Cambridge University Press & Assessment 978-1-107-10860-8 — Global Securities Litigation and Enforcement Pierre-Henri Conac , Martin Gelter Index More Information

I N D E X

ad hoc information, definition of, 423 agreement, definition of, 985 agreements for settlement, with compensation requirement, 94 alternative trading system (ATS), definition of, 148 'American rule' on payment of costs, 89 'any matter which has had a significant impact on shareholders' rights or the price for the securities', 1031 Australia Australian Prudential Regulation Authority (APRA), 1066 Australian Securities and Investments Commission (ASIC) civil penalties, 1075 civil proceedings, 1073 compensation orders, 1076 criminal investigations, 1073 enforceable undertakings, 1073 enforcement activities, 1072 funding, 1071 importance, 1070 limitations in powers, 1077 litigation, 1074 'maximum voluntary compliance' approach, 1076 powers, 1071 reform proposals, 1077 role, 1066, 1070 staff, 1071 Australian Securities Exchange (ASX) enforcement powers, 1078 Listing Rules, 1078

role, 1066 size, 1067 bond market, 1070 civil liability, legal basis, 1078 class actions causation, 1096 commencement, 1092 contingency fees, 1092 costs, 1092 experience, 1094 insurance, 1092 introduction of, 1091 opt-out principle, 82 procedure, 1091 settlements, 1093, 1094 termination, 1093 companies directors' and officers' liability, 1086 number of public companies, 1067 ownership, 1069 company law conflict of laws, 1098 continuous disclosure, 1080 enforcement, 1070 'federalization', 1065 investor protection, 1078 merging with securities law, 1065 misleading or deceptive conduct, 1087 conflict of laws, 1098 continuous disclosure regime criticisms of, 1084 directors' and officers' liability, 1086 distinctiveness, 1082

1101

Australia (cont.) exceptions, 1083 'fairness' as objective of, 1084 introduction of, 1080 mandatory disclosure, 1080 penalties, 1085 policy rationales, 1080 provisions, requirements and rules, 1081 regulatory force, 1083 selective disclosure, prevention of, 1085 'stepping stone' liability, 1087 directors' and officers' liability, 1086 disclosure, see continuous disclosure regime enforcement ASIC, see Australian Securities and Investments Commission (ASIC) company law, 1070 public enforcement of private claims, 87 international dimension conflict of laws, 1098 foreign issuers, litigation involving, 99 introduction to, 1063 law and regulation centralization., 23 civil penalties, 1075 conclusions as to, 1100 distinctiveness, 1065 'federalization', 1065 foreign issuers, litigation involving, see also Australian Securities and Investments Commission (ASIC); continuous disclosure regime institutional structure, 1066 merging of company and securities law, 1065 relationship between regulator and markets, 42 liability civil liability, legal basis, 1078 directors and officers, 1086

INDEX

misleading or deceptive conduct, 1087 'stepping stone' liability, 1087 litigation class actions, see class actions foreign issuers, 99 public enforcement of private claims, 87 markets block shareholdings, 1069 bond market, 1070 public enforcement of private claims, see also Australian Securities Exchange (ASX) size, 1066 superannuation funds, investment by, 1068 misleading or deceptive conduct background to, 1088 burden of proof, 1089 prohibition of, 1087 statutory cause of action, 1088 Reserve Bank of Australia, 1066 securities law, merging with company law, 1065 superannuation funds, investment by, 1068 Austria civil liability causation, 286 compensable losses, 284 compensation of pure economic loss, 288 defendants, 283 fault, 291 general civil law, 290 issuer liability and creditor interests, 64 limitation period, 291 obligations under stock exchange law as protective rules, 288 prospectus liability, 292 responsible individuals, 58 waiver, 291 class actions, opt-in principle, 83 companies capital structure, 267 ownership, 265

Cambridge University Press & Assessment 978-1-107-10860-8 — Global Securities Litigation and Enforcement Pierre-Henri Conac , Martin Gelter Index <u>More Information</u>

INDEX

1103

conflict of laws, 300 criminal law non-prosecution agreements, 280 sanctions, 279 criminal sanctions, 290 disclosure civil procedure, 296 company law, 297 requirements, 268 Financial Markets Authority (Finanzmarktaufsichtsbehörde -FMA) administrative penalties, 272 criminal sanctions, 279 disqualification, 279 general competences, 271 'naming and shaming', 277 non-prosecution agreements, 280 organization, 270 suspension of voting rights, 278 international dimension, conflict of laws, 300 introduction to, 262 law and regulation conclusions as to, 301 criticisms of disclosure-based regulation, 15 disclosure requirements, 268 effectiveness, 268 regulator, see Financial Markets Authority Wiener Börse AG, 269 litigation class actions, 294 costs, 298 disclosure, 296 insurance, 299 legal basis, 282 practical relevance, 281 markets, importance, 264 awareness of offending actions, definition of, 477 hanks

business of, 788 definition of, 788 originating bank, 617 Berle, Adolf A., Jr., 11, 113, 267, 306, 850, 1063 block shareholdings, disclosure of, 32 Brazil Appeal Council of the National **Financial System** (CRSFN), 185 B3 (Securities, Commodities and Futures Exchange and OTC), 186, 193, 197 civil liability burden of proof, 199, 201 causation, 201 computation of damages, 201 determination of, 198 issuer liability and creditor interests, 63 limitation period, 201 prospectus liability, 200 substantive law, 199 class actions, 207 commercial courts, 96 companies controlling shareholders, 184 foreign ownership, 184 market capitalization, 182 number of public companies, 182 registration, 188 consent decrees (termo de compromisso e ajustamento de conduta - TAC), 205 courts commercial courts, 96 regulatory role, 187 CVM, see Securities Commission (CVM) disclosure block transactions, 191 CVM regulation, 188 financial statement, 190 material facts (fato relevante), 190 prospectus, 189 reference form (formulário de referência), 188 registration system, 188 enforcement CVM, see Securities Commission (CVM)

INDEX

Brazil (cont.) litigation, see litigation public and private enforcement linkage, 94 public enforcement of private claims, 87 stock exchange, 197 international dimension conflict of laws, 210 foreign issuers, litigation involving, 99 foreign ownership of Brazilian companies, 184 introduction to, 180 law and regulation B3 (Securities, Commodities and Futures Exchange and OTC), 186, 193, 197 commercial courts, 96 conclusions as to, 211 courts' role, 187 CRSFN (Appeal Council of the National Financial System), 185 flexibility, 37 independent regulators, 20 Public Prosecutor's Office, 187 'regulatory dualism', 40 risk-based self-regulatory model, 193 sanctions, 36 Securities Commission (CVM), see Securities Commission (CVM) litigation arbitration, 208 by authorized private entities, 86 class actions, 207 consent decrees (termo de compromisso e ajustamento de conduta - TAC), 205 defendants, 199 foreign issuers, 99 individual or private collective lawsuits, 206 introduction to, 199 procedural law, 202

public and private enforcement linkage, 94 public enforcement of private claims, 87 public-interest civil lawsuits (ação civil pública), 202 standing, 199 substantive law, 199 markets growth, 182 Losses Compensation Mechanism (Mecanismo de Ressarcimento de Prejuízos - MRP), 197 regulators, 184 stock exchange sanctions, 198 prospectus disclosure requirements, 189 liability, 200 Public Prosecutor's Office, regulatory role, 187 public-interest civil lawsuits (ação civil pública), 202 regulators, 184 'regulatory dualism', 40 reporting, see disclosure Securities Commission (CVM) disclosure regulation, 188 enforcement activities, 191 funding, 192 independence, 191 membership, 192 overview, 191 risk-based self-regulatory model, 193 role, 185 sanctions, 193 scope of powers, 191 settlements (termo de compromisso), 194 staff, 192 settlements (termo de compromisso), 194 bundled claims, see class actions business of a bank, definition of, 788 Canada

