Abstract/ Modern Types of Derivatives and its Reflection in the Positive Law

The purpose of my thesis is to provide an introduction to modern types of derivatives and analyze its regulation in the positive law of the Czech Republic. The reason for my research is an absence of literature on modern types of derivatives in the Czech language, as well as the fact that the legal nature of derivatives remains still unclear.

The thesis is composed of four chapters. Chapter One provides an introduction into derivatives in general. It deals with the notion of derivatives and classifies them as an innovative instrument of the capital market. It also tries to analyze various definitions of derivatives, and although it concludes that there is no ideal, all-encompassing definition of derivatives, existing definitions usually give fairly good idea about what the derivatives are. Chapter One further deals with the regulation of derivatives in the Czech law (importantly, its tries to rebut an opinion that derivatives fall under the regulation of hazardous activities), it focuses on economic function of derivatives (namely hedging and speculation), it explains and justifies the division of derivatives into "classic" and "modern" or "exotic" derivatives, and finally it describes the main types of classic derivatives and its underlyings.

Chapter Two is called "Characteristics of the Modern Types of Derivatives" and consists of three parts. Part One investigates types of underlyings of modern derivatives, Part Two explains modern derivatives as combinations of classic types of derivatives and Part Three deals with exotic options.

Chapter Three provides an outline of some selected types of modern derivatives. It describes specifics of weather derivatives, derivatives on emission allowances and Islamic derivatives.

Finally, Chapter Four gives a flavour of some other recently discussed modern derivative products, such as energy derivatives, credit derivatives and catastrophe derivatives.