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## The Structure of Financial Regulation: The Regulators Perspective

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Abstract: This paper aims and objectives are to investigate how the structural change of the financial regulatory bodies affect the financial supervision and how the regulators can design such a structure with taking into account; the Central Bank, the conduct of business and the prudential regulators, it will also consider looking at the structure of the international regulatory bodies and what barriers are found. There will be five questions to be answered; should conduct of business and prudential regulation be separated? Should the financial supervision and financial stability be separated? Should the financial supervision be under the Central Bank? To what extent the politician should intervene in changing the regulatory and supervisory structure? What should be the regulatory and supervisory structure when there is financial conglomerate? Semi structure interview design will be applied. This research sample selection contains a collective of financial regulators and supervisors from the emerged and emerging countries. Moreover, financial regulators and supervisors must be at a senior level at their organisations. Additionally, senior financial regulators and supervisors would come from different authorities and from around the world. For instance, one of the participants comes from the International Bank Settlements, others come from European Central Bank, and an additional one will come from Hong Kong Monetary Authority and others. Such a variety aims to fulfil the aims and objectives of the research and cover the research questions. The analysis process starts with transcription of the interview, using Nvivo software for coding, applying thematic interview to generate the main themes. The major findings of the study are as follow. First, organisational structure changes quite frequently if the mandates are not clear. Second, measuring structural change is difficult, which makes the whole process unclear. Third, effective coordination and communication are what regulators looking for when they change the structure and that requires; openness, trust, and incentive. In addition to that, issues appear during the event of crisis tend to be the reason why the structure change. Also, the development of the market sometime causes a change in the regulatory structure. And, some structural change occurs simply because of the international trend, fashion, or other countries' experiences. Furthermore, when the top management change the structure tends to change. Moreover, the structure change due to the political change, or politicians try to show they are doing something. Finally, fear of being blamed can be a driver of structural change. In conclusion, this research aims to provide an insight from the senior regulators and supervisors from fifty different countries to have a clear understanding of why the regulatory structure keeps changing from time to time through a qualitative approach, namely, semi-structure interview.

Keywords: financial regulation bodies, financial regulatory structure, global financial regulation, financial crisis

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