

**COURSE STRUCTURE**

- 1. Introduction to International Capital Markets and Investment Banking – Structure, Operation and Regulation**
  - 2. International Markets – Market Development, Parties and Documentation**
  - 3. International Loan Markets – Term Credits and the Loan Market Association (LMA) Standard Multicurrency Agreement**
  - 4. Loan Market Association – Bank Syndication and Lead Bank and Agent Bank Function**
  - 5. International Bond Market – Parties, Documentation, Issuance Procedure and Listing  
Euronotes and Commercial Paper (CP) Markets**
  - 6. International Project Finance**
  - 7. International Securitisation**
  - 8. International Structured Finance**
  - 9. International Financial Derivatives**
  - 10. International Trade Associations and Standard Documentation  
Course Review**
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## CLASS 1

**INTERNATIONAL FINANCE LAW VIDEO****1. INTRODUCTION TO INTERNATIONAL FINANCE MARKETS LAW AND PRACTICE**

The purpose of the class is to explain the general structure of the course with the teaching format and materials available on Moodle. The class will then provide a background to international banking and finance and the function of the main international financial centres, the types of business carried out as well as the main contracts and financial assets dealt with on these markets.

**2. ACTIVE LEARNING – PRE-CLASS**

Consider and be able to explain 1 or 2 of the following core Class objectives:

- (1) Explain the background and nature of international banking and finance
- (2) Outline the key events in the development of the international financial system
- (3) Examine the role and function of international financial centres
- (4) Identify the core contracts and financial assets dealt with in international finance
- (5) Explain the nature of international commercial and investment banking

**3. ACTIVE LEARNING – POST-CLASS**

Try to identify (a) 12 key Historical events to explain the origins of markets (b) the core Finance Markets and (c) the most important markets in your country and insert these on the A3 or A4 Study Template Online provided.

**4. CORE READING**

Students are recommended to read:

- (1) Prof G A Walker '[Introduction to International Financial Markets Law and Practice](#)' provided Online. The key parts of the course are specifically outline in Section 8.

**5. ADDITIONAL OPTIONAL READING**

Students may wish to refer to the following materials on an optional basis:

- (1) Prof G A Walker, '[Introduction to the City of London](#)' Online
- (2) Prof G A Walker, '[International Banking and Eurodollar Markets](#)' Online

**6. ADDITIONAL OPTIONAL EXTERNAL READING LIST**

- (1) Philip Wood, *Law and Practice of International Finance* (University Edition, Thomson Sweet & Maxwell), Chapter 1
- (2) Geoffrey Fuller, *The Law and Practice of International Capital Markets* (Lexisnexis second edition 2010), Chapters 1 and 2
- (3) Stephen Valdez and Philip Molyneaux, *An Introduction to Global Financial Markets* (Macmillan, London, 6<sup>th</sup> ed. 2010)
- (4) William Clarke, [How the City of London Works](#) (Thompson London 6<sup>th</sup> ed. 2004) [7<sup>th</sup> ed i/s Main Library](#)
- (5) Richard Roberts, *Inside International Finance* (Orion London 1999)

Students may also refer to any of the further external materials referred to in the General Reading List provided (at the end).

**CLASS 1**

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**1. INTRODUCTION TO INTERNATIONAL FINANCE MARKETS**

**1. HISTORY OF BANKING AND FINANCE**

**Banking**  
**International Finance**  
**International Trade and Merchant Finance**  
**Merchant Banking**  
**Investment Banking**

**2. INTERNATIONAL FINANCIAL SYSTEM**

**Gold Standard 1816-1933**  
**Bretton Woods 1944-1973**  
**Petrol-Dollars and the Debt Crisis 1974-1989**  
**Asian and Russian Crises 1997-1998**  
**Credit Crisis 2007-2010**

**3. INTERNATIONAL FINANCIAL CENTRES**

**International banking**  
**Investment banking**  
**International bonds**  
**Equities**  
**Foreign exchange**  
**Financial derivatives**  
**Asset management**  
**Gold bullion**  
**Insurance**  
**Marine services**

**4. INTERNATIONAL FINANCIAL MARKETS**

**5. FINANCIAL ASSETS AND INSTRUMENTS**

**Coinage and Currency**  
**Credit and Payment**  
**Public Debt**  
**Corporate Securities**  
**Risk and Investment Assets**

**6. GLOBAL INVESTMENT BANKING**

**7. INTERNATIONAL COMMERCIAL BANKING**

**8. INTERNATIONAL TRADE ASSOCIATIONS**

**9. STANDARD DOCUMENTATION**

**10. INTERNATIONAL FINANCE MARKETS OVERSIGHT AND CONTROL**

**INTERNATIONAL FINANCE LAW**

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**CLASS 2**

**CITY OF LONDON VIDEO**

**INTERNATIONAL MARKETS –**

**COFFEE HOUSE VIDEO**

**MARKET DEVELOPMENT, PARTIES AND DOCUMENTATION**

The purpose of the class is to explain the structure and operation of the international financial system with all of the principal national and international markets involved. The main banking credit and capital markets are distinguished. The role and function of each market is reviewed and their relative importance as against each other assessed.

