

Pension fund investments in the Czech Republic

Abstract and keywords

The thesis deals with the regulation of pension fund investments in the Czech Republic, specifically the investments of participating funds, transformed funds and the pan-European personal pension product. In the thesis, I have described each of the considered systems in turn and made a comparison between them. The aim of my thesis was to describe the regulation and to suggest possible adjustments to the regulation so that it could lead to better outcomes for participants in pension products. I have used communication with investment professionals and academic papers on the subject to determine the practical impact of each regulation. The analysis I carried out led to the development of recommendations, which I used to conclude the sections for each pension product. I also inserted some recommendations into the sections on the different aspects of the pension products.

The thesis is divided into four chapters, the first of which is an introduction to the system that has been established in the Czech Republic. The following three chapters describe and evaluate the legal regulations of the different pension products according to the date of their creation.

Thus, in the second chapter I deal with supplementary pension insurance, describing its origins and the decisions that were taken during the creation of private pension insurance that influence the supplementary pension system in the Czech Republic to this day. It also includes a description of the regulation of supplementary pension investments, which by its non-standard design negatively affects the returns of supplementary pension schemes.

The third chapter deals with the system of supplementary pension savings, which today plays a primary role in supplementary retirement schemes in the Czech Republic. In addition to a description of its functioning, investment regulation and other related aspects, the thesis also deals with the debated issue of high fees for pension companies. In the chapter, I also outline the difficulties faced by pension companies in investing the funds in participating funds and suggest possible solutions to overcome these difficulties. The third chapter deals, among other things, with a major amendment to the supplementary pension savings scheme, which, as of 1 January 2024, made it possible to set up alternative participatory funds with completely different investment rules.

In the fourth and final chapter, the thesis deals with the legal regulation of the pan-European personal pension product, which is the only one of these products based on regulation at the

European Union level. The thesis deals with the regulation of investments in this product and compares it with the regulation at the national level of the Czech Republic. From this comparison, I finally arrive at some recommendations for domestic products. I also make an evaluation of the PEPP based on related expert opinions.

Due to the fragmentation of the legal regulation of all the aforementioned pension products, I have carried out a description, comparison and assessment of them separately in each separate part of my thesis. Thus, the thesis does not include comprehensive recommendations for the system as a whole, but only proposals for partial changes of individual products.

Keywords: pension fund, investments, impacts of investment regulations