



Centre for Commercial Law Studies
Queen Mary, University of London
LLM Course

Law of Finance and Foreign Investment in Emerging Economies

Course Syllabus 2008 - 2009



**LAW OF FINANCE AND FOREIGN INVESTMENT
IN EMERGING ECONOMIES
(2008-2009)**

**International Financial Law Unit
Centre for Commercial Law Studies (CCLS), Queen Mary, London**

University of London

Venue: Derek Willoughby Lecture Theatre 2, Charterhouse Square Campus.
Time: Wednesday 12:00noon – 2:00pm
Course Lecturers: Prof. George Walker, Prof. Rosa Lastra, Dr. Gabriel Gari

What is Law of Finance and Foreign Investment in Emerging Economies (LFFIEE) about?

The course examines the legal issues concerned with development financing in emerging economies and economies in transition including development law and theory, law reform, international financial institutions and their lending facilities, trade and foreign direct investment.

Although, the discussion is not limited to a specific country, reference to various case studies and relevant jurisdictions are interspersed (such as Latin American group; Eastern European block; East Asia Experience; Africa and the Middle East).

This course does not purport to cover all legal aspects of development finance in emerging markets: subjects such as Euro-bonds, export finance, sale of goods are covered in other LL.M courses.

What are the topics covered by LFFIEE?

Law and development theories, development models, legal aspects of the agenda for development financing.

Law Reform in emerging economies and economies in transition, including the role of international financial institutions in law reform, capital markets law reform, corporate governance law reform, law reform in the area of secured transactions, central bank and commercial bank law reform and pension fund reform.

International financial institutions and development financing with particular reference to the World Bank, the International Monetary Fund and their lending facilities.

Trade and development financing, considering trade rules included in the WTO agreements and in Regional Trade Agreements such as NAFTA and MERCOSUR, and their impact on Member States' development policy autonomy.

Foreign Direct Investment and development financing with particular reference to the interests of private investors and host governments in the investment process and the national (investment codes) and international (bilateral investment treaties) rules designed to balance such interests. The settlement of international investment disputes and the role of ICSID are also considered.

In addition, there are special classes where guest speakers discuss current issues relevant to economies in transition and emerging economies such as sovereign debt restructuring, privatisation, corruption, infrastructure finance and microfinance.

Who is this course for?

Anyone concerned with development and the legal and institutional dimensions of development financing, whether you are from a developed or developing country, whether you are looking to get into practice, you have an academic interest on the subject matter or you are just curious about it.

This course should be of value not only to those representing governments and those seeking legal practice in developing countries and economies in transition but to those representing international development institutions, private banks, and law firms in industrialised countries which may become involved (directly or indirectly) in a transaction related to financing (e.g., term loan), foreign investment (e.g., joint venture agreement), or privatisation in a developing country.

No previous knowledge of financial law, development theories or specific legal practice background is required for those wishing to follow this course. It makes no difference the legal tradition you have been trained in, whether it is a common law, civil law or other legal tradition.

Who teaches LFFIEE?

Prof. George Walker (g.a.walker@qmul.ac.uk), Prof. Rosa Lastra (r.lastra@qmul.ac.uk) and Dr. Gabriel Gari (g.gari@qmul.ac.uk) will be lecturing this course. In addition, guest speakers will be invited to address specific topics in their areas of expertise. This course has traditionally hosted internationally renowned experts on development and finance issues from the World Bank, IMF, EBRD, WTO and top international law firms.

Lecturers are available to students by appointment during their office hours to discuss academic issues relating to the course. Dr Gari's office hours are Thursdays between 12:00 and 14:00, Room 2.08, Lincoln's Inn Fields Building.

How is LFFIEE taught?

The course is taught through a weekly two-hour lecture/seminar that combines presentations by the lecturer and discussions, questions and answers. You are strongly advised to prepare materials in advance and come to the lectures ready to contribute to a discussion on the basis of them. You will make the most out of the course if you have adequately studied recommended material relevant to each particular lecture. This will strengthen your understanding of the more specialist issues which normally follow later in the academic year.

How is LFFIEE assessed?

The course assessment is based on a single three-hour written paper during the regular LLM examination period. It is a closed book exam. Copies of past examinations of the course will be available on the course website. However, you should not assume that the future exams will strictly follow the structure and content of past papers.

Where and when do lectures take place?

