

# CONSUMER PROTECTION IN THE POLISH INVESTMENT FUND MARKET: THE SUPERVISORY AND REGULATORY ROLE OF THE POLISH FINANCIAL SUPERVISION AUTHORITY

## OCHRONA KONSUMENTA NA POLSKIM RYNKU FUNDUSZY INWESTYCYJNYCH: NADZORCZA I REGULACYJNA ROLA KOMISJI NADZORU FINANSOWEGO

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### Abstract

This article examines the system of consumer protection in the Polish investment fund market, with particular emphasis on the institutional and supervisory role of the Polish Financial Supervision Authority (PFSA). The study analyses the legal status of the PFSA as a central public administrative body exercising integrated supervision over the financial market and explores the normative framework defining its competences in relation to investment funds and their management companies. The research focuses on the classification and functional analysis of supervisory instruments, including licensing powers, regulatory and inspection mechanisms, administrative sanctions, informational measures, personal instruments, and soft law acts. Particular attention is devoted to the public warning list as a preventive and informational supervisory tool, as well as to the growing significance of soft law in shaping market standards and influencing regulatory compliance. The article argues that consumer protection in the investment fund sector operates through a multi-layered system that combines binding administrative measures with non-binding yet influential instruments aimed at enhancing transparency, market integrity, and investor confidence. It concludes that the

effectiveness of consumer protection depends not only on the formal scope of supervisory powers but also on their proportional application and the broader institutional capacity of the supervisory authority to respond to evolving market risks.

**Keywords:** consumer protection, investment funds, financial supervision, Polish Financial Supervision Authority

### Abstrakt

Niniejszy artykuł analizuje system ochrony konsumentów na polskim rynku funduszy inwestycyjnych, ze szczególnym uwzględnieniem instytucjonalnej i nadzorczej roli Komisji Nadzoru Finansowego (KNF). Badanie obejmuje status prawny KNF jako centralnego organu administracji publicznej sprawującego zintegrowany nadzór nad rynkiem finansowym oraz ramy normatywne określające jej kompetencje wobec funduszy inwestycyjnych i ich zarządzających. Analizie poddano klasyfikację i funkcje instrumentów nadzorczych, w tym uprawnienia licencyjne, mechanizmy regulacyjne i kontrolne, sankcje administracyjne, działania informacyjne, instrumenty personalne oraz akty *soft law*. Szczególna uwaga poświęcona jest publicznej liście ostrzeżeń jako narzędziu prewencyjno-informacyjnemu oraz rosnącemu znaczeniu *soft law* w kształtowaniu standardów rynkowych i wpływaniu na przestrzeganie przepisów. Artykuł wskazuje, że ochrona konsumentów w sektorze funduszy inwestycyjnych działa poprzez wielowarstwowy system łączący wiążące środki administracyjne z instrumentami niewiązącymi, lecz wpływowymi, mającymi na celu zwiększenie przejrzystości, integralności rynku i zaufania inwestorów. Wnioskiem jest, że skuteczność ochrony konsumentów zależy nie tylko od formalnego zakresu uprawnień nadzorczych, lecz także od ich proporcjonalnego stosowania i szerszej zdolności instytucjonalnej organu nadzoru do reagowania na zmieniające się ryzyka rynkowe.

**Słowa kluczowe:** ochrona konsumenta, fundusze inwestycyjne, nadzór finansowy, Komisja Nadzoru Finansowego

### Introduction

The protection of consumers in financial markets has become one of the central regulatory challenges of contemporary administrative and financial law. The increasing complexity of financial instruments, the expansion of cross-border capital flows, and the asymmetry of information between professional market participants and retail investors have significantly intensified the need for effective public supervision. Within this broader context, the investment fund market occupies a particularly sensitive position, as it combines elements of collective investment, delegated asset

management and heightened exposure to market risk. Ensuring the adequate protection of participants in investment funds therefore constitutes not only a matter of individual investor security but also an essential component of systemic financial stability.

