LW6107E: CAPITAL MARKETS AND SECURITIES REGULATION

Effective Term
Semester B 2025/26

Part I Course Overview

Course Title
Capital Markets and Securities Regulation

Subject Code
LW - Law

Course Number
6107E

Academic Unit
School of Law (FL)

College/School
School of Law (FL)

Course Duration
One Semester

Credit Units
3

Level
P5, P6 - Postgraduate Degree

Medium of Instruction
English

Medium of Assessment
English

Prerequisites
LW5656 or LW6103E

Precursors
Nil

Equivalent Courses
Nil

Exclusive Courses
Nil

Additional Information
Nil

Part II Course Details

Abstract

This course offers an introduction to the capital markets and securities regulations. Students will learn about relevant laws of capital market, from the prospectus regime to continuing disclosure requirements and corporate governance of public companies. This course will also introduce the liability regime of public offering, insider dealing, other market misconducts, and the enforcement of securities laws. Harvard business review cases will also be discussed in class to help students understand the business considerations in real life and better prepare students for future legal practice career. This course is useful for students who want to practice law relating initial public offering (IPO) and capital markets. Background knowledge in common law Company Law is required. The pre-requisite course for JD students is LW5656 and for LLM students is LW6103E.

Course Intended Learning Outcomes (CILOs)

	CILOs	Weighting (if app.)	DEC-A1	DEC-A2	DEC-A3
1	Describe and explain the basic principles of the law relating to capital markets	40	x		
2	Apply the principles of securities law to solve legal problems by analysing cases and interpreting statutes	20	x		
3	Conduct independent research on the law and relevant legal issues in relation to capital markets	20		x	x
4	Research, analyse and critically evaluate legal principles and doctrines in securities law in light of both doctrinal coherence and in relation to the policy objectives of the law	10		x	
5	Understand the business and practice of capital market transactions	10		x	x

A1: Attitude
Develop an attitude of discovery/innovation/creativity, as demonstrated by students possessing a strong sense of curiosity, asking questions actively, challenging assumptions or engaging in inquiry together with teachers.

A2: Ability
Develop the ability/skill needed to discover/innovate/create, as demonstrated by students possessing critical thinking skills to assess ideas, acquiring research skills, synthesizing knowledge across disciplines or applying academic knowledge to real-life problems.

A3: Accomplishments
Demonstrate accomplishment of discovery/innovation/creativity through producing /constructing creative works/new artefacts, effective solutions to real-life problems or new processes.

Learning and Teaching Activities (LTAs)

	LTAs	Brief Description	CILO No.	Hours/week (if applicable)
1	Lecture	Lecture	1, 2, 3, 4	2
2	Group Discussion	In-class group discussion	2, 4, 5	1

Assessment Tasks / Activities (ATs)

	ATs	CILO No.	Weighting (%)	Remarks ("-" for nil entry)	Allow Use of GenAI?
1	Coursework	1, 2, 3, 4, 5	30	-	No

Continuous Assessment (%)

30

Examination (%)

70

Examination Duration (Hours)

2-3

Minimum Examination Passing Requirement (%)

40

Additional Information for ATs

The use of Generative AI tools is not allowed.

Applicable to students admitted before Semester A 2022/23 and in Semester A 2024/25 & thereafter

Students must obtain a minimum mark of 40% in examination and an overall mark of 40% in order to pass the course.

Applicable to students admitted from Semester A 2022/23 to Summer Term 2024

Students must obtain a minimum mark of 50% in examination and an overall mark of 50% in order to pass the course.

Assessment Rubrics (AR)

Assessment Task

Class Participation (for students admitted before Semester A 2022/23 and in Semester A 2024/25 & thereafter)

Criterion

Ability to identify the right issues and address the problems; Ability to apply the relevant laws to the issues; Ability to present arguments and observations clearly and in a well thought out manner.

Excellent

(A+, A, A-) Strong evidence of original thinking; good organization, capacity to analyse and synthesize; superior grasp of subject matter; evidence of extensive knowledge base.

Good

(B+, B, B-) Evidence of grasp of subject, some evidence of critical capacity and analytic ability; reasonable understanding of issues; evidence of familiarity with literature.

Fair

(C+, C, C-) Student who is profiting from the university experience; understanding of the subject; ability to develop solutions to simple problems in the material.

Marginal

(D) Sufficient familiarity with the subject matter to enable the student to progress without repeating the course.

Failure

(F) Little evidence of familiarity with the subject matter; weakness in critical and analytic skills; limited, or irrelevant use of literature.

