

SUBJECT DETAILS

Data on the subject	
Name	EU Capital Markets and Securities Law
Degree	Postgraduate Master en Abogacía Internacional
Year	2023-24
Term	Spring
ECTS Credits	30 hours = 3 Credits
Department	Law
Area	Law
Teaching staff	See details below

Data on the teaching staff	
Teaching staff	Javier Redonet (http://www.uria.com/en/abogados/JRE)
e-mail	javier.redonet@uria.com
Telephone	91 586 01 54 / 639 22 36 99
Office	N/A
Tutoring Schedule	Upon request from students

SPECIFIC DATA ON THE SUBJECT

Pre-requisites
Degree in law
Contribution of the subject to the professional profile
The subject will enable students to gain a deeper understanding of the regulation of capital markets and securities laws in the European Union, as well as the financial rationale and the main legal considerations and documentation requirements underlying the various types of capital market transactions, which will raise their skills for any potential assignment within the financial industry (whether in a law firm, in-house legal team of a financial institution, an investment bank, broker-dealer or private equity fund, market infrastructures, regulators and supervisory authorities, credit rating agencies or other market participants)

COMPETENCES TO BE IMPROVED

Generic Competences
Instrumental
Understanding how are capital markets transactions structured and the principles underlying theregulation
Interpersonal
Being able to present topics and participate actively and meaningfully in debates and discussions regarding a specific technical subject
Systemic
Understanding how and why different capital markets transaction interrelate and their impact on other areas (e.g. financial prudential supervision, prevention of market abuse, investor protection)
Specific competences of the subject
Conceptual (knowing)
Becoming acquainted through class attendance, theory presentations and case studies with the EU legal framework for the Capital Markets Union
Procedural (doing)
Reviewing and discussing legal documentation for real recent capital markets transactions
Professional (knowing how)
Being able to read through and comment/draft legal documentation for capital markets transactions

THEMATIC AREA AND CONTENT

AREA 1: Introduction to EU Capital Markets Regulation
Theme 1: Introduction to the EU Capital Markets Regulation (1st session)
1.1 Areas and subjects covered by the regulation 1.2 Historic evolution of EU Capital Markets Regulation 1.3 The national regulatory authorities and the European Securities Market Authority
AREA 2: Financial intermediaries and asset managers
Theme 2: MIFID II and MIFIR (2nd session)
2.1 Key legislative instruments

- 2.2 Conditions and procedures for the authorization of investment firms
- 2.3 Passporting: Freedom to provide investment services in the EU
- 2.4 Classification of clients under MIFID and the suitability and appropriateness tests
- 2.5 Rules of conduct of investment firms
- 2.6 Capital requirements and prudential supervision of investment firms
- 2.7 Regulated markets

Theme 3: UCITS Directive and AIFMD (3rd session)

- 3.1 Key legislative instruments
- 3.2 UCITS management companies passporting
- 3.3 Investment policies of UCITS
- 3.4 Information to be provided to investors (Prospectus, Key Investor Information)
- 3.5 AIFMD

AREA 3: Market infrastructures and other market participants. Crypto assets and securitisation

Theme 4: Market infrastructures and other market participants. Crypto assets and securitisation (4th session)

- 4.1 Market Infrastructures (CCPs, CSDs, OTC trade repositories)
- 4.2 Credit Rating Agencies
- 4.3 MICAR
- 4.4 Securitisation

AREA 4: Issuers of securities

Theme 5: The Prospectus Regulation (5th session)

- 5.1 The concept of public offer
- 5.2 Exempted offerings
- 5.3 The prospectus (content, language, passporting, liability)
- 5.4 The financial statements
- 5.5 Publicity
- 5.6 The new EU Listing Act

Theme 6: The Transparency Directive (6th session)

- 6.1 Key legislative instruments
- 6.2 Competent authority and applicable national legislation
- 6.3 Issuer's periodic financial information
- 6.4 Major shareholdings disclosure
- 6.5 Other issuer disclosure obligations

