

Course Outline 2017
COMLAW 305: FINANCIAL MARKETS LAW (15 POINTS)
Semester 1 (1173)

Course Prescription

The course is intended for students majoring in commercial law, or doing a joint major in commercial law. It is also intended for students majoring in finance or who desire to work in the financial markets – as investment bankers, traders, brokers, financial advisers or other market professionals. The course covers the legal principles governing public issues of shares and other financial products and the financial markets. Specifically, the topics include primary market regulation, the rules applicable to the stock exchanges, insider trading, market manipulation, and takeovers.

Programme and Course Advice

Prerequisite: COMLAW 203

Goals of the Course

Financial Markets Law is an advanced level course that aims to equip students with an understanding of the operation of the financial markets in New Zealand and the rationale underlying the regulation of the markets.

The course is designed to facilitate students to enhance their analytical skills through extensive and in-depth discussion of the principles that inform financial markets regulation in New Zealand. It is expected that students would complete the course with a clear understanding of the regulatory regime and the various goals the regime attempts to balance and enforce.

Learning Outcomes

By the end of this course it is expected that the student will be able to:

1. display a thorough understanding of the Financial Markets Conduct Act 2013 in its application to raising funds from the public and be capable of articulating the principles that inform regulatory control of primary markets;
2. demonstrate in-depth knowledge of the legal rules on insider trading, together with an understanding of the underlying policy considerations;
3. show in-depth knowledge of the legal rules on market manipulation, together with an understanding of the underlying policy considerations; and
4. exhibit an understanding of the policy considerations underpinning the regulation of takeover activity in New Zealand, and the main rules of the Takeovers Code.

Content Outline

Week 1	Introduction of financial products, financial markets and regulation regime in New Zealand
Weeks 2-4	The primary market: raising of funds from investors
Weeks 5	The secondary market: overview, stock exchanges and financial services, disruptive technologies and their impact on financial markets
Weeks 6-9	The secondary market: market abuse
Weeks 10-12	Takeovers, course review

Learning and Teaching

The class will meet three hours each week. Students are expected to undertake personal preparation outside the lectures, devoting at least 4 hours per week on activities related to this course. Students must allow time for reading as they would for the completion of assignments. Lectures will be delivered at a level that assumes students have completed the required reading; students not doing so may have difficulty in following the lectures.

This paper covers topics that are often in the news. To keep pace with current developments, it is recommended that students regularly read the business section of the *New Zealand Herald*.

Some lectures might be conducted as workshops. Before the workshops, students will be given discussion questions and/or questions from past years' exams. Students must ensure that they have read and thought about the question, and endeavour to engage in the workshop discussion. The workshops provide an opportunity for the students to raise any issues or ask questions on the areas they are unsure about. In addition, some lecture sessions might operate as class discussions or be used for debates on some of the topics covered in the course.

Teaching Staff

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Learning Resources

There is no prescribed text. The recommended textbook is Farrar and Watson (ed), *Company and Securities Law in New Zealand* (2nd ed, 2013) chapters 32 to 37.

There is a course book that contains the course outline, copies of lecture slides, and additional readings.

Students will also need to have access to the Financial Markets Conduct Act 2013, the Takeovers Act 1993, and the Takeovers Code Approval Order 2000 (including the Takeovers Code). There is a dedicated reading list for the course.

Assessment

One hour in-class test	20%
Assignment	20%
Final Exam (2 hours, covering the entire course)	60%
Total	<hr/> 100%

Learning Outcome	In-class test (20%)	Assignment (20%)	Final Exam (60%)
1	X	X	X
2	X	X	X
3		X	X
4			X

Inclusive Learning

Students are urged to discuss privately any impairment-related requirements face-to-face and/or in written form with the lecturer.

Student Feedback

Student feedback is always welcome as this helps us improve the course. We will conduct formative mid-course evaluations.

In the Event of an Unexpected Disruption

We undertake to maintain the continuity and standard of teaching and learning in all your courses throughout the year. If there are unexpected disruptions the University has contingency plans to ensure that access to your course continues and your assessment is fair, and not compromised. Some adjustments may need to be made in emergencies. In the event of a disruption, the University and your course coordinators will make every effort to provide you with up to date information via Canvas and the university web site.