

**UNIVERSITY OF PENNSYLVANIA  
WHARTON SCHOOL  
DEPARTMENT OF LEGAL STUDIES AND BUSINESS ETHICS  
SPRING TERM 2022**

**LGST 219 SYLLABUS  
LAW AND POLICY IN INTERNATIONAL BUSINESS**

**Monday-Wednesday 1:45-3:15, JMHH F45**

**Professor: David Zaring**

**Office: 662 Jon M. Huntsman Hall**

**Office Hours: Tuesday, 1:30-3:00**

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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.

## **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 3

### 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 16

### 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 Baradan, 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 28

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 Drafting Exercise  
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)