



european corporate governance institute

Online Policy Workshop | ECGI Full Picture Series

New Listing Rules for SPACs and Dual Class?

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14 - 15 April 2021

Primary markets in the United States are witnessing a boom that is driven by Special Purpose Acquisition Companies (SPACs) that are also starting to reach Europe. How are SPACs different from traditional initial public offerings? Are SPACs a useful innovation or the latest financial tool for selling poorly performing securities to public market investors? Do disclosure or listing rules need to be reformed to take into account of the SPAC phenomenon?

At the same time dual class share IPOs continue to increase in popularity, while also remaining controversial. The U.S. markets continue to be a preferred venue for dual class IPOs, also for foreign issuers. There are also SPACs that go public with a dual class structure.

Responding to these developments, the United Kingdom is currently revising its listing rules to make the London markets more competitive globally. The EU has published a capital market union action plan that aims to make its primary markets more attractive, especially for small and medium sized enterprises (SMEs). Several EU countries have also started to offer alternative control enhancing mechanisms (CEMs) like non-voting shares or tenure voting ("loyalty shares").

This workshop will provide a briefing on SPACs, dual class shares and other CEMs in a comparative perspective. In the United States, for example, there is an active debate whether dual class issuers might have to introduce a sunset clause. In the EU, listing rules are generally more permissive and companies can freely choose the place of listing within the single market, but some countries allow only minor deviations from one share-one vote. Hence the debate about listing rules is closely tied to the freedom of establishment and the ability of SMEs to adopt the company law of their choice. In the United Kingdom, the listing rules exclude CEMs and force families to demonstrate that their companies are run independently once they are traded on the stock exchange.

Registration

To register, please visit: <https://bit.ly/3tbZWiz>

(All times CEST)

Wednesday, 14 April 2021

- 17:00 **Introduction**
Lucrezia Reichlin (London Business School; Chair, ECGI)
Marco Becht (Université libre de Bruxelles and ECGI)
- 17:10 **Keynote: A Sober Look at SPACs**
Michael Klausner (Stanford Law School and ECGI)
Discussant: Lora Dimitrova (University of Exeter)
- 18:00 **Briefing: SPACs in Europe**
Antonio Coletti (Partner, Latham & Watkins)
Chris Horton (Partner, Latham & Watkins)
- 18:15 *Break*
- 18:30 **Panel Discussion**
Moderator: Luis Correia (Partner, Oxera)
Stephane Boujnah (CEO, Euronext)
Jean-Pierre Mustier (Partner, Pegasus Europe)
- 19:15 **Concluding Remarks**
Tim Jenkinson (University of Oxford and ECGI)
Marco Becht (Université libre de Bruxelles and ECGI)

Thursday, 15 April 2021

(All times CEST)

- 14:00 **Introduction**
Luca Enriques (University of Oxford and ECGI)
Anete Pajuste (Stockholm School of Economics (Riga) and ECGI)
- 14:15 **Dual Class Shares - Theory**
Mike Burkart (London School of Economics and ECGI)
- 14:35 **Dual Class Shares - Empirical Evidence**
Anete Pajuste (Stockholm School of Economics (Riga) and ECGI)
- 14:55 *Break*
- 15:05 **US Dual-Class Company Charters**
Roberto Tallarita (Harvard Law School)
Discussant: Roni Michaely (University of Geneva and ECGI)
- 15:35 **Panel: Do CEMs Matter for IPOs?**
Moderator: Tim Jenkinson (University of Oxford and ECGI)
Laura Field (University of Delaware and ECGI)
Michelle Lowry (Drexel University and ECGI)
- 16:15 **Concluding Remarks**
Anete Pajuste (Stockholm School of Economics (Riga) and ECGI)
Marco Becht (Université libre de Bruxelles and ECGI)