



Corporate finance from a lawyer's perspective

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Description

Lawyers of Allen & Overy will take students through the various forms and steps of corporate finance, including how a company may attract capital for its growth by way of equity finance (venture capital and private equity transactions), bank loans and other financing, initial public offering, bond issues and other capital markets transactions.

Schedule/Outline

- 1. Introduction**
Schedule and requirements
- 2. The birth of a company: how to establish a private company limited by shares**
 - Documentation
 - Deed of foundation and shareholders' agreement
 - Share types
 - Establishment process
- 3. Main steps in a company's growth**
 - Financing needs at each stage of development
 - Main considerations in selecting a financing method
- 4. Financing by venture capital and private equity**
 - Parties to the transaction (the company and the investor: venture capital or PE fund)
 - The parties' business goals
 - The parties' agreements
 - Transaction process – a script for venture capital investment
 - visit www.hvca.hu and www.investeurope.eu
- 5. The company as borrower**
 - Parties to the transaction (company, banks)
 - The parties' business goals



- Expression of the parties' goals in the facility agreement (maintaining creditworthiness, termination events etc.)
- Transaction process – a script for bank lending (term sheet, due diligence, agreements)
- other forms of finance: financial leasing, factoring, invoice discounting, cash pooling

6. Collateral to a bank loan

- The bank's options (Civil Code: mortgage, pledges, charges etc. and/or other solutions, title finance, security assignment, call options, etc.)
- Choosing the appropriate securities (costs, enforceability, liquidation rules)

7. Making an investment: project financing

- The purpose of project financing
- Parties to the transaction (bank, sponsor, project company, contractor, etc.)
- The parties' goals and their expression in the parties' agreements and in the security package
- Transaction process

8. Acquisitions

- The reasons behind acquisitions
- Acquisition process
- The aim of acquisition regulation
- A history and analysis of Hungarian acquisition regulation in light of the acquisition regulations in developed markets

9. Business expansion: financing acquisitions

- The parties to the transaction (bank, investor)
- The parties' goals and their expression in the parties' agreements and in the security package
- Transaction process (due diligence, facility agreement and share sale and purchase agreement, acquisition documentation)

10. Financing from capital markets: to the stock exchange!

- Regulating capital market actors
- Share issue (private, public, domestic, international, admission)
- Related legal matters (misleading information, price manipulation, insider trading)
- A script for issuing shares
- Documentation (prospectus, subscription agreement)

11. Financing from capital markets: bonds



- Bond issue (private, public, domestic, international)
- Bonds and bond programmes
- Documentation (prospectus, bond conditions, subscription agreement, the text of the bond)
- Convertible bonds, derivative bonds and securitisation

12. Managing a company's financial risks

Summary, consultation

- Interest, currency, and other market risks and how to cover them: derivative transactions (options, futures and swaps)
- Agreements for over-the-counter derivative transactions

Materials

Any required reading materials will be sent or handed over to students.

Assessment or requirements for accomplishing the course:

Performance will be assessed based on activity in class and the result of written test(s).