**2. ACTIVE LEARNING – PRE-CLASS**

Consider and be able to explain 1 or 2 of the following core Class objectives:

- (1) Identify each of the core national Finance Markets and explain their role and function
- (2) Identify the principal international Finance Markets in the world and explain their role and function
- (3) Identify all of the core Financial Assets and Instruments and explain their role and function
- (4) Explain the difference between the Money, Banking and Capital markets
- (5) Explain the difference between the Financial and other Commodity and auction markets

**3. ACTIVE LEARNING – POST-CLASS**

Try to summarise the 12 most important (a) Banking & Credit markets and (b) Capital Markets and insert these on the A3 or A4 Study Template Online. Students can also try to complete the Data Figures for all of the largest markets in the world and insert these on the 6 slides provided on 'Prof G A Walker (International Markets, Money and Debt) Student Exercise' or on the A3 or A4 Study Template Online.

**4. CORE READING**

Students are recommended to read:

- (1) Prof G A Walker '[Introduction to International Financial Markets Law and Practice](#)' Section 3 provided Online with
- (2) Prof Walker's Summary Diagram of the '[International Finance System](#)' of all the core financial markets in the world provided Online.

**5. ADDITIONAL OPTIONAL READING**

Students may also wish to refer to the following materials on an optional basis:

- (1) Prof G A Walker, '[International Finance History](#)' draft Chapter 1 Online
- (2) Prof G A Walker, '[International Financial Markets](#)' draft Chapter 2 Online

**6. ADDITIONAL OPTIONAL EXTERNAL READING LIST**

Students may also refer to any of the further external materials referred to in the General Reading List provided (at the end).

## INTERNATIONAL FINANCE LAW

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### CLASS 3

#### 1. INTERNATIONAL LOAN FINANCE

The purpose of the class is to explain the nature and structure of the international loan markets, or Eurodollar markets, which principally consist of the syndicated loan market. This includes historical background, types of loan facilities available, loan structures, issue procedure, syndication, loan conditions and obligations, loan default and remedies and loan restructuring. The principal sets of documentation provision are distinguished in terms of Financial, Obligations (including Conditions Precedent (CPs), Representations & Warranties (Reps) and Covenants (Covs)) and Default measures. Different types of loan transfer are distinguished including Assignment (Legal and Equitable), Novation, Participation (and sub-participation), Risk Participation and Securitisation.

#### 2. ACTIVE LEARNING – PRE-CLASS

Consider and be able to explain 1 or 2 of the following core Class objectives:

- (1) Outline the origins and background to the development of Loan Finance markets
- (2) Explain the basic purpose and value of a Term Loan Agreement
- (3) Explain the nature and value of Loan Syndication
- (4) Outline the structure of a core Term Loan and documentation used
- (5) Explain the main forums of loan transfer

#### 3. ACTIVE LEARNING – POST-CLASS

Try to identify and list all of the possible uses of a Term Loan arrangement and all the agreements that you have signed and entered into containing these provisions (such as bank accounts and student loan documentation) and insert these on the A3 or A4 Study Template Online.

#### 3. CORE READING

Students are recommended to read:

- (1) Prof G A Walker '[International Loan Finance](#)' Online.
- (2) Prof G A Walker '[International Loan Finance](#)' Summary Diagram Online.

#### 4. ADDITIONAL OPTIONAL READING

Students may also wish to refer to the following materials on an optional basis:

- (1) Philip Wood, *Law and Practice of International Finance* (University Edition, Thomson Sweet & Maxwell), Chapter 7, 8, 9 and 10
- (2) Andrew McKnight, *International Finance Law* (OUP Oxford 2008), Chapter 3
- (3) Andrew Haynes, *The Law Relating to International Banking* (Bloomsbury Professional 2010), Chapters 4, 5 and 6

#### 5. ADDITIONAL OPTIONAL EXTERNAL READING LIST

Students may also refer to any of the further external materials referred to in the General Reading List provided (at the end).