Autorité des marchés financiers (AMF), 153

Cambridge University Press & Assessment 978-1-107-10860-8 — Global Securities Litigation and Enforcement Pierre-Henri Conac, Martin Gelter Index More Information

> civil liability compensation funds, 173 fault, 75 fraud-on-the-market theory, 71 omissions and misstatements, 161 prospectus liability, 161 secondary market liability, see secondary market liability class actions observations on, 175 opt-out principle, 82 companies corporate governance framework, 144 publicly traded corporations, 144, 149 criminal offences and penalties, 159 disclosure confidentiality defense, 169 overview of disclosure regime, 160 overview of regime, 160 fraud-on-the-market theory, 71 information forward-looking information, safe-harbour for, 169 international dimension foreign issuers, 100, 103 secondary market liability, 173 introduction to, 144 law and regulation centralization., 23 cooperation and harmonization, 152 criminal law, 44 independent regulators, 20 provincial regulatory framework, 150 relationship between regulator and markets, 42 secondary market liability, see also public enforcement liability civil, see civil liability criminal, 159 prospectus, see prospectus liability

INDEX

1105

secondary market, see secondary market liability statutory, 158 litigation cost, 88 enforcement of disclosure obligations, 160 foreign issuers, 100, 103 statutory, see also class actions markets competition for primary listing, 146 consolidation, 145 publicly traded corporations, 149 relationship with regulator, 42 **Ontario Securities Commission** (OSC), 157 prospectus liability burden of proof, 162 damages, 164 misrepresentations, 161 right of action, 161 public enforcement Autorité des marchés financiers (AMF), 153 criminal offences and penalties, 159 **Ontario Securities Commission** (OSC), 157 statutory offences and penalties, 158 Tribunal des marchés financiers (TMF), 155 secondary market liability background to, 164 causation, 170 causes of action, 165 confidentiality defense, 169 damages, 171 defendants, 166 due diligence defense, 168 elements of liability, 167 expert reports, 170 forward-looking information, safe-harbour for, 169 international dimension, 173 plaintiff's knowledge, defence based on, 170

INDEX

Canada (cont.) procedural aspects, 172 Tribunal des marchés financiers (TMF), 155 capital markets, see markets causation adequate causation, 73 loss causation, 73 reliance and, 68 transaction causation, 73 China China Securities Regulatory Commission (CSRC), 881 civil liability calculation of compensation, 890 causation, 888 damages, 77 defendants, 887 defences, 887, 889 fraud-on-the-market theory, 71, 888 limitation period, 891 misrepresentation, timing of, 885, 889 misrepresentation, types of, 885 class actions joint actions, 895 'opt-in' rule, 895 prohibition of, 893 companies controlling shareholders, 881 market capitalization, 880 number of public companies, 880 ownership, 880 state ownership, 881 courts reform, 905 Supreme People's Court, 883 criminal liability, 44 enforcement litigation, see litigation public enforcement, 881 law and regulation China Securities Regulatory Commission (CSRC), 881 conclusions as to, 907 criminal law, 44 overview, 881

liability civil, see criminal liability criminal, 44 litigation applicability of rules, 884 civil case following criminal judgment (piggy-back effect), 898 class actions, see class actions clear rules, 899 compensatory purpose of, 898 cost, 88 defendants, 887 efficacy, 895 entrepreneurial lawyers, role of, 897 first civil case, 882 forms of, 893 'investor', definition of, 884 jurisdiction, 892 limitation period, 891 model procedure, 86 monetary incentives, 896 prerequisite procedure, see prerequisite procedure problems with process of, 897 public and private enforcement linkage, 93 reform, 905 'securities markets', definition of, 884 small number of cases, reasons for, 896 Supreme People's Court circulars, 883 under Securities Law 1998, 882 weak incentives to defend, 899 markets cross-listing between jurisdictions, 98 growth, 880 investor', definition of, 884 'securities markets', definition of, 884 prerequisite procedure abolition, 903 as limitation on number of cases, 896

overview, 891

Cambridge University Press & Assessment 978-1-107-10860-8 — Global Securities Litigation and Enforcement Pierre-Henri Conac, Martin Gelter Index <u>More Information</u>

INDEX

1107

China class actions adoption of US model, 900 choice of law, see international dimension circularity critique of compensation, 47 civil liability and general principles of liability, 51 causation, see causation compensation, 46 compensation rationale, 50 computation of damages, 76 corrective justice theories, 50 defendants, see defendants deterrence basis, 46 distinction between primary and secondary disclosures, 51 Efficient Capital Markets Hypothesis (ECMH), 69, 72 fault, 74 fraud-on-the-market theory, 70 functions, 46 incentives to seek redress, 51 international dimension, 96 legal basis, 51 limitation, 53 materiality, 66 plaintiffs, 53 policy, 50 private litigation, 46 reliance and, 68 substantive grounds, 51 substantive requirements, 64 class actions false disclosures, 5 fraud-on-the-market theory, 5 opt-out/opt-in models, 81, 104 class actions US model, 5, 80, 81 Coffee, John, 6, 60, 89, 97, 630 collective investment schemes, definition of, 790 commercial practice, definition of, 484 common law litigation, 8 regulation, 9 companies commercial courts, 95

company seat, 727 criminal liability, 45 definition of, 809 ownership of, markets development in relation, 11 compensation and prevention of misinformation, 51 circularity critique, 47 civil liability, 46 deterrence and, 104 fines used as, 94 insurance and, 47 liability, 47 rationale, 50 settlement agreements with compensation requirement, 94 contingency fees, 88 cost of litigation, see litigation courts, see law and regulation creditor interests and issuer liability, 63 criminal law as effective deterrence, 45 institutional limitations, 44 liability, corporate or individual, 45 penalties, 43 regulatory style, 44 damages 'benefit of the bargain' damages, 77 computation, 76 doctrine-based approaches, 78 mass damages, definition of, 506 out-of-pocket loss, 76 reform, 79 rescissory damages, 77 social cost, quantification of, 78 debentures, definition of, 788 debt instruments, definition of, 787 defendants gatekeepers, 60 issuers, 55, 63, 104 liability false statements as to securities

outside public offerings and

secondary distributions, 938

responsible individuals, 57, 104

Cambridge University Press & Assessment 978-1-107-10860-8 — Global Securities Litigation and Enforcement Pierre-Henri Conac, Martin Gelter Index More Information

