

Date of the event:

On Monday, 21st June, 2011
From 01:00 PM to 2:00 PM

Location:

Luxembourg School of Finance
University of Luxembourg
4 Rue Albert Borschette
2nd Floor
Modigliani Miller Auditorium (E02-003)
L-1246 Luxembourg

Registrations:

- Free seminar (with lunch included)
- Registrations by email before June 16th, 2011
- At the following address : lsf-events@uni.lu

Information:

Ms Caroline Herfroy
Tel : +352 46 66 44 6335

<http://www.lsf.lu/eng/Research/Seminars-and-Workshops>



The LSF is pleased to invite you to the following lunch seminar:

Do Criminal Sanctions Deter Inside Trading?

*By Professor Bart Frijns
AUT University, NZ*

**Tuesday, 21st June 2011
From 01:00 PM to 2:00 PM**



Do Criminal Sanctions Deter Inside Trading?

By Bart Frijns

The **Luxembourg School of Finance**

Is pleased to invite you to the

LSF Seminar

Many countries have adopted criminal sanctions as a way to deter insider trading. Although criminal sanctions represent a much greater penalty than civil sanctions, the enforceability of criminal sanctions is weaker given the higher burden of proof required. This trade-off between severity and enforceability implies that the impact of introducing criminal sanction is not unambiguous. In this paper we examine the impact of the introduction of criminal sanctions in New Zealand, where criminal sanctions (at the expense of civil sanctions) were enacted in February 2008. Using measures for the cost of trading, degree of information asymmetry, and probability of informed trading, we find that the enactment of this law has led to deterioration in the market, indicating that the weaker enforceability outweighs the increased severity of the penalties.

