

Banks are subject to a comprehensive body of legal rules and conduct their business under constant supervision of authorities. Since the financial crisis of 2008, the number of rules governing banking has grown and the structures of supervision have likewise been enhanced. This thesis analyses various aspects of the regulation and supervision of banks, and focuses especially on *soundness* as a normative concept to regulate banks. Soundness is a legal prerequisite in for example Swedish law and appears in relation to banking in many other jurisdictions. The study includes three regulatory areas: authorisation, capital requirements and banks in trauma. Each regulatory area includes analyses of relevant EU legislation as well as Swedish, Danish, British and American legislation. Case studies are also included where selected decisions and sanctions on individual banks in the various jurisdictions are analysed.

Soundness is analysed by a proposed taxonomy of *soundness* – *confidence* – *stability*, which forms a normative context of soundness and connects to the economic theories on bank regulation. The examinations show that soundness is a connective concept with various and fragmented functions in the regulation of banks. The thesis also discusses the macro-prudential turn in banking regulation since the financial crisis and how legal rules and supervision can promote sound banking.



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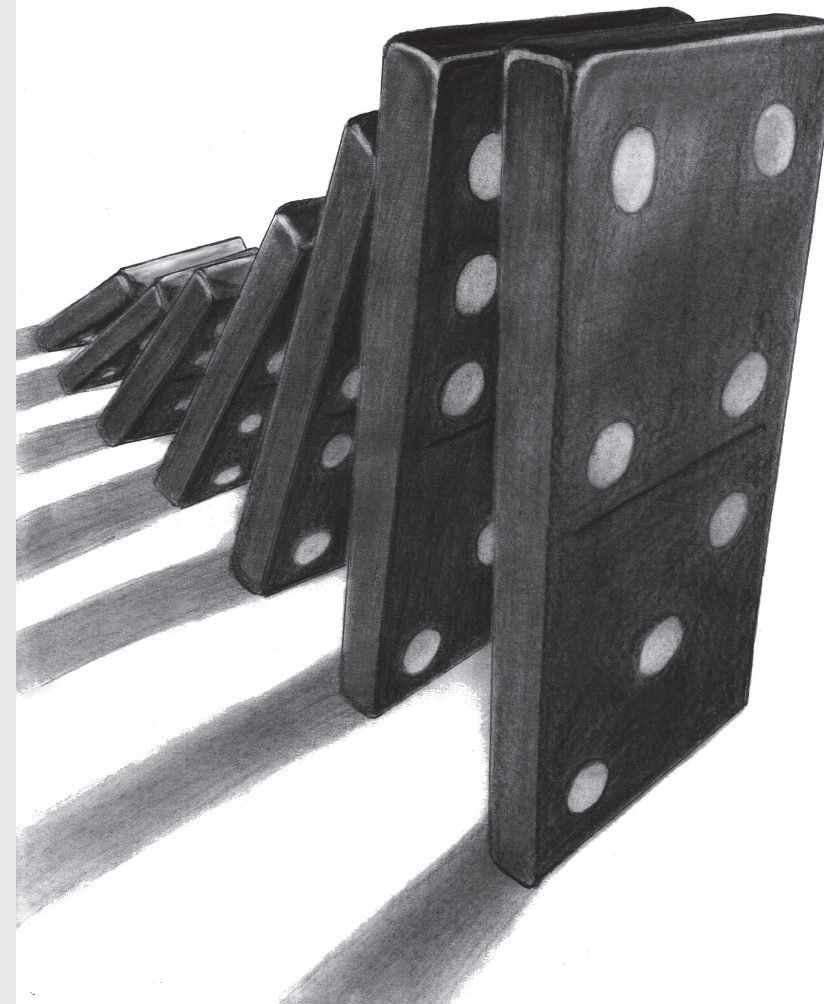


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# SOUND BANKING



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