Theme 7: The Market Abuse Regulation (6th session)

- 7.1 Key legislative instruments
- 7.2 Inside information and related obligations (publication, postponement of disclosure, insider lists)
- 7.3 Market manipulation
- 7.4 Accepted market practices
- 7.5 Dealings by PDMRs in issuer's financial instruments (closed periods and disclosure obligations)
- 7.6 Competent authority

Theme 8: Short selling and Corporate Governance (6th session)

- 8.1 Short selling prohibitions and disclosure obligations
- 8.2 Corporate governance

Theme 9: Initial public offerings (7th session)

- 9.1 Preparing to go public
- 9.2 Publicity and research guidelines
- 9.3 Drafting and passporting the prospectus
- 9.4 Underwriting agreements
- Case study: Puig Brand's IPO (2024)

Theme 10: Other equity offerings (8th session)

- 10.1 Rights issues
Case study: Cellnex Telecom's rights issue (March 2021)
- 10.2 Follow-on offerings
Case study: Primary accelerated bookbuilt offering by Almirall (2023)

Theme 11: EU cross-border listings (8th session)

3.1 - Cross-border listings

Case study: Ferrovial SE's listing on the Amsterdam Stock Exchange and the Spanish stock exchanges(2023)

Theme 12: Debt and hybrid instrument offerings (9th session)

4.1 - Plain-vanilla debt instruments

Case study: Indra Sistemas' senior secured bond issue (2018)

4.2 - High-yield bonds

Case study: NH Hotel Group's high yield bond issue (2021)

4.3 - Hybrid securities

Case study: Iberdrola's green bond issue (2021)

4.4 - Convertible bonds

Case study: Cellnex Telecom's convertible bond issue and buyback (2023)

AREA 5: Takeover bids

Theme 13: The Takeover Bids Directive (10th session)

13.1 Supervisory authority and applicable law

13.2 Mandatory bids vs. voluntary bids

13.3 Definition of control

13.4 Equitable price and adjustments

13.5 The takeover bid prospectus and the target company's board report

13.6 The passivity rule

13.7 Neutralisation provisions (the breakthrough rule)

13.8 Squeeze-out and sell-out provisions

Theme 14: Takeover bids case study (11th session)

Apollo and the consortium formed by TRD Capital and Isquared's competing tender offers over Applus Services (2024)

14.1 Apollo's initial offer over Applus

14.2 The consortium's competing offer over Applus

14.3 Apollo's purchase of 21% of Applus

14.4 The final auction and its aftermath

Final test and deadline for delivery of case study (12th session)

BIBLIOGRAPHY AND RESOURCES

Basic Bibliography

Text books

Banking and Capital Markets 2023 (Paperback)

Author: David Adams

Publisher: CLP Legal Practice Guides Publication Date: 17 January 2023 Number of pages: 297

Other material

A Practitioners Guide to Takeovers and Mergers in the European Union (5th edition)

Chapter I: Introduction (by Neil Harvey and Alex Nourry) Publisher: Sweet & Maxwell. Publication Date: 30 June 2008.

Reference:

<http://www.sweetandmaxwell.co.uk/Catalogue/ProductDetails.aspx?recordid=3946&productid=366085>

European Securities Law: Chapters I: The European Directives relating to issue and trading of securities (by Lachlan Burn), II: Doing Deals in Europe: Equity (Raj Panasar, Luis de Carlos and Javier Redonet); II: Doing Deals in Europe: Debt offering and programmes (Mark Trapnell); Publisher: Oxford University Press. Publication Date: April 2021.

Reference: <https://global.oup.com/academic/product/european-securities-law-9780198846536?q=european%20securities%20law&lang=en&cc=es>

The Initial Public Offerings Law Review. Chapter 13 (Spain). Marta Rubio, Alfonso Ventoso. London: Law Business Research, 2017

Reference:

http://www.uria.com/documentos/publicaciones/5353/colaboraciones/2029/documento/Spain_The_Initial_Public_Offerings_Law_Review.pdf?id=7009

Websites

CNMV (Spanish Securities Exchange Commission).