1108

INDEX

definitions ad hoc information, 423 agreement, 985 alternative trading system (ATS), 148 'any matter which has had a significant impact on shareholders' rights or the price for the securities', 1031 awareness of offending actions, 477 bank, 788 business of a bank, 788 capital market, 756, 846 capital market activities, 730 collective investment scheme, 790 commercial practice, 484 company, 809 company seat, 727 debenture, 788 debt instrument, 787 deposits, 788 domicile, 442 exchange, 807 false information, 317 fiduciary obligations, 765 fraudulent property syndication schemes, 791 gross negligence, 378 illegal conduct, 426 illicit deed, 574 initial public offering (IPO), 606, 796 initiator of prospectus, 376 inside information, 66, 318, 383, 423 involvement in contraventions, 1086 key information, 632 large number of persons, 922 listed securities, 808 loss, 981 mass damages, 506 material, 802 material change, 160 material events, 30 material information, 1032 material matters, 1012 misleading omission, 486 misleading or deceptive, 1089 misrepresentation, 885

negligence, 322, 613, 1010 offence, 158 originating bank, 617 prejudice, 574 promoter, 835 public offering, 997 public offerings, 796 regulatory intensity, 33 responsible issuer, 173 securities, 115, 780, 782, 796, 808 securities services, 783 solicitations, 922, 923 stock exchange operating company, 263 substantial effect, 670 unlisted securities, 808 untrue statement, 799 wilfulness, 322 written misrepresentation, 165 deposits, definition of, 788 deterrence civil liability, 46 compensation and, 104 criminal law, 45 disclosure additional (ad hoc or continuous) disclosures, 30 block shareholdings, 32 criticisms of disclosure-based regulation, 15 false disclosures class actions, 5 liability, see civil liability measures against, 5 first public offering, at, 27 information accurate, 5 efficient, 13 mandatory, 13 merit regulation, 14 model of regulation, 13 non-financial reports, 30 periodical requirements, 27 regulatory requirements, 27 reporting standards, 29 disgorgement of profits, 93 domicile, definition of, 442 due diligence defense to liability, 74

Efficient Capital Markets Hypothesis (ECMH), 5, 69, 72 enforcement, see litigation 'English rule' on payment of costs, 89 European Union civil liability distinction between primary and secondary disclosures, 52 issuer liability and creditor interests, 64 materiality, 66 class actions, opt-out principle, 82 disclosure additional (ad hoc or continuous) disclosures, 30 block shareholdings, 32 periodical requirements, 28 law and regulation centralization., 23 conflict of laws, 96 criminal law, 43, 45 regulatory competition, 26 sanctions, 36 litigation, foreign issuers, 100 exchanges, see markets exterritorial application of law, see international dimension false disclosures, see civil liability; disclosure false information, definition of, 317 Fama, Eugene, 69, 72 fault due diligence defense, 74 liability and, 74 negligence and, 74 scienter standard, 75, 76 fees, contingency fees, 88 fiduciary obligations definition of, 765 fiduciary obligations, definition of, 765 fines used as compensation, 94 Finland civil liability, responsible individuals, 58 law and regulation background to, 307

INDEX

1109

disclosure requirements, 313 enforcement, 308 litigation conflict of laws, 329 courts' role, 328 enforcement, 324 substantive law, 315 markets, 303 firms, see companies foreign law and regulation, see international dimension forum shopping, see international dimension forward-looking statements, liability, 65 Fox, Merritt, 630 France Autorité des marchés financiers (AMF) funding, 337 overview, 336 sanctions, 337 staff, 337 civil liability administrative liability, 336 common rules, 339 introduction to, 344 prospectus liability, see prospectus liability secondary market liability, see secondary market liability companies number of public companies, 11 ownership, 335 prospectus liability, civil, 354 prospectus liability, criminal, 356 secondary market liability, civil, 346 secondary market liability, criminal, 350 compensation enforcement as mechanism, 341 enforcement as support, 342 introduction to, 340 criminal liability, 344 and civil liability, 344 prospectus liability, 356 secondary market liability, 350

Cambridge University Press & Assessment 978-1-107-10860-8 — Global Securities Litigation and Enforcement Pierre-Henri Conac , Martin Gelter Index <u>More Information</u>

1110

INDEX

France (cont.) directors and officers prospectus liability, civil, 354 prospectus liability, criminal, 356 secondary market liability, civil, 346 secondary market liability, criminal, 351 introduction to, 332 law and regulation conclusions as to, 361 criminal law, 45 enforcement, 336 independent regulators, 17 introduction to, 336 regulator, see Autorité des Marchés Financiers (AMF) relationship between regulator and markets, 42 sanctions, 340 litigation by authorized private entities, 86 civil procedure difficulties, 358 class action, absence of, 359 cost, 88 criminal enforcement, 357 public and private enforcement linkage, 93 public enforcement of private claims, 87 markets, importance, 334 prospectus liability, civil administrative liability, 339 claims against companies, 354 claims against directors and officers, 354 claims against third parties, 355 limitation period, 355 nature of the damage, 355 prospectus liability, criminal claims against companies, 356 claims against directors and officers, 356 claims against third parties, 356 limitation period, 357 nature of the damage, 357 sanctions, 357 sanctions

administrative enforcement, 340 by regulator, 337 criminal prospectus liability, 357 criminal secondary market liability, 353 secondary market liability, civil administrative liability, 338 claims against companies, 346 claims against directors and officers, 346 claims against third parties, 347 fault, 348 first civil decisions, 345 limitation period, 350, 353 nature of the damage, 348, 352 reliance causation, 348 sanctions, 353 standing, 347 secondary market liability, criminal admissibility of claims, 350 causation, 352 claims against companies, 350 claims against directors and officers, 351 claims against third parties, 352 false accounts, 350 fault, 352 standing, 352 third parties legal basis for claims against, 347 prospectus liability, civil, 355 prospectus liability, criminal, 356 secondary market liability, civil, 346 secondary market liability, criminal, 352 fraud, liability, see civil liability fraud-on-the-market theory, 6, 70, 104 fraudulent property syndication schemes, definition of, 791 Gadinis, Stavros, 42

gatekeeper liability, 60 Germany administrative fines amount, 396 generally, 395 civil liability Cambridge University Press & Assessment 978-1-107-10860-8 — Global Securities Litigation and Enforcement Pierre-Henri Conac , Martin Gelter Index More Information

INDEX

damages, 78 distinction between primary and secondary disclosures, 53 fault, 74 for voluntary disclosure, 394 fraud-on-the-market theory, 71 issuer liability and creditor interests, 64 prospectus liability, see prospectus liability responsible individuals, 58 secondary market disclosure, see secondary market disclosure companies key facts and figures, 366 number of public companies, 11 ownership, 11 criminal sanctions, 398 cross-border litigation, see international dimension disclosure secondary market, see secondary market disclosure voluntary, 394 international dimension choice of law, 409 issuers from other EU Member States, 407 issuers from outside EU, 408 jurisdiction, 407 introduction to, 364 law and regulation conclusions as to, 410 criminal law, 45 harmonization with EU law, 364 judicial review, 38 public enforcement, 395 relationship between regulator and markets, 42 litigation assessment of proceedings, 406 costs, 405 cross-border, see international dimension generally, 400 Higher Regional Court, 403 initiation of proceedings, 402

model procedure, 86, 402

1111

model procedure sunset clause, 407 pre-trial preparations, 401 Regional Court, 405 prospectus liability burden of proof, 382 causation, 377 civil liability, 370 damages, measure of, 379 defendants, 374 defenses, 380 fault (gross negligence or intent), 378 generally, 368 limitation period, 382 mandatory, 382 misrepresentation, 371 standing to sue, 373 sanctions administrative fines, 395 criminal sanctions, 398 disgorgement of profits, 398 'naming and shaming', 398 stop and desist orders, 398 secondary market disclosure, ad hoc burden of proof, 389 causation, 388 Civil Code, 391 damages, measure of, 387 defenses to liability, 389 EU law, 391 fault (gross negligence or intent), 387 incorrect statement, 384 liability generally, 382 liability limitation period, 389 liable persons, 386 mandatory of liability, 390 standing to sue, 385 statutory basis of liability, 384, 390 unlawful delay, 384 secondary market disclosure, periodic incorrect or omitted reporting, 393 liability generally, 392 voluntary disclosure, 394 Gilson, Ronald, 72