In Poland, the model of supervision over the financial market is based on an integrated structure, exercised by the Polish Financial Supervision Authority (Komisja Nadzoru Finansowego – PFSA). As a central public administrative body, the PFSA performs regulatory, licensing and supervisory functions across all major segments of the financial system, including the capital market and investment funds. Its role extends beyond traditional control mechanisms and encompasses preventive, informational and quasi-regulatory instruments aimed at safeguarding both the public interest and the legitimate interests of non-professional market participants [Radziszewski 2000, 19; Krawczyk 2021, 116; Boć 2003, 133-34; Adamiak 2004, 13-19].

The objective of this article is to analyse the legal framework and practical functioning of consumer protection mechanisms in the Polish investment fund market, with particular emphasis on the supervisory instruments exercised by the PFSA. The study seeks to answer the following research question: to what extent does the institutional design and the catalogue of supervisory measures available to the PFSA ensure effective protection of retail investors participating in investment funds? The analysis is based on a doctrinal examination of statutory provisions, an assessment of supervisory instruments provided under sectoral legislation, and a functional evaluation of their role within the broader system of financial market regulation.

The article argues that consumer protection in the investment fund sector operates within a multi-layered supervisory framework combining binding administrative powers with non-binding instruments such as informational measures and soft law acts. While the formal scope of the PFSA's competences is extensive and allows for significant intervention in the activities of supervised entities, the effectiveness of consumer protection depends not only on the existence of such powers but also on their proportional application, institutional independence and the capacity to adapt to evolving market risks [Blicharz 2009, 42-43].

The structure of the article is as follows. First, the legal status and institutional position of the PFSA within the Polish system of public administration

are examined. Next, the normative framework defining its supervisory competences in the capital market, with particular reference to investment funds, is analysed. The subsequent sections discuss the classification and function of supervisory instruments, including licensing powers, inspection mechanisms, administrative sanctions, informational measures, and soft law acts. The article concludes with an assessment of the effectiveness of the supervisory model in ensuring consumer protection and maintaining market integrity.

### **1. The Legal Status of the Polish Financial Supervision Authority (PFSA)**

The legal status of the Polish Financial Supervision Authority remains the subject of sustained scholarly debate within Polish administrative law, notwithstanding the jurisprudential clarification provided by the courts. In its 2011 judgment,<sup>1</sup> the Constitutional Tribunal held that the PFSA constitutes a specific organ of public administration which does not form part of the government administration in the strict sense (*sensu stricto*). This position, grounded in both literal and systemic interpretation of the Act on Financial Market Supervision, has been endorsed by a significant segment of legal scholarship and has consequently gained strong doctrinal support.

The Supreme Administrative Court<sup>2</sup> has likewise addressed the legal nature of the PFSA, recognizing it as a central organ of public administration. In administrative law theory, such an organ is understood as an organizationally distinct unit within the state apparatus entrusted with the performance of specific public functions. Nevertheless, doctrinal divergence persists with regard to the precise classification of the PFSA within the administrative structure. Some scholars regard it as a central organ of public administration *sensu largo*, while others classify it as a central organ of government administration. An alternative approach characterizes the PFSA more broadly as a state administrative authority.

Pursuant to statutory provisions, the PFSA is the competent authority responsible for supervision of the financial market, while overall oversight of its activity is exercised by the Prime Minister. The Authority operates

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<sup>1</sup> Judgment of the Constitutional Tribunal of 15 June 2011, case no. K 2/09, Journal of Laws of 2011, No. 134, item 788.

<sup>2</sup> Decision of the Supreme Administrative Court of 31 August 2011, case no. II GSK 1607/11, Lex no. 896392.

as a professional and integrated supervisory body, exercising oversight across multiple segments of the financial market, including banking supervision, capital market supervision, supervision over payment institutions, cooperative savings and credit unions, and cross-sectoral supplementary supervision.<sup>3</sup>

The primary objective of the PFSA is the protection of the public interest, understood as safeguarding the stability and security of the financial system and, consequently, the economic stability of the state. This objective is pursued through the protection of market mechanisms and the establishment of regulatory standards governing the conduct of financial market participants. The Authority also performs an important protective function vis-à-vis non-professional participants, including consumers of financial services provided by supervised entities. The breadth of its competences and objectives confirms its pivotal role within the national financial safety framework, serving both individual interests and the collective good represented by financial stability [Rutkowska-Tomaszewska 2013, 692-93].

