

Abstract of the articles

THE OWNERSHIP STRUCTURE, GOVERNANCE AND PERFORMANCE OF FRENCH COMPANIES

PÉTER HARBULA

In this article I summarize the findings of my recent study of the ownership structure and operating performance of 150 large, publicly traded French companies during the 20-year period 1986–2005. Using EVA and CFROI as measures of performance and value creation, my research shows that, as in the case of U.S. family-owned companies, operating performance improves with increases in the concentration of ownership up to a certain point – around 30% – and then falls off as ownership becomes even more concentrated. My findings point to major agency problems within companies that historically have a „hard core” corporate shareholding system. But perhaps most important, my study presents clear evidence of extensive changes in French corporate ownership structures, with associated improvements in governance, during the past 20 years.

THE FACTORING AS A TYPE OF FINANCIAL SERVICES

ZOLTÁN NAGY

The national public and private law handle the factoring unkindly, but this essay focuses on the regulation of the public law and presents the concerning regulations of the Hungarian Loan-office Act.

This study details the regulation methods of the Central-East European countries with regard to the differences of the Hungarian regulation.

The author examines the judicial practice to demonstrate the contrast between the private and public regulations of the factoring, and uses the opinion of the Hungarian Financial Supervisory Authority. (These opinions are not legal sources, but affect the legal practice, and mediate the Authority’s view.)

As a conclusion the author points out the problems of the legislation. Inter alia he lays down that the factoring should be governed as an independent financial service and not as a special type of money lending. Furthermore the factoring should be distinguished from the request of claim.

The examination of the mentioned problems and legal cases should be guiding to the legal practice and the future legislation.

MONETARY INTEGRATION IN OPERATION

KATALIN BOTOS

There is a difference between the Fed's and the ECB's monetary policy. The article concentrates first of all on avoiding inflation. The Fed equally emphasizes the importance of growth and anti-inflationary policy.

The difference between the balance of payments situation of the two regions excludes that EU could follow the same aim as the Fed. The main difference is in the international role of the two currencies. US can generate economic development involving easily foreign resources because the dollar is the world currency. However, the ECB monetary policy was based originally on two pillars: monetary and economic analysis. But in the recent past, the accents have changed: now the economic analysis plays a decisive role.

Compared the two regions, US labour market is much more integrated. In Europe the differences by countries are great. This was even deepened by enlargement. Earlier the EU wanted to accelerate growth and catch up to US by deepening the integration. This has led to the monetary integration. The dramatic changes in the world imbalances happened just after the introduction of the euro. It has led to a new paradigm in the EU: instead of deepening to enlarging.

INTERNATIONAL STANDARD LOAN AGREEMENT

JUDIT KÓNYA

The article discusses the main features of the international loan agreement based on the Loan Market Association documentation which analysis can be considered as one of the pioneer-research fields in the Hungarian legal literature. The author highlights the clauses of the internationally used loan agreements – such as representations and warranties, covenants, special stipulations e. g. MAC clause – with giving examples of the solutions for creditor respectively borrower protection.

The significance of the analysis can be summarized in the fact that the clauses – which are used in an unchanged way even in the Hungarian loan documentation without domesticating the anglo-saxon clauses in the continental type of legal thinking – require some explanation. The explanation which the author provides focuses on the interpretation of the provisions why and how can they be used in a contract which is governed by the Hungarian law.

LDA BASED OPERATIONAL RISK SELF ASSESSMENT

BÉLA HAJNAL–ZOLTÁN KÁLLAI–GÁBOR NAGY

The paper reviews the model based on self risk assessment for operational risk, using Intesa Sanpaolo Group's methodology. Loss Distribution Approach, LDA is the standardized Group-level risk framework for quantitative and semi-quantitative assessment. Scenario analysis, as a component of semi-quantitative assessment is the only tool for analyzing extreme values, which are usually missing from historical database, and for risk forecast in case of significant organizational and environmental changes as well.