

Suggestions and Strategies of the Adjustment of Financial Law on the Development of Financial Market

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ABSTRACT. *In the legal profession, Financial Law is mainly a law that protects the development of financial markets. It can regulate financial markets and has the role of adjusting financial markets. In accordance with concepts in Financial Law, this paper mainly analyses the concept of Financial Law, studies the object of Financial Law regulation in financial market, and proposes a method to ensure the healthy development of financial market.*

KEYWORDS: *Financial Law, financial market, development*

1. Introduction

To realize the healthy development of the financial market, legal methods need to be employed. Unexpected risks take place from time to time in the process of the development of new financial products but couldn't be the excuse of not continuously developing new products. The inevitable trend of the development of financial markets is the development of financial products. Therefore, it is necessary to learn to use *Financial Law* and keep the financial market operating healthily in order to ensure the rational use of financial resources.

2. The concept of Financial Law

The *Financial Law* refers to the one that regulates the operation of financial market^[1]. More specifically, it is in the circulation of the market that monetary capitals need to be used. The role of the law is to ensure its effective circulation and credibility in the circulation, as well as various social relations that occur in the circulation of money, and a general term for such relations.

When looking at this issue from the perspective of jurisprudence, *Financial Law* can be divided into two types, narrow and broad.^[2] In the narrow sense of financial law, it is mainly the definition of authority and procedure established by state apparatus, and it can also be recognized, and it is mandatory by the state, and the implementation of laws and regulations under the state machine is the financial law.

When it comes to the broad sense of financial law, it includes not only financial law, but also the relevant financial industry rules and regulations formulated by state apparatus. These rules and regulations include relevant financial regulations formulated by national judicial institutions. There are corresponding regulations that are formulated in the local government. This formulation needs to be carried out in accordance with the corresponding legal procedures. There are legal provisions, all of which are in the broad sense of financial law.

However, from the perspective of the financial relationship adjusted by the financial law, it can also be divided into these two parts, that is, the narrow and broad points.^[3] In China's financial activities, the main realization is the bank, and the bank uses the form of business to realize financial activities. That is to say, on the basis of the financial law, it is the banking law. In the narrow sense, the law of the bank is you can act on behalf of financial law. In a broad sense, the financial law includes the banking law, and at the same time includes other financial laws, such as insurance law, trust law, bill law, securities law and currency law.

3. Adjustment object of financial law

The object of adjustment of financial law mainly refers to the social relationship between various subjects in financial activities. Such social relations mainly refer to financial relations. However, in the financial relationship, it does not include the financial distribution relationship of funds.^[4] In the fiscal distribution relationship, it mainly relies on China's fiscal and taxation laws to adjust.

In the current economic market, financial activities in the financial market rely on the supply and demand of funds to achieve the conditions under the use of credit. There are direct and indirect points in the financial relationship, which means that there are direct financial relationships and indirect financial relationships in the financial relationship, and there is also a financial intermediary service relationship between them. Therefore, the regulatory relationship between financial regulation and control formed in the country's regulatory finance and regulatory finance is also regulated by financial law. There is also the need for financial circulation of currency, the social relationship formed by the management of currency circulation, and this is also the content of financial law regulation.

At the same time, financial regulation, as the basic means of regulation of the state's implementation of macroeconomics, is one of the most basic functions in the current financial market.^[5] Generally speaking, the relationship of financial regulation is mainly between the state and its authorized financial authorities to adjust and control the relevant financial variables to stabilize the currency and promoting economic growth. The current financial regulation and control policy is mainly through the central bank's dominant regulation of monetary policy, and the regulation of the currency to control the financial market. Of course, in special cases, it is also regulated using direct methods, such as the use of administrative interventions and legislative directives to regulate financial markets and corporate behavior, etc. Its main purpose is to stabilize the price and balance of payments in an

increasingly in-depth economic globalization environment and to alleviate the trend of financial development of curbing excessive economic overheating and preventing excessive turmoil.

4. Suggestions and strategies for the development of financial market

● Structuring financial system adapted to financial globalization based on Financial subject law

The financial subject law is a kind of law that regulates financial organizations. This has many differences in various countries. Decision-makers from financial market must have the idea of financial globalization and have the ability to compete in global financial markets. This requires consideration of what kind of financial institutions are set up in the legal circumstances, and is more conducive to forming competition under such circumstances.

In the case of financial organizations achieving financial internationalization, the range of choices that can be made is more extensive. In the international common banking system, there are mainly these forms: multiple forms of chain, multiple forms of group system, multiple forms of total system, and multiple forms of unitary system; there are two main choices in the selection of securities companies, namely the shareholding system and membership system; trust companies also have two options in their choices. This is affiliated and professional; the choice of insurance institutions is relatively extensive. The insurance industry is mainly a private system in the world, but it also has other forms. ^[6] This includes the form of mutual insurance companies. In this form of insurance, it can be divided into permanent insurance. In the insurance industry, there is another system to choose from. This insurance system is pre-collected and the premium system is collected, which is called the cooperative system. The strategists in the financial market must have the ability to judge the situation in the form of financial organizations. They also need legal considerations, including considerations in the laws of the home country, to act carefully.

