

# **Underhand retail investment funds**

## **Abstract**

The master thesis deals with the topic of the activities of underhand retail investment funds according to § 98 of Act No. 240/2013 Sb., on Management Companies and Investment Funds, as amended. The aim of this thesis is to present and analyse this regulation. The attention is mainly focused on defining the general and typical features of this activity prohibited by law, which consists in the unauthorised operation of a retail investment fund without the necessary authorisation. A partial objective of this work is also a brief definition of assistance with underhand retail investment fund according to Section 99 of Act No. 240/2013 Coll., on Management Companies and Investment funds, as amended, and an analysis of the sanctioning of underhand retail investment funds in the framework of the offence proceedings.

The thesis is divided into two parts. The first part introduces collective investment as an area of activity of investment funds. It also defines the strict regulation of this area and the related reasons for committing the prohibited activity that is the subject of this thesis. Attention is also paid to statistical data that demonstrate the increasing interest in collective investment by the general public in the Czech Republic., which may cause an increasing number of cases of operating of underhand retail investment funds in the future.

The second part is devoted to the very core of this thesis, namely the definition of the individual features of a underhand retail investment fund. Thus, the concept of pooling of funds, the public, the purpose of joint investing, the dependence of return and profit on the underlying asset in which the funds were invested by the investors and the limited scope of the provision under discussion by law are discussed in detail in the individual chapters. Although the thesis focuses primarily on defining the basic features of a underhand retail investment fund, it does not neglect to address the assistance with the underhand retail investment funds and the administrative sanctioning of this prohibited activity. Due to the scope of the thesis, it focuses only on a brief overview of these. In the context of administrative penalties, the decision-making practice of the administrative authority is mainly analysed to further define the most important aspects that are taken into account by the authority when imposing administrative penalties.

**Klíčová slova: underhand retail investment fund, collective investment, Act on management Companies and Investment funds**