

# Financial regulation

[Finance](#)



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Abstract

In the current decade, the financial crisis has emerged among the greatest threats in the field of business across the globe. It is considered to be a threat for a long time. There are numerous elements that cause a financial crisis which pose as a motivation behind the implementation of the financial regulation system. There are numerous driving and motivating factors that stimulated the implementation of the financial regulation. There are some driving forces that culminated the need of implementing financial regulations.

Key words: Financial Regulations, Financial Crisis

Background of the Financial Regulation

The field of business has recently become a point of focus by scammers, thieves, and hackers. With the increased vices and crisis in the field of business and financial system, financial regulation tends to explore the possible ways of combating the issues. It attempts to bring transparency and stability in financial control. The financial regulation system tends to impose equality among the emerging firms and those that are already in existence.

The financial regulation system has attempted to revolutionize and bring

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stability in the financial sector of the field of business.

## LITERATURE REVIEW

### Motivating Factors

The ultimate motivating factor behind the implementation of the financial regulation is to maintain a vibrant financial sector and maintain a sustainable economic environment. The system safeguards the business field from the numerous financial risks. It also enhances the financial stability in the global business market (Hamilton & Gray, 2006). Another motivating factor is to reduce crime in the field of business. A wide range of financial regulatory activities entails setting the minimum standard systems for the conduct and capital, prosecuting misconduct, and making regular investigation. The financial regulatory system also regulates the flow of information and cash in the field of business (Alexander & Dhumale, 2012). The regulation is obligated to safeguard both the manual and online modes of payments in order to reduce the risks of theft and loss.

### Objective and Importance

This investigative paper is obligated to give a transparent understanding about the financial regulation system. It will disseminate knowledge about the regulations and its objectives. It will also reflect on how the knowledge of financial regulation has been applied in the actual field to eradicate the financial crisis that has been a menace for a longtime. It will be able to elaborate how the financial regulation system has been structured and designed to execute its duties and obligations in the field of business. The regulations are designed and structured to govern conduct entailing the financial flow. Regulations or supervisions in regards to the financial accounting are described as the rules that are developed by an independent <https://assignbuster.com/financial-regulation-essay-samples/>

authority body that has the administrative power to control and monitor how financial statements should be prepared, and the activity of the body in authority will have the impact of restricting and controlling the accounting options that are available to an organization (Prasad & Kawai, 2013). The financial regulation incorporates a basis for enforcing and monitoring compliance with a particular regulatory requirement. (Akseli & Gray, 2011).

## CONCLUSION

The financial industry is considered to be the core of the modern business economic system. With the recent advanced development of the business economic globalization, the transaction and cost expenses of the financial system globalization were minimized and prompted the development and advancement of the financial globalization. The financial system globalization culminates numerous economic profits and benefits for the financial facilities but also improve the exposure to the financial crisis across the globe (Green & Davies, 2013). It is necessary and essential to improving the efficiency and effectiveness of the financial institution regulation (Herger & Delimatsis, 2011).

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