Given the scope and significance of its mandate, ensuring an adequate degree of institutional and decision-making independence is of fundamental importance. Such autonomy enables the PFSA to effectively fulfil its statutory responsibilities and is reflected in the absence of competence on the part of the Council of Ministers, the Prime Minister, or individual ministers to interfere with the substantive content of the Authority's decisions.

## **2. Supervisory Competences of the Polish Financial Supervision Authority**

The statutory framework defining the competences of the Polish Financial Supervision Authority is based on broadly formulated general competence clauses, which constitute the legal foundation for both binding (imperative) and non-binding (non-imperative) regulatory actions. The tasks, functions, and objectives attributed to the Authority remain in a close teleological relationship, deriving from its constitutionally grounded role as the central body responsible for supervision over the financial market (Article 4 of the Act on Financial Market Supervision).

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<sup>3</sup> Act of 21 July 2006 on Financial Market Supervision, Journal of Laws of 2025, item 640 as amended [hereinafter: Act on Financial Market Supervision].

The scope of the PFSA's responsibilities extends beyond the traditionally conceived model of sectoral supervision and encompasses activities of a systemic nature. The transition from a fragmented (sectoral) supervisory model to an integrated one did not fundamentally alter either the character or the statutory scope of its competences. Importantly, the catalogue of tasks assigned to the PFSA – formulated by the legislature in an open-ended manner – remains subject to continuous expansion in response to the dynamic evolution of financial markets. From the perspective of supervisory pragmatism, such normative flexibility is justified, as it enables the Authority to adapt its regulatory instruments to changing market realities. At the same time, in light of the constitutional principle of the rule of law, any interference by a public authority in social and economic processes must be exercised strictly within the limits and on the basis of explicit statutory authorization [Góral 2013, 18].

The statutory tasks of the PFSA may be divided into two principal categories. 1) tasks performed in the exercise of supervision over entities expressly enumerated in financial market legislation; and 2) systemic tasks relating to the financial market as a whole, both in subjective and objective terms. Competences connected with sector-specific supervision are implemented through binding supervisory instruments addressed to supervised entities. By contrast, systemic tasks do not always entail the exercise of equivalent imperative powers.

In sectoral legislation – such as banking law, investment fund law, and insurance law – the Authority is entrusted with detailed supervisory mechanisms. These include licensing procedures (authorizations to conduct regulated activities), analytical and on-site inspections, intervention measures, monitoring of capital adequacy, and the prevention of market abuse through prudential resolutions and recommendations.

### **3. The Licensing Function**

The licensing function of the PFSA, particularly in the field of investment funds, reflects the regulatory (rationing) character of access to the capital market. The objective of such regulation is to ensure that entities admitted to the market satisfy defined legal, organizational, and capital requirements, and that their operations do not pose a threat to financial

system stability or to the interests of market participants. Through licensing procedures, the Authority performs a selective function, filtering both entities and capital entering the market. This includes the elimination of entities lacking transparency, credibility, or lawful sources of funding. In this context, licensing serves not only market-ordering purposes but also the prevention of money laundering, terrorist financing, and regulatory arbitrage [Nieborak 2015, 90].

#### **4. The Police (Enforcement) Function**

The enforcement or “police” function of the PFSA constitutes an expression of its binding public powers. It is exercised through prohibitive and mandatory measures aimed at restoring compliance with legal norms and market standards. This function may manifest itself, for instance, in prohibiting the dissemination of misleading information or in ordering specific remedial actions, such as requiring a change of depositary. The Authority is also empowered to impose administrative sanctions on entities that violate statutory obligations or perform them improperly [Blicharz 2009, 59].