Reference: <http://www.cnmv.es/index.htm>

European Commission (The EU Single Market) – Securities.

Reference: http://ec.europa.eu/internal_market/securities/index_en.htm

European Securities and Markets Authority (ESMA)

Reference: <http://www.esma.europa.eu/>

European legislation

Reference: <https://eur-lex.europa.eu/>

Other materials

European regulation covered in each of the themes and documentation concerning the transactions analysed in the case studies:

AREA 1: INTRODUCTION TO EU CAPITAL MARKETS REGULATION

Theme 1: Introduction to the EU Capital Markets Regulation (1st session)

Required Reading: N/A

AREA 2: FINANCIAL INTERMEDIARIES AND ASSET MANAGERS

Theme 2: MIFID II and MIFIR (2nd session)

Reference legislation:

- Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments (recast) (<https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A02014L0065-20240328>)
- Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments (<https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A02014R0600-20240328>)

Although reading of each delegated regulation is not required, note that MIFiR delegated regulations may be found at <https://eur-lex.europa.eu/EN/legal-content/summary/markets-in-financial-instruments-regulation-mifir.html>

Theme 3: UCITS Directive and AIFMD (3rd session)

Reference legislation:

- Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) (recast) <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A02009L0065-20240109>)
- Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers (<https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A02011L0061-20240109>)

AREA 3: MARKET INFRASTRUCTURES AND OTHER MARKET PARTICIPANTS. CRYPTO ASSETS AND SECURITISATION

Theme 4: Market infrastructures and other market participants. Crypto assets and securitisation (4th session)

Reference legislation:

- Regulation (EU) No 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories (<https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A02012R0648-20220812>)
- Regulation (EU) No 909/2014 of the European Parliament and of the Council of 23 July 2014 on improving securities settlement in the European Union and on central

securities depositories (<https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A02014R0909-20240501>)

- Regulation (EU) 2023/1114 of the European Parliament and of the Council of 31 May 2023 on markets in crypto-assets (<https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A02023R1114-20240109>)
- Regulation (EU) 2017/2402 of the European Parliament and of the Council of 12 December 2017 laying down a general framework for securitisation and creating a specific framework for simple, transparent and standardised securitisation (<https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A02017R2402-20210409>)

AREA 4: ISSUERS OF SECURITIES

Theme 5: The Prospectus Regulation (5th session)

Reference legislation:

- Regulation (EU) No. 1129/2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market (<https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32017R1129&from=EN>);

Theme 6: The Transparency Directive (6th session)

- Directive No. 2004/109/EC on the harmonisation of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market (<https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32017R1129&from=EN>);

Theme 7: The Market Abuse Regulation (6th session)

- Regulation (EU) No. 596/2014 on Market Abuse (<https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:02014R0596-20160703&from=EN>).

Theme 8: Short selling and Corporate Governance (6th session)

- Regulation (EU) No 236/2012 of the European Parliament and of the Council of 14 March 2012 on short selling and certain aspects of credit default swaps (<https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A02012R0236-20240116>)

Theme 9: Initial public offerings (7th session)

Required Reading: Tendam Brand's IPO prospectus (2024)

(https://uploads.puig.com/uploads/Prospectus_Puig_a1dd7fa8d0.pdf)

Theme 10: Other equity offerings (8th session)

Required reading:

- Cellnex Telecom's 2021 rights issue prospectus (<https://www.cellnex.com/app/uploads/2021/11/20210330-Cellnex-Folleto-final.pdf>);
- Almirall's 2023 primary ABO launch and pricing announcements (<https://www.almirall.com/newsroom/news/almirall-announces-the-launch-of-a-%E2%82%AC200mm-non-pre-emptive-share-capital-increase>; <https://www.almirall.com/newsroom/news/almirall-announces-the-pricing-and-closing-of-its-%E2%82%AC200mm-non-pre-emptive-share-capital-increase>).