INDEX

Greece civil liability burden of proof, 439 causality, 435 contractual restrictions on, 439 culpability, 435 damages, 437 inaccurate or incomplete disclosures, 432 limitation period, 440 misrepresentations, 432 safe harbours, 434 statements of fact or opinion, 434 substantially or significantly deficient disclosure, 432 waivers of, 439 disclosure ad hoc follow-on disclosure, 422 inaccurate or incomplete, 432 initial disclosure, 420 introduction to, 420 periodic follow-on disclosure, 422 substantially or significantly deficient, 432 international dimension, conflict of laws, 442 introduction to, 413 law and regulation conclusions as to, 444 substantially or significantly deficient, see also regulator (HCMC) litigation bundled claims, 440 conflict of laws, 442 cost, 88 factual context in claims, 428 legal basis, 425 standing, 429 regulator (HCMC) funding, 416 independence, 416 powers, 417 role, 415 staff, 416 gross negligence, definition of, 378

Hong Kong, relationship between regulator and markets, 42 illegal actions awareness of, 477 definition of, 158, 426, 574 fraudulent property syndication schemes, 791 involvement in contraventions, definition of, 1086 independent regulators appointment of, 19 budgetary independence, 20 exceptions to independent regulator model, 22 independence from government, 18, 21 from regulated industry, 21 'independent agency model, 104 models of, 17 relationship with government, 18 removal of, 19 rise of, 17 India civil liability burden of proof, 835 calculation of damages, 836 defendants, 835 enforcement, 837 fraud-on-the-market theory, 72, 835 substantive law, 834 class actions opt-out principle, 85 overview, 838 companies market capitalization, 819 number of public companies, 11, 72,819 ownership, 820 company law litigation, 834 National Company Law Tribunal (NCLT), 840 revision, 834 conflict of laws, 842 contract law litigation, 836

INDEX

1113

courts market growth in relation, 814, 815 systemic problems, 816 criminal liability, 44 disclosure regulatory bodies, 824 regulatory model, 14, 814 regulatory norms, 821 enforcement disgorgement of profits, 827 litigation, see litigation regulator, see Securities and Exchange Board of India (SEBI) stock exchanges, 825 fraud-on-the-market theory, 72, 835 international dimension, 842 law and regulation approaches to regulation, 14, 814 commercial courts, 95 conclusions as to, 844 criminal law, 44 disclosure rules, 821 flexibility, 37 legal system, role of, 814 merit regulation, 14 liability civil, see civil liability criminal liability, 44 litigation alternative remedies, 842 by authorized private entities, 86 class actions, see class actions company law, 834 contract law, 836 costs, 840 defendants, 835 fora for adjudication, 839 limitation period, 837 National Company Law Tribunal (NCLT), 840 overview, 831 public and private enforcement linkage, 93 standing, 834 tort law, 836 markets

courts' role in growth of, 814 cross-listing between jurisdictions, 98 current state, 819 growth, 815, 819 regulator's role in growth of, 818 supervision by stock exchanges, 825 National Company Law Tribunal (NCLT), 840 Securities and Exchange Board of India (SEBI) alternative remedies, 842 consent orders, 830 disclosure-based regulation, 822 disgorgement of profits, enforcement of, 827 enforcement role, 22, 826 general enforcement measures, 826 market growth in relation, 818 other enforcement measures, 828 role, 824 staff, 825 use of enforcement powers, 830 tort law litigation, 836 individuals able to sue, see standing civil liability, 57 criminal liability, 45 information accuracy, need for, 5 ad hoc information, definition of, 423 asymmetry in securities litigation, 90 definition of, 1032 disclosure, see disclosure false information, definition of, 317 forward-looking statements, liability for, 65 initiator of prospectus, definition of, 376 inside information, definition of, 318, 383, 423 key information, definition of, 632 misinformation, prevention of as purpose of litigation, 51

Cambridge University Press & Assessment 978-1-107-10860-8 — Global Securities Litigation and Enforcement Pierre-Henri Conac , Martin Gelter Index <u>More Information</u>

1114

INDEX

information (cont.) 'misleading or deceptive', definition of, 1089 misrepresentations definition of, 165, 885 liability, 64 omissions, liability for, 64 untrue statement, definition of, 799 written misrepresentation, definition of, 165 initial public offerings, see public offerings initiator of prospectus, definition of, 376 inside information, definition of, 66, 318, 383, 423 insurance, compensation and, 47 intermediaries' liability, 60 international dimension choice of law, 96, 98 conflict of laws, 96 cross-border bundling of claims, 101 cross-listing between jurisdictions, 96 foreign issuers, litigation involving, 98 internationalization of markets and listings, 96 recognition of foreign settlements, 102, 105 investigations, see law and regulation 'investor protection', concept of, 1063 involvement in contraventions, definition of, 1086 Israel 'capital market', definition of, 756 class actions 'commonality' requirement, 773 opt-out principle, 82 companies company law remedies, 765 distinction between company and securities laws, 764 ownership, 758 conflict of laws application generally, 774 distinction between company and securities laws, 775

law and regulation basic approach, 760 changes to approach, 761 conclusions as to, 775 enforcement, 763 regulators, 756 regulatory efficiency, 762 regulatory structure, 760 litigation by authorized private entities, 86 class actions, 'commonality' requirement, 773 company law remedies, 765 conflicts of duty and of interest, 766 costs, 771 distinction between company and securities laws, 764 duties of care and of loyalty, 765 judicial interpretation of disclosure requirements, 770 monetary incentives, 772 plaintiffs, 773 procedure generally, 770 securities law remedies, 768 substantive remedies under securities law, 769 markets 'capital market', definition of, 756 importance, 757 size, 757 remedies company law, 765 securities law remedies generally, 768 substantive remedies under securities law, 769 securities law company law distinguished, 764 remedies generally, 768 substantive remedies, 769 issuers as defendants, 55, 63 definition of, 173 foreign issuers, litigation involving, 98 mandatory disgorgement of profits, 93 responsible issuer, definition of, 173

Italy

Cambridge University Press & Assessment 978-1-107-10860-8 — Global Securities Litigation and Enforcement Pierre-Henri Conac , Martin Gelter Index More Information

