

## ***Abstract***

### **Modes of the legal regulation of hedge funds**

This thesis focuses on hedge funds, their history, main strategies, role on the financial market and regulation. It compares approach to regulation of those entities in the US, European Union (and its certain member states) and in significant offshore jurisdictions. Its major focus is on the financial crisis from the year 2008 and its impacts on hedge funds. Its goal is to find whether the regulation of hedge funds can be beneficiary and what approach should the regulator take.

It discusses the effects of the Dodd-Frank act, UCITS IV and AIFMD and compares those legislative documents. It consists of four chapters. In first chapter it tries to define the term hedge fund. Second chapter briefly explains history of hedge funds and historical approach to their regulation in the US. Third chapter discusses various strategies used by hedge funds and their outcomes. Legislative approach in various countries is being investigated in part four of this thesis. It compares regulation on hedge funds in the US, European Union, Great Britain, Ireland, Germany, Czech Republic and Singapore.

It tries to predict what is going to happen with the hedge fund market after implementation of the EU Directive AIFM in the years 2013 to 2018 and it also tries to find the possible position of Czech Republic on this market in the foregoing years.

Conclusions are drawn in *Závěr*. I suggest that hedge funds should be regulated only in the terms of insider trading, possible frauds and only to the extent of the systematic risk they cause to the financial sector. Attempts to regulate their investment strategies and instruments or the amount of leverage they use are blind legislative alley, because qualified investors with high amounts of capital will always find their way to the best performing hedge fund and it doesn't matter, whether is this fund located on- or offshore until it performs well.