Theme 11: EU cross-border listings (8th session)

Required reading: Ferrovial SE's admission to listing prospectus on the Amsterdam Stock Exchange and the Spanish stock exchanges in June 2023 (<https://static.ferrovial.com/wp-content/uploads/2023/06/15083052/1prospectusferrovialse-1.pdf>)

Theme 12: Debt and hybrid instrument offerings (9th session)

Required reading:

- Offering Circular of Indra Sistemas' senior secured bond issue (2018) (<https://www.luxse.com/pdf-viewer/100491275>)
- Listing particulars of NH Hotel Group's high yield bond issue (2021) (<https://www.luxse.com/pdf-viewer/102407781>)
- Offering Circular of Iberdrola's Deeply Subordinated Green Bond issue (2021) (https://www.iberdrola.com/wcorp/gc/prod/es_ES/inversores/docs/bonos_emitidos47.pdf);
- Cellnex Telecom's convertible bond issue and buy back (2023) (<https://www.cellnex.com/app/uploads/2023/07/20230727-Cellnex-Launch-CIP-ENG-Repurchase.pdf>; <https://www.cellnex.com/app/uploads/2023/07/20230728-Cellnex-Pricing-CIP-ENG-Repurchase.pdf>; <https://www.cellnex.com/app/uploads/2023/07/20230728-Pricing-VWAP-CIP-ENG-Repurchase.pdf>)

AREA 5: TAKEOVER BIDS

Theme 13: The Takeover Bids Directive (10th session)

Reference legislation: Directive 2004/25/EC on takeover bids (<https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:02004L0025-20140702&from=EN>).

Theme 14: Takeover bids case study (11th session)

Required reading:

- Manzana Bidco's (Apollo) takeover bid prospectus over Applus Services (<https://www.cnmv.es/web/services/verdocumento/ver?e=1AA79uLLVMV65LfrnHNfFU%2bGdzDW%2br8xdxvYJ6h7QbouVaha1OXoqrOfTTgx%2bSwV>)
- Amber EquityCo's (TDR Capital & Isquared) competing takeover bid prospectus over Applus Services (<https://www.cnmv.es/web/services/verdocumento/ver?e=GARw20xojBCJtROhx7zdu0%2bGdzDW%2br8xdxvYJ6h7QbouVaha1OXoqrOfTTgx%2bSwV>)
- CNMV's announcement of the result of the final auction (<https://www.cnmv.es/web/services/verdocumento/ver?t=%7beee913a2-38c3-408e-bc87-98646c782dc3%7d>)
- Manzana Bidco's release on its decision to withdraw its bid (<https://www.cnmv.es/web/services/verdocumento/ver?t=%7ba59ab40e-4970-4a78-a48a-04c3c233b19e%7d>)

TEACHING METHODOLOGY - Prof. Redonet
General methodological aspects of the subject
Material to be provided
Two weeks in advance of each class of the " <i>EU Banking, Finance and Capital Markets Law</i> " module, the students will be provided with the following materials on Moodle:
1. Power Point Presentations
The Power Point presentations for the session
2. Reading materials and case studies
The reading materials and case studies:
2.1 Legislative materials (please refer to links in "Other materials" under "Bibliography and Resources"):
2.2 Case studies to be discussed in class (to be prepared ahead of the class but with no need to produce a written response or hand over a paper at class): Please refer to links in "Other materials" under "Bibliography and Resources". • Puig Brands, S.A.'s 2024 IPO prospectus; • Cellnex Telecom's 2021 rights issue prospectus; • Almirall's 2023 primary ABO launch and pricing announcements; • Ferrovial SE's 2023 listing on the Amsterdam Stock Exchange and the Spanish stock exchanges; • Offering Circular of Indra Sistemas' senior secured bond issue (2018) • Listing particulars of NH Hotel Group's high yield bond issue (2021) • Offering Circular of Iberdrola's Deeply Subordinated Green Bond issue (2021) • Cellnex Telecom's convertible bond issue and buy back (2023) (• Manzana Bidco's (Apollo) takeover bid prospectus over Applus Services) • Amber EquityCo's (TDR Capital & Isquared) competing takeover bid prospectus over over Applus Services • CNMV's announcement of the result of the final auction • Manzana Bdico's release on its decision to withdraw its bid
2.3 Case study to be prepared in writing by students and handed to the professor by not later than the final session • A separate case study will be provided to students on Moodle for each student to solve in writing and submit its responses to the professor by not later than the final session
Contact hours methodology: Activities

