

Resume

Thesis: Financial Derivatives and Trading in Derivatives after MiFID implementation

Key Words: Derivatives, investment services, MiFID

JEL classification: K22 – Corporation and Securities Law

The thesis deals with the topic of derivatives and trading in derivatives regulation after implementation of European MiFID directive which belongs to the main pillars of capital markets and investment instruments regulation. The aim of the thesis is to present the main changes and problems of the new derivatives regulation in the Czech Republic. Also the main target of financial regulation – financial system stability – as well as the findings from inter/national accounting systems are considered.

Derivatives terminology is also clarified from the legal point of view – e.g. financial derivatives, underlying and underlying assets, financial instruments etc. with regards to the Czech legislation as well as international accounting standards. Also impact of European financial markets regulation is discussed in the thesis with practical applications on the Czech capital markets and organization of trading in derivative instruments in the Czech Republic as comprehensive European regulation of financial markets have been enacted within the Financial Services Action Plan; Markets in Financial Instruments Directives (MiFID) being the most important.

Another comprehensive part of the thesis is legal analysis of particular derivatives and investment services (investment services and ancillary services) related to derivatives. These parts of the thesis identify some problems of the Czech derivatives regulation and suggest possible ways of their mitigation. Also customer and investor protection under the capital markets act and collective investment act is discussed.

The last part is analysis of capital market trading platforms introduced within the process of harmonization with the European financial markets rules. There are several practical examples of risky trading in derivatives described in the thesis which the lawgiver should always bear in mind when regulating capital and financial markets; the derivatives trades are highly risky and can have extraordinary impact on stability not only of national financial markets but also of the international markets as in the case of current financial and economic crisis having the roots in risky derivatives trading in modern derivatives instruments such as asset-backed securities and credit derivatives.