

Seminar in Law and Finance II



SCHOOL

Faculty of Law, Economics
and Business Studies (DEG)



CAMPUS

Saint-Serge



LEVEL

2nd year Master's degree



OPEN TO EXCHANGE STUDENTS

Yes



SEMESTER

Fall (S1)

> **Degree course:** Law and Finance

> **Teaching unit:** UE3 Law and Economics

> **Course language:** English

> **Duration (hours):** 18

> **ECTS:** 2

> **Teacher(s):** Diana Pop

> **Assessment:**

Continuous assessment

Final exam

> **Teaching methods:**

Lecture course 18 hours

Tutorial course hours

Practical work hours

Case study

Project

COURSE DESCRIPTION

The main objective of the Law and Finance Seminars is to teach students how to apply the tools of economic analysis to understand the rationales and the structure of laws or regulations governing capital markets. In order to ensure an in-depth analysis, the teaching emphasizes the central concept of "efficiency" within the peculiar framework of corporate governance and business combinations in Continental Europe. The theoretical and empirical references, as well as relevant Directives/Regulations are selected to illustrate the key topics of incentives. The students are deemed to employ all the analytical tools, (conceptual, theoretical and empirical) to address the impact of regulations on economic/financial performance.

Outline:

1. Ownerships and Control Structures (European Listed Companies)
2. The Shareholder Rights Directive
3. The Takeover Bids Directive Assessment Report
4. Economic Analysis of the Antitrust Laws
5. Sustainable Finance - The Taxonomy Regulation
6. Non-Financial Disclosure Regulations

OBJECTIVES

-

PREREQUISITES

None

SELECTIVE BIBLIOGRAPHY

The taught topics are based on the following references:

1. Almeida, Heitor V. and Daniel Wolfenzon, 2006. A Theory of Pyramidal Ownership and Family Business Groups. *Journal of Finance*, 61(6), 2637-2680.
2. Bebchuk Lucian, 1994. Efficient and Inefficient Sales of Control. *Quarterly Journal of Economics*, 109(4) 957- 992.
3. Berglöf Erik, Burkart Mike, Boeri Tito, and Franks Julian, 2003. European Takeover Regulation, *Economic Policy* 18 (36), 171-213.
4. Betton Sandra., Eckbo Espen, and Thorburn Karin, 2008. Corporate Takeovers in *Handbook of Corporate Finance: Empirical Corporate Finance vol 2*, Chapter 15, "Modeling the takeover process", pp. 317-321 and "Takeovers, competition and antitrust" pp. 389-403.
5. Boermans Martijn, (2022). A literature review of securities holdings statistics research and a practitioner's guide. DNB Working Paper no. 757.
6. Burkart, Mike, Denis Gromb and Fausto Panunzi (1998). Why Takeover Premia Protect Minority Shareholders. *Journal of Political Economy*, 106, 647-677.
7. Claessens Stijn, Simeon Djankov, and Larry H.P. Lang, 2000. The separation of ownership and control in East Asian corporations. *Journal of Financial Economics*, 58, 81-112.
8. Gugler Klaus, Dennis C. Muller, and Burcin Yurtoglu, 2008. Insider ownership, ownership concentration and investment performance: An international comparison. *Journal of Corporate Finance*, 14(5) 688-705.

ADDITIONAL INFORMATION

Bibliography continued:

9. Manne, Henry G., 2010. Corporate Governance - Getting Back to Market Basics", in AM Paccès (Ed), The Law and Economics of Corporate Governance: Changing Perspectives, Alessio M. Paccès, Ed., Elgar
http://www.consob.it/documents/46180/46181/sem_20081110_manne.pdf/f25f9186-e4c9-45b9-a5bf-8831ed93d1d6
10. Leuz, Christian, and Peter Wysocki, 2016. The Economics of Disclosure and Financial Reporting Regulation: Evidence and Suggestion for Future Research, *Journal of Accounting Research*, 54, 525-622.
11. Miller, Douglas L., 2023. An Introductory Guide to Event Study Models, *Journal of Economic Perspectives*, 37(2), 203-230.
12. Paccès, A. M., 2010. Corporate Governance and the Coase's Legacy: A Reply to Henry Manne. The Law and Economics of Corporate Governance: Changing Perspectives, Alessio M. Paccès, Ed., Elgar.
https://papers.ssrn.com/sol3/papers.cfm?abstract_id=1553820&download=yes
13. Shleifer, Andrei and Robert W. Vishny, 1986. Large Shareholders and Corporate Control. *Journal of Political Economy*, 94, 461-488.
14. Torsten Ehlers, Diwen (Nicole) Gao, and Frank Packer, (2021). A taxonomy of sustainable finance taxonomies. BIS Papers No. 18.
15. OECD (2015), G20/OECD Principles of Corporate Governance. OECD Publishing, Paris.
<http://dx.doi.org/10.1787/9789264236882-en>.
16. Directive 25/2004 on Takeover Bids <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32004L0025&from=EN>
17. Regulation 139/2004: Control of Concentrations between Undertakings (the EC Merger Regulation)
<https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=celex:32004R0139>
18. Atanasov, Vladimir, Adrian Pop, and Diana Pop, 2017. The Market Reaction to Changes in Disclosure of Related-Party Transaction Rules, working paper
19. Pop, Adrian and Diana Pop, 2019. Anchoring in takeovers under Mandatory Bid Rule: Evidence from an emerging market, working paper
20. Chemla, Gilles, Adrian Pop, and Diana Pop, 2011. Privatization and Governance Regulation in Frontier Emerging Markets: "The Case of Romania", in *Financial Institutions and Markets: Current Issues in Financial Markets*, vol. 3, Robert R. Bliss and George G. Kaufman (Eds.), Palgrave Macmillan.