Classes will be held on Tuesdays, 12:00-14.00 at the Derek Willoughby Lecture Theatre, Charter House Square, Barbican. While every effort is taken to ensure that all lectures take place in the dates set out below, changes may occur due to unforeseen circumstances. Special classes to receive guest speakers may be scheduled. You are advised to check the course website on webct regularly.

Relevant information relating to each lecture (timetable, reading lists, and materials) will be available on the course website in a timely manner. You are strongly advised to treat the course web site as a constant point of reference. Some hand-outs will be made available at class and the course website. Students that register for the course will receive a password. A temporary password will be available during the first weeks.

What are the course materials for LFFIE?

There is no single course text book covering the entire course. Reading lists will be provided in advance of the lectures. The following books provide legal background material but the multi-disciplinary character of the course prohibits reliance on a single book either for the purposes of understanding the course or for the purpose of examination preparation.

Arner, Douglas W, *Financial Stability, Economic Growth, and the Role of Law* (Cambridge University Press, 2007)

Sarkar, R., *Development Law and International Finance* (2edn, Kluwer Law International, 2002)

Norton, J., *Financial Sector Law Reform in Emerging Economies* (BIICL, 2000)

Other books you may find helpful include:

Treblicock, M and Daniels, Ronald J, *Rule of Law Reform and Development: Charting the Fragile Path of Progress* (Edward Elgar Publishing, 2008)

Norton, J and Paul Rogers (eds), *Law, Culture and Economic Development: A Liber Amicorum for Professor Roberto MacLean*, CBE (BIICL, 2008)

Lastra, R, *Legal Foundations of International Monetary Stability* (Oxford University Press, 2006)

Trubek, David M and Alvaro Santos (eds) *The New Law and Economic Development A Critical Appraisal* (Cambridge University Press, 2006)

Walker, G A, *International Banking Regulation – Law, Policy and Practice* (Kluwer Law, 2001)

Arner, D., & Yokoi, M (eds), *Financial Crises in the 1990s* (BIICL,2001)

Norton, J., & Attanasio, J., *A New International Financial Architecture* (BIICL, 2000)

Primary Sources

- United Nations, *Report of the International Conference on Financing for Development*, Monterrey, Mexico, 18-22 March 2002. (available at www.un.org/esa/ffd/)
- International Monetary Fund Articles of Agreement (available at www.imf.org) [Fund Articles] (1945)
- General Agreement on Tariffs and Trade (GATT) (available at www.wto.org under basic documents) (1947) as amended
- Agreement Establishing the World Trade Organisation (available at www.wto.org under basic documents) [Marrakesh Agreement] (1994)
- International Bank for Reconstruction and Development (IBRD) Articles of Agreement. (available at www.worldbank.org) [IBRD Articles] (1945)
- International Development Agency (IDA) Articles of Agreement (available at www.worldbank.org) [IDA Articles] (1960)

- International Finance Corporation (IFC) Articles of Agreement (available at www.worldbank.org) [IFC Articles]
- Convention Establishing Multilateral Investment Guarantee Agency (MIGA) (available at www.worldbank.org) [MIGA Convention] ((1988)
- The Convention on the Settlement of Investment Disputes Between States and Nationals of Other States (1966) (available at www.worldbank.org) [ICSID Basic Documents]

Principal Journals and Periodicals

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| • American Journal of International Law | AJIL |
| • Boston College International and Comparative Law Review | BCI&CLR |
| • British Yearbook of International Law | BYIL |
| • Brooklyn Journal of International Law | BJIL |
| • Columbia Law Review | CLR |
| • Dickenson Journal of International Law | DJIL |
| • Fordham International Law Journal | FILJ |
| • Harvard International Law Journal | HILJ |
| • International and Comparative Law Quarterly | ICLQ |
| • Journal of International Economic Law | JIEL |
| • Journal of Legal Economics | JLE |
| • Journal of World Trade [Formerly Journal of World Trade Law JWTL] | JWT |
| • Temple International and Comparative Law Journal | TI&CLJ |
| • Virginia Journal of International Law | VJIL |
| • The World Economy | WE |
| • Year Book of World Affairs | YBWA |
| • Yearbook of International Law Commission | YILC |

Useful Web Links

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| • The Asian Development Bank: | www.adb.org |
| • The Bank for International Settlement: | www.bis.org |
| • The European Bank for Reconstruction and Development: | www.ebrd.com |
| • The IMF: | www.imf.org |
| • The Institute for International Economics: | www.ii.com |
| • The International Organisation for Securities Commissions: | www.iosco.org |
| • The International Conference on Financing For Development: | www.un.org/esa/ffd/ |
| • The World Bank Group Site: | www.worldbank.org |
| • The WTO | www.wto.org |
| • United Nations Development Programme (UNDP): | www.undp.org |
| • UN Conference on Trade and Development (UNCTAD): | www.unctad.org |
| • Bretton Woods Project: | www.brettonwoodsproject.org |

Created as an independent initiative by a group of British non-governmental organisations (NGOs), the Bretton Woods Project scrutinises and influence the World Bank and International Monetary Fund (IMF) with special emphasis on environmental and social concerns.

