

# **Legal status and operations of the Czech National Bank**

## **Abstract**

The topic of this thesis is the legal status and activities of the Czech National Bank (CNB). The aim of the thesis is to define the national status and activities of the CNB in general, to point out its position within the EU regulation and within the supervision of the financial market, to analyse the current concept of Green Bonds as the instrument of environmentally sustainable financing and to define the approach of the CNB to Green Bonds, both from the perspective of the issuer and of the regulator. The work is divided into four main blocks.

The first one deals with the general definition of the CNB's activities and its status, including the introductory characteristics of the CNB, its constitutional foundations and organisational structure.

The second part deals with the specific functions of the CNB, its definition of direct and indirect monetary policy instruments, its emission activity, foreign exchange policy and supervision of the financial market. The work analyses supervision of credit institutions, the supervision of the capital market, the supervision of the insurance industry, the supervision of pension funds, the supervision of payment institutions and the electronic money institutions and the supervision of exchange offices.

The third block deals with the European Banking Authority, the European Systemic Risk Board and the European Financial Market Supervisory System. It briefly elaborates on their historical foundations, organisational structure and impact on the CNB, deals with the position of the CNB at the EU level and how the CNB is influenced in particular by the European Banking Authority and the European Systemic Risk Board.

The last block is devoted to the issue of environmentally sustainable bonds. In terms of its structure, it consists of an analysis of the individual regulations that appear to be the most significant from the perspective of Green Bonds, at the level of national, international and EU law. It also includes the definition of the CNB's relationship to Green Bonds. The work in this section focuses mainly on the performance of the CNB's supervision over Green Bonds and also on how the CNB intervenes in the issue of Green Bonds, what Green Bond issuers are forced to fulfil, and how the CNB can enforce the issuers' obligations.

**Keywords: Czech National Bank, Regulation and supervision of financial markets, Green Bonds and Sustainable Finance**