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 webet 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 website as a constant point of reference. Some handouts 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 multidisciplinary 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.


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

Other books you may find helpful include:

Treblcock, 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)


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

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


Primary Sources

- 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
- International Bank for Reconstruction and Development (IBRD) Articles of Agreement. (available at www.worldbank.org) [IBRD Articles] (1945)
• International Finance Corporation (IFC) Articles of Agreement (available at www.worldbank.org) [IFC Articles]
• 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

• 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

• 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.iie.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.
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SCHEDULE OF CLASSES: 2008-2009

DWLT, Tuesdays, 12-2pm

First Term: (September 30th December 12th 2008)

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

Second Term: (January 5th - March 20th 2009)

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 on Friday 23 January 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.
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<tr>
<th>Date</th>
<th>Class No</th>
<th>Topic</th>
<th>Instructor</th>
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<tr>
<td>January 27</td>
<td>16</td>
<td>Regional Integration II</td>
<td>Dr Gabriel Gari</td>
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<tr>
<td>February 3</td>
<td>17</td>
<td>Debt Relief and Concessional Lending</td>
<td>Prof. Rosa Lastra</td>
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<tr>
<td>February 10</td>
<td>18</td>
<td>Central Bank and Commercial Bank Law Reform</td>
<td>Prof Rosa Lastra</td>
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<td>February 17</td>
<td>19</td>
<td>Resolving Disputes with International Financial Institutions</td>
<td>Mr Gerard Sanders</td>
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<tr>
<td>February 24</td>
<td>20</td>
<td>Introduction and Background to Foreign Investment</td>
<td>Dr Gabriel Gari</td>
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<tr>
<td>March 3</td>
<td>21</td>
<td>Foreign Investment: Substantive Issues of Protection</td>
<td>Mr Matthew Weiniger and Ms Joanne Greenway</td>
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<td>March 10</td>
<td>22</td>
<td>Foreign Investment: Arbitration and Investment Disputes</td>
<td>Mr Matthew Weiniger and Ms Joanne Greenway</td>
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<tr>
<td>March 13</td>
<td>23</td>
<td>Foreign Investment: Arbitration and Investment Disputes</td>
<td>Mr Matthew Weiniger and Ms Joanne Greenway</td>
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<td>March 17</td>
<td>24</td>
<td>Course and Examination Review</td>
<td>Professor Walker, Professor Lastra and Dr Gabriel Gari</td>
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**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.