MARKET STRUCTURE, PRACTICE & REGULATION
Valérie KINON

COURSE SUMMARY

Learning Outcomes

Course in finance are intended to provide financial analysts, corporate finance professionals, controllers, market operators and CFO's with strong fundamentals in the knowledge of asset management, portfolio management, valuation and corporate finance. But Competence and Skills alone are not enough. Those professionals work in real life financial markets and they need to know the market practice and the current regulation.

Regulation is part of our daily life. Of special interest for us is regulation of financial and capital markets. And these areas are heavily regulated – despite all quotations about deregulation. Regulation is needed and this topic has become all the more important since the financial crisis.

In financial services clients of investment firms and banks, especially consumers, are in a weaker position than their counterparties, investment firms and banks. Thus, one of the reasons for bank regulation is consumer protection. Furthermore, capital markets play a vital role in financing enterprises and the economy as a whole – to a growing extent even in continental Europe. Therefore the aim of policy makers is to maintain the stability and proper function of the financial system and the capital markets as a vital part of each economy. In capital markets we can observe asymmetric information, despite the doctrine of information efficient markets. In order to guarantee proper and smooth function in capital markets policy makers try to diminish asymmetric information as much as possible, thus aiming to maintain financial market stability. Regulation is also needed for consumer protection, i.e. protection of retail investors. And finally regulation is gaining importance with the introduction of a European Single (or Internal) Market. We will deal with the reasons for a single market in detail during the lectures. An internal market can function only if there are common rules in place, creating the so-called 'level playing field'. We need to get acquainted with the functioning of all European Regulators.
As professionals, we also need to understand the functioning of the financial markets, whether they are regulated or over the counter, whether they are primary of secondary markets. What kinds of shares do we have, how are they quoted, how are stock indexes calculated?

More in depth analysis will be given to initial public offerings, post-ipo compliance. Finally a number of special products such as trackers will be analysed.

Audience

This course is intended to professionals with a strong desire to make themselves familiar with financial markets, trading platforms, corporate finance, asset management. But it does not limit itself to the pure corporate finance professional, such as the investment banker or the financial analyst. Credit analysts, controllers, treasurers, accountants, often get confronted with financial markets, their products and their regulation. The knowledge of these rules and regulations as well as of their practical application has become a must in our rapidly changing environment.

Lecturer: Valérie Kinon

Valérie Kinon has nearly 20 years of experience in Corporate Finance and Capital Markets. She started her career at Euronext Brussels where she was in charge of coordination work with different European Stock Exchanges. Then she worked from 1997 on respectively for Delta Lloyd Securities and ING Investment Banking, managing different IPO files. In 2000 she moved to Ernst & Young Corporate Finance and in 2002 to KPMG Corporate Finance as Senior Manager in charge of M&A deals. From 2007 to 2010 she worked for Dexia in Structured Finance. Valérie is lecturing at the Free University VU Amsterdam, the Universities of Brussels and Ghent and from September 2010 she is Permanent Lecturer at ICHEC, a Brussels Business School in Corporate Finance.

Reference

Main

OUTLINE

Day 1: Securities
- Types of securities and their functioning
- Indexes
- Primary markets vs secondary markets
- Euronext functioning?

IPO process and considerations
- Possible business models
- Value vs price
- Initial Public Offerings

Case(s):
- Alternext
- Belgacom

Reading(s):
- Slides and background documents that will be supplied with the course material

Day 2: European Legal Framework for Financial Services
- European Legislation
- The single market for financial services
- Regulation on Capital Markets

European Supervision of Banking and Capital Markets
- European Regulatory Bodies
- Self Regulation and Ethical Control

Reading(s):
- Slides and background documents that will be supplied with the course material