**LAW OF FINANCE AND FOREIGN INVESTMENT
IN EMERGING ECONOMIES**

**SCHEDULE OF CLASSES: 2008-2009¹
DWLT, Tuesdays, 12-2pm**

<i>First Term:</i>			<i>(September 30th December 12th 2008)</i>		
Class No. 1 September 30	Introduction to Law and Development Theory	Professor George Walker, Prof Rosa Lastra and Dr Gabriel Gari			
Class Nos. 2 October 7	Investment, Finance and the Monterrey Consensus	Professor George Walker			
Class No. 3 October 14	Official Development Models Response A critical Review	Professor George Walker			
Classes No. 4 October 21	Introduction to the Role and Function of the World Bank and World Bank Group	Professor Charles Chatterjee			
Classes No. 5 October 28	Term Lending and the Project Cycle of the World Bank	Professor Charles Chatterjee			
Class No. 6 November 4	International Financial Institutions and Law Reform	Mr Gerard Sanders			
Class No. 7 November 11	Capital Markets Law Reform	Dr Gabriel Gari			
Class No 8 November 18	Corporate Governance and Law Reform	Mr Gian Piero Cigna			
Class No. 9 November 25	Legal Reform in the Area of Secured Transactions	Ms Frederique Dahan			
	Please note that this Class will take place at JR GO5				
Class No. 10 December 2	The Multilateral Trading System	Dr Gabriel Gari			
Class No. 11 December 9	Trade in Financial Services	Dr Gabriel Gari			
<i>Second Term:</i>			<i>(January 5th - March 20th 2009)</i>		
Class No. 12 January 6	Regional Integration I	Dr Gabriel Gari			
Class No. 13 January 13	International Financial Institutions: IMF Functions and Facilities	Professor Rosa Lastra			
Class No. 14 January 20	International Financial Institutions: IMF Conditionality and Institutional and Operational Reforms	Professor Rosa Lastra			
Class No. 15 Friday January 23	Pension Fund Reform. This class will take place place on <u>Friday 23 January</u> 10-12 noon in DWLT	Prof Rosa Lastra			

¹ Please note this is a tentative schedule, some changes may be introduced during the AY. Please check regularly webct for possible changes.

January 27	Regional Integration II	Dr Gabriel Gari
Class No 16 February 3	Debt Relief and Concessional Lending	Prof. Rosa Lastra
Class No. 17 February 10	Central Bank and Commercial Bank Law Reform	Prof Rosa Lastra
Class No 18 February 17	Resolving Disputes with International Financial Institutions	Mr Gerard Sanders
Class No 19 February 24	Introduction and Background to Foreign Investment	Dr Gabriel Gari
Class No 20 March 3	Foreign Investment: Substantive Issues of Protection	Mr Matthew Weiniger and Ms Joanne Greenway
Class 21 March 10	Foreign Investment: Arbitration and Investment Disputes	Mr Matthew Weiniger and Ms Joanne Greenway
Special Class March 13	Foreign Investment: Arbitration and Investment Disputes	Mr Matthew Weiniger and Ms Joanne Greenway
Class No 22 March 17	Course and Examination Review The Construction of a New Global Development Model	Professor Walker, Professor Lastra and Dr Gabriel Gari

Special classes

Mr Paatii Ofosu-Amaah, former Vice President and Corporate Secretary of the World Bank is scheduled to come to give Special Classes covering issues such as Changing Role and Function of the World Bank, Post-Tsunami and Emergency Recovery Lending, Iraq and Post-Conflict Reconstruction. Corruption and Current Developments in Investment Finance. Dates to be confirmed.

Mr Lee Buchheit, from Cleary, Gottlieb, Steen and Hamilton (New York City), is scheduled to come and teach *Special Classes on External Debt: Sovereign Debt Restructuring From Baker to Present and External Debt: The Role of International Financial Institutions in Sovereign Debt Restructuring and Relief*. Dates to be confirmed.