● Maintaining sustainable financial development based on the Financial Protection Law

The process of arranging resources and flowing in the financial market has strong subjective randomness. This arbitrariness is contrary to the principle of limited resources in financial markets, which leads to the emergence of financial crisis and chaos after the 20th century. Therefore, in the development of the financial market, it is necessary to develop financial resources reasonably so as to ensure its sustainable development. In terms of the law, it is necessary to formulate corresponding financial protection laws and rationally develop financial resources. The road to legal protection is the only way for the sustainable development of financial markets.

The contents protected by the *Financial Resources Protection Law* are mainly financial resources, which consist of four parts: commodity resources, institutional

resources, capital resources and monetary resources. Among these four resources, the resources that market finance prefers are commodity resources. The main reason is that among financial market developers, in order to obtain value in the financial market, it is necessary to develop this aspect, which will form new market commodities.^[7] With innovation, you can occupy the market, gain market advantage, and earn market value. However, the development of new commodities will cause damage to resources and require financial commodity protection laws to regulate. Therefore, in the development of new financial products, the financial protection law is a new test. In particular, in the electronic and non-intermediary of finance, the resource financial protection law has created new challenges.

The inevitable trend of financial market development is that in every innovation of financial products, there will be unpredictable risks. Moreover, improper development will cause the proliferation of financial products, which will not only reduce the value of new products, but also harm financial resources. The use of financial law can effectively protect such development trends and promote the sustainable development of financial markets.

- Implement regionalized monetary policy organization and legal protection

Generally speaking, monetary policy has no legal effect, but it has stability and certainty in macroeconomic regulation and control. The monetary policy used only deals with the suitability and flexibility of the currency issue based on the characteristics of the currency. Therefore, the author believes that in formulating and implementing monetary policy, the central bank should be given appropriate rights within the scope of the law to ensure that the monetary policy formulated by the central bank fully meets the requirements of relevant laws. By using the law to ensure the authority and independence of the central bank, effectively eliminate the external factors caused by the macro-control of finance, and thus effectively avoid unreasonable interventions, and guarantee the control and means of macroeconomic regulation.^[8] Therefore, in the reform of the central bank's system, the government needs to give the central bank more flexible policies and authority, so it adapts to the needs of financial market changes, and it can decide the corresponding monetary policy according to the existing trends and states. The amount of money, the level of exchange rates, and interest rates drive the steady advancement of financial markets and overcome inflation and other trends.

Second, the Monetary Policy Committee, as a decision-making body, plays a leading role in monetary and financial regulation. However, if the Monetary Policy Committee is to perform its functions accurately and accurately in the implementation of financial regulation, it is essential to establish a reasonable staffing mechanism to achieve good voting decisions in practice. The author believes that optimization should be implemented in the mode of personnel composition of the monetary committee, increasing the number of executive officers of the People's Bank in various regions and the number of researchers in related fields. Therefore, optimizing the specific allocation of its tasks is to strengthen the responsibilities of various departments and refine the effect of supervision. Besides, during the services of Scholars Committee, the service time should be increased, which is conducive to

more professional and comprehensive expectations for the future development of the financial sector. This is to strengthen the scientific and fairness of the monetary committee and propose a more positive role in targeted monetary policy.

Finally, in order to better adapt to the needs of the development of the financial industry for regional economic development, it is necessary to standardize the financial industry with a strict legal system or management policy to ensure that its rights and decentralization are unified. Based on the application system of the modern central bank, branches in each region should handle all matters according to the instructions issued by the central bank to ensure that the economic development in the area can meet the standards stipulated in the expected plan. At the same time, branches in various regions need to ensure that when they apply the instructions issued by the central bank, they can flexibly and effectively adjust their business methods to guarantee the timeliness of task completion. However, the existing central bank does not construct a scientific and reasonable incentive system, so that after the release of a series of tasks and instructions, the effects and timeliness of the implementation of each branch are poor, and the enthusiasm is not fully reflected. Based on this situation, the central bank should implement a regional model of financial policy to improve the flexibility of regional economic management, and at the same time formulate a reasonable incentive system to encourage personnel to carry out various tasks, and to improve the decision of regional branches through appropriate decentralization behavior to achieve sustainable development of financial markets.

5. Conclusions

In summary, in the development of financial markets, financial law is needed to ensure the healthy development of the market. There are two main methods to deal with this market. One is based on the financial subject law, using a financial system that adapts to financial globalization; another is based on the financial protection law, to maintain sustainable financial development. Doing well with these two methods can ensure the healthy development of the financial market.

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