> criminal enforcement, 452 introduction to, 446 law and regulation criminal enforcement, 452 independent regulators, 17 introduction to, 450 public enforcement, 452 Securities Commission (Consob), 450 liability burden of proof, 458 general regime for material omissions and misstatements, 454 key cases, 461 loss causation, 459 prospectus liability, 456 standards of, 458 litigation access to information, 466 class actions, 465 conflict of laws, 467 key cases, 461 public and private enforcement linkage, 93, 94 markets general framework, 447 key facts and figures, 448 Securities Commission (Consob), 450 Jackson, Howell, 9, 42 Japan administrative surcharges amount, 919 defendants, 919 proceedings, 921 role, 918 companies number of public companies, 11, 910 ownership, 912 company law litigation, 934 criminal sanctions, 917 directors and officers exceptions from liability, 940

INDEX

1115

liability as to public offerings or secondary distributions, 939 liability as to securities outside public offerings and secondary distributions, 941 disclosure annual securities reports, 923 other periodic reports, 924 periodic disclosure, 923 public offerings, 922 regulations, 921 securities registration statements, 922 enforcement administrative, 918 criminal, 917 litigation, see litigation stock exchanges, 925, 929 introduction to, 910 law and regulation administrative surcharges, see administrative surcharges conclusions as to, 942 criminal sanctions, 917 institutions, 912 relationship between regulator and markets, 42 sanctions, 36 stock exchanges, see also Securities and Exchange Surveillance Commission (SESC) Tokyo Stock Exchange and TSER Organization, 929 liability administrative, see administrative surcharges computation of damages, 937, 938 directors and officers, see directors and officers false statements in securities registration statements, 936 grounds for, 936, 938 introduction to, 934 prospectus liability, 935 summary overview, 942 transactions prior to official notification, 935

INDEX

Japan (cont.) litigation company law, 934 securities law, 935 tort law, 934 markets overview, 911 sanctions imposed by, 925 self-regulation organizations, 927 self-regulation related services, 926 size, 911 stock exchanges, 911 Tokyo Stock Exchange and TSER Organization, 929 Securities and Exchange Surveillance Commission (SESC) administrative surcharge proceedings, 921 membership, 913 powers, 915 role, 913, 914 staff, 913 securities law litigation, 935 Tokyo Stock Exchange and TSER Organization, 929 tort law litigation, 934 judicial enforcement and review, see law and regulation jurisdiction, choice of, see international dimension Kalss, Susanne, 15 key information, definition of, 632 Korea Capital Markets Act (CMA), liability calculation of damages, 1016 causation, 1016 defences, 1015 limitation period, 1017 Capital Markets Act (CMA), primary market liability background to claims, 1011 claimants, 1014 defendants, 1013, 1014 liable conduct, 1012

Capital Markets Act (CMA), secondary market liability background to claims, 1011 claimants, 1015 defendants, 1014 liable conduct, 1013 class actions background to, 1018 calculation of damages, 1019 commencement, 1018 distribution of collected assets, 1020 introduction of, 1018 judgments, 1019 lead plaintiff, 1019 opt-out principle, 85 other types of actions, 1021 rarity, 1020 settlements, 1019 companies capital structure, 990 debt finance, 11 financing methods, 993 conflict of laws, 1022 directors and officers elements of claims against, 1007 liability, 1007 scope of liability, 1008 disclosure, electronic, 1005 disclosure, exchange rules sanctions, 1004 types of disclosure, 1003 disclosure, primary market prospectus, 997 registration statement, 997 sanctions, 998 disclosure, secondary market current reports, 1000 periodic reports, 999 sanctions, 1000 external auditors claims against, 1009 elements of claims against, 1010 investor protection issues as to, 1010 **Financial Services Commission** (FSC), 994

Cambridge University Press & Assessment 978-1-107-10860-8 — Global Securities Litigation and Enforcement Pierre-Henri Conac , Martin Gelter Index <u>More Information</u>

INDEX

1117

Financial Supervisory Service (FSS), 995 introduction to, 989 law and regulation conclusions as to, 1024 effectiveness, 1005 **Financial Services Commission** (FSC), 994 Financial Supervisory Service (FSS), 995 investor protection issues as to, see also Capital Markets Act (CMA) regulators, 993 Securities and Futures Commission (SFC), 994 liability Capital Markets Act (CMA), see Capital Markets Act (CMA) directors and officers, see directors and officers external auditors, see external auditors grounds for, 1006 tort claims, 1007 markets, size, 990 Securities and Futures Commission (SFC), 994 Kraakman, Reinier, 60, 72 Kripke, Homer, 63 La Porta, Rafael, 627 Langevoort, Donald, 60 large number of persons, definition of, 922 'law and finance' (or 'law matters') theory, 7 law and regulation centralization., 23 common law, see common law courts' role commercial courts, 95 judicial review, 38 private enforcement in relation, 94 sanctions, 35

criminal law, 43

criticisms of disclosure-based regulation, 15 disclosure model, 13 disclosure requirements, 27 enforcement, see litigation flexibility, 37 independent regulators, 17 international, see international dimension investigative powers, 34 'law and finance' (or 'law matters') theory, 7 'legal origins' theory, 7 legal system, role of, 814 markets and, 7, 39 merit regulation and mandatory disclosure, 14 criticisms of, 16 powers of public regulators, 33 regulation by markets, 39 regulators' role, importance of, 104 regulatory competition, 25 regulatory intensity, 33 relationship between regulator and markets, 42 sanctions, see sanctions shareholder litigation, see litigation structure, 12 transplanted law, see transplanted law lawsuits, see litigation 'legal origins' theory, 7 legal system, regulatory role of, 814 legal transplant, see transplanted law liability civil, see civil liability criminal, 45 for compensation, 46 listed securities, see securities listings, see markets litigation and creditor interests, 63 civil liability, see civil liability collective litigation, see class actions common law, 8 compensation, see compensation cost

and incentives to sue, 88

INDEX

litigation (cont.) contingency fees, 88 loser pays rule ('English rule'), 89 parties pay own cost ('American rule'), 89 third-party litigation funding, 88 courts in relation, 94 defendants, see defendants drivers for increase, 4 information asymmetry, 90 institutional preconditions in judiciary, 94 internationalization, see international dimension introduction to, 4 'law and finance' (or 'law matters') theory, 8 liability, see liability limitation on, 53 model procedures, 86 plaintiffs, 53 prevention of misinformation as purpose, 51 private enforcement by authorized private entities, 86 liability, see liability link with public enforcement, 92 markets development in relation, 9 procedural aspects, 80 public enforcement fines used as compensation, 94 link with private enforcement, 92 mandatory disgorgement of profits, 93 markets development in relation, 9 of private claims, 87, 92 settlement agreements with compensation requirement, 94 litigation private enforcement US model, 80 loser pays rule ('English rule'), 89 loss causation, 73 definition of, 981 out-of-pocket, 76

Malaysia civil liability challenges for enforcement, 982 common law, 975 issuer liability and creditor interests, 63 statutory regime, 976 conflict of laws, 986 disclosure prohibition of false or misleading statements, 952 regulatory framework, 949 timeliness, 950 introduction to, 944 law and regulation administrative sanctions, 964 conclusions as to, 987 criminal enforcement, 958 overview, 949 public enforcement, 956 litigation foreign issuers, 99 public and private enforcement linkage, 93 markets overview, 945 sanctions imposed by, 971 mandatory disgorgement of profits, 93 markets accurate information, need for, 5 and securities law, 7 capital market activities, definition of, 730 capital markets, definition of, 756, 846 competition between, 25 development of company ownership in relation, 11 private enforcement in relation, 9 public enforcement in relation, 9 Efficient Capital Markets Hypothesis (ECMH), 5, 69, 72 exchanges, definition of, 807 fraud-on-the-market theory, 6, 70, 104 internationalization, see international dimension

