

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

**LGST 2190 SYLLABUS
LAW AND POLICY IN INTERNATIONAL BUSINESS**

Monday-Wednesday 3:30-5:00, JMHH G50

Professor: David Zaring

Office: 662 Jon M. Huntsman Hall

Office Hours: Tuesday, 11-12, or by appointment. If you need to see me remotely, set it up in advance and come find me at

<https://upenn.zoom.us/j/96389739239?pwd=QnRUdVhZLzgwalZSNEdleVY0V3NMdz09>.

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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.

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.

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 3

Trade Institutions

4. Dispute Resolution

Introduction To Trade Memo

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

GATT Article XXIII.

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

8. Trade Exceptions 2

Food Fight: The US, Europe, And Trade In Hormone Treated Beef

National Security Introduction

Article XXI

Brandon J. Merrill, The 'National Security Exception' And The WTO

The Broadcom Decision Documents

9. Regional Trade Agreements

Article XXIV

Renegotiating NAFTA

10. Midterm, tentatively scheduled for October 2

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

US v. Holy Land Foundation

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 November 1

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
World Bank Project Finance Overview
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
Morrison v. National Bank Of Australia, 561 U.S. 247 (2010)

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)