These sanctions possess a corrective character and typically follow supervisory proceedings, particularly within the framework of ex post supervision focusing on completed activities of supervised entities. The enforcement function is embedded within the broader context of safeguarding public order and financial security. Its defining feature is its “negative” orientation – namely, the restoration or preservation of systemic equilibrium when threatened by conduct endangering legally protected goods such as property, financial stability, market integrity, or public trust. Contemporary supervisory practice demonstrates a shift from a purely reactive model toward a preventive one, whereby the PFSA anticipates potential risks and applies protective measures before dysfunctions materialize [Mroczkowski 2011, 191].

#### **5. Non-Binding and Developmental Functions**

The PFSA also performs a range of non-imperative tasks, including the issuance of interpretative positions and individual rulings intended to support innovation in the financial market. The institution of individual interpretation

constitutes a quasi-guarantee mechanism, affording supervised entities protection against administrative liability provided that their conduct remains consistent with the interpretation issued by the Authority. A financial product or service qualifies as innovative only if it has not previously been offered within the domestic financial market [Sroka and Wajda 2021, 54].

An illustrative example of the adaptive evolution of supervisory competences is the strengthening of preventive functions in the area of cybersecurity, introduced in response to increasing geopolitical and technological threats.

## **6. Informational and Educational Function**

In the educational and informational sphere, the PFSA undertakes both indirect (educational programs, publications, training initiatives) and direct (lectures, media campaigns) activities aimed at disseminating knowledge about the functioning of the financial market, its risks, and the principles governing the protection of participants' interests. The informational function is directed not only toward supervised entities and other regulatory bodies but also toward market participants, including investors in investment funds [Mroczkowski 2011, 191].

The Authority is empowered to disclose information concerning identified violations of financial market law, as well as the legal measures and administrative sanctions imposed in response. Such disclosure enhances market transparency, strengthens public confidence in supervisory institutions, and exerts a deterrent effect on potential offenders. The publication of information regarding suspected market manipulation or criminal conduct in financial instrument trading further contributes to safeguarding market integrity and promoting fair trading practices.

## **7. Regulatory and Normative Influence**

Although the PFSA does not possess legislative initiative in the strict constitutional sense, it plays a significant role in shaping the legal framework governing the financial market. This role is primarily advisory and consultative, involving the formulation of opinions, recommendations, and legislative proposals addressed to competent legislative and executive authorities.

Drawing upon its institutional expertise, the Authority evaluates draft regulations and initiates amendments when new phenomena emerge in the investment fund market or when existing regulations prove insufficient.

The PFSA also participates in the development of secondary legislation adopted pursuant to statutory delegations, particularly in areas regulating specific segments of the financial market. Moreover, the Authority contributes to the implementation of European Union law and influences the development of international regulatory standards concerning investment funds. In this limited sense, the PFSA performs a legislative function *sensu stricto*, while remaining within the constitutional framework of separation of powers.

## **8. Functional Classification of Competences**

From a functional perspective, the competences of the PFSA may be categorized into three principal functions: licensing, regulatory, and supervisory. The licensing function encompasses both preliminary and ongoing verification of entities seeking to conduct regulated activities. The regulatory function consists in the creation of prudential and structural standards, as well as the establishment of accepted market practices. The supervisory function is realized through monitoring, reporting analysis, on-site inspections, and the application of supervisory measures, both factual and legal in nature [Cyman 2019, 113].

Each of these functions operates on three interrelated levels: external (documentary analysis), internal (on-site inspections), and normative (issuance of prudential regulations and soft law instruments). Through the exercise of both binding powers and soft law mechanisms, the PFSA exerts comprehensive influence over the financial ecosystem – from individual institutions to the systemic architecture as a whole – thereby ensuring its stability, security, and compliance with statutory requirements.

