

# Law of International Finance

---

**Course informations:**

Degree level	○ DU LLM International Law
Semester	AY 2022-2023
Course duration	15h
ECTS delivered upon completion	7

**Instructor information:**

Name	Emeric PREVOST
Status	Lecturer
Institution	University of Vienna (Austria)/Meiji University (Tokyo)
Email	<a href="mailto:emeric.prevost@univie.ac.at">emeric.prevost@univie.ac.at</a>

**Course description:**

This course aims at providing students with key concepts that are instrumental to understand the dynamic evolution of the current international financial system. The course will therefore follow a structure that allows students to progressively get introduced to the very highly regulated environment of global financial markets and to some recent innovative developments that disrupt traditional frameworks. No specific prior knowledge of financial markets is required.

The course will be divided into 5 seminars of 3 hours each. Students are expected to cover the basic suggested readings for each seminar. The reading materials will be made available for the students on moodle before each lecture.

The final exam will be an online and written open-book exam. It will be limited to a maximum duration of 2 hours. Further details will be communicated in due course.

**Course learning outcomes:**

Upon completion of this course, students will demonstrate their ability to:

- understand and use key financial law concepts
- apprehend the legal dynamics of financial markets
- critically think of financial markets law in a broader socio-historical context

**Student evaluation plan:**

The evaluation will be based on oral participation in class and on a final exam as described above.

**Course schedule:**

Date	Session	Topic	Description	Assignment
09/02	9h-12h	The Current International Monetary and Financial System	<p>In this lecture, the following topics will be discussed:</p> <ul style="list-style-type: none"> <li>• The concept of money and its evolution</li> <li>• The typology of financial products and services;</li> <li>• Financial intermediation;</li> <li>• Markets globalisation;</li> <li>• The 2008 financial crisis;</li> <li>• Sovereign bonds crisis;</li> <li>• Brexit and its consequences.</li> </ul>	<p>Please read before coming to class the papers indicated below as references for this lecture.</p> <p>Please also read the following cases:</p> <ul style="list-style-type: none"> <li>• U.S. Supreme Court, <i>Weltover, Inc. v. Republic of Argentina</i>, 504 U.S. 607</li> <li>• ECJ, <i>Hellenische Republik v. Leo Kuhn, Aff. C-308/17</i> (2018)</li> </ul>
16/02	9h-12h	Elements of Financial Regulation	<p>In this lecture, the following topics will be discussed:</p> <ul style="list-style-type: none"> <li>• Purpose and scope of financial regulation;</li> <li>• Functions and powers of supervisory authorities;</li> <li>• Licensing requirements;</li> <li>• Cross-border services;</li> <li>• Conduct of business rules;</li> <li>• Transparency requirements;</li> <li>• Extraterritoriality.</li> </ul>	<p>Please read before coming to class the papers indicated below as references for this lecture.</p> <p>Please also read the following case:</p> <ul style="list-style-type: none"> <li>• U.S. Supreme Court: <i>Morrison v National Australia Bank Ltd</i> 130 S Ct 2889 (2010)</li> </ul>

23/02	9h-12h	FinTech Disruption	<p>In this lecture, the following topics will be discussed:</p> <ul style="list-style-type: none"> <li>• Technological neutrality;</li> <li>• Sandboxes;</li> <li>• Crowdfunding platforms;</li> <li>• Mobile payments.</li> </ul>	Please read before coming to class the papers indicated below as references for this lecture.
02/03	9h-12h	Tokenised Finance	<p>In this lecture, the following topics will be discussed:</p> <ul style="list-style-type: none"> <li>• Decentralised Finance;</li> <li>• Distributed Ledgers;</li> <li>• Smart Contracts, Initial Coin Offerings;</li> <li>• Digital Assets.</li> </ul>	Please read before coming to class the papers indicated below as references for this lecture.
09/03	9h-12h	Sustainable Financial Markets	<p>In this lecture, the following topics will be discussed:</p> <ul style="list-style-type: none"> <li>• Socially Responsible Investments (SRI);</li> <li>• Non-financial ESG reporting;</li> <li>• Green Finance;</li> <li>• Internalisation processes.</li> </ul>	Please read before coming to class the papers indicated below as references for this lecture.
TBD	TBD (duration: 2h)	Final Exam	2 to 3 exam questions. All topics covered in class may be subject of examination.	n/a

**Books:**

Pierre de Gioia Carabellese and Matthias Haentjens. *European Banking and Financial Law*, Routledge, 2020.

