

Market Manipulation

Abstract

The thesis is structured in two main topics and four chapters. The aim of the first topic is a proposal of new theoretical division of market manipulation types and the follow-up analysis of the most common and the most serious types of market manipulation (from the author's perspective). A graph or a scheme is enclosed to almost every type of the market manipulation for better illustration and representation. The aim is not to provide an exhausting list, but rather to provide an outline of the fundamental theory. Every existing type of market manipulation should fall under one of these two categories – classic type of market manipulation (front running, squeezing, cornering, wash trading, bear raiding, pump and dump) or modern type of market manipulation (spoofing, layering, momentum ignition, pinging, fake news). The aim of the second topic is to map, analyze and explain the historical background of market manipulation regulation, its genesis and evolution in the European context. The main focus of the subchapter regarding historical background is the United Kingdom which always has been the pioneer of financial markets in the continental Europe. The subchapter is focused on the evolution from the end of the 17th century until the European integration regulation. In another subchapter, the evolution of the regulation within the frame of the European integration is mapped as a whole, from the first non-binding recommendations in the sixties and seventies of the 20th century over the White Paper on the completion of internal market (1985) and the Market Abuse Directive preparation to the Market Abuse Regulation. The chapter of the historical evolution is completed by another chapter regarding legislative procedure of the market abuse regulation in the European Union – the Lamfalussy process. The next chapter is devoted to the actual legal framework – Market Abuse Regulation and other European legislation that is related. The aim of this chapter is to analyze the field of scope of the current legislation and to distinguish the types of behaviour which fall under the scope of the market manipulation ban.

Key words: Market manipulation, market manipulation forms, market manipulation evolution, MAR, MAD, Lamfalussy process.