

# International financial market and regulations

## Program:

Financial market and its theory; Theory of banking theory; Theory of insurance theory; Theory of capital markets theory; Theory of financial regulation; Financial supervision: micro and macroprudential supervision; Central bank and monetary policy; Banking and its regulation; Capital markets its regulation; Insurance companies, pension funds and their regulation; Other financial regulation.

## Aim of course:

The aim of the course is to present the mosaic system of domestic and international supervision and regulation over the financial market from the EU perspective and outside of the European Union. Students will learn about institutions involved in the European supervision, e.g. European Central Bank as well as they will be taught about various regulations over financial market within and outside of the European Union. The course will pay particular attention to the Law and Economics including political reasons behind creation and functioning of some financial regulation.

## Final grade:

Exam: 70%

Activity/essays: 30%

## Basic literature:

- S. Valdez, P. Molyneux, *An Introduction to Global Financial Markets*, 8<sup>th</sup> edition, Palgrave
- J. de Haan, S. Oosterloo, *Financial Markets and Institutions: An European Perspective*, 2018, Cambridge University Press
- F.S. Mishkin, S.G. Eakins, *Financial Markets and Institutions*, 2018, Pearson
- J. Armour, D. Arway and others, *Principles of Financial Regulation*, 2018, Oxford

## Additional literature:

- Allen, Franklin and Pastor, Lubos, *The Capital Markets Union: Key Challenges*, February 21, 2018. Available at SSRN: <https://ssrn.com/abstract=3128453> or <http://dx.doi.org/10.2139/ssrn.3128453>
- Baccuzi G., *The Changing Face of Deposit Insurance in Europe: From the DGSD to the EDIS Proposal*, XXI Rapporto sul Sistema Finanziario, The Changing Face of Banking, Ass. Rosselli, 2016
- Berger H, De Haan J., Eijffinger S.C.W., *Central Bank Independence: An Update of Theory and Evidence*; *Journal of Economic Surveys* 15(1), p. 3-40, February 2001
- Burton G. Malkiel, *The Efficient Market Hypothesis and Its Critics*, *Journal of Economic Perspectives* 17(1), p. 59 – 82, 2003
- Fama F. Eugene, *Efficient Capital Markets: A Review of Theory and Empirical Work*, *Journal of Finance* 25 (2), p. 383-417, 1970

- Ferreira C., Jenkinson N., Wilson C., *From Basel I to Basel III: Sequencing Implementation in Developing Economies*, IMF Working Paper WP/19/127, June 2019
- Friedman B.M., *Monetary Policy*, NBER Working Paper No. 8057, NBER Working Paper Series, December 2000
- Friedman M., *The Role of Monetary Policy*, *The American Economic Review* 58(1), March 1968.
- Lamandini M., Lusignani G., Muñoz D.R., *Governance of the European Banking Union's Single Resolution Mechanism. Does Europe Have What it Takes to Finish the Banking Union?*, EBI Working Paper Series no. 17, 2017.
- Rae R.A., Barrett A., Brooks D., Chotai M.A., Pelkiewicz A.J., Wang C., *A review of Solvency II: Has it met its objectives?*, *British Actuarial Journal* 23(4), p. 1-72.
- Schlesinger H., *The Theory of Insurance Demand*, University of Alabama, Revised in G. Dionne: *Handbook of Insurance*, February 2012.
- Werner R.A., *A lost century in economics: Three theories of banking and the conclusive evidence*, [International Review of Financial Analysis](#), Volume 46, July 2016, Pages 361-379.

### **Schedule:**

1. Financial market.
2. Efficiency of financial markets (theory).
3. Financial regulation.
4. Central banks.
5. Financial supervision.
6. Monetary policy.
7. Banking: Part 1.
8. Banking: Part 2.
9. EU Regulations: Banking.
10. Capital market and its participants.
11. EU Regulations: Capital market.
12. Insurance companies and pension funds.
13. EU Regulations: Insurance.
14. Derivatives and securitization.
15. EU Regulations: Others.