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**FACULTY OF LAW, UNIVERSITY OF HONG KONG**

**Disclosure of Price Sensitive Information:  
is there a Correspondence Between State  
Enforcement and Compliance?**

**Dr Michelle Welsh**

*Senior Lecturer, Business Law and Taxation, Monash University*

**Wednesday, 17 November 2010, 1:00 – 2:00 pm**  
**Room 6, LG2 Floor, Library Extension Building, University of Hong Kong**

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As the government consults on the proposal to introduce statutory backing for the disclosure of price sensitive information in Hong Kong, lessons can be gleaned from the continuous disclosure regime in Australia where the Corporations Act 2001 (Cth) requires listed corporations to disclose price sensitive information to the Australian Stock Exchange (ASX) as soon as it becomes aware of that information. These provisions are enforced by criminal, civil penalty and administrative penalty regimes which were introduced in 1994, 2002 and 2004 respectively.

Drawing on her extensive research, Dr Welsh will provide an examination of data relating to the disclosure of price sensitive information to the ASX to determine whether or not the enactment of the different enforcement regimes, and the use of those regimes by ASIC, corresponded with an increase in the level of compliance with the continuous disclosure requirements by listed corporations. She will also share the responses from a series of interviews conducted with compliance officers from a selection of the companies in the data set which test the veracity of the findings.

Her findings suggest that there is a degree of correspondence between the introduction of new enforcement regimes and an increase in compliance by listed corporations with the continuous disclosure requirements. However, the findings indicate that the greatest increase in compliance corresponded with an increase in the use of the enforcement regimes by the regulator.

**Dr Michelle Welsh** is a senior lecturer and the Deputy Director of the Workplace and Corporate Law Research Group at Monash University in Melbourne, Australia. Michelle researches and publishes in corporate regulation, compliance and enforcement. She is a co-author of the 15<sup>th</sup> edition of *Understanding Company Law*, one of the leading Australian corporate law textbooks. She has published widely in refereed law journals and has delivered conference papers and seminars in Australia and internationally. Michelle completed her PhD in 2009 and was awarded the Harold Luntz Graduate Research Thesis Prize by the Melbourne University Law Faculty for the top PhD thesis in 2009.

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