

**Regulatory Arbitrage for Real: International Securities Regulation in a World of Interacting Securities Markets**

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ABSTRACT

This Paper argues that the globalization of stock markets -- manifested *inter alia* by listing and trading on foreign exchanges -- also entails legal interdependence, particularly in what concerns securities regulation and corporate governance regimes.

When securities transactions are subject to several legal regimes trading structure may be affected by all of them, causing the effectiveness of each regime to be influenced by that of all the others. In the composite legal regime that arises, one country's laws may either frustrate or enhance the regulatory objectives of the other countries' laws on such fundamental issues as insider trading and corporate disclosure. Regulatory cooperation is thus warranted for reasons which are deeper than extraterritorial jurisdiction problems.

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