Monday-Wednesday 1:30-3:00  
Professor: David Zaring  
Office: 662 Jon M. Huntsman Hall  
Office Hours: Tuesday, 1:30-3:00  
Email: zaring@wharton.upenn.edu  
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  

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.

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
   Introduction Memo
   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
Rengotiating NAFTA

10. Midterm

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. 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

13. Stress Tests
The Financial Crisis: Timothy Geithner And The Stress Tests
Stress Tests [In Europe]
Mehrsa Baradan, Regulation By Hypothetical

David Zaring, Finding Legal Principle In Global Financial Regulation
Caroline Bradley, Cross-Border Financial Regulation, 10-18

15. Contingent Capital
Hire-Wire Act: Credit Suisse And Contingent Capital

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

17. 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)

18. Midterm 2

Protecting Foreign Investment

Introduction To Investment Law Memo
HBS Note, Protecting Foreign Investors
Introduction To BIT's
2012 US Model Bilateral Investment Treaty

20. Investing in NAFTA
Metalclad Overview
The Metalclad Case

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

22. Project Finance
World Bank, Project Finance Key Concepts

23. Project Finance Drafting Exercise
No Class
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

25. Extraterritoriality

26. Foreign Corrupt Practices
United States v. Esquenazi, 752 F.3d 912 (11th Cir. 2014) 23
JPMorgan: Hiring Princelings Becomes A Royal Pain 23

27. Overflow and Review

Final Exam (Midterm 3)