**CLASS 3**

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**3. INTERNATIONAL LOAN FINANCE**

**1. EURO LOAN MARKET**

**2. LOAN FACILITIES**

**Euro Loans**

**Multi-Purpose and Multi-Currency Facilities**

**Term and Revolving Facilities**

**Credit Lines**

**Title Finance**

**Project Finance**

**Property Finance**

**Acquisition Finance**

**Asset Backed Finance or Securitisation**

**Subordinated Debt**

**3. LOAN STRUCTURES**

**Principal**

**Term**

**Interest**

**Repayment**

**Obligations**

**4. ISSUE PROCEDURE**

**5. SYNDICATION**

**6. LEAD BANK AND AGENT BANK LIABILITY**

**7. LOAN CONDITIONS AND OBLIGATIONS**

**Conditions Precedent**

**Representations and Warranties**

**Covenants**

**8. LOAN DEFAULT**

**9. DEFAULT REMEDIES**

**10. LOAN TRANSFERS**

**Assignment**

**Novation**

**Participation**

**Risk Participation**

**Securitisation**

**11. LOAN RESTRUCTURING**

**12. CLOSE**

## INTERNATIONAL FINANCE LAW

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### CLASS 4

#### 1. LOAN MARKET ASSOCIATION (LMA)

The purpose of the class is to examine the documentation used in professional practice in the loan and syndicated loan area. This principally consists of the Loan Market Association (LMA) Standard Multicurrency Term Loan which forms the basis for a substantial part of the international loan market. Students are expected to work through the standard agreement and become familiar with all of its key terms. International finance markets are controlled through private internal documentation rather than external official regulation. The key documentation is produced by the law firms appointed by the major Trade Associations which made up of the largest financial firms in each market.

#### 2. ACTIVE LEARNING – PRE-CLASS

Consider and be able to explain 1 or 2 of the following core Class objectives:

- (1) Explain the basic structure and content of the LMA standard term loan agreement
- (2) Identify and explain the content and purpose of the core Financial provisions
- (3) Identify and explain the content and purpose of the core Obligations
- (4) Identify and explain the content and purpose of the principal Default provisions
- (5) Identify and explain the means through which loans may be transferred in secondary markets

#### 3. ACTIVE LEARNING – POST-CLASS

Try to identify the 24 most important provisions within the LMA standard Multicurrency term Loan Agreement and insert these on the A3 or A4 Study Template Online. Students should also try to incorporate as much additional detail as possible onto the standard 'Summary Term Loan Template' provided Online to assist them understand all of the key terms and how they interrelate and operate together.

#### 3. CORE READING

- (1) Students should familiarise themselves with the LMA '[Standard Multicurrency Term Loan Agreement](#)' Online
- (2) Students are recommended to use the '[Standard Summary Term Template](#)' Online which explains the structure and key terms within the LMA standard documentation and reduces the 100 page Agreement to 1 page (front and back).

#### 4. ADDITIONAL OPTIONAL READING

Students may also wish to refer to the following materials on an optional basis:

- (1) Philip Wood, *Law and Practice of International Finance* (University Edition, Thomson Sweet & Maxwell), Chapter 7, 8, 9 and 10
- (2) Andrew McKnight, *International Finance Law* (OUP Oxford 2008), Chapter 3
- (3) Andrew Haynes, *The Law Relating to International Banking* (Bloomsbury Professional 2010), Chapters 4, 5 and 6

#### 5. ADDITIONAL OPTIONAL EXTERNAL READING LIST

Students may also refer to any of the further external materials referred to in the General Reading List provided (at the end).

**CLASS 4**

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**LOAN MARKET ASSOCIATION  
FACILITY AGREEMENT**

**G A WALKER**

- 1. DEFINITIONS AND INTERPRETATION**
- 2. THE FACILITIES**
- 3. PURPOSE**
- 4. CONDITIONS OF UTILISATION**
- 5. UTILISATION**
- 6. OPTIONAL CURRENCIES**
- 7. REPAYMENT**
- 8. PREPAYMENT AND CANCELLATION**
- 9. INTEREST**
- 10. INTEREST PERIODS**
- 11. CHANGES TO CALCUALTION OF INTEREST**
- 12. FEES**
- 13. TAX GROSS UP AND INDEMNITIES**
- 14. INCREASED COSTS**
- 15. OTHER INDEMNITIES**
- 16. MITIGATION BY LENDERS**
- 17. COSTS AND EXPENSES**
- 18. GUARANTEE AND INDEMNITY**
- 19. REPRESENTATIONS**
- 20. INFORMATION UNDERTAKINGS**
- 21. FINANCIAL COVENANTS**
- 22. GENERAL UNDERTAKINGS**
- 23. EVENTS OF DEFAULT**
- 24. CHANGES TO LENDERS**
- 25. CHANGES TO OBLIGORS**
- 26. ROLE OF AGENT AND ARRANGER**