Armour, Awrey, Davies, Enriques, Gordon, Mayer and Payne, *Principles of Financial Regulation*, OUP 2016.

Niamh Moloney, *EU Securities and Financial Markets Regulation*, OUP, 2016.

Philip Wood, *Law and Practice of International Finance*, Sweet & Maxwell, 2008.

**Journal articles:***Lecture 1 - The Current International Monetary and Financial System*

- Philipp Paech, Introduction to International Financial Law (LSE, 2017) (10 p.).
- Haentjens and Carabellese, "Sources of EU financial law", European Banking and Financial Law, Routledge, 2020.

*Lecture 2 - Elements of Financial Regulation*

- Matthias Lehmann, "Legal Fragmentation, Extraterritoriality and Uncertainty in Global Financial Regulation", Oxford Journal of Legal Studies, Vol. 37, No. 2 (2017), pp. 406-434 (29 p.)
- Pierre-Hugues Verdier, "The New Financial Extraterritoriality," George Washington Law Review 87, no. 2 (March 2019), pp. 239-314.

*Lecture 3 – FinTech Disruption*

- Rupesh et al., "Fintech and Blockchain: Contemporary Issues, New Paradigms, and Disruption", in Maurizio Pompella, and Roman Matousek (eds.), The Palgrave Handbook of FinTech and Blockchain, Springer, 2021, pp. 71-80.
- Sonia soon Improving the digital financial services ecosystem through collaboration of regulators and FinTech companies, Routledge, 2021, pp. 46-59.
- Dirk A. Zetsche et al., "Regulating a Revolution: From Regulatory Sandboxes to Smart Regulation," Fordham Journal of Corporate and Financial Law 23, no. 1 (2017), pp. 31-104.

*Lecture 4 – Tokenised Finance*

- Yan Chen and Cristiano Bellavitis, "Blockchain disruption and decentralized finance: The rise of decentralized business models", Journal of Business Venturing Insights, Vol. 13, June 2020, 8 p.

- Iwa Salami, “Decentralised Finance: The case for a holistic approach to regulating the crypto industry”, *Butterworths Journal of International Banking and Financial Law* 35 (7), July/August 2020, pp. 496-499.
- Chiara Zilioli, “Crypto-assets: legal characterisation and challenges under private law”, *European Law Review*, 2020, 45(2), pp. 251-266.
- Luminita Procopie, “Are smart contracts actually contracts? How smart contracts can work globally”, *Journal of International Banking Law and Regulation*, 2020, 36(1), pp. 25-30.

### *Lecture 5 – Sustainable Financial Markets*

- Victor de Serière, “Idealism or realistic approaches? Regulatory possibilities to require financial institutions to more substantially contribute to achieving climate goals? An overview”, *Journal of International Banking Law and Regulation*, 2020, 35(3), pp. 94-106.
- Stephen Kim Park, “Investors as Regulators: Green Bonds and the Governance Challenges of the Sustainable Finance Revolution”, *54 Stanford Journal of International Law* 1 (2018), 48 p.

### **Supplement resources:**

Final Report of the Committee of the Wise Men in the Regulation of European Securities Markets (Lamfalussy Report), Brussels, 15 February 2001,  
[www.esma.europa.eu/sites/default/files/library/2015/11/lamfalussy\\_report.pdf](http://www.esma.europa.eu/sites/default/files/library/2015/11/lamfalussy_report.pdf).

Jacques de Larosière, *The High-Level Group on Financial Supervision in the EU*, Brussels, 25 February 2009,  
[http://ec.europa.eu/economy\\_finance/publications/pages/publication14527\\_en.pdf](http://ec.europa.eu/economy_finance/publications/pages/publication14527_en.pdf).

ISDA, *White Paper, Private International Law Aspects of Smart Derivatives Contracts Utilising Distributed Ledger Technology*, January 2020, 31 p.

OECD (2020), *The Tokenisation of Assets and Potential Implications for Financial Markets*, OECD Blockchain Policy Series, available at: [www.oecd.org/finance/The-Tokenisation-of-Assets-and-PotentialImplications-for-Financial-Markets.htm](http://www.oecd.org/finance/The-Tokenisation-of-Assets-and-PotentialImplications-for-Financial-Markets.htm).

Proposal for a regulation of the European Parliament and of the Council on Markets in Crypto-assets (Directive (EU) 2019/1937).

EU Commission, *Action Plan: Financing Sustainable Growth (COM/2018/097 final)*.