

**UNIVERSITY OF PENNSYLVANIA
WHARTON SCHOOL
DEPARTMENT OF LEGAL STUDIES AND BUSINESS ETHICS
SPRING TERM 2020
LGST 219 SYLLABUS
MW 1:30-3:00PM
LAW AND POLICY IN INTERNATIONAL BUSINESS**

Monday-Wednesday 1:30-3:00, JMHH F36

Professor: David Zaring

Office: 662 Jon M. Huntsman Hall

Office Hours: Tuesday, 10:30-11:55

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Subject:

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

Instructor:

Here is my bio:

David Zaring is a professor in the Legal Studies and Business Ethics Department at the Wharton School. He writes at the intersection of financial regulation, international law, and domestic administration. He has written over fifty articles, including publications in the Chicago, Cornell, Michigan, NYU, and Virginia law reviews, and a number of international law journals. In addition to teaching at Wharton, he has previously taught at the Bucerius, Cambridge, Penn, Vanderbilt, and Washington & Lee law schools. He has consulted for the World Bank, for financial regulators on three continents, has testified on financial regulation before Congress, and has written an occasional column on the subject for the New York Times/DealBook.

Course Format:

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

Readings:

The readings will be available on Canvas, there is no textbook for the class; I may add and subtract from them over the semester, and will occasionally add a handout or two to the mix.

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 15 Class Overview

Introduction Memo

Air Services Agreement Case Overview

Air Services Agreement Case

Jan 22 Policing International Transactions Through Domestic Agencies

Overview Memo

SEC v. Goldman Sachs

Jan 27 Soft Law

Soft Law Introduction

The Extractive Industries Technology Initiative Standard, Excerpts

John Ruggie, UN Guiding Principles For Business And Human Rights

Report Of The Special Representative On The Issue Of Human Rights And Transnational Corporations And Other Business Enterprises 3

Trade Institutions

Jan 29 Dispute Resolution

Introduction To Trade Memo

WTO, The GATT Years, Settling Disputes: A Unique Contribution, Settling Disputes

Case Study — The Timetable In Practice
The US Gasoline Case
The Japan Film Case

Feb 3 Most Favored Nation
Introduction To Most Favored Nation Memo
GATT Article 1
The Spanish Coffee Case
Japan SPF Lumber Case
The Canada Auto Pact Case

Feb 5 National Treatment
National Treatment Memo
GATT Article III
WTO, National Treatment Overview
The Korea Beef Case Part One
The Japan Alcohol Case

Feb 10 Trade Exceptions
Article XX Overview
Article XX
Korea Beef Part 2
Shrimp Turtle
Summary Of The Shrimp Turtle Compliance Case

Feb 12 Trade Exceptions 2
Food Fight: The US, Europe, And Trade In Hormone Treated Beef
National Security Introduction
Article XXI
Brandon J. Murrill, The 'National Security Exception' And The WTO
The Broadcom Decision Documents

Feb 17 Regional Trade Agreements
Article XXIV
Renegotiating NAFTA

Feb 19 Midterm

International Financial Regulation

Feb 24 Financial Stability: Overview & History
Robert Wolf visits
Introduction Memo
Thomas Oatley, The Dilemmas Of International Financial Regulation
Pierre-Huges Verdier, The Political Economy Of International Financial Regulation

Feb 26 Capital Adequacy 1
Bank Capital Structure: A Primer
March 2 Capital Adequacy 2
Basel III: An Evaluation Of New Banking Regulations
William Dudley, Speech, Global Financial Stability – The Road Ahead

March 4 Stress Tests
Andrea Vitorelli visits
The Financial Crisis: Timothy Geithner And The Stress Tests
Stress Tests [In Europe]
Mehrsa Baradan, Regulation By Hypothetical

March 16 Global Governance: A Broader View
David Zaring, Finding Legal Principle In Global Financial Regulation
Caroline Bradley, Cross-Border Financial Regulation, 10-18

March 18: Contingent Capital
Hire-Wire Act: Credit Suisse And Contingent Capital

March 23 Sovereign Wealth Funds
Sovereign Wealth Funds: Barbarians At The Gate Or White Knights Of Globalization 16
Victor Fleischer, Should We Tax Sovereign Wealth Funds?

March 25 Exit and Finance in the European Union
EC, Towards The Completion Of The Banking Union
EC, Equivalence With EU Rules And Supervision (68.91K)
EC, Provisional Equivalence Of Insurance Services (337.07K)

March 30 Midterm 2

Protecting Foreign Investment

April 1 Bilateral Investment Treaties
Introduction To Investment Law Memo
HBS Note, Protecting Foreign Investors
Introduction To BITs
2012 US Model Bilateral Investment Treaty

April 6 Investing in NAFTA
Metalclad Overview
The Metalclad Case

April 8 Ethics In Investing
The Octopus And The Generals: The United Fruit Company In Guatemala

April 13 Project Finance

World Bank, Project Finance Key Concepts

April 15 Project Finance Drafting Exercise

No Class

H204U v. Pluritania

Niall Ferguson, Planet Finance, episode 4 of The Ascent of

Money, on your own,

<http://www.pbs.org/wnet/ascentofmoney/featured/the-ascent-of-money-episode-4-planet-finance/102/>.

April 20 Sovereign Debt

Republic Of Argentina v. NML Capital, Ltd.

Diane Desierto, The Global Reach Of Creditor Execution On Sovereign Assets

Special Topics in International Economic Law

April 22 Extraterritoriality

Morrison v. National Bank Of Australia, 561 U.S. 247 (2010) 22

April 27 Foreign Corrupt Practices

United States v. Esquenazi, 752 F.3d 912 (11th Cir. 2014) 23

JPMorgan: Hiring Princelings Becomes A Royal Pain 23

April 29 Overflow and Review

Final Exam (Midterm 3)