Weronika Szkutnik

Uniwersytet Ekonomiczny w Katowicach

ECONOMIC AND LEGAL ANALYSIS OF INSIDER TRADING ISSUE ON POLISH AND INTERNATIONAL CAPITAL MARKETS

Intense development of stock exchanges, fast globalization processes in economies, introducing new kinds of financial instruments and faster information flow are main reason why capital markets are playing bigger role in economic development. Growing attention and attraction to capital market enhances a risks connected with proper financial instruments appraisal and rule of equal access to information. Some of investors may try to use confidential information to rise their profits. Situation on capital market influences stability of the whole economy, so it is inevitable to avoid and control information asymmetry (insider trading). Insider trading, especially in American literature is mostly connected with something wrong; probably because of the feeling, that a profit arising from worse position of other person (because of lack of information) is something bad and unjust. From the Insider (person having access to confidential information) point of view, that access to information is only something that derives from his hard work on the account of company he is working for. It was hard to determine if law should punish such persons for their actual efforts to build a success of companies and working for their own profits at the same time. Present law regulations of capital market law are based on years of entrepreneurs and employers experiences with insider trading issue, but also numerous economic, ethical and also political justifications.

This paper aim is to analyse and describe Insider Trading issue in Polish and International economic environment with some focus on legal regulations. Author will describe all basic terms connected with the issue, empirical studies regarding insider trading and other forms of manipulations that occur on capital markets and stock exchanges. That should allow to understand, why Insider Trading phenomenon is regulated in the way it is currently.