Record Nr. UNINA9910812976303321 **Titolo** Aligning financial supervisory structures with country needs / / edited by Jeffrey Carmichael, Alexander Fleming, David T. Llewellyn Pubbl/distr/stampa [Washington, D.C.], : World Bank Institute, 2004 **ISBN** 1-280-08408-1 9786610084081 1-4175-5007-4 Edizione [1st ed.] Descrizione fisica xviii, 263 pages: illustrations;; 23 cm Collana WBI learning resources series Altri autori (Persone) CarmichaelJeffrey FlemingAlexander LlewellynDavid T Disciplina 354.8/28 Soggetti International finance Monetary policy Banks and banking, Central Lingua di pubblicazione Inglese **Formato** Materiale a stampa Livello bibliografico Monografia Papers presented at a conference entitled Aligning financial supervisory Note generali structure with country needs on Dec. 4-5, 2003 at the World Bank Institute in Washington, D.C. Nota di bibliografia Includes bibliographical references. Nota di contenuto Intro -- Contents -- Foreword -- Contributors -- Chapter 1: Summary of the Discussion -- Choosing an Appropriate Regulatory Structure --Managing the Transition -- Making Structures Work -- Other Issues --Conclusions -- Chapter 2: Institutional Structure of Financial Regulation and Supervision: The Basic Issues -- Institutional Structure -- Some Initial Perspectives -- Regulation, the Financial System, and the Economy -- Universal Functions -- Origin of the Debate -- Some Key Issues -- The Importance of Institutional Structure -- A Regulatory Matrix -- Alternative Frameworks -- Integrated Versus Multiple Agencies: -- The Case for Integration -- The Potential Hazards of Integrated Agencies -- The Mega Regulator-Supervisor -- Twin Peaks Model -- The Role of the Central Bank -- International Experience --Corporate Governance Issues -- Conclusions -- Appendix. Financial

Conglomerates -- Chapter 3: Making the Structural Decision --

Australia's Approach to Regulatory Reform -- Setting Up the Inquiry --

The Evidence Produced by the Inquiry -- Inefficiencies in the Financial System -- The Changing Financial Landscape -- Regulatory Implications -- From Implications to Objectives -- Philosophical Framework -- Anticompetitive Behavior -- Market Misconduct -- Asymmetric Information -- Systemic Instability -- Implications for Regulatory Structure -- Structural Options Considered -- Industry-Based Regulators -- The Market Failure-based Model -- The Super Regulator Model -- The Committee Recommendations -- Conclusions -- The South African Case -- South Africa's Financial Environment -- The Process to Review the Regulatory Environment -- A Mild Bank Liquidity Crisis -- Country-Specific Features Informing the Structural Decision -- Openness of the Economy and the Discretion of the Central Bank -- Concentration in Banking -- Settlement System and Time to React.

The Financial Safety Net and Deposit Insurance -- Lack of True Integration in Financial Groups -- The Role of State-Owned and Foreign-Owned Banks -- Rationale for an Objective-Based Approach --A Model for Good Times and Bad? -- Conclusions -- The New Structure of Financial Regulation in Ireland -- International Trends and Issues in Financial Regulation -- Rationale for Reviewing the Structure of Financial Regulation in Ireland -- Process Involved in Implementing the Government Decision -- Why is Model Is Suitable for Ireland -- The New Structure in Operation -- Financial Stability -- Regulation of All Sectors -- Strategic Plan, 2004-06 -- Central Bank and Financial Services Authority of Ireland Bill, 2003 -- Confidentiality Rules --Funding Arrangements -- Conclusions -- Chapter 4: The Speed of Change: Balancing the Risks -- Issues in the Unification of Supervision: Lessons from the Swedish Experience -- Key Considerations --Managerial Challenges -- The Swedish Experience -- Conclusions --The Integration of Financial Supervisory Bodies: The Korean Experience -- The Need for Change and the Decision to Integrate -- The Process of Integration -- The Planning Process -- Organizational Structure of the Financial Supervisory Service -- The Benefits and Challenges of Integration -- Key Factors for Successful Integration -- The Big Bang Approach in Korea and Elsewhere -- Chapter 5: Transitional Issues in Emerging Markets -- The Organizational Structure of Financial Supervision: The Salvadoran Case -- Time Frame and Rationale for Separation -- From the Central Bank to an Independent Agency --Supervision of the Securities Market and Pension Funds -- Assessment of the Process -- The Agencies -- Role of the Central Bank --Coordinating Mechanisms -- The Changing Financial Sector Landscape: Implications for the Regulatory Structure. The Single Financial Supervisor: The Hungarian Case -- Features of the

Hungarian Financial Landscape -- The Objectives of Integration -- The Process of Integration -- International Road Map for Further Development -- Issues Considered in the Integration of Supervision -- Supervisory Independence -- Institutional Autonomy -- Budgetary Autonomy -- Administrative Autonomy -- Regulatory Autonomy -- Accountability and Transparency -- Practical Challenges of Integration -- Conclusions -- Chapter 6: Making Regulatory Structures Effective -- Establishing Legal Consistency for Integrated Regulation -- Constitutional Limitations: Independence of the Central Bank and Role of the Judiciary -- Legislative Environment -- Specific Legal Issues -- Conclusions -- Creating an Effective Regulatory Culture in Estonia -- The Process of Integration -- Preparation Phase: Selecting Staff and Preparing People -- Formal Launch -- Transition Phase -- Challenges Encountered -- Lack of Common Benchmarks of Performance -- Differences in Compensation -- Fear of New Leadership and Hierarchy

-- Differences in Supervisory Approach, Scope, and Methods --Inherent Conflicts in Regulatory Cultures -- Enforcement Policy in a Transitional Supervisor -- Practical Solutions Applied -- Conclusions --Communicating with Stakeholders: Issues to Consider -- Who Are the Relevant Stakeholders? -- How to Communicate? -- What to Communicate? -- How to Measure Success in Stakeholder Communications? -- Chapter 7: Keynote Addresses from the Conference -- Integrated Regulation in the United Kingdom and the Lessons for Others -- Creation of the Financial Services Authority --How Successful Has FSA Been? -- The Case for Integrated Regulation --The Case Against Integration and Why It Is Wrong -- Overly Bureaucratic? -- Overly Powerful? -- Loss of Specialist Expertise?. Conflict between Prudential and Conduct-of-Business Regulation? --The Central Bank Problem? -- The Preconditions for Success --Implementing an Integrated Supervisor in Estonia: Lessons Learned --Tables -- Table 2.1: Regulatory Matrix -- Table 2.2: Main Reasons for Adopting Integrated Supervision -- Table 2.3: Problems in Establishing Integrated Supervisory Agencies -- Table 2.4: Structure of Supervision in 77 Countries, 2002 -- Table 2.5: Bank Regulators in 69 Countries --Table 2.6: Supervision Authorities in 69 Countries, 2002 -- Table 2.7: Scope of Unified Supervisory Agencies -- Table 2.8: Powers of the Integrated Supervisory Agencies over Banks -- Figures -- Figure 2.1: FAC Index and CBFA Index in 69 Countries, 2002 -- Figure 3.1: Board Membership -- Figure 3.2: Relationship between Central Bank and Financial Services Regulator -- Figure 3.3: Organizational Chart of the Irish Financial Services Regulatory Authority -- Figure 5.1: Structure of Financial Supervision in El Salvador -- Figure 5.2: Functional Setup of HFSA, 2003 -- Boxes -- Box 5.1: Timetable for Setting Up the Single Financial Supervisor in Hungary -- Box 5.2: International Road Map of Assessments.