## **9. Instruments for the Exercise of Supervisory Powers of the Polish Financial Supervision Authority – Supervisory Measures**

The tasks and objectives entrusted to the Polish Financial Supervision Authority in the field of capital market oversight are not merely programmatic declarations, but are operationalized through a structured system

of supervisory measures established by statute. The protection of such values as market security, investor confidence, transparency, and the integrity of trading requires the availability of effective instruments enabling proportionate intervention in the activities of supervised entities. Supervisory measures thus function as instrumental mechanisms of public-law oversight, ensuring the practical effectiveness of the regulatory framework governing the capital market. Their application is closely linked to the findings of supervisory inspections and to the assessment of compliance with statutory provisions, licensing conditions, and the interests of market participants, particularly retail investors [Sypek 2025, 221-23].

The range of supervisory measures vested in the PFSA is characterized by significant breadth and normative diversity. These instruments enable multifaceted interference in the organizational, operational, and informational spheres of supervised entities. In legal doctrine, this characteristic is described as the multidimensional nature of supervision, reflecting the legislature's intention to equip the Authority with flexible tools capable of addressing irregularities of varying gravity and nature. Despite their internal differentiation in terms of intensity and legal form, supervisory measures generally possess the capacity to substantially affect the functioning of supervised institutions. Such interference may extend to internal governance structures, operational practices, and the performance of statutory obligations. At the same time, their application remains strictly circumscribed by the principle of legality: the PFSA may exercise its powers exclusively within the forms and under the conditions explicitly provided for by universally binding law [Adamiak 2009, 34-35].

Supervisory measures do not lend themselves to rigid or exhaustive doctrinal classification. Many instruments exhibit hybrid characteristics, combining preventive and repressive elements or intertwining organizational and informational dimensions. Given the multiplicity of typological approaches proposed in legal scholarship, the present analysis focuses selectively on those instruments of particular relevance to the supervision of investment funds and to the protection of their participants [Adamiak 2000, 35-40].

A primary category comprises informational measures, which are closely connected with mechanisms of information exchange within the financial market and form a cornerstone of supervisory infrastructure. Informational instruments serve a complementary and supportive function

in relation to other supervisory tools. The effectiveness of coercive or structural measures largely depends on the quality, scope, and timeliness of the data collected. Informational powers operate in two principal forms: first, as the Authority's right to obtain information from supervised entities; and second, as its competence to disclose certain information to other bodies or to the public where justified by market circumstances. The former includes the power to request specific data and to receive periodic reports from entities under statutory reporting obligations. The latter encompasses the publication of information concerning identified infringements, applied measures, or risks affecting market stability. These instruments enhance transparency, facilitate evidence-based decision-making, and reinforce systemic stability within the capital market.

A distinct group of supervisory instruments consists of personal (personnel-related) measures. In this sphere, the PFSA may indirectly influence the composition of governing bodies and ownership structures of supervised entities, for example by approving candidates for key managerial positions or assessing changes in control. In addition, the Authority is empowered to grant, limit, or withdraw professional authorizations necessary for the exercise of regulated financial activities. Within the investment fund sector, certain appointments – such as members of the management board responsible for risk management or for investment decision-making – require prior approval of the PFSA. Other changes in management must be promptly notified to the Authority. These regulatory mechanisms not only safeguard compliance with statutory requirements but also enhance trust in the supervisory system by ensuring that individuals occupying strategically significant positions meet the requisite standards of competence and integrity [Kosieradzka and Wołoszyn 2010, 409-10].

Effective supervision would be unattainable without the availability of coercive instruments of greater intensity, commonly referred to as police or enforcement measures. These mechanisms empower the PFSA to directly shape the legal situation of supervised entities through binding orders, prohibitions, and formal notices. While such measures may significantly affect business operations – and in certain cases restrict them – their primary function differs from that of licensing instruments. Whereas licensing measures regulate access to the financial market, enforcement measures are directed at ensuring compliance during the ongoing conduct of regulated

activities. They therefore belong to the sphere of continuous supervision rather than preventive control [Chelmoński 2004, 458]. Their central purpose is not only to influence operational conduct but also to compel adherence to statutory and regulatory standards, thereby safeguarding the integrity and stability of the capital market as a whole.