Assessment Task

Coursework (for students admitted before Semester A 2022/23 and in Semester A 2024/25 & thereafter)

Criterion

Ability to identify issues, demonstrate an understanding of the relevant principles/regulations, apply principles to real or hypothetical scenarios, and articulate one's views orally.

Excellent

(A+, A, A-) Excellent identification of issues, evidence of understanding principles/regulations and applying them to hypothetical scenarios, and articulation of one's views in a coherent and persuasive manner.

Good

(B+, B, B-) Good identification of issues, evidence of understanding principles/regulations and applying them to hypothetical scenarios, and articulation of one's views in somewhat coherent and persuasive manner.

Fair

(C+, C, C-) Adequate identification of issues, evidence of understanding principles/regulations and applying them to hypothetical scenarios, and articulation of one's views.

Marginal

(D) Barely adequate identification of issues, evidence of understanding principles/regulations and applying them to hypothetical scenarios, and articulation of one's views.

Failure

(F) Poor identification of issues, evidence of understanding principles/regulations and applying them to hypothetical scenarios, and articulation of one's views.

Assessment Task

Final Exam (for students admitted before Semester A 2022/23 and in Semester A 2024/25 & thereafter)

Criterion

Ability to analyse facts, identify relevant issues, apply principles/regulations, and communicate one's reasoned views in writing.

Excellent

(A+, A, A-) Strong evidence of original thinking; good organization, capacity to analyse and synthesize; superior grasp of subject matter; evidence of extensive knowledge base.

Good

(B+, B, B-) Evidence of grasp of subject, some evidence of critical capacity and analytic ability; reasonable understanding of issues; evidence of familiarity with literature.

Fair

(C+, C, C-) Student who is profiting from the university experience; understanding of the subject; ability to develop solutions to simple problems in the material.

Marginal

(D) Sufficient familiarity with the subject matter to enable the student to progress without repeating the course.

Failure

(F) Little evidence of familiarity with the subject matter; weakness in critical and analytic skills; limited, or irrelevant use of literature.

Assessment Task

Class Participation (for students admitted from Semester A 2022/23 to Summer Term 2024)

Criterion

Ability to identify the right issues and address the problems; Ability to apply the relevant laws to the issues; Ability to present arguments and observations clearly and in a well thought out manner.

Excellent

(A+, A, A-) High

Good

(B+, B) Significant

Marginal

(B-, C+, C) Moderate

Failure

(F) Inadequate

Assessment Task

Coursework (for students admitted from Semester A 2022/23 to Summer Term 2024)

Criterion

Ability to identify issues, demonstrate an understanding of the relevant principles/regulations, apply principles to real or hypothetical scenarios, and articulate one's views orally.

Excellent

(A+, A, A-) High

Good

(B+, B) Significant

Marginal

(B-, C+, C) Moderate

Failure

(F) Inadequate

Assessment Task

Final Exam (for students admitted from Semester A 2022/23 to Summer Term 2024)

Criterion

Ability to analyse facts, identify relevant issues, apply principles/regulations, and communicate one's reasoned views in writing.

Excellent

(A+, A, A-) High

Good

(B+, B) Significant

Marginal

(B-, C+, C) Moderate

Failure

(F) Inadequate

Part III Other Information

Keyword Syllabus

Prospectus Regime, Mandatory Disclosure, Corporate Governance, Prospectus Liability, Market Misconducts, Insider Dealing, Market Manipulation, Enforcement of Liability, Takeover Code, International Capital Market.

Detailed Syllabus

- International Capital Markets
- Regulatory Competition Among Stock Exchanges
- Corporate Governance of Public Companies
- Mandatory Disclosure and the Prospectus Regime
- Prospectus and Related Liability
- Market Misconduct
- Enforcement of Securities Law
- Takeover Code and the Market for Corporate Control

Reading List

Compulsory Readings

	Title
1	Course materials provided by the course leader.

Additional Readings

	Title
1	Douglas W Arner, Berry Hsu, , Say H Goo, Syren Johnstone and Paul Lejot, Financial Markets in Hong Kong : Law and Practice, 2nd edition, (Oxford University Press, 2016).
2	David Donald (with Jefferson Vanderwolk and Wang JiangYu), A Financial Centre for Two Empires: Hong Kong's Corporate, Securities and Tax Laws in its Transition from Britain to China 292 pp. (Cambridge University Press, 2014).
3	Cally Jordan, International Capital Markets: Law and Institutions (Oxford University Press, 2014).
4	Marc Steinberg, Franklin A. Gevurtz, and Eric Chaffee, Global Issues in Securities Law (West, 2013).
5	Online Resources:
6	http://www.sfc.hk/web/EN/index.html
7	http://www.oecd.org/corporate/
8	https://www.sec.gov/
9	http://www.fca.org.uk/