- 27. CONDUCT OF BUSINESS BY THE FINANCE PARTIES
- 28. SHARING AMONG THE FINANCE PARTIES
- 29. PAYMENT MECHANICS
- 30. SET-OFF
- 31. NOTICES
- 32. CALCULATIONS AND CERTIFICATES
- 33. PARTIAL INVALIDITY
- 34. REMEDIES AND WAIVERS
- 35. AMENDMENTS AND WAIVERS
- 36. COUNTERPARTS
- 37. GOVERNING LAW
- 38. ENFORCEMENT

SCHEDULE 1 ORIGINAL PARTIES ORIGINAL OBLIGORS  
ORIGINAL LENDERS - OTHER UK NON-BANK  
LENDERS  
ORIGINAL LENDERS – UK NON-BANK LENDERS

SCHEDULE 2 CONDITIONS PRECEDENT INITIAL UTILISATION  
ADDITIONAL OBLIGOR

SCHEDULE 3 REQUESTS UTILISATION REQUEST  
SELECTION NOTICE

SCHEDULE 4 MANDATORY COST FORMULA

SCHEDULE 5 FORM OF TRANSFER CERTIFICATE NOVATION  
ASSIGNMENT

SCHEDULE 6 FORM OF ACCESSION LETTER

SCHEDULE 7 FORM OF RESIGNATION LETTER

SCHEDULE 8 FORM OF COMPLIANCE CERTIFICATE

SCHEDULE 9 EXISTING SECURITY

SCHEDULE 10 LMA FORM OF CONFIDENTIALITY UNDERTAKING

SCHEDULE 11 TIMETABLES

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## INTERNATIONAL FINANCE LAW

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### CLASS 5

#### 1. INTERNATIONAL BOND, NOTE AND COMMERCIAL PAPER FINANCE

The purpose of the class is to examine the nature and operation of the international bond market including government and corporate bonds. The structure of a typical bond transaction is outlined and standard issuance procedure explained. Other key issues are considered including bond negotiability and clearing with the different types of bonds available in practice. Shorter duration Euro Notes and less than one year Commercial Paper programmes are also distinguished. Reference is made to the issue of Lead Bank and Agent bank LIABILITY which arises with regard to loan transactions in class 3 and bond markets in class 5.

#### 2. ACTIVE LEARNING – PRE-CLASS

Consider and be able to explain 1 or 2 of the following core Class objectives:

- (1) Explain the nature and background to the Eurobond markets
- (2) Identify the role and function of the key parties involved in each transaction
- (3) Examine the principal documentation used
- (4) Identify specific types of bond including shorter term instruments
- (5) Explain the party liability issues that have to be taken into consideration

#### 3. ACTIVE LEARNING – POST-CLASS

Students should try to make a list of all of the different possible types of Bonds, Notes and Commercial Paper facilities available and list all of the different types of short form acronyms and abbreviations used and insert these on the A3 or A4 Study Template Online. Students can also try to summarise the 25 key points of Party Liability, Duty, Limitation, Exclusion & Remedy and insert these on the A3 or A4 Study Template Online.

#### 4. CORE READING

Students are recommended to read:

- (1) Prof G A Walker '[International Bond Finance](#)' Online
- (2) Prof G A Walker '[International Bond Finance Timeline](#)' Online
- (3) Prof G A Walker '[Party Liability](#)' provided Online

#### 5. ADDITIONAL OPTIONAL READING

Students may also wish to refer to the following materials on an optional basis:

- (1) Philip Wood, *Law and Practice of International Finance* (University Edition, Thomson Sweet & Maxwell), Chapters 11 and 12
- (2) Andrew McKnight, *International Finance Law* (OUP Oxford 2008), Chapter 10
- (3) Andrew Haynes, *The Law Relating to International Banking* (Bloomsbury Professional 2010), Chapter 7

#### 6. ADDITIONAL OPTIONAL EXTERNAL READING LIST

Students may also refer to any of the further external materials referred to in the General Reading List provided (at the end).

