LAW AND POLICY IN INTERNATIONAL BUSINESS

Monday-Wednesday 1:30-3:00, JMHH F92
Professor: David Zaring
Office: 662 Jon M. Huntsman Hall
Office Hours: Wednesday: 3:00-4:30
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 and international trade and investment law. No previous legal studies or Wharton classes are needed.

Instructor:

Here is my bio:

David Zaring is Associate 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 forty 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. No laptops are permitted.
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

Jan 10  Class Overview
        International Law in class exercise

Jan 17  Policing International Transactions Through Domestic Agencies
        Case: SEC v. Goldman Sachs

Jan 22  “Soft” International Law: the Case of Business and Human Rights
        The Extractive Industries Technology Initiative Standard, excerpts.
        John Ruggie, UN Guiding Principles for Business & Human Rights
        Report of the Special Representative on The Issue Of Human Rights and
        Transnational Corporations and Other Business Enterprises

Trade Institutions

Jan 24  Dispute Resolution
        WTO, The GATT Years, Settling Disputes: A Unique Contribution,
        Settling Disputes: Case Study – The Timetable In Practice
        The U.S. – Gasoline Case
        The Japan-Film Case

Jan 29  Most Favored Nation
        The Spanish Coffee Case
        The Japan-SPF Lumber Case
        The Canada-Autopact Case
Jan 31 National Treatment
WTO, *National Treatment Overview*
The *Korea Beef Case*
The *Japan Alcohol Case*

Feb 5 Exceptions: Article XX Chapeau
WTO, Article XX Overview
The *Shrimp-Turtle Case*
Summary of The *Shrimp-Turtle Compliance Case*

Feb 7 Exceptions: Article XX Health & Safety
Case: Food Fight: The US, Europe, and Trade in Hormone-Treated Beef, HKS434

Feb 12 Midterm 1

**International Financial Regulation**

Feb 14 Financial Stability: Overview & History

Feb 19 Capital Adequacy I
HBS: Bank Capital Structure: A Primer
Capital Adequacy Exercises

Feb 21 Capital Adequacy II
Basel III: An Evaluation of New Banking Regulations 910N29-PDF-ENG

Feb 26 Stress Tests
Case: Stress Tests
Stress test exercise

Feb 28 The Emerging Law of International Financial Regulation
Caroline Bradley, *Cross-Border Financial Regulation*, 10-18

March 3-11 Spring Break-No Class
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<tr>
<th>Date</th>
<th>Topic</th>
<th>Notes</th>
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<tbody>
<tr>
<td>Mar 12</td>
<td>Managers and International Financial Regulation</td>
<td>Case: Hire-Wire Act: Credit Suisse and Contingent Capital</td>
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<td>Mar 14</td>
<td>Sovereign Wealth Funds</td>
<td>Case: Sovereign Wealth Funds: Barbarians at the Gate or White Knights of Globalization</td>
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<td>In-class exercise</td>
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<td>The CityUK, <em>UK Financial and Related Professional Services: Meeting the Challenges and Delivering Opportunities</em> (August 2016), pp 21-25</td>
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<td>Mar 26</td>
<td>Midterm 2</td>
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<td>Protecting Foreign Investment</td>
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<td>2012 US Model Bilateral Investment Treaty</td>
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<td></td>
<td>The <em>Metalclad</em> Case</td>
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Apr 2  

Apr 4  
Foreign Investment: Ethics  
Case: The Octopus and the Generals: The United Fruit Company in Guatemala HBS 9-805-146

Apr 9  
Project Finance  
An Overview of Project Finance and Infrastructure Finance: 2014 Update, 214083-PDF-ENG

Apr 11  
Project Finance: Drafting – No Class, drafts due April. 18 @ 5:00 pm  
Negotiation Exercise: H2O4U v. Pluritania

Apr 16  
Sovereign Debt  

**Special Topics in the Regulation of International Business**

Apr 18  
Extraterritoriality  
Bradley, Issues In Transnational Investment in Securities  

Apr 23  
Foreign Corrupt Practices  
United States v. Esquenazi, 752 F.3d 912 (11th Cir. 2014)  
Case: Baker Hughes: Foreign Corrupt Practices  
Dow-Corning Case Supplement: FCPA Amendments Overview

Apr 25  
Last Class: Review

Final Exam: May 2