

City University of Hong Kong

Course Syllabus

offered by School of Law  
with effect from Semester A 2024/25

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Part I Course Overview

<b>Course Title:</b>	<u>Capital Markets and Securities Regulation</u>
<b>Course Code:</b>	<u>LW6107E</u>
<b>Course Duration:</b>	<u>One semester</u>
<b>Credit Units:</b>	<u>3</u>
<b>Level:</b>	<u>P6</u>
<b>Medium of Instruction:</b>	<u>English</u>
<b>Medium of Assessment:</b>	<u>English</u>
<b>Prerequisites:</b> <i>(Course Code and Title)</i>	<u>LW5656 or LW6103E (apply to JD, LLMArbDR and exchange students only)</u>
<b>Precursors:</b> <i>(Course Code and Title)</i>	<u>Nil</u>
<b>Equivalent Courses:</b> <i>(Course Code and Title)</i>	<u>Nil</u>
<b>Exclusive Courses:</b> <i>(Course Code and Title)</i>	<u>Nil</u>

## Part II Course Details

### 1. 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.

### 2. Course Intended Learning Outcomes (CILOs)

(CILOs state what the student is expected to be able to do at the end of the course according to a given standard of performance.)

No.	CILOs	Weighting (if applicable)	Discovery-enriched curriculum related learning outcomes (please tick where appropriate)		
			A1	A2	A3
1.	Describe and explain the basic principles of the law relating to capital markets	40%	√		
2.	Apply the principles of securities law to solve legal problems by analysing cases and interpreting statutes	20%	√		
3.	Conduct independent research on the law and relevant legal issues in relation to capital markets	20%		√	√
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%		√	
5.	Understand the business and practice of capital market transactions	10%		√	√
		100%			

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.*

### 3. Learning and Teaching Activities (LTAs)

(LTAs designed to facilitate students' achievement of the CILOs.)

LTA	Brief Description	CILO No.					Hours/week (if applicable)
		1	2	3	4	5	
Lecture	Lecture	√	√	√	√		2

Group Discussion	In-class group discussion		√		√	√	1
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#### 4. Assessment Tasks/Activities (ATs)

*(Ats are designed to assess how well the students achieve the CILOs.)*

Assessment Tasks/Activities	CILO No.					Weighting	Remarks
	1	2	3	4	5		
Continuous Assessment: 30 %							
Coursework	√	√	√	√	√	30 %	The use of Generative AI tools is not allowed.
Final Examination: 70 % (duration: 2 or 3 hours)							
Final Exam	√	√	√	√	√	70 %	The use of Generative AI tools is not allowed.
						100%	

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.

## 5. Assessment Rubrics

*(Grading of student achievements is based on student performance in assessment tasks/activities with the following rubrics.)*

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

Assessment Task	Criterion	Excellent (A+, A, A-)	Good (B+, B, B-)	Fair (C+, C, C-)	Marginal (D)	Failure (F)
Class Participation	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.	Strong evidence of original thinking; good organization, capacity to analyse and synthesize; superior grasp of subject matter; evidence of extensive knowledge base.	Evidence of grasp of subject, some evidence of critical capacity and analytic ability; reasonable understanding of issues; evidence of familiarity with literature.	Student who is profiting from the university experience; understanding of the subject; ability to develop solutions to simple problems in the material.	Sufficient familiarity with the subject matter to enable the student to progress without repeating the course.	Little evidence of familiarity with the subject matter; weakness in critical and analytic skills; limited, or irrelevant use of literature.
Coursework	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 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 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.	Adequate identification of issues, evidence of understanding principles/regulations and applying them to hypothetical scenarios, and articulation of one's views.	Barely adequate identification of issues, evidence of understanding principles/regulations and applying them to hypothetical scenarios, and articulation of one's views.	Poor identification of issues, evidence of understanding principles/regulations and applying them to hypothetical scenarios, and articulation of one's views.
Final Exam	Ability to analyse facts, identify relevant issues, apply principles/regulations, and communicate	Strong evidence of original thinking; good organization, capacity to analyse and synthesize; superior grasp of	Evidence of grasp of subject, some evidence of critical capacity and analytic ability; reasonable understanding of	Student who is profiting from the university experience; understanding of the subject; ability to	Sufficient familiarity with the subject matter to enable the student to progress without repeating the course.	Little evidence of familiarity with the subject matter; weakness in critical and analytic skills; limited, or irrelevant

	one's reasoned views in writing.	subject matter; evidence of extensive knowledge base.	issues; evidence of familiarity with literature.	develop solutions to simple problems in the material.		use of literature.
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Applicable to students admitted from Semester A 2022/23 to Summer Term 2024

Assessment Task	Criterion	Excellent (A+, A, A-)	Good (B+, B)	Marginal (B-, C+, C)	Failure (F)
Class Participation	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.	High	Significant	Moderate	Inadequate
Coursework	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.	High	Significant	Moderate	Inadequate
Final Exam	Ability to analyse facts, identify relevant issues, apply principles/regulations, and communicate one's reasoned views in writing.	High	Significant	Moderate	Inadequate

## **Part III Other Information** (more details can be provided separately in the teaching plan)

### **1. Syllabus**

#### **1.1 Keyword Syllabus**

*(An indication of the key topics of the course.)*

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

#### **1.2 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

### **2. Reading List**

#### **2.1 Compulsory Readings**

*(Compulsory readings can include books, book chapters, or journal/magazine articles. There are also collections of e-books, e-journals available from the CityU Library.)*

Course materials provided by the course leader.

#### **2.2 Recommended Readings**

Douglas W Arner, Berry Hsu, , Say H Goo, Syren Johnstone and Paul Lejot, *Financial Markets in Hong Kong : Law and Practice*, 2<sup>nd</sup> edition, (Oxford University Press, 2016).

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).

Cally Jordan, *International Capital Markets: Law and Institutions* (Oxford University Press, 2014).

Marc Steinberg, Franklin A. Gevurtz, and Eric Chaffee, *Global Issues in Securities Law* (West, 2013).

#### **2.3 Online Resources**

<http://www.sfc.hk/web/EN/index.html>

<http://www.oecd.org/corporate/>

<https://www.sec.gov/>

<http://www.fca.org.uk/>