operation. Changes in the US have been heavily criticised and in Europe a brand new regulatory system with three new regulatory agencies and a systemic risk board has been developed. National systems are in the process of being updated. International cooperation, although still difficult, has made progress, with the Financial Stability Board now acting on behalf of the G.20. Central bank cooperation has improved significantly and in the meantime, sectoral regulations are being adapted in full speed, such as Basel III, AIDMD, MiFID and many others. This book gives an overall view of these complex changes. The first section of the book provides an assessment of the reforms and considers the background to their making. In the section on regulatory structure there is analysis of the new regulatory bodies, their complex competences and actions. The book also takes a critical look at their likely effectiveness. The final section of the work considers the actual implementation of the new rules in a cross-border context.

ÔThis Handbook is a must read for policy makers and practitioners alike as well as excellent reading for advanced academic courses in international banking.Õ Ð Allard Bruinshoofd, SUERF ÔThis collection of papers is essential reading for anyone interested in central banking, regulation and supervision. Sylvester Eijffinger and Donato Masciandaro have brought together contributions from the leading academics, central bankers and regulators, providing the most up-to-date analysis of this critical subject.Õ Ð Paul Mizen, University of Nottingham, UK This stimulating and original Handbook offers an updated and systematic discussion of the relationship between central banks, financial regulation and supervision after the global financial crisis. The crisis has raised new questions about the compatibility of monetary and financial stability, which are changing the face of central banking and its relationships with the architecture of financial regulation and supervision. The Handbook explores on both the economics and political economy of the topic, in order to understand how and why reforms of the role of the central banks can be designed and implemented. The general suggestion is that future effectiveness of the central banking architecture will depend on its ability to ensure the consistency between the monetary actions in normal and extraordinary times. Consequently the possible paths in the central bank strategies and tactics, as well as in the classic concepts of independence, accountability and transparency, are analyzed and discussed. With chapters written by outstanding scholars in economics, this lucid Handbook will appeal to academics, policymakers and practitioners, ranging from central bankers and supervisory authorities to financial operators. Among the academics it would be of particular interest to financial and monetary economists (including postgraduate students), but the institutional slant and the central theme of relations between economics, institutional settings and politics will also be invaluable for political scientists.

Financial Stability and Prudential Regulation

The Structure of Financial Regulation

Aligning Financial Supervisory Structures with Country Needs

Institutional Learning and Knowledge Transfer Across Epistemic Communities

New Tools of Global Governance

Cooperative Financial Institutions

This article reviews the book - Institutional Structure of Financial Regulation: Theories and International Experiences edited by Robin Hui Huang & Dirk Schoenmaker and published by Routledge in 2015. This book presents readers with an original and structural conceptualization of financial regulation as a coherent subject. The book is full of valuable information and analysis pertaining to the latest developments in regulatory regimes in major leading financial markets.

The globalisation of financial markets has attracted much academic and policymaking commentary in recent years, especially with the growing number of banking and financial crises and the current credit crisis that has threatened the stability of the global financial system. This major new Research Handbook sets out to address some of the fundamental issues in financial regulation from a comparative and international perspective and to identify some of the main research themes and approaches that combine economic, legal and institutional analysis of financial markets. Specially commissioned contributions represent diverse viewpoints on the financial regulation debate and cover a number of new and controversial topics not yet adequately addressed in the literature. Specifically, these include; financial innovation particularly in the context of the credit risk transfer market, securitization and the systemic importance of the over-the-counter trading markets; the institutional structure of international financial regulation; and risk management and corporate governance of financial institutions. This Handbook will provide a unique and fully up-to-date resource for all those with an interest in this critical issue including academic researchers in finance and regulation, practitioners working in the industry and those involved with regulation and policy.

The U.S. financial system has changed significantly over the last several decades without structural changes to the decentralized financial regulatory system. Many countries have chosen to consolidate their regulators into a newly formed "single regulator" or have significantly reduced the number of existing regulators in order to form a regulatory structure that more closely mirrors the current financial system -- one that is dominated by large financial org. This paper reviews the advantages and disadvantages of regulatory consolidation, explores the effects of consolidation on regulators' incentives, and evaluates which entity is best suited for this role. Reviews the transitions to consolidated regulation that took place in the UK, Germany, Japan, and Australia. Tables.

Since the North American Free Trade Agreement (NAFTA) took effect at the start of 1994, production and trade in goods and services have become ever more integrated in the region. Banking and financial systems thus also must increasingly inform, adjudicate, transact, invest, insure, and intermedi ate all across North America. Presently, however, there is no single, or up to-date source of information on the banking and finance systems of the current NAFTA countries-Canada, the United States, and Mexico. Relying on top specialists from international financial organizations, central banks, regulatory authorities, and universities, this and a companion volume together bridge that information gap. The focus is not just on description but on regulatory and institution-building challenges posed by the opening up of domestic financial markets, and on the political economy of reforms. The ultimate goal is to enhance the process of safe and efficient integration by policies, regulations, and private initiatives that contribute to the welfare of people in North America and beyond. This volume goes into essential detail in assessing banking and finance regulations, supervision, and prudential and operating standards in the NAFTA countries in a global context.

Financial Stability Rearticulated

An Analytical Framework

Implications for Supervision, Institutional Design and Trade

Institutional Structure of Financial Regulation

Consolidation of Financial Regulation: Pros, Cons, and Implications for the United States

The Development and Regulation of Non-bank Financial Institutions

Financial regulatory policies are of interest to Congress because firms, consumers, and governments fund many of their activities through banks and securities markets. Furthermore, financial instability can damage the broader economy. Financial regulation is intended to protect borrowers and investors that participate in financial markets and mitigate financial instability. This book provides an overview of the regulatory policies of the agencies that oversee banking and securities markets and explains which agencies are responsible for which institutions, activities, and markets. Some agencies regulate particular types of institutions for risky behavior or conflicts of interest, some agencies promulgate rules for certain financial transactions no matter what kind of institution engages in them, and other agencies enforce existing rules for some institutions, but not for others. These regulatory activities are not necessarily mutually exclusive.

This book brings outstanding expertise and provides insightful perspectives from nineteen authors with diverse backgrounds, including officials from international organizations, national regulators, and commercial banking, as well as academics in law, economics, political economy, and finance. The authors not only shed light on the causes of the financial turmoil, but also present thoughtful proposals that contribute to the future policy debate, and discuss opportunities that financial services can offer in funding activities which raise standards of living through initiatives in microfinance, renewable energy, and food distribution. The contributions to this volume tackle several of the thorniest issues of financial regulation in a post-crisis environment, such as: the mechanics of contagion within the financial system and the role of liquidity; moral hazard when large financial institutions are no longer subject to the disciplinary effects of bankruptcy; bank capital requirements; management compensation; design of bank resolution schemes; a function-centric versus institution-centric regulatory approach; subsidization and compatibility of stimulus packages with EU rules on state aid; trade finance and the role of the GATS prudential carve-out; and the role of financial services in promoting human rights or combating climate change.

Overview, Complexities, and the Effects of Fragmentation and Overlap

Issues in Governance, Regulation, and Supervision

A Comparative Approach to the UK, US, Canada, Australia and Germany