

FINANCIAL INSTRUMENTS LAW

FINAL EXAM

13 January 2020

18:00h

Duration: 3h / grace period: 10min

GROUP I (8 points – general assessment)

Please consider these elements:

- Mrs. Janet holds 6% of YAP sharecapital and respective voting rights;
- Mr. Leopold holds 30% of YAP sharecapital and respective voting rights;
- InvestmentWorld (IW) holds 13% of YAP sharecapital and respective voting rights;
- YAP holds 60% of Leverage sharecapital and respective voting rights;
- Leverage holds 25% of MIND sharecapital and respective voting rights;
- IW holds 25% of MIND sharecapital and respective voting rights;
- MIND is an EU listed company
- YAP is an EU listed company
- Leverage is an EU non-listed company;
- IW is an USA non-listed company. It provides investment advice to its clients. However, IW does not have the “EU license”, it is not allowed to provide investment services in the EU.
- All abovemention holdings are direct holdings.

Please answer the following questions in a separate manner, *i. e.*, without considering previous answers and conclusions

1. Mrs Janet has purchased shares held by Mr. Leopold in YAP corresponding to 15% of its sharecapital and voting rights. *Is there any communication duties under the Transparency Directive? Why?*
2. As a result of an increase of sharecapital, IW acquired shares (Class B) representing, after the increase, 3% of YAP sharecapital. Class B shares are preference shares. *Is there any communication duty under the Transparency Directive? Why?*
3. Leverage has pledged half of its shares in favour of IW. IW has publicly declared that it will only exercise voting rights when strategic matters are being discussed and voted in MIND shareholders' meetings. *Is there any communication duty under the Transparency Directive? Why?*

→ Direct / Indirect

- 4/ IW would like to provide investment advice and other investment services in the EU. *What should it do (and what are the possibilities) in order to acquire that authorisation?*
5. Leverage purchased all shares IW held on MIND. Pursuant to the Takeovers' Directive is Leverage under the duty to launch an offer (make a bid)? Why? (25 + 25) Non-listed explicar

GROUP II (12 points – 3 points each)

*please address **four – and only FOUR** – of the following topics*

1. Explain all elements and characteristics of the three main subtypes of financial instruments (also compare and contrast them).
2. Describe the legal framework established by MIFID II on product governance and its purpose.
3. Provide a legal analysis on the investor/client protection in MIFID II.
4. Please choose two investment services and two ancillary services and describe them.
5. Explain what is the content and the legal framework of both squeeze-out and sell-out rights within the context of the Takeovers' Directive.
6. Explain the *rationale* behind Article 10 and Article 13 (1) of the Transparency Directive.
7. Describe some of the general principles established in the Takeovers' Directive.