

*Law 663 / Finance 816
Economic and Regulatory Policy for Global Markets
Professor Jay Clayton*

Course Information

- Meeting Time: Thursdays 6:40 pm – 8:40 pm
- Location: Gittis Hall (Law School building) 214
- Contact Info: claytonwj@sullcrom.com; (212) 558-3445
- T.A. Contact Info: TBD
- Course Deliverables: Deliverables for the course consist of a thirty minute in-class presentation and a ten page paper. Students will work in teams of five or six on both deliverables. Each team will choose a topic relevant to the course, to be approved by Professor Clayton. In-class presentations will take place the last weeks of the semester. A draft paper will be submitted to Professor Clayton in early November for review and comment. **Class participation is strongly encouraged, including incorporating current events into each week's lecture and discussion.**
- Course Readings: There is no textbook for this course. All reading materials will be available on Canvas. Readings for each class are indicated in italics on the schedule below **and will be updated from time to time. DO NOT READ MORE THAN A WEEK OR TWO AHEAD. Reading is not expected to require more than a few hours per week. Questions for discussion will be circulated ahead of class and students will be expected to engage with Professor Clayton and each other around those questions.**
- Class Recordings: All classes will be recorded per Wharton's policy. Recordings will be available to all students. Class sessions featuring guest speakers may not be recorded based on the guest's preference.
- Guest Lectures: The Class Schedule is subject to change to accommodate planned and additional guest lecturers. Guest will present for 30-45 minutes, followed by discussion led by Professor Clayton.
- Course Objectives: Students will bring and share varying perspectives on and experiences with financial markets. Through discussion of current topics, class participant will broaden their understanding of the regulatory, political, economic, national security and social interconnections in domestic and international markets. Student teams also will have an opportunity to explore in depth and explain to their colleagues their understanding and perspectives on an aspect of our financial markets.

Class Schedule – Subject to Updates (As of September 12, 2022)

- September 8: Course Introduction, Overview of the International Regulatory Framework
● *Who Regulates Whom? An Overview of the U.S. Financial Regulatory Framework*
● *Introduction to Financial Services: The Regulatory Framework*
● *Congressional Oversight Manual*
● *A basic Primer on the Major Questions Doctrine*
- September 15: **Class will be Virtual/Zoom**
Guest Lecturers: Robert Stebbins, SEC General Counsel, Willkie Farr and Raquel Fox (SEC Head of International, Skadden Partner)
Readings to be circulated
Topics: CARES Act and Airline Support (Stebbins); SEC/PCAOB and US-China information sharing (Fox); Recent SEC rulemakings and proposals (Stebbins and Fox)
- September 22: **Class will be Virtual/Zoom**
Deep Dive into Securities Regulation (SEC, FCA, ESMA, etc.)
● *COVID-19 Pandemic: Financial Stability Impact and Policy Responses* (Report submitted to the G20 by the Financial Stability Board)
● *U.S Credit Markets Interconnectedness and the Effects of the COVID-19 Economic Shock* (SEC Division of Economic Risk and Analysis)
- September 29: Financial Regulatory Policy and Inequality
● *Notes on Easy Money and Inequality* (Krugman NYT Opinion)
● *Is the Federal Reserve Contributing to Economic Inequality* (Daly)
● *The Cycle of Disparities in Economic Outcomes and Opportunities*
● *Economic Inequality: A Research Series* (NY Fed)
- October 6: The Intersection of Big Tech, Financial Markets and Regulation
Guest Lecturer: Makan Delrahim (Dept. of Justice Antitrust Division)
● *Antitrust Enforcement and Digital Gatekeepers* (Delrahim speech)
● *“A Whole New World:” An Antitrust Entreaty for a Digital Age* (Delrahim speech)
● *Never Break the Chain: Pursuing Antifragility in Antitrust Enforcement* (Delrahim speech)
- October 13: Financial Regulation as a Tool of U.S. Foreign Policy
Guest Lecturer: Mark Wiseman (Lazard, Hill House, Blackrock, CPBIB)
Environmental, Social, and Governance Regulation

- *Larry Fink is Right About Climate Change Disclosures* (Wiseman and Clayton CNBC)
- *Funds Go Green, but Sometimes in Name Only*
- *Implications of Climate Change for Financial Stability*
- *Money Stuff: ESG Loans* (Sept. 9, 2021)
- ESG Squawk Box Interview (May 20, 2022)

October 20:

Class will be Virtual/Zoom

IPO Pricing, SPACs, International Listings, and Direct Listings

Guest Lecturer: [Elad Roisman – SEC Commissioner, Cravath Partner]

- *Nasdaq Direct Listing Presentation*
- *Nasdaq International Listing Presentation*
- *Nasdaq SPAC Presentation*

October 27:

Deep Dive into COVID Economic Response/Crypto Assets

Guest Lecturer: Justin Muzinich (Dept. Treasury Sec.)

- *What we Can Learn from our Covid-Crisis Failures* (Barron's January 7, 2022)
- *President's Working Group on Financial Markets Statement on Key Regulatory and Supervisory Issues Relevant to Certain Stablecoins*
- *The Financial Crimes Enforcement Network Proposes Rule Aimed at Closing Anti-Money Laundering Regulatory Gaps for Certain Convertible Virtual Currency and Digital Asset Transactions* (Treasury Press Release)
- *Requirements for Certain Transactions Involving Certain Convertible Virtual Currency of Digital Assets* (Treasury FAQ)
- *Treasury Notice of Proposed Rulemaking RIN 1506-AB47* (Pages 1-17)
- *Crypto Needs Regulation, but it Doesn't Need New Rules* (Clayton & McIntosh WSJ Opinion)

November 3:

Policing Financial Transactions

Anti-Bribery (FCPA); Anti-Money Laundering (AML)

Countering the Financing of Terrorism (CFT)/Bank Secrecy Act (BSA)

- *FinCEN Homepage*
- *December 2020 and March 2021 Speeches by Kenneth Blanco*
- *Overview of FCPA (CRS in Focus)*
- *Stanford FCPA Tracking Site*
- *NY City Bar Report on FCPA*
- *A Political Economy Review of the FCPA*

November 10:

Economic Statecraft – The Use of Sanctions, Tariffs and Other Means

Guest Lecturer: Brent McIntosh (Treasury Under Sec. for International Affairs)

- *Wielding Tools of Economic Statecraft* (McIntosh)
- *Treasury Sanctions Homepage*
- *CBDC: A Solution in Search of a Problem?* (Waller)

November 17:	Class presentations (90 min); Remainder: Effects of midterm elections? current events
November 24:	No class meeting: Thanksgiving
December 1:	Class presentations (90 min); current events
December 8:	Class presentations (90 min); current events