**CLASS 5.1**

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**3. INTERNATIONAL BOND FINANCE**

**1. BOND MARKETS**

**2. BOND STRUCTURES**

**Amount, Term and Interest Payment  
Form  
Parties  
Documentation  
Ancillary and Additional Provisions**

**3. BOND ISSUANCE**

**Mandate  
Launch Date  
Documentation  
Terms  
Signing  
Dealing and Stabilisation  
Allotment  
Trust Deed  
Listing  
Closing  
Definitive Bonds  
Global Bonds and Securities**

**4. BOND NEGOTIABILITY**

**5. BOND CLEARING**

**6. EURO BONDS**

**Plain Vanilla and Variable Bonds  
Floating Rate Notes (FRNs)  
Perpetuals  
Warrants  
Equity Linked Bonds  
Euro Medium Term Notes (MTNs)  
Euronotes  
Euro Commercial Paper (ECP)  
Certificates of Deposit (CDs)  
Multi Option Funding Facility (MOFF)**

**7. BOND STRUCTURES AND CORPORATE BONDS**

**8. LEAD BANK AND AGENT BANK LIABILITY**

CLASS 5.2

LEAD BANK AND AGENT BANK LIABILITY

G A WALKER

- (1) **LIABILITY** *Re Colocotronis Tanker Securities Litigation* [1976]
- (a) **Common Law Misrepresentation** *s2(1) Misrepresentation Act 1967*
  - (b) **Statutory Misrepresentation and Deceit** *s19 Theft Act 1968*
  - (c) **Agency Liability**
  - (d) **Fiduciary Duties** (FSMA 2000 ss 19,20,21)
  - (e) **Regulatory Liability**
    - (a) *Authorisation, Permission & Promotion*
    - (b) *Listing & False or Misleading Particulars*
    - (c) *Damages (s 138D FSMA as amended)*
    - (d) *Market Abuse (s 118)*
    - (e) *Misleading Statements & Impressions*
- (2) **LIMITED DUTY**
- (a) **No Duty** (former s 397 FSMA)(ss 89, 90 FSA 2012)
  - (b) **Information Supply**
  - (c) **Own Credit Assessment**
  - (d) **No Reliance**
  - (e) **No Fiduciary Duty**

- (3) **LIMITED LIABILITY**
- (a) **Exclusion**
  - (b) **Set-Off**
  - (c) **Estoppel**
  - (d) **Indemnity**
  - (e) **Contributory Negligence** *Law Reform (Contributory Negligence) Act 1945*

- (4) **EXCLUDING LIABILITY**
- (a) **Construction** *Contra Proferentem*
  - (b) **No Application**
    - (a) **Fraud or Fraudulent Misrepresentation**
    - (b) **Criminal Liability**
    - (c) **Statutory Liability**
    - (d) **Clause Misrepresented**
    - (e) **Separate Oral Warranty**
  - (c) **Statutory Terms**
    - (a) **Consumer Contracts Regulations 1999**
    - (b) **Unfair Contract Terms Act 1977**
    - (c) **Negligence** s 1(1) UCTA
    - (d) **Reasonableness** s 11(1) and Sch 2
    - (e) **Misrepresentation** s 3 MA 1967 (s 8 UCTA)

<i>Re Colocotronis Tanker Securities Litigation</i>	1976	
<i>JP Morgan Chase Bank v Springwell Navigation Corporation</i>	2008	&
2010		
<i>IFE Funds SA v Goldman Sachs International</i>	2007	
<i>Peekay Intermark Ltd v Australia &amp; New Zealand Banking Corporation</i>	2006	
<i>Deepak Fertilisers v ICI; Bankers Trust International Plc v P T Dharmala</i>	1996	
<i>Abu Dhabi Commercial Bank v. Morgan Stanley &amp; Co.</i> , 651 F.Supp.2d 155, 170		
		(S.D.N.Y. 2009)

- (5) **REMEDIES**
- (a) **Suspension or Withholding Further Advance**
  - (b) **Cancellation of Obligation to Lend under the Facility**
  - (c) **Acceleration of Repayment**
  - (d) **Rescission of the Loan Documentation**
  - (e) **Damages for Breach of Contract or Tort**

## INTERNATIONAL FINANCE LAW

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### CLASS 6

#### 1. INTERNATIONAL PROJECT FINANCE

The purpose of the class is to examine the nature and operation of the International Project Finance market including the main parties and content of the principal documentation involved. The historical background to the market is explained and relative advantages and disadvantages assessed. A typical project finance structure is examined and the role and function of each of the parties outlined. The principal documentation used is considered in further detail. Separate legal and negotiation issues are outlined.

#### 2. ACTIVE LEARNING – PRE-CLASS

Consider and be able to explain 1 or 2 of the following core Class objectives:

- (1) Explain the origin, background and development of the International Project Finance market
- (2) Identify the main advantages and disadvantages of Project Finance
- (3) Explain the role and function of each of the parties concerned and of the Special Purpose Vehicle (SPV)
- (4) Identify all the principal documents used in practice
- (5) Explain the additional legal or negotiation issues that arise in practice

#### 3. ACTIVE LEARNING – POST-CLASS

Try to make a list of all of the possible uses of Project Finance in building, manufacture, infrastructure, service and IT projects at the national and international levels and insert these on the A3 or A4 Study Template Online. Students can also try to summarise Project Finance Law and the core Documentation used in practice and insert these on the A3 or A4 Study Template Online.