### **10. The Role of Soft Law in the Regulatory Framework of Investment Fund Supervision in Poland**

Within the contemporary architecture of financial market supervision, instruments of soft law have acquired increasing prominence in the practice of the Polish Financial Supervision Authority. Although formally devoid of binding normative force, these instruments are closely intertwined with the Authority's supervisory mandate and serve as vehicles for the implementation of both its core and ancillary regulatory objectives.

Soft law acts issued by the PFSA do not directly create, modify, or extinguish rights and obligations of their addressees. They lack the formal attributes of universally binding legal norms and do not operate within the classical paradigm of administrative authority. Nevertheless, their practical significance within the financial market ecosystem is substantial. This is particularly evident within the broader framework of European Union law, where soft law instruments – such as guidelines, recommendations, and communications – occupy a well-established and continuously expanding position. In this context, soft law functions as a normative intermediary, shaping regulatory expectations, influencing interpretative approaches, and promoting compliance-oriented patterns of conduct without resorting to coercive measures [Izdebski 2021, 78-80].

In the Polish investment fund sector, soft law performs a quasi-regulatory function. It contributes to the formation of operational standards for supervised entities, clarifies regulatory ambiguities, and reinforces market discipline through persuasive authority rather than formal compulsion. Its growing importance reflects both the increasing complexity of financial markets and the need for supervisory responsiveness in the face of rapidly evolving market practices.<sup>4</sup>

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<sup>4</sup> In a letter of the Polish Financial Supervision Authority dated 14 December 2015 (DRK/WK/485/13/1/2015/MT), published in "Banking Law Monitor" 2016, No. 9, pp. 7-9,

A defining advantage of soft law instruments lies in their capacity for flexibility and timeliness. Unlike statutory amendments or formal regulatory enactments, which require extensive legislative procedures, soft law may be adopted and disseminated with relative expediency. This enables the supervisory authority to react promptly to emerging risks, regulatory lacunae, or undesirable market practices. In this respect, soft law serves as a specialized informational conduit, providing market participants with structured and practical guidance regarding the standards of conduct expected by the regulator.

Such instruments facilitate the identification of practices deemed acceptable, as well as those likely to be challenged in supervisory proceedings. They frequently perform an interpretative function, elucidating the Authority's understanding of specific statutory provisions or even broader systemic regulatory concepts. In areas governed by general clauses – such as “due diligence” or “acting in the best interests of the client” – soft law statements often operate as interpretative benchmarks, effectively shaping the operationalization of indeterminate legal standards.

Moreover, soft law contributes to the harmonization of conduct between supervised entities and their clients. By promoting consistent standards in organizational governance, disclosure practices, and customer relations, these instruments enhance the quality of financial services and strengthen the protection of investment fund participants. For this reason, both supervisory authorities and legal scholarship increasingly recognize soft law as a stabilizing force within the regulatory environment, mitigating risks associated with interpretative uncertainty and fragmented supervisory practice.

In practical terms, the soft law output of the PFSA assumes various forms and designations, reflecting the absence of a formally codified procedure governing its adoption or systematization. Neither the internal organizational acts nor the procedural framework of the Authority comprehensively regulate the issuance of such instruments. The most frequently encountered forms include guidelines, interpretative statements, communications, and official positions. Within the capital market sector, statements and communications

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addressed to representatives of organizational units conducting brokerage activities, the supervisory authority emphasized the role played by the official positions of the PFSA Office in the process of providing brokerage services by investment firms, thereby highlighting their principal functions and intended objectives.

predominate, whereas in the banking sector recommendations constitute a distinct and well-established category [ibid., 85].

The lack of a unified and internally binding taxonomy results in blurred conceptual boundaries between these forms. At times, the substantive content of a given act may diverge from its formal designation, thereby raising concerns from the perspective of regulatory transparency and legal certainty. This terminological fluidity underscores the hybrid and evolving character of soft law within the supervisory framework.