CAMBRIDGE

Cambridge University Press & Assessment 978-1-107-10860-8 — Global Securities Litigation and Enforcement Pierre-Henri Conac , Martin Gelter Index More Information

INDEX

1119

internationalization of, 96 proneness for recurring problems, 4 public regulation, see law and regulation regulation by 'demutualization', 41 enforcement strategy, choice of, 41 listing rules, 40 'regulatory dualism', 40 regulatory role, 39 relationship with regulator, 42 stock exchange operating company, definition of, 263 mass damages, definition of, 506 materiality and civil liability, 66 definitions, 30, 160, 802, 1012, 1032 Means, Gardiner C., 11, 113, 267, 306, 850, 1063 merit regulation, see law and regulation Mexico civil liability actions, 252 international dimension, 254 introduction to, 213 law and regulation conclusions as to, 256 criminal law, 248 disclosure model, 14 introduction to, 225 merit regulation, 14 recent developments, 216 regulation by markets, 40 relationship with regulator, see also regulator self-regulation, 245 litigation cross-border, 254 foreign issuers, 100 issues for growth of, 250 liability actions, 252 markets debt market growth, 220 dispersed ownership, 223 equity market growth, 218 self-regulation, 245 regulator autonomy, 225

compensation, 231 disclosure-related misconduct and penalties, 232 enforcement activities, 233 enforcement areas, 229 enforcement proceedings, 230 enhanced surveillance and enforcement, 225 funding, 226 market surveillance, 230 sanctions, 231 settlements, 231 staff, 228 misinformation, see information misleading omission, definition of, 486 'misleading or deceptive', definition of, 1089 misrepresentations, see information natural persons, see individuals negligence and fault, 74 definition of, 322, 613, 1010 gross negligence, definition of, 378 Netherlands civil liability fault, 489 fraud-on-the-market theory, 71 introduction to, 481 loss causation, 489 misleading information outside prospectus, 487 misleading prospectus, 486 prospectus liability, 483 responsible individuals, 58 staff, see also secondary market liability class actions admissibility of claims, 502 collective redress, 499 introduction of, 502 introduction to, 499 no compensation for damages, 503 opt-out principle, 84, 505 preliminary rulings, 501 procedural rules, 502 representative organisations, 500

Cambridge University Press & Assessment 978-1-107-10860-8 — Global Securities Litigation and Enforcement Pierre-Henri Conac, Martin Gelter Index More Information

1120

INDEX

Netherlands (cont.) collective settlements choice of law, 509 collective redress, 499 introduction to, 499 judicial review, 508 of mass damages, 506 opt-out principle, 508 preliminary rulings, 501 representative organisations, 500 requirements, 507 companies market capitalization, 471 ownership, 472 introduction to, 470 law and regulation conclusions as to, 513 overview, 473 litigation class actions, see class actions collective settlements, see collective settlements costs, 511 enquiry proceedings, 495 evidence gathering, 495 fact-finding under civil procedure, 498 foreign issuers, 102 information asymmetry, 92 public and private enforcement linkage, 94 markets, 471 secondary market liability burden of proof, 494 causation, 494 failure to disclose price-sensitive information, 491 legal basis, 490 market manipulation, 493 materiality, 494 misleading periodic disclosure, 493 reliance, 494

offences, *see* illegal actions offerings, public, *see* public offerings omissions, *see* information originating bank, definition of, 617 overseas, *see* international dimension Pakistan additional (ad hoc or continuous) disclosures, 31 companies, overview, 849 conflict of laws, 873 introduction to, 846 investor education, 874 law and regulation conclusions as to, 875 enforcement, 869 independent regulators, 20 overview, 852 litigation legal system problems, 872 substantive law, 860 markets debt to equity ratio, 851 institutions, 848 introduction to, 847 parties pay own cost ('American rule'), 89 penalties, see law and regulation persons, see individuals plaintiffs, 53 Poland civil liability disclosure obligations, 527 procedural aspects, 533 companies, market capitalization, 517 criminal offences against information protection, 522 **Financial Supervision** Authority (KNF) overview, 518 powers, 520 introduction to, 517 law and regulation conclusions as to, 534 overview, 517 powers, see also Financial Supervision Authority (KNF) litigation, public enforcement of private claims, 87 minority shareholder protection, 523 regulator, see Financial Supervision Authority (KNF)

Cambridge University Press & Assessment 978-1-107-10860-8 — Global Securities Litigation and Enforcement Pierre-Henri Conac , Martin Gelter Index More Information

INDEX

1121

Portugal civil liability burden of proof, 549 causation, 550 compensation, 550 defendants, 549 insurance, 551 safe harbors, 551 waivers of, 551 class actions opt-out principle, 84 overview, 555 companies capital structure, 538 financing, 539 market capitalization, 538 number of public companies, 538 disclosure requirements, 544 unlawful, 552 law and regulation administrative offences, 542 criminal enforcement, 542 unlawful, see also Securities Market Commission (CMVM) litigation and enforcement actions by CMVM, 553 class actions, see class actions coerced settlements, 554 conflict of laws, 555 costs, 553 creditor interests and issuer liability, 554 elements of claims, 547 information asymmetry, 552 key cases, 546 limitation period, 554 pre-trial procedures, 554 procedural aspects, 552 public and private enforcement linkage, 93 standing, 548 markets, importance, 538 Securities Market Commission (CMVM)

effect of enforcement actions on litigation, 553 overview, 539 prejudice, definition of, 574 private enforcement, *see* litigation private international law, *see* international dimension profits, mandatory disgorgement, 93 promoters, definition of, 835 prospectuses, *see* information public companies, *see* companies public enforcement, *see* litigation public offerings, definition of, 796, 997 publicity for first public offering, disclosure requirements, 27

recognition of foreign settlements, see international dimension regulation, regulators, see law and regulation regulatory intensity, definition of, 33 reporting standards, 29 reputational sanctions, 60 responsible issuer, definition of, 173 Roe, Mark, 9 Romania civil liability causation, 575 fault, 575 illicit deed, existence of, 574 insurance, 585 joint liability, 580 prejudice, existence of, 574 companies control structures, 561 finance, 562 disclosure requirements, 568 Financial Supervisory Authority (FSA) activities, 564 overview, 563 international dimension conflict of jurisdictions, 587 conflict of laws, 590 introduction to, 587 recognition of foreign settlements, 591 law and regulation

