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Title of the doctoral dissertation: *Compliance and compliance status in banking institutions – the functions and method of implementation*

Summary of the doctoral dissertation

The doctoral dissertation deals with the problems of so called compliance in banking institutions, understood as a process of managing compliance risk in a bank and implementing the control function by the bank's organizational unit dedicated to those tasks (compliance unit). Compliance risk management and, even more so, the internal control system (previously referred to as internal control) in banks operating in the Polish banking market are processes which have been in place for years. Internal control was introduced already in the original version of the Act of 29 August 1997 – Banking Law. In the following period, those provisions have been subject to amendments. Currently, the discussed problems, at the level of generally applicable law, are subject to the statutory framework of the above-mentioned Banking Law Act and a piece of secondary legislation implementing that Act, that is the Regulation of the Minister of Finance, Funds and Regional Policy of 8 June 2021 on the risk management and internal control system, remuneration policy and the detailed method of internal capital estimation in banks (hereinafter “Regulation of the MF”). At the same time, these questions have been addressed by the Polish Financial Supervision Authority (supervisory authority in the financial market, hereinafter “KNF”) in the form of detailed recommendations directed to banks as entities supervised by the authority. Since the provisions cited above either introduced new legal and organisational solutions or significantly modified such solutions, and in the

literature of the subject there is no comprehensive study in that area, the subject matter calls for comprehensive analysis and legal assessment. Multi-faceted assessment is necessary of the legal consequences arising from the application of the discussed provisions, both with regard to the banking system as a whole and particular banks.

The purposes assumed in the dissertation were to:

- 1) assess the completeness of the adopted solutions,
- 2) assess the coherence of the established system,
- 3) assess the system from the perspective of the tasks designated for its operation,
- 4) assess the efficiency and effectiveness of the adopted solutions.

The following legal problems were subject to detailed analysis and assessment:

- 1) the grounds and purpose of banking activities, including the sources of law regulating the discussed matters,
- 2) the types and specificity of entities conducting banking activities, as factors determining the internal structure of particular entities,
- 3) the essence and purpose of banking supervision and basic regulatory instruments of impact on supervised entities, as circumstances relevant to the specific shape of particular practices undertaken by supervised entities, including practices in the area of compliance risk management and internal control,
- 4) the requirements imposed by law and the supervisory authority in the area of internal organization of the bank, as circumstances allowing to determine obligatory and optional solutions in the discussed area,
- 5) the role and tasks of the bank's governing bodies – the management board the supervisory board, in the context of the specific types of entities operating in the banking market, including their significance for implementing the compliance function,
- 6) the management system, including the risk management system and the system of internal control, as well as interrelations between those systems and the role of the compliance unit in the operation of the systems,
- 7) specific solutions in the area of managing compliance risk and ensuring compliance, arising both from the provisions of generally applicable law and recommendations of the KNF.

In the dissertation, the following hypotheses were subject to verification:

- 1) the solutions adopted in the provisions of generally applicable law and in the recommendations of the KNF in respect of the compliance function, understood in broad terms, i.e. inclusive of both the process of managing compliance risk and the tasks assigned as a part of the control function, make up an internally coherent system,
- 2) under the current legislative framework, specific solutions have been defined at an appropriate level, i.e. have been the subject matter of a legislative act of an appropriate rank and, at the same time, lower-rank legislation consequently develops the solutions provided for in higher-rank legislation,
- 3) the adopted legal solutions are effective and efficient from the perspective of the purposes for which they have been introduced.

The adopted research concept had significant influence on the internal structure of the doctoral dissertation, which consists of: the introduction, four chapters, the ending and annexes in the form of lists of the source materials used.

In the research carried out, the following research methods were used:

- 1) the dogmatic-legal method, including logical and linguistic analysis and assessment, for the purpose of identifying all legal norms relevant to the discussed problems,
- 2) theoretical, for the purpose of reconstructing the content of legal norms and the resulting obligations.

Irrespective of the above, in certain situations, the empirical method was used, including research based on the existing case-law.

The research carried out allowed to arrive at the following conclusions:

- 1) both the provisions of generally applicable law (the Banking Law Act and the Regulation of the MF) and appropriate recommendations of the KNF are incomplete,
- 2) the currently applicable solutions are incompatible with one another,
- 3) the currently applicable solutions do not achieve all the purposes assigned to them.

At the end of the dissertation, I also formulate specific proposals how to eliminate the identified irregularities, including a proposal for the appropriate direction of changes, and amendments to the wording of particular provisions with the intention to implement the postulates.