An additional manifestation of soft law activity consists in individualized letters addressed to supervised entities. Through such correspondence, the PFSA articulates its interpretation of applicable legal provisions, formulates expectations regarding compliance practices, or recommends specific courses of action. Although these communications do not derive their authority directly from binding legislation, they may exert considerable practical influence, particularly where they clarify the application of general clauses or outline supervisory priorities [Czech 2009, 63-70].

Among the various soft law instruments, official positions occupy a central place. These represent substantive statements of the Authority – Interpretative, informational, or recommendatory in nature – addressed to specific legal issues or market practices. Through such positions, the PFSA may: 1) present its interpretation of statutory provisions or legal institutions. 2) articulate expectations regarding the content of documents prepared by market participants. 3) outline procedural principles governing administrative proceedings before the Authority; 4) provide guidance concerning internal organizational standards and client relations.

The Communications likewise play a significant role. In principle, they are intended as concise public announcements concerning matters relevant to market participants. However, supervisory practice demonstrates that communications are frequently employed not only to convey factual information but also to express interpretative views or signal preferred standards of conduct. This functional overlap further illustrates the absence of sharp distinctions between different categories of soft law instruments [Czech 2009, *passim*].

In conclusion, soft law acts issued by the Polish Financial Supervision Authority, despite lacking explicit statutory authorization as formal sources

of law, fulfill a quasi-regulatory role within the system of financial market supervision. Their legitimacy derives not from normative coercion but from their functional necessity in ensuring coherent interpretation and consistent application of financial market regulations. By shaping behavioral expectations and delineating supervisory priorities, soft law enhances legal certainty, promotes transparency, and contributes to the protection of market participants – particularly those in a structurally weaker economic position.

Thus, soft law may be regarded as an expression of the socio-organizational function of the supervisory authority, operating as a preventive mechanism that reinforces market integrity and safeguards the principle of trust in public institutions and the legal order they administer.

## **Conclusions**

The analysis undertaken in this study leads to the conclusion that the model of consumer protection within the Polish investment fund market is grounded in an integrated supervisory framework in which the Polish Financial Supervision Authority performs the function of a systemic guarantor of financial stability and market integrity. The institutional status of the PFSA, the breadth of its competences, and the diversity of supervisory instruments at its disposal demonstrate that the protection of non-professional market participants constitutes not an ancillary objective, but one of the central functional pillars of the entire supervisory architecture.

A fundamental finding of this article is that the effectiveness of consumer protection does not derive solely from the formal scope of supervisory powers, but rather from their complementary and proportionate application. The PFSA's regulatory toolkit encompasses both coercive instruments (licensing, sanctioning, personal and enforcement measures) and non-coercive mechanisms (public warnings and soft law acts). Together, these instruments create a multidimensional system of market influence, enabling the simultaneous realization of preventive, corrective, and stabilizing functions in response to contemporary regulatory challenges.

Particular importance attaches to the increasing role of non-binding instruments, which reflect the broader evolution of public supervision from a purely sanction-based paradigm toward a risk-oriented and standard-setting model. Soft law acts and informational mechanisms, although formally

devoid of binding legal force, exert tangible normative impact through interpretative guidance and reputational influence. In this way, they contribute to shaping regulatory expectations and market behavior, functioning as quasi-normative components within the financial regulatory framework.

At the same time, the growing reliance on non-coercive instruments raises significant doctrinal and constitutional considerations, particularly with regard to the principle of legality, regulatory transparency, and the permissible limits of administrative influence over economic activity. Maintaining equilibrium between supervisory effectiveness and the requirements of the rule of law necessitates clear delineation of the scope, function, and procedural grounding of such instruments, so as to prevent informal norm-creation beyond the constitutionally defined system of legal sources.

From a systemic perspective, the Polish model of supervision over the investment fund market provides coherent and relatively stable foundations for consumer protection. Its continued effectiveness, however, will depend on the supervisory authority's capacity to adapt to the ongoing digitalization of financial services, the internationalization of market operations, and the increasing complexity of investment products. In this evolving regulatory environment, the integration of binding and non-binding instruments remains not only a defining feature of modern financial supervision, but also a precondition for its long-term legitimacy and resilience within a rule-of-law framework.

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