

**ARTEAGOITIA LANDA, Juan María and ALTEMIR MERGELINA, Manuel**

**Community Advances in Financial Regulation**

**Abstract:** This article analyses the origin and progress made with Community-wide action plans in the institution of a single financial market. A dynamic approach is taken, highlighting the need for constant adaptation to the financial circumstances prevailing not only within the Community, but the world over. The article describes new decision-making procedures for amending Community laws that are intended to allow for speedier amendment of the existing regulatory framework to be able to adapt more nimbly to market needs. Finally, it describes the efforts under way to attempt to quantify the degree of inter-market integration and its macroeconomic impact.

**Key words:** financial system, legislation, European Single Market, financial markets, joint venture, EU

**JEL Classification:** G18, G28

**CASTILLA CUBILLAS, Manuel**

**Unilateral Recognition of Securities in the Age of Inter-market Competition**

**Abstract:** In the present context of competition, international capital markets rival one another to attract the largest possible number of securities operations to their trading systems, regardless of the nationality of the issuer or of the investors involved. This paper focuses on the analysis of the unilateral recognition of securities –one of the techniques that make competition between financial centres in different countries possible– identifying the benefits for investors and organised markets as well as the problems that may derive from its use. It also discusses how this device fits into Spanish regulation and the most cost-effective mechanisms for accommodating it into our regulatory system without infringing rules on investor information or the issuer's consent for admission.

**Key words:** financial system, securities market, legislation, competition.

**JEL Classification:** G18, K22.

**CIRASINO, Massimo**

**The Central Bank and the Oversight of Payment Systems**

**Abstract:** Payment schemes have always been a key to the smooth operation of financial systems. Advances in information technology, system interconnection and the development of new markets and instruments have sparked an intense debate in recent years on the influence the payment system may have on economies, the systemic risks they may

provoke and the ways to avoid them. A relatively new concept, payment system oversight has nonetheless begun to take shape as a specific policy distinguishable from general supervision of the financial system. This article proposes a framework for such oversight, focusing in particular on the role that central banks and other agents should play.

**Key words:** financial system, means of payment, Central Bank, settlement, clearing bank.

**JEL Classification:** E58, G10.

**CUENCA MIRANDA, José Manuel**

### **Self-regulation and Financial Markets**

**Abstract:** Self-regulation of the financial system is a typically British practice and rather uncommon in Spain and France or even the United States. The primary advantage of the system, compared to governmental regulation of the sector, derives from agents' proximity to markets, its pragmatic nature and lower supervision costs. But self-regulation may ultimately prove to be unsuitable and develop into a form of corporatism, and as such grow inefficient and anti-competitive. This article reviews the scope of such self-regulation in the United States, United Kingdom, Spain and other countries and proposes a number of formulas for its due application.

**Key words:** financial system, securities market, brokers, legislation, Spain, United Kingdom, United States.

**JEL Classification:** G18, K22.

**GONZALEZ DE FRUTOS, Pilar and GARCIA DE QUEVEDO RUIZ, José Carlos**

### **Regulation of the Insurance and Pension Plan Sector**

**Abstract:** This article analyses the regulatory framework of the insurance and pension plan sector, specifically recent growth patterns and international trends. As far as insurance is concerned, in both life and property and casualty insurance there is a high degree of legislative harmony across the European Union Member States, based on the (third generation) Community Directives in force to date. On the contrary, the systems in place for pension plan regulation in the different Community countries vary widely and the Directive presented by the Commission in late 2000 on occupational or employer pension funds has still not been approved. This initiative was one of the priorities during the Spanish Presidency of the EU in the framework of the Financial Services Action Plan. Life insurance and pension plans presently have and will continue to have a relevant role to play in our country's social protection system as a whole.