INDEX

Romania (cont.) recognition of foreign settlements, see also Financial Supervisory Authority (FSA) recovery of investors' losses, 567 sanctions, 566 litigation claims, 573, 577 costs, 584 evidence gathering, 582 evidence lodged with authorities, 583 evidence lodged with defendant, 582 general provisions, 572 procedural matters, 581 public enforcement, 586 public enforcement of private claims, 87 statistics on, 585 markets overview, 559 sanctions, 570 Russia administrative liability, 672, 673 civil liability burden of proof, 676 scope of, 676 class actions availability, 686 clarity of rules, 689 consequences of not joining, 688 loser pays rule ('English rule'), 690 opt-in principle, 688, 689 problems with, 688 reform, 690 companies concentrated ownership, 665 debt finance, 664 foreign markets, use of, 663 insolvencies, 665 state ownership, 660 company law litigation, 678 disclosure benefits of, 669 block transactions, 671 compliance costs, 671

exemption, 670 periodic reports, 670 price-sensitive information, 671 prospectus, 670 quality of, 669 enforcement efficiency, 673 litigation, see litigation policies, 672 international dimension, use of foreign markets, 663 introduction to, 658 law and regulation alternative monitoring mechanisms, 662 conclusions as to, 691 enforcement efficiency, 673 enforcement policies, 672 regulator, 22 liability administrative, 672, 673 civil, see civil liability criminal, 672 directors and officers, 677, 680 limitation period, 677 litigation class actions, see class actions company law, 678 contingency fees, 686 costs, 685 disclosure rules violations, 676 information asymmetries, 683 loser pays rule ('English rule'), 685 overlap of company and securities laws, 678 securities law, 676 standing, 676 markets domestic, 659, 664 international, 663 state ownership, 660 structure, 659 securities law litigation, 676 sanctions

by public regulators, 34 courts' role, 35 reputational, 60

CAMBRIDGE

Cambridge University Press & Assessment 978-1-107-10860-8 — Global Securities Litigation and Enforcement Pierre-Henri Conac , Martin Gelter Index <u>More Information</u>

INDEX

scienter standard of liability, 75, 76 securities law and regulation, see law and regulation securities litigation, see litigation securities markets, see markets securities services, definition of, 783 securities, definition of, 115, 780, 782, 796,808 Serbia civil liability accuracy and completeness of other information, 722 conditions, 717 direct seller, 721 exemptions, 719 insurance, 725 legal nature, 716 mandatory, 720 overview, 715 Securities Commission exclusion, 721 companies capital structure, 698 debt finance, 698 number of public companies, 695 conflict of laws domestic issuers in foreign markets, 727 foreign issuers, 727 generally, 726 criminal liability, 715 disclosure annual reports, 708 inside information, 709 obligation to publish prospectus, 707 other obligations, 709 own share acquisitions, 709 quarterly reports, 708 semi-annual reports, 708 significant proportions of voting rights, 709 law and regulation new law on capital market, 699 significant proportions of voting rights, see also Securities Commission stock exchange, 709

litigation class actions, 722 costs, 724 defective prospectuses, 711 defendants, 712 information asymmetry, 724 level of market development and regulation in relation to, 726 plaintiffs, 713 reimbursement of losses, 707 Securities Commission and, 705 markets capitalization, 695 foreign investors, 695 organization, 693 size, 693, 697 stock exchange, 709 Securities Commission civil court proceedings, 705 competences, 700 exclusion from liability, 721 fines, 707 funding, 701 overview, 699 sanctions, 703 staff, 702 settlements agreements with compensation requirement, 94 recognition of foreign settlements, see international dimension shareholders disclosure of block shareholdings, 32 litigation, see litigation Shiller, Robert, 72 Slain, John, 63 solicitations, definition of, 922, 923 South Africa civil liability, common law basis, 792 Companies and Intellectual Property Commission (CIPC), 784 company law, primary market liability (informal), 795 conflict of laws, 809 criminal law common law basis of liability, 795 National Prosecution Authority

1123

(NPA), 787

Cambridge University Press & Assessment 978-1-107-10860-8 — Global Securities Litigation and Enforcement Pierre-Henri Conac , Martin Gelter Index <u>More Information</u>

1124

INDEX

South Africa (cont.) primary market liability (informal), 803 secondary market liability (formal), 809 secondary market liability (informal), 805 Financial Services Board (FSB), 786 introduction to, 780 law and regulation banking regulation, 787 collective investment schemes, 789 Companies and Intellectual Property Commission (CIPC), 784 consumer protection, 791 Financial Services Board (FSB), 786 introduction to, 784 National Prosecution Authority (NPA), 787 South African Reserve Bank, 787 substantive law generally, 787 liability civil liability, common law basis, 792 criminal liability, see criminal law primary market, see primary market liability secondary market, see secondary market liability markets, 782 National Prosecution Authority (NPA), 787 primary market liability (formal) continuous disclosure, 807 generally, 806 primary market liability (informal) common law, 800 company law, 795 criminal law, 803 statute law, 800 secondary market liability (formal) common law, 808 criminal law, 809 legal basis, 807

secondary market liability (informal) common law, 804 criminal law, 805 legal basis, 803 statute law, 805 South African Reserve Bank, 787 South Korea, see Korea Spain civil liability for damages, 77 Comisión Nacional del Mercado de Valores (CNMV) liability for regulated financial information, 625 overview, 598 companies, regulated financial information, see liability for regulated financial information conflict of laws, 625 defendants auditors, 617, 624 CNMV, 625 directors and officers, 615, 624 guarantors of securities, 616 issuers, 615 offerors, 615 originating bank (entidad directora), 617 persons who authorize prospectus content, 616 persons who expressly agree to be responsible for prospectus, 615 professional advisors, 616 disclosure, full disclosure principle, 600 international dimension, conflict of laws, 625 introduction to, 596 law and regulation administrative liability, 602 investment firms standards of conduct, 604 overview, 599 professional advisors, see also Comisión Nacional del Mercado de Valores (CNMV)

INDEX

1125

regulated financial information, see liability for regulated financial information remedies, 605 sanctions, 601 liability administrative, 602 civil, 604 criminal, 603 joint liability, 617 limitation period, 617 prospectus, see prospectus liability regulated financial information, see liability for regulated financial information liability for regulated financial information causation, 621 culpability (willful misconduct or negligence), 623 damages, 622 defendants, 624 elements of, 620 general provisions, 619 limitation period, 623 wrongful conduct, 621 litigation defendants, see defendants standing, 614 prospectus liability causation, 611 damage to investor, 611 defendants, 615 elements of, 609 exemptions, 614 general provisions, 606 general provisions on prospectus content, 608 introduction of, 606 key cases, 618 negligence (culpa), 612 neutrality of inscription, principle of, 613 reversal of normal burden of proof, 613 takeovers prospectuses, 619

willful misconduct (dolo), 612 wrongful acts (significant inaccuracies or omissions), 609 standards, reporting standards, 29 stock exchanges, see markets substantial effect, definition of, 670 Switzerland class actions, rejection of, 83 law and regulation regulator, 22 relationship between regulator and markets, 43 Taiwan choice of law, 1058 civil liability, continuing disclosure documents burden of proof, 1043 calculation of damages, 1044 causation, 1043 defendants, 1043 enforcement, see Securities and Futures Investors Protection Center (SFIPC) intentional conduct, 1041 investor protection, enhancement of, 1046 loss causation, 1046 negligence, 1041 partition of liability, 1050 security holders, protection of, 1049 statute interpretation difficulties, 1039 transaction causation, 1046 types of liability, 1047 civil liability, prospectus burden of proof, 1039 calculation of damages, 1039 causation, 1039 enforcement, see Securities and Futures Investors Protection Center (SFIPC) introduction to, 1037 plaintiffs, 1038 companies, debt finance, 11 criminal liability, 1036

