



## **MASTER OF LAWS**

**Course Code: LAW632**

**Course Title: Financial Regulation in Singapore, Hong Kong and Greater China**

Instructor: CHRISTOPHER CHEN

Title: ASSISTANT PROFESSOR

Email: [chchen@smu.edu.sg](mailto:chchen@smu.edu.sg)

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### **PRE-REQUISITE/CO-REQUISITE/MUTUALLY EXCLUSIVE COURSE(S)**

N.A.

### **COURSE SPECIALISATION**

N.A

### **GRADING BASIS**

Graded

### **COURSE UNIT**

1 CU

### **FIRST OFFERING TERM**

Academic Year: AY2015/2016

Academic Term: Term I

## **COURSE DESCRIPTION**

This course will explore various topics relating to financial regulations in Singapore and Greater China, including Hong Kong, Mainland China and Taiwan. We will focus mainly on banking regulations; but some issues in insurance regulations and capital market regulations will also be compared and considered. As the economy grows amid potential further financial integration in Southeast Asia, it is important to have an overview of financial regulations in major financial centres in Southeast and Northeast Asia. Throughout the courses, we will discuss and consider a wide range of issues from licensing, prudential regulations and conduct of business rules to OTC derivatives regulation and resolution of systemically important financial institutions as well as anti-money laundering and terrorism financing. We will discuss both theoretical issues as well as some details of regulations to allow students to have a bird eye view of key issues facing financial regulators and market participants in the post-Lehman era.

## **LEARNING OBJECTIVES**

By the end of this course, participants will be able to:

- Understand the regulatory structure and source of law for financial regulations in relevant jurisdictions;
- Finding out key resources and rules in Singapore, Hong Kong, China and Taiwan;
- Identifying key legal issues facing financial regulators and market participants;
- Evaluating potential consequences of financial regulations on a financial transaction;
- Understand basic compliance issues facing financial institutions.

## **PRE-REQUISITE/ CO-REQUISITE/ MUTUALLY EXCLUSIVE COURSE(S)**

N.A.

## **RECOMMENDED TEXT AND READINGS**

TBA

## **ASSESSMENT METHOD**

Class Participation:	10 %
Mid-term Paper:	25 %
Project Presentation and Report:	25 %
Final examination:	40 %
Total:	100%

## **INSTRUCTIONAL METHODS AND EXPECTATIONS**

The course will be delivered mainly in seminar style. During the seminar, we will use some hypothetical questions, news or real transactions to explore various issues regarding applicable financial regulations. Students are expected to read materials and/or regulations assigned in each week's hand-out before each seminar.

## **Important: Academic Integrity**

All acts of academic dishonesty (including, but not limited to, plagiarism, cheating, fabrication, facilitation of acts of academic dishonesty by others, unauthorized possession of exam questions, or tampering with the academic work of other students) are serious offences.

All work (whether oral or written) submitted for purposes of assessment must be the student's own work. Penalties for violation of the policy range from zero marks for the component assessment to expulsion, depending on the nature of the offence.

When in doubt, students should consult the instructors of the course. Details on the SMU Code of Academic Integrity may be accessed at <http://www.smuscd.org/resources.html>.

## **COURSE SCHEDULE**

<b>Session</b>	<b>Topic</b>	<b>Readings (tba)</b>
<b>1</b>	Course introduction General overview: <ul style="list-style-type: none"><li>• Background: the financial market and financial institutions in East and Southeast Asia</li><li>• Functions of different financial institutions and regulatory goals</li><li>• Design of regulatory structure and regulators</li><li>• Source of law: Domestic regulations and international soft law</li></ul>	
<b>2</b>	Authorisation and general regulatory power <ul style="list-style-type: none"><li>• Coverage of regulation: Meaning of banks and insurance companies</li><li>• Licensing issues</li><li>• General regulatory powers given to a regulator</li><li>• Universal bank and ring-fencing</li><li>• Core banking and insurance activities</li></ul>	
<b>3</b>	Prudential regulation – Capital adequacy and solvency <ul style="list-style-type: none"><li>• Basel Accord: historical development and current Basel III</li><li>• Other developments post global financial crisis</li><li>• Solvency standards for insurers</li></ul>	
<b>4</b>	Regulation on investment and risk management <ul style="list-style-type: none"><li>• Restraints on banks' investment in equity and land</li><li>• Regulation on investment made by insurers</li><li>• Impact of Volcker Rule in the US</li><li>• Separation of finance from industry</li></ul>	
<b>5</b>	OTC derivatives regulation <ul style="list-style-type: none"><li>• Meaning and function of derivatives</li><li>• Mandatory reporting, clearing and trading rules</li></ul>	
<b>6</b>	Resolution of financial institution and G-SIFI <ul style="list-style-type: none"><li>• Resolution of financial institution in the domestic context</li><li>• Meaning of global systemically important financial institutions</li><li>• Resolution of G-SIFI and the key contributors</li></ul>	

<b>7</b>	Conduct of business <ul style="list-style-type: none"> <li>• General conduct of business and its effects</li> <li>• Bank-customer relationship</li> <li>• Misselling and financial consumer protection</li> <li>• Dispute resolution for financial consumers</li> </ul>	
<b>8</b>	Corporate governance and key person <ul style="list-style-type: none"> <li>• Key persons approval and criteria</li> <li>• Corporate governance rules</li> <li>• Remuneration</li> </ul>	
<b>9</b>	Anti-money laundering and terrorism financing; Tax	
<b>10</b>	New frontiers <ul style="list-style-type: none"> <li>• Mobile and digital banking</li> <li>• Alternative risk management and transfer</li> </ul>	