

**CFRED's 26<sup>th</sup> Corporate and Finance Law Seminar:**

**FINANCING DISRUPTION**

by

**Prof. John Armour**

*Hogan Lovells Professor of Law and Finance, Faculty of Law, Oxford University*

Chaired by: **Prof. Robin Huang**, *Faculty of Law, CUHK*

**1 April 2016, Friday, 5:00 – 6:30 p.m.**

*Warren Chan Moot Court, Graduate Law Centre, 2/F Bank of America Tower, 12 Harcourt Road, Central*

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'Disruptive' innovations are powerful forces for reshaping activities and generating growth. Yet by definition, the properties (what they can do) and consequences (whether they disrupt) of innovations are not widely understood when they are first explored and their success is extremely uncertain. Extreme uncertainty, and the related dearth of knowledge about the disruptive innovation's potential, makes it harder for innovative firms and entrepreneurs to raise external finance. To the extent the source of the problem lies in a knowledge gap between the innovator and the (potential) financiers, any mechanism that reduces such a gap, whether by matching a project with the specific knowledge available on financiers' side or by conveying the available knowledge to them via credible signals is desirable. While this obviously describes a stylised venture capitalist, we argue that it also helps explain financial contracts between innovative firms and capital markets (dual-class structures), consumers (crowdfunding), and employees (restricted stock). We develop this claim by reviewing contracting practices in relation to both nascent and established firms engaged in innovation, and use it to evaluate various policy issues and recent initiatives, in the US and in Europe, to ease new and innovative firms' financial constraints.

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**All are welcome!**  
**Admission is free of charge!**

**Please join us by registering your interest [here](#) by 31 March 2016.**

## ABOUT THE SPEAKER:



**John Armour** is Hogan Lovells Professor of Law and Finance at Oxford University and a Fellow of the European Corporate Governance Institute. He was previously a member of the Faculty of Law and the interdisciplinary Centre for Business Research at the University of Cambridge. He studied law (MA, BCL) at the University of Oxford and then at Yale Law School (LLM). He has held visiting posts at various institutions including the University of Chicago, Columbia Law School, the University of Frankfurt, the Max Planck Institute for Comparative Private Law in Hamburg, and the University of Pennsylvania Law School. He is a member of the American Law Institute and an Academic Member of the Chancery Bar Association. Armour has published widely in the fields of company law, financial regulation, and corporate insolvency. His main research interest lies in the integration of legal and economic analysis, with particular emphasis on the impact on the real economy of changes in company law, corporate insolvency law and financial regulation. He serves as an Executive Editor of the *Journal for Corporate Law Studies* and the *Journal of Law, Finance and Accounting*, and has been involved in policy-related projects commissioned by the UK's Department of Trade and Industry (now BIS), Financial Services Authority (now FCA) and Insolvency Service, the Commonwealth Secretariat, and the World Bank. He currently serves as a member of the European Commission's Informal Company Law Expert Group.