UNIVERSITY OF PENNSYLVANIA
WHARTON SCHOOL
DEPARTMENT OF LEGAL STUDIES AND BUSINESS ETHICS
SPRING TERM 2023

LGST 2190 SYLLABUS
LAW AND POLICY IN INTERNATIONAL BUSINESS

Monday-Wednesday 1:45-3:15, JMHH F90
Professor: David Zaring
Office: 662 Jon M. Huntsman Hall
Office Hours: Tuesday, 1:30-3:00, if you need to see me remotely, set it up in advance and come find me at https://upenn.zoom.us/j/96389739239?pwd=QnRUdVhZLzgwalZSNEdIeVY0V3NMdz0.
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Office Phone: (215) 573-7154

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.
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.

Course Format:

The course combines lecture, Socratic dialogue, and group discussion. Active class participation is expected. Excellent class participation, as determined by my sole discretion, counts as 10% of your final grade. Part of that class participation grade, prorated over the course of the semester, will depend on you getting 60% in aggregate of the Zoom quizzes right.

Electronic Device Policy:

I don’t permit the use of electronic devices in class in person, so bring your notebooks when we get there.

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

1. Class Overview
Air Services Agreement Case Overview
Air Services Agreement Case

2. Policing International Transactions Through Domestic Agencies
Overview Memo
SEC v. Goldman Sachs
3. 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

Trade Institutions

4. 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

5. 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

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

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

8. 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

9. Regional Trade Agreements
   Article XXIV
Renegotiating NAFTA

10. Midterm, tentatively scheduled for February 15

International Financial Regulation

11. Financial Stability: Overview & History
   Introduction Memo
   Thomas Oatley, The Dilemmas Of International Financial Regulation
   Pierre Verdier, The Political Economy Of International Financial Regulation

12. The Problems of Global Banks: The BCCI Affair
   US v. BCCI excerpts
   Duncan Alford, Lesson from BCCI
   The Basel Concordat, 1976

13. Banks Behaving Badly
    Materials on UBS and anti-money-laundering

14. Capital Adequacy 1
    Bank Capital Structure: A Primer
    The FSB, Financial Regulation

15. Capital Adequacy 2
    Basel III: An Evaluation Of New Banking Regulations
    The Financial Crisis: Timothy Geithner And The Stress Tests
    Mehrsa Baradaran, Regulation By Hypothetical

16. Cryptocurrencies
    The DAO Enforcement Action

17. Global Governance: A Broader View + LIBOR and enforcement
    David Zaring, Finding Legal Principle In Global Financial Regulation

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

19. Midterm 2, tentatively scheduled for March 27

Protecting Foreign Investment and Promoting Global Values

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

21 Expropriations
Banco Nacional de Cuba v. Peter L. F. Sabbatino

21. Ethics In Investing
The Octopus And The Generals: The United Fruit Company In Guatemala

22. Protecting Human Rights through the Capital Markets
SEC v. National Association of Manufacturers
Apple’s Form SD

23. Project Finance
H204U v. Pluritania

24. 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

26. Extraterritoriality

27. Foreign Corrupt Practices
United States v. Esquenazi, 752 F.3d 912 (11th Cir. 2014)
SEC v. Leissner

28. Overflow and Review
Final Exam (Midterm 3)