#### 4. CORE READING

Students are recommended to read:

- (1) Prof G A Walker '[International Project Finance](#)' Online
- (2) Prof G A Walker '[International Project Finance Transaction Structure](#)' Online

#### 5. ADDITIONAL OPTIONAL READING

Students may also wish to refer to the following materials on an optional basis:

- (1) Philip Wood, *Law and Practice of International Finance* (University Edition, Thomson Sweet & Maxwell), Chapter 13
- (2) Andrew McKnight, *International Finance Law* (OUP Oxford 2008), Chapter 13

#### 6. ADDITIONAL OPTIONAL EXTERNAL READING LIST

Students may also refer to any of the further external materials referred to in the General Reading List provided (at the end).

**CLASS 6**

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**6. INTERNATIONAL PROJECT FINANCE**

**1. MARKET DEVELOPMENT**

**Greece and Rome  
Railway and Canal Construction  
North Sea Oil Exploration 1970s  
Infrastructure Construction 1980s  
New Infrastructure Financing**

**2. PROJECT FINANCE ADVANTAGE**

**3. PROJECT FINANCE DISADVANTAGE**

**4. PROJECT FINANCE STRUCTURE**

**Project concession, SPV and single purpose asset  
Limited Recourse Financing  
Extended Project Cycle  
Risk Assessment and Allocation  
Contractual Integrity**

**5. PROJECT FINANCE PARTIES**

**Project Vehicle  
Sponsors, Shareholders and Private Equity Contributors  
Host Government  
Project Banks  
Project Contractor  
Project Manager and Operator  
Project Suppliers and Purchasers  
Project Advisors and Experts  
Project Insurers  
Multilateral or Development Banks  
Export Credit Agencies  
Other Project Parties**

**6. PROJECT FINANCE DOCUMENTATION**

**Sponsor Documentation  
Project Company Documentation  
Project Documentation  
Financial Documentation  
Security, Insurance and Credit Support**

**7. LEGAL AND NEGOTIATION ISSUES**

**8. CLOSE**

## INTERNATIONAL FINANCE LAW

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### CLASS 7

#### 1. INTERNATIONAL SECURITISATION FINANCE

The purpose of the class is to examine structure and operation of the International Securitisation market. The historical development of the market is reviewed. The key components within a securitisation transaction are identified and explained. Relative advantages and disadvantages assessed in terms of function and value. The role and function of each of the parties involved are outlined. The principal documentation used is considered in further detail. The main legal and negotiation issues that arise in practice are examined.

#### 2. ACTIVE LEARNING – PRE-CLASS

Consider and be able to explain 1 or 2 of the following core Class objectives:

- (1) Explain the origin, background and nature of the International Securitisation market
- (2) Identify the core structures and key components involved including the role and function of the Special Purpose Vehicle (SPV)
- (3) Identify the key parties involved in each transaction and the role and function
- (4) Examine the core documentation used in each transaction
- (5) Identify key legal and negotiation issues that arise in practice

#### 3. ACTIVE LEARNING – POST-CLASS

Try to make a list of all of the possible uses of Securitisation and all of the different types of assets that may be pooled to form the basis for a securitisation structure and insert these on the A3 or A4 Study Template Online. Students can also try to identify all of the different types of transactions that may be 'Re-characterised' by the court into other legal transactions having regard to the core content and principal legal rights and obligations involved and insert these on the A3 or A4 Study Template Online with the other core negotiation issues that arise in practice.

#### 4. CORE READING

Students are recommended to read:

- (1) Prof G A Walker '[International Securitisation](#)' Online
- (2) Prof G A Walker '[International Securitisation Transaction Structure](#)' Online

#### 5. ADDITIONAL OPTIONAL READING

Students may also wish to refer to the following materials on an optional basis:

- (1) Philip Wood, *Law and Practice of International Finance* (University Edition, Thomson Sweet & Maxwell), Chapters 28 and 29
- (2) Andrew McKnight, *International Finance Law* (OUP Oxford 2008), Chapter 12
- (3) Andrew Haynes, *The Law Relating to International Banking* (Bloomsbury Professional 2010), Chapter 8

#### 6. ADDITIONAL OPTIONAL EXTERNAL READING LIST

Students may also refer to any of the further external materials referred to in the General Reading List provided (at the end).