**Key words:** financial system, insurance, social protection, pension plans, mutual insurance companies, Spain, EU.

**JEL Classification:** G23.

**GUADAMILLAS MUÑOZ, Mario**

**Payment and Securities Clearing and Settlement Systems**

**Abstract:** Payment and securities clearing and settlement systems are keys to the stability and efficiency of the financial system and the economy in general. Greater specialisation of clearing and settlement tasks, the increasing importance of mediated investment and the growing need to diversify investments in a more and more globalised context are leading to the concentration of the clearing and settlement business and, therefore, of risk. This, in turn, calls for finely tuned liquidity management, stricter oversight on the part of regulators, co-ordination among them and with self-regulatory entities and co-operation with the private sector. The present article analyses these issues and discusses the legal framework as the primary difficulty to ensuring the firmness of both domestic and cross-border operations.

**Key words:** financial system, means of payment, securities market, clearing bank, settlement.

**JEL Classification:** E58, G15, G18.

**MEDINA ORTA, Oscar, MENDEZ GARCIA DE PAREDES, José Luis and RUBIO BENITO, Natalia**

**The Value-for-money Ratio in Mass Consumer Markets. Comparative Analysis between Distributor and Manufacturer Trademarks**

**Abstract:** This paper analyses the price and quality variables in mass consumer markets on the grounds of different types of consumers: price-conscious, value-conscious and consumers who infer product quality from price. The fundamentals supporting this classification are subsequently reviewed and empirically contrasted. The findings include significantly lower price levels for distributor trademarks, greater price variability in intermediate quality levels, particularly in the case of manufacturer trademarks, and a positive and significant although rather weak relationship between objective quality and prices for the different categories analysed. Finally, the mean price is observed to be instrumental to distributor brand market share in each category.

**Key words:** retail trade, brands, industrial quality, prices, Spain.

**JEL Classification:** L15, L18, M37.

**MENDEZ ALVAREZ-CEDRON, José María and GARCIA ANDRES, Gonzalo**

**The Finance Act: A New Landmark in Spanish Financial System Reform**

**Abstract:** The Bill on Measures to Reform the Financial System (better known as the Finance Act) is presently under parliamentary review. Its approval will constitute a step forward in the modernisation of the Spanish financial system, comparable to the advance instituted under the 1988 Securities Market Act. The act pursues three objectives: to enhance efficiency, steer lending towards the real economy and better protect investors and financial service customers.

**Key words:** financial system, legislation, securities market, insurance, Spain.

**JEL Classification:** G18, G28.

**PANCORBO DE RATO, Antonio**

**Basel II: The New International Solvency Rules**

**Abstract:** This article seeks to familiarise the reader with the Capital Agreement reform presently being addressed by the Basel Committee. In this regard, the author explains the fundamentals that guide the reform process, provides an overview of the work under way and introduces the main elements to be instituted under the new agreement. This proposal to reform the Capital Agreement is unquestionably one of the most important events in the field of banking regulations, since it will affect not only solvency rules, but the supervisory criteria for the most complex part of the banking industry.

**Key words:** financial system, legislation, solvency ratios, credit risk, BIS.

**JEL Classification:** G18, G28.

**SANZ SERRANO, Alberto**

**Who Regulates the International Financial System? Rules and Forums**

**Abstract:** A complex web of institutions has developed in recent decades to regulate the international financial system. Their rules affect all the areas of the financial system and while not directly binding, generally speaking, they do carry a good deal of sway. The growing integration of markets and recurrent financial crises have added relevance to this new international financial architecture, as such regulation has been termed. This article analyses the advantages, difficulties and risks of international financial co-ordination by reviewing the most prominent existing forums.

**Key words:** financial system, legislation, financial markets, financial and credit institutions.

**JEL Classification:** G18, G28.

**VILA LLADOSA, Luis E. and CARRASCO ARROYO, Salvador**

**Educational Background and Non-monetary Satisfaction Deriving from Work and Leisure in Spain**

**Abstract:** Ordered probit analyses reveal that formal education has a positive impact on the degree of worker satisfaction with their jobs, even when allowance is made for the objective conditions that determine labour market status. On the contrary, education has no significant effect on satisfaction with the amount of free time, which depends exclusively on worker personality and effective position on the labour market.

**Key words:** labour, education, job satisfaction, leisure.

**JEL Classification:** I21, J24.