INDEX

Taiwan (cont.) disclosure additional (ad hoc or continuous) disclosures, 31 continuing disclosure, 1031 law and regulation conclusions as to, 1059 Financial Supervisory Commission (FSC), 1033 overview, 1029 regulatory sanctions, 1033 Taiwan Stock Exchange (TWSE), 1033 litigation by authorized private entities, 87 foreign issuers, 99 markets overview, 1026 Taiwan Stock Exchange (TWSE), 1033 Securities and Futures Investors Protection Center (SFIPC) class actions, 1055 derivative actions, 1057 disgorgement of profits, enforcement of, 1058 overview, 1052 role, 1053 third-party litigation funding, 88 transnational litigation, see international dimension transplanted law UK to USA, 12 USA to worldwide, 5, 12, 81 Turkey Capital Markets Board (Sermaye Piyasasi Kurumu – CMB) enforcement activities, 734 overview, 732 companies, 731 conflict of laws, 750 criminal liability, 748 introduction to, 730 law and regulation conclusions as to, 751 overview, see also Capital Markets Board (Sermaye Piyasasi *Kurumu* – CMB) regulators, 732

liability criminal liability, 748 insurance, 750 prospectus liability, see prospectus liability litigation class actions, 748 costs, 749 markets Borsa Istanbul (BIST), 736 generally, 730 prospectus liability illegalities of documents and statements, 747 inaccuracy of financial statements and reports, 744 public disclosure documents, 745 special provision, 737 United Kingdom bank capital raising, 647 Cadbury Code, see corporate governance civil liability burden of proof, 643 causation, 641 EU law, 640 negligent misstatement, 641 prospectus liability, 640 standard of proof, 643 class actions availability, 642 opt-in principle, 83 companies foreign ownership, 629 number of public companies, 629 ownership, 11, 629 reporting, see disclosure corporate governance Barclays capital raising case, 647 Cadbury Code introduction, 645 Cadbury Code revision, 645 shareholder engagement, 646 Stewardship Code, 651 Walker Review 2009, 650 disclosure annual directors' statement (ADS), 635 annual reports, 633

Cambridge University Press & Assessment 978-1-107-10860-8 — Global Securities Litigation and Enforcement Pierre-Henri Conac , Martin Gelter Index More Information

INDEX

1127

directors' business review, 634 directors' report, 636 efficient capital markets hypothesis, 632 EU law, 632, 633, 637, 638 half-yearly report, 638 information asymmetry, 630 Listing Rules, 633 management report, 633 mandatory, 630 periodic reports, 632, 638, 642 price-sensitive information, continuous reporting, 639 prospectus rules, 631 quarterly report, 638 Sharman Inquiry 2011, 634 strategic report, 635 summary note, 642 efficient capital markets hypothesis, 632 enforcement corporate governance, see corporate governance Stewardship Code, 651 'English rule' on payment of costs, 89 EU law, 632, 633, 637, 638, 642 Financial Conduct Authority (FCA) enforcement activities, 639 importance, 628 relationship with markets, 42 global financial crisis 2008-9, 634, 650 information, see disclosure international dimension cross-listing, 96 foreign ownership of UK companies, 629 introduction to, 627 law and regulation bank capital raising, 647 conclusions as to, 653 corporate governance, see corporate governance EU law, 632, 633, 637, 638 Financial Reporting Council, 637 global financial crisis 2008-9, 650 independent regulators, 17 influence on US law, 12

regulatory intensity, 33 securities law, 630 Stewardship Code, 651 litigation class actions, 83, 642 contingency fees, 642 continuing disclosure, 642 'English rule' on payment of costs, 89 EU law, 642 overview, 640 as to prospectus, 640 restrictive approach to, 643 small number of cases, reasons for, 642 as to summary note, 642 markets attractiveness, 628 cross-listing between jurisdictions, 96 Listing Rules, 633 overview, 629 relationship with regulator, 42 regulators Financial Conduct Authority (FCA), see Financial Conduct Authority (FCA) independence, 18 reporting, see disclosure Sharman Inquiry 2011, 634 Stewardship Code, 651 Walker Review 2009, 650 United States civil liability damages, 77, 79 distinction between primary and secondary disclosures, 52 Efficient Capital Markets Hypothesis (ECMH), 72 fault, 76 for compensation, 50 fraud-on-the-market theory, 70, 72, 73, 104 issuer liability and creditor interests, 63 issuers, 55 legal basis, 51 loss causation, 73 materiality, 66

Cambridge University Press & Assessment 978-1-107-10860-8 — Global Securities Litigation and Enforcement Pierre-Henri Conac, Martin Gelter Index <u>More Information</u>

1128

INDEX

United States (cont.) misrepresentations and omissions, 65 responsible individuals, 58, 59 class actions procedural aspects, 139 class actions fraud-on-the-market theory, 5, 139 lead plaintiff, 140 markets development in relation, 10 model of, 5 opt-out principle, 81 problems with, 110 rise of, 80 settlements, 141 companies financing, 113 ownership, 11 conflict of laws, 141 criminal law, 43 disclosure additional (ad hoc or continuous) disclosures, 31 block shareholdings, 32 false disclosures, measures against, 5 periodical reporting requirements, 27 reporting standards, 29 Fair Funds, 137 fraud-on-the-market theory, 5, 70, 72, 73, 104, 139 introduction to, 109 'law and finance' (or 'law matters') theory, 8 law and regulation 'Blue Sky Laws', 12, 14, 23 centralization, 23 commercial courts, 95 courts' role, 35 development of, 8, 12, 114 disclosure model, 13 independent regulators, 17 influence of US law worldwide, 12

influence worldwide, 5, 81 judicial review, 38 merit regulation, 14 regulatory intensity, 33 relationship between regulator and markets, 42 'security', definition of, 115 UK company law origins, 12 litigation 'American rule' on payment of costs, 89 common law, 8 cost, 88, 89 courts in relation, 95 foreign issuers, 99, 101, 103 information asymmetry, 91 lead plaintiff, 88 limitation period, 138 model of, 80 possible claims, 118 procedural aspects, 138 public and private enforcement linkage, 93, 94 markets class actions in relation, 10 cross-listing between jurisdictions, 96, 98 development of, 113 Efficient Capital Markets Hypothesis (ECMH), 72 fraud-on-the-market theory, 70, 72, 73, 104 Rule 10b-5 Claims burden of proof, 121 defendants, 133 Fair Funds, 137 false or misleading statements of fact, 121 fault, substantive requirement, 125 limitation period, 138 loss causation, 130 materiality, 123 plaintiffs, 132 pleading and proof, 126 reliance, 127 remedies, 135

Cambridge University Press & Assessment 978-1-107-10860-8 — Global Securities Litigation and Enforcement Pierre-Henri Conac , Martin Gelter Index More Information

INDEX

1129

Securities and Exchange Commission (SEC) Fair Funds, 137 membership, 114 orders, 116 powers, 116 role, 114 unlawful actions, *see* illegal actions unlisted securities, definition of, 808 untrue statement, definition of, 799

wilfulness, definition of, 322 written misrepresentation, definition of, 165