**CLASS 7**

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**7. INTERNATIONAL SECURITISATION FINANCE**

- 1. SECURITISATION MARKET DEVELOPMENT**
- 2. SECURITISATION STRUCTURES**

- Asset Transfer**
- SPV Funding**
- Servicing and Profit Extraction**
- Collateral**
- Credit Enhancement**

- 3. SECURITISATION ECONOMIC FUNCTION AND VALUE**
- 4. SECURITISATION PARTIES**
- 5. SECURITISATION DOCUMENTATION**

- SPV Establishment**
- Transfer Agreement**
- Funding Agreements**
- Enhancement**
- Security Trust Deed**

- 6. SECURITISATION LEGAL AND DOCUMENTATION ISSUES**

- Assignment and Transfer**
- Re-characterisation**
- Bankruptcy Remote**
- Matching**
- Profit Extraction**
- Enhancement and Collateral**
- Ratings**
- Accountancy**
- Taxation**
- Capital Adequacy**
- Security Offerings**
- Financial Crisis**

- 7. Are SECURITISATION MARKET EVOLUTION**

**8. STRUCTURED FINANCE MARKET**



## INTERNATIONAL FINANCE LAW

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### CLASS 8

#### 1. INTERNATIONAL STRUCTURED FINANCE

The purpose of the class is to examine structure and operation of the International Structured Finance market. The key distinction with securitisation is that securitisation involves the pooling of underlying bank or credit assets with structured finance the pooling of securitisations or other securities to create a form of secondary or re-securitisation. The development and historical background to market is outlined and main parties and counterparties in the market identified. Repackaging and Rescheduling are also considered and distinguished. Key parts of the market are examined in further detail including with regard to Collateralised Debt Obligations (CDOs), Credit Linked Notes (CLNs) and Credit Derivatives. The nature of Synthetic structures is explained. The use and function of separate Conduits and Structured Investment Vehicles (SIVs) is noted.

#### 2. ACTIVE LEARNING – PRE-CLASS

Consider and be able to explain 1 or 2 of the following core Class objectives:

- (1) Explain the origin, background the nature of the International Securitisation market
- (2) Explain the difference between Securitisation (of underlying credit assets) and Structured or secondary Finance (of securitised structures or securities)
- (3) Explain the role and function of the multiple Special Purpose Vehicles (SPVs) involved in Structured Finance
- (4) Explain the nature of Synthetic finance using financial derivatives
- (5) Identify all of the different types of Collateralised Debt Obligation (CDOs), Credit Linked Notes (CLNs) and Credit Derivative structures that may be used in practice

#### 3. ACTIVE LEARNING – POST-CLASS

Try to identify 12 core types of Structured Finance transaction and insert these on the A3 or A4 Study Template Online. Students can also try to identify how the market has developed over the period since the Global Financial Crisis.

#### 4. CORE READING

Students are recommended to read:

- (1) Prof G A Walker '[Structured Finance](#)' Online.
- (2) Prof G A Walker '[Structured Finance Transaction Structure](#)' Online.

#### 5. ADDITIONAL OPTIONAL READING

Students may also wish to refer to the following materials on an optional basis:

- (1) Philip Wood, *Law and Practice of International Finance* (University Edition, Thomson Sweet & Maxwell), Chapters 28 and 29
- (2) Andrew McKnight, *International Finance Law* (OUP Oxford 2008), Chapter 12
- (3) Andrew Haynes, *The Law Relating to International Banking* (Bloomsbury Professional 2010), Chapter 8

#### 6. ADDITIONAL OPTIONAL EXTERNAL READING LIST

Students may also refer to any of the further external materials referred to in the General Reading List provided (at the end).

**CLASS 8**

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**8. STRUCTURED FINANCE**

**1. STRUCTURED FINANCE MARKET**

**2. PARTIES AND MARKET ADVANTAGE**

- (1) Issuers
- (2) Investors
- (3) Financial Intermediaries
- (4) Arbitrageurs

**3. REPACKAGING**

**4. COLLATERALISED DEBT OBLIGATIONS (CDOs)**

- (a) Differing Asset Pool CDOs
  - (i) Collateralised swap obligations (CSOs);
  - (ii) Asset-backed security CDO;
  - (iii) Collateralised fund obligations (CMOs);
  - (iv) Collateralised equity obligations (CEOs);
  - (v) CDO squared or CDO cubed CDOs.
- (b) Arbitrage and Balance Sheet CDOs
- (c) Cash and Synthetic CDOs
- (d) Static and Managed CDOs
- (e) Cash Flow and Market Value CDOs
- (f) Single Tranche CDOs

**5. CREDIT LINKED NOTES (CLNs)**

- (1) Credit Linked Structured Notes
  - (a) Total return swap linked notes;
  - (b) Credit spread linked notes; and
  - (c) Credit default linked notes.
- (2) Repackaged Credit Linked Notes
- (3) Collateralised Debt Obligations (CDOs) or Credit Portfolio Securitisation

