Monday-Wednesday 1:30-3:00
Professor: David Zaring
Office: 662 Jon M. Huntsman Hall
Office Hours: Wednesday: 3:00-4:30
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Subject:

This class covers legal issues confronting international business, with an emphasis on global financial regulation and international trade and investment law. No previous legal studies or Wharton classes are needed.

Instructor:

David Zaring is an Associate Professor at the Wharton School, and has taught at the Cambridge, Penn, Washington & Lee, Vanderbilt, Bucerius, and NYU law schools. Before entering academia, he served in the Department of Justice, handling matters related to ecommerce and internet censorship, health care, and affordable housing. He also served as a political aide to Andrew Cuomo. He writes at the intersection of financial regulation, international law, and domestic administration, and has published over forty articles, including in the NYU, Michigan, Virginia, and Cornell law reviews, and a number of international law journals. He has consulted for the World Bank and securities regulators on three continents, and writes an occasional column on financial regulation for the New York Times’s DealBook.

Course Format:

The course combines lecture, Socratic dialogue, and group discussion. Active class participation is expected. No laptops are permitted.

Grading:

- Midterm 1 – 25%
- Midterm 2 – 25%
- Final Exam – 25%
- Negotiation exercise – 10%
• Class participation – 15%

Schedule:

I intend to cover one topic per class, but we will adjust if time requires it or digressions are appropriate. You should accordingly read the next assignment for the next class, even if we haven’t exhausted all discussion of the current one.

Introduction to International Economic Law

Jan 11  Class Overview
         International Law in class exercise

Jan 18  Policing International Transactions Through Domestic Agencies
         Case: SEC v. Goldman Sachs

Jan 23  “Soft” International Law: the Case of Business and Human Rights
         The Extractive Industries Technology Initiative Standard, excerpts.
         John Ruggie, UN Guiding Principles for Business & Human Rights
         Report of the Special Representative on The Issue Of Human Rights and
         Transnational Corporations and Other Business Enterprises

Trade Institutions

Jan 25  Dispute Resolution
         WTO, The GATT Years, Settling Disputes: A Unique Contribution,
         Settling Disputes: Case Study – The Timetable In Practice
         The U.S. – Gasoline Case
         The Japan-Film Case

Jan 30  Most Favored Nation
         The Spanish Coffee Case
         The Japan-SPF Lumber Case
         The Canada-Autopact Case

Feb 1   National Treatment
         WTO, National Treatment Overview
         The Korea Beef Case
         The Japan Alcohol Case

Feb 6   Exceptions: Article XX Chapeau
         WTO, Article XX Overview
         The Shrimp-Turtle Case
         Summary of The Shrimp-Turtle Compliance Case

Feb 8   Exceptions: Article XX Health & Safety
Case: Food Fight: The US, Europe, and Trade in Hormone-Treated Beef, HKS434

Feb 13 Midterm 1

International Financial Regulation

Feb 15 Financial Stability: Overview & History

Feb 20 Capital Adequacy I
HBS: Bank Capital Structure: A Primer
Capital Adequacy Exercises

Feb 22 Capital Adequacy II
Basel III: An Evaluation of New Banking Regulations 910N29-PDF-ENG

Feb 27 Stress Tests
Case: Stress Tests
Stress test exercise

Mar 1 The Emerging Law of International Financial Regulation
Caroline Bradley, *Cross-Border Financial Regulation*, 10-18

Mar 4-12 Spring Break-No Class

Mar 13 Managers and International Financial Regulation
Case: Hire-Wire Act: Credit Suisse and Contingent Capital

Mar 15 Sovereign Wealth Funds
Case: Sovereign Wealth Funds: Barbarians at the Gate or White Knights of Globalization
In-class exercise
Mar 20  EU Financial Regulation As Union
European Commission, *Towards the completion of the Banking Union* COM(2015) 587
Background (skim):
Eilís Ferran, *European Banking Union and the EU Single Financial Market: more differentiated integration, or disintegration?* (University of Cambridge Faculty of Law Research Paper No 29/2014)

Mar 22  Exiting EU Financial Regulation
European Commission, ‘Equivalence with EU Rules and Supervision’
The CityUK, *UK Financial and Related Professional Services: Meeting the Challenges and Delivering Opportunities* (August 2016), pp 21-25

Mar 27  Midterm 2

Protecting Foreign Investment

Mar 29  Bilateral Investment Treaties
HBS Note, *Protecting Foreign Investors*, 9-706-044
2012 US Model Bilateral Investment Treaty
The *Metalclad* Case

Apr 3  Foreign Investment: Ethics
Case: The Octopus and the Generals: The United Fruit Company in Guatemala HBS 9-805-146

Apr 5  Project Finance
An Overview of Project Finance and Infrastructure Finance: 2014 Update, 214083-PDF-ENG

Apr 10  Project Finance: Drafting – No Class, drafts due April. 18 @ 5:00 pm
Negotiation Exercise: H2O4U v. Pluritania

Apr 12
Sovereign Debt

Apr 17

Special Topics in the Regulation of International Business

Apr 19
Extraterritoriality
Bradley, Issues In Transnational Investment in Securities

Apr 24
Foreign Corrupt Practices
United States v. Esquenazi, 752 F.3d 912 (11th Cir. 2014)
Case: Baker Hughes: Foreign Corrupt Practices
Dow-Corning Case Supplement: FCPA Amendments Overview

Apr 26
Last Class: Review

Final Exam: May 1-9