

DBS SCHOOL OF BUSINESS

LJMU DEGREE PROGRAMMES

MODULE PROFORMA

Module Title: Financial Institutions & Regulatory Environment

Level: 2

Assessment: Continuous Assessment: 30%

Examination: 70%

Prerequisites: Economics

Credits:12

Objectives:

- Analyse the impact of the EU on Irish monetary policy and financial regulation.
- Examine and comment on the regulatory environment governing the Irish financial services sector, and in particular, evaluate the role employed by the Financial Regulator.
- Assess the legislative restraints imposed upon the insurance industry, the stock exchange, investment intermediaries and credit unions.
- Comprehend the burdens placed on financial institutions by money-laundering legislation.
- Identify the range of financial institutions and detail their role in the financial sector. Particular emphasis to be placed on Irish Central Bank, European Central Bank and the Federal Reserve.
- Evaluate and explain the range of financial products offered to consumer markets.
- Critically assess the role of the Irish Stock exchange and understand the operation of its trading and settlement system.
- Develop a critical analysis of the factors causing change in the financial services sector.

Learning Outcomes:

On completion of this module students will be able to:

- Analyse the role and function of the Financial Regulator.
- Demonstrate a concrete understanding of the role of regulation in the financial services sector, and the distinction between credit unions, banks and building societies.
- Appreciate the main principles of insurance, and the classifications of insurance contracts.
- Show a strong understanding of financial services theory.
- Analyse the role of central banks in financial markets and assess the effects of institutional intervention in an every changing financial market.

Syllabus:

Section A: Regulatory Environment of Financial Institutions

Introduction to the Law and the Regulation of Financial Institutions:

- Constitution, Courts, Legislation, the EU, introduction to Economic Monetary Union – the origins of the European System of Central Banks – the Euro – the Irish Central Bank as a member of the Euro-zone, the role of the Irish Financial Services Regulatory Authority

Regulation of Banking & Credit Institutions:

- Banking Supervision, Licensing & Supervision Requirements, Standards for Credit Institutions, Deposit Protection in Ireland, Asset Covered Securities Act, Dormant Accounts Act 2001, Consumer Credit Act 1995

Regulation of Credit Unions:

- Conditions & Regulations, Common Bonds, Membership Rules, Rules regarding loans and deposits

Security Market Regulation:

- Prospectus Directive, Market Abuse Directive – Insider Trading, Market Manipulation

Regulation of the Insurance Industry:

- Insurance Act 2000, Life Assurance, Non-Life Assurance & Re-insurance, Unclaimed Life Assurance Policies Act 2003, Principles of Insurance: Subrogation, Contribution, Amount Covered, Insurable Interest, Material and Non-Material Disclosures

Regulation of Investment Services:

- Investment Intermediaries Act 1995, the Stock Exchange Act 1995 & the Central Bank Act 1989, Investor Compensation Act 1998, Pensions (Amendment) Act 2002, Collective Investment Schemes – the role of mediation/arbitration

Money Lending:

- Legal Authorisation – conditions & requirements, Money-Laundering & Counterfeiting

Section B: Financial Institutions

The Financial Services Structure

- Identify and critically assess the needs for financial services in the economy, examining the role of financial intermediation and its objectives. Identification of the basic functions and roles of various financial service providers as well as a basic knowledge of the securities and instruments traded in modern day financial markets.

Financial Institutions Regulatory Bodies

- A critical examination of the role, supervision and operation of the Central Bank, European Central Bank (Independence), the US Federal Reserve the Financial Services Authority, the regulatory powers of the ombudsman for credit institutions and Registrar of Friendly Societies.

Financial Institutions in a Changing World

- An assessment of recent developments and innovations in financial markets and the resulting consequences for financial institutions. Consideration of future consolidation in the European financial services sector, securitisation and globalisation among financial institutions. Analysis of noteworthy recent happenings in financial markets