Abstract

MBO is a kind of purchase way, which means the management personnel of the target company use loan capital to purchase all or most of the shares of the target company in order to control it and attain the expected profits. It can effectively coordinate the relations between the rights of surplus demand and surplus command. And it has already acquired notable effects on reducing agent costs, improving management structures, promoting business achievements and so on. MBO reflects western countries' deep reforms and tremendous changes on the corporate management structures in the past twenty years. Recently, it is becoming a popular topic of law of the reform of state-owned enterprises and stock markets in China. Practically speaking, it has already got good effects on defining the property right of state-owned enterprises, and optimizing company's management structures. However, during the process of MBO in China, the problems, such as the main body of purchasing, setting a price, financing, inner control(protecting the small and medium stockholders' benefits) and so on, which couldn't be supervised by perfect law systems, resulted in lots of MBO's trouble, which was covert and unfair. This not only encroached on most of the small and medium stockholders' benefits, but also made lots of state—owned assets lost.

After putting forward the issues, this thesis focuses on the concept and characteristics of MBO, the differences between China and western countries' MBO, the history of western MBO . In addition, it employs the methods of substantial evidence and comparison analysis, from the viewpoint of legal theory and law practice, to systematically analyze the listed companies' main purchase part, list price, financing and inner control. Meanwhile, the thesis utilizes trust law to put forward concrete law plan to solve the issues above. In conclusion, the law issues that current Chinese MBO are confronting can be solved by two principles, stopping losing the state—owned property and protecting the small and medium stockholders' benefits, and strengthen the improvement of law system.