

## COMPLETION REPORT

The aim of the project is to examine the evolving law and practices of Japanese mandatory bid rule in its economic, social and political environment and, drawing upon the Japanese experience, to put forward policy recommendations for improving China's takeover regulatory regime, in particular, the mandatory bid rule.

The duration of the project is 18 months (from March 2011 to September 2012). The Principal Investigator and his two collaborators have collaborated closely to conduct the planned research, and have achieved successfully the objectives of this project.

The project has adopted an approach that combines doctrinal and comparative analysis with qualitative and quantitative investigation. The research has developed a few lines of inquiries, including (a) the changing economic, social and political environment in which the Japanese mandatory bid rule has emerged and evolved to the current state; (b) major legal and regulatory developments in the Japanese mandatory bid rule; (c) academic and policy debates in Japan in relation to those developments; and (d) the academic and policy implications of the Japanese experience for comparative corporate governance, in general, and for reforms of China's mandatory bid rule, in particular. The research has relied, in part, on secondary materials, both in English and Japanese languages, and helps to fill an important gap in Chinese-language literature on Japanese takeover regulation, in particular, the Japanese mandatory bid rule. More importantly, research under this project has benefited significantly from its unparalleled access to securities regulators and leading academics. Under the support of the project, research visits have been made to the Japan Financial Services Authority, the Tokyo Stock Exchange, the University of Tokyo, and the University of Kyoto. Meetings have also arranged with practitioners with profound experience in the Japanese securities markets. These visits and meetings have generated insights which would otherwise be unavailable into (a) the actual functioning of the Japanese mandatory bid rule; (b) regulation of mandatory bids by the Japanese securities regulators; and (c) the policy considerations behind various recent reform initiatives.

This project has also come up with proposals for reforming China's takeover regulatory regime, in particular, the mandatory bid rule, drawing upon its examination of the Japanese experience. Reform of China's securities law has emerged recently as an important national policy issue, and it is hoped that the findings and policy recommendations of this project will contribute to the ongoing debate in China.

The PI has been invited to present findings of this project at the prestigious international conference on "Competition and Financial Regulation: Contemporary and Comparative Issues", jointly organized by the National Law School of India University, Institute for Law & Economics of the University of Hamburg, Georg August University Göttingen, and Law Faculty of the University of Wisconsin-Madison. Other outputs of this project will include an English-language journal article to be published with a leading international law journal, as well as a Chinese-language policy paper to be submitted to relevant Chinese securities regulatory authorities.

### Publication of the Results of Research Project:

Verbal Presentation (Date, Venue, Name of Conference, Title of Presentation, Presenter, etc.)

Chao Xi, "In the Shadow of the City of London: Evolution of the Mandatory Bid Rule in China and Japan", paper presented at the international conference on "Competition and Financial Regulation: Contemporary and Comparative Issues", jointly organized by the National Law School of India University, Institute for Law & Economics of the University of Hamburg, Georg August University Göttingen, and Law Faculty of the University of Wisconsin-Madison, April 30 – 1 May 2012.

Thesis (Name of Journal and its Date, Title and Author of Thesis, etc.)

(To be published) - an English-language journal article to be published with a leading international law journal, as well as a Chinese-language policy paper to be submitted to relevant Chinese securities regulatory authorities.

Book (Publisher and Date of the Book, Title and Author of the Book, etc.)