AREA 1: INTRODUCTION TO EU CAPITAL MARKETS REGULATION (2 hours, 30 minutes)
In this lesson we will review the evolution and key pillars of EU capital markets and securities regulation. Students are expected to have reviewed the presentation for the lesson. Students will be invited to participate in class in discussing the rationale behind the various rules analysed.
AREA 2: FINANCIAL INTERMEDIARIES AND ASSET MANAGERS (5 hours)
In these two lessons we will review the rules governing the incorporation, prudential supervision and rules of conduct investment firms and asset managers. Students are expected to have reviewed both the legislative instruments provided and the presentation for the lesson. Students will be invited to participate in class in discussing the rationale behind the various rules analysed.
AREA 3: MARKET INFRASTRUCTURES AND OTHER MARKET PARTICIPANTS. CRYPTO ASSETS AND SECURITISATION (2 hours, 30 minutes)
In this lesson we will review the rules governing the market infrastructures and other market participants, as well as those on crypto assets and securitisation. Students are expected to have reviewed both the legislative instruments provided and the presentation for the lesson. Students will be invited to participate in class in discussing the rationale behind the various rules analysed.
AREA 4: ISSUERS OF SECURITIES (12 hours 30 minutes)
In these lessons we will review the fundamental principles underlying the regulation of the three pillars of primary and regulated secondary markets in the EU: The Prospectus Regulation, the Transparency Directive and the Market Abuse Regulation. Moreover, we will review the principle types of equity and debt capital market transactions, both in theory and in practice. Students are expected to have reviewed both the legislative instruments provided and the presentation for the lesson, and will be expected to discuss in class the case studies relating to the transaction materials provided, responding to the specific questions that will be posed by the professor ahead of the class (no need to prepare written answers or give a paper).
AREA 5: TAKE-OVER BIDS (5 hours)
These lessons will be both theoretical (the students will learn the basics about takeover bids regulation in the EU –see the content above-) and practical (the students will resolve and discuss in class the case study relating to the transaction materials provided, responding to the specific questions that will be posed by the professor ahead of the class). Students must submit by the last session their responses in writing to the specific case study for the purposes of their continuous evaluation assessment.
Independent study methodology: Activities
The students should read in advance the Power Point presentations and prepare the classes and the case studies as indicated below. This is essential and will enable the students to benefit as much as possible from the course.

SUMMARY OF STUDENT WORK HOURS			
Activity	Number of contact hours	Number of independent study hours	Total number of hours
Lecture	17:30	7	24:30
Practical class	10:00	10	20:00
Debate	0	0	0
In class presentation	0	0	0
Individual work (Case study)	0	5	5
Work in collaboration	0	0	0
Evaluation: one minute paper	0	0	0
Evaluation: class test	0	0	0
Evaluation: exam (test)	2:30	0	2:30
Evaluation: exam review	1	0	1
Others	0	0	0
ECTS Credits:	31	22	53

GRADE EVALUATION AND CRITERIA

Evaluation Activities	Indicators	Evaluation Weighting
Attendance	Attendance	10%
Participation	Participation in class	5%
Continuous evaluation	Responding in writing to a case study by not later than the final session	35%
Final evaluation	Answering a multiple choice test at final session	50%