

## Summary of the doctoral thesis entitled

### Dysfunctional practices in the capital market in Poland

The topic of the doctoral thesis concerns dysfunctional practices that can be observed on the capital market in Poland. The main objective of the work is to identify dysfunctional practices committed by capital market participants in Poland and to propose and verify methods for detecting them.

Chapter I indicates what entities operate on the capital market and the legal and ethical conditions for the functioning of the capital market in the context of dysfunctional practices and the search for ways to detect them. The functioning of the capital market was noted to be determined by a number of legal acts, but the regulations of financial institutions as well as the principles of ethics that influence the decisions made by its participants are also important. The first specific objective was achieved.

In Chapter II, based on the results of a literature review in the field of dysfunctions and dysfunctional practices leading to them, it was shown that dysfunctional practices leading to disruptions in the functioning of the capital market can be perceived not only as criminal actions or omissions, but also unethical or those that do not violate any norms. legal or ethical, and at the same time contribute to dysfunctions. The work also proposes a classification of dysfunctional practices, listing five types, i.e., providing false or concealing true information, influencing trading in financial instruments, investment fraud, money laundering, as well as failure to adapt the actions of the regulator, supervisor, and auditors to market conditions. The second specific objective was achieved.

Chapter III describes specific types of dysfunctional practices. The actions and omissions confirmed the variety of dysfunctional practices that disturb the functioning of the capital market. This, in turn, proved that the identification of dysfunctional practices committed by capital market participants determines the use of different methods of detecting them, adapted to the Polish market. The third specific objective was achieved.

Chapter IV presents the results of own research, divided into three research areas, i.e. analysis of financial statements, in which the author's M-scorePol model was used, cases of entities entered on the List of public warnings of the Polish Financial Supervision Authority, which made it possible to determine the types of irregularities committed by intermediaries. Financial institutions and indication of dominant dysfunctional practices based on the List of

Public Warnings of the Polish Financial Supervision Authority, as well as the volume of trading in shares using the Newcomb-Benford law. The obtained research results made it possible not only to determine the types, but also to estimate the scale of occurrence of selected dysfunctional practices and, therefore, also the fourth specific objective.

Chapter V describes the methods to counteract dysfunctional practices by the Polish Financial Supervision Authority and the Warsaw Stock Exchange, which contribute to ensuring and improving safety on the capital market. Addressing the issue of the activities of organizations and associations allowed them to play a significant role in the investment process, given the information provided and the standards of conduct promoted. By acting in the interests of capital market participants, they can contribute to its further development. The responsible role of whistleblowers in the functioning of the capital market, which arouses various opinions, was also pointed out. This made it possible to achieve the fifth specific objective.

Thanks to the knowledge of the types of violations, the classification of dysfunctional practices, and the disruptions in the functioning of the capital market that they cause, an adequate method of detecting them can be proposed. Thanks to the proprietary model for detecting manipulation in issuers' financial statements, it is possible to detect their signs more effectively. Thanks to the analysis of the KNF public warning list, greater control is possible due to the indication of the dominant types of dysfunctional practices used by financial intermediaries. Thanks to the use of the Newcomb-Benford distribution, it is possible to more effectively detect irregularities in trading in financial instruments.

The variety of dysfunctional practices indicates the need to develop analytical tools that will enable their effective detection and limitation.



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