**6. CREDIT DERIVATIVES**

- (1) Total Return Swaps (TRSs)
- (2) Credit Spread Swaps (CSSs)
- (3) Credit Default Swaps (CDSs)
- (4) Structured Credit Products
- (5) Collateralised Debt Obligations (CDOs) and Credit-Linked Notes (CLNs)

**7. STRUCTURED INVESTMENT VEHICLES (SIVs)**

**8. STRUCTURED FINANCE CLOSE**

## INTERNATIONAL FINANCE LAW

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### CLASS 9

#### 1. INTERNATIONAL FINANCIAL DERIVATIVES

The purpose of the class is to examine the nature and background of the international Financial Derivatives market. The key different types of derivatives are identified and their uses explained with Swaps, Futures, Options, Hybrids and Credit Derivatives. The distinction between Exchange Traded and OTC markets is noted and importance of market size and concentration explained. The main risks involved are referred to. The regulatory treatment of financial derivatives is reviewed. The background to the development of standard documentation in the UK with the British Bankers Association (BBA) and internationally through the International Swaps and Derivatives association (ISDA) is outlined. The content of the principal ISDA 2002 Master Agreement is considered in further detail including the different types of netting and set-off involved.

#### 2. ACTIVE LEARNING – PRE-CLASS

Consider and be able to explain 1 or 2 of the following core Class objectives:

- (1) Explain the nature of the principal Financial Derivatives contracts used in practice
- (2) Identify the key issues that arise from a market and regulatory perspective
- (3) Explain how financial derivative contracts are treated for regulatory purposes
- (4) Explain the content of the principal standard documentation used in practice
- (5) Explain the difference different types of Netting involved (Continuous or Payment and Close-out) and the difference between Netting and Set-Off

#### 3. ACTIVE LEARNING – POST-CLASS

Try to identify all the different types of financial derivatives transactions involved with their relative sizes and insert these on the A3 or A4 Study Template Online. Students can also try to identify the core provisions within the ISDA 2002 Master Agreement and insert these on the A3 or A4 Study Template Online.

#### 4. CORE READING

Students are recommended to read:

- (1) Prof G A Walker '[International Financial Derivatives](#)' Online
- (2) Prof G A Walker '[International Financial Derivatives Transaction Structure](#)' Online

#### 5. ADDITIONAL OPTIONAL READING

Students may also wish to refer to the following materials on an optional basis:

- (1) Philip Wood, *Law and Practice of International Finance* (University Edition, Thomson Sweet & Maxwell), Chapters 26 and 27
- (2) Andrew McKnight, *International Finance Law* (OUP Oxford 2008), Chapter 11
- (3) Andrew Haynes, *The Law Relating to International Banking* (Bloomsbury Professional 2010), Chapter 9

#### 6. ADDITIONAL OPTIONAL EXTERNAL READING LIST

Students may also refer to any of the further external materials referred to in the General Reading List provided (at the end).

### CLASS 9

**9. INTERNATIONAL FINANCIAL DERIVATIVES**

**1. FINANCIAL DERIVATIVES**

**Swaps  
Futures  
Options  
Swaptions and Hybrids/New Products  
Credit Derivatives**

**2. EXCHANGE TRADED AND OTC DERIVATIVES**

**3. MARKET SIZE**

**4. MARKET CONCENTRATION**

**5. UK FINANCIAL SERVICES AND MARKETS ACT**

**6. FSA HANDBOOK OF RULES AND GUIDANCE**

**7. REGULATION OF DERIVATIVES RELATED ACTIVITIES**

**Definitions**

**Conduct of Business (COB) [Internal Control Systems]**

**Conduct of Business**

**8. EXCHANGE TRADED DERIVATIVES AND LIFFE**

**9. THE LONDON CODE OF CONDUCT**

**10. FSA INTER-PROFESSIONAL CODE OF CONDUCT**

**11. STANDARD DOCUMENTATION IN THE OTC MARKET**

**BBRIARS**

**ISDA**

**12. INTERNATIONAL REGULATORY DEVELOPMENTS**

**Bank for International Settlements**

**G30 Global Derivatives Report**

**Basel Committee**

**Basel Committee and Technical Committee of IOSCO**

**International Securities Organisations**

**Bank of England**

## INTERNATIONAL FINANCE LAW

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### CLASS 10

#### 1. INTERNATIONAL FINANCE MARKET REGULATION

The purpose of the class is to examine the extent to which international finance markets are regulated or unregulated and the residual forms of oversight and control and high-level regulatory or ethical standards that apply in practice. The international finance markets are too large to be regulated by a single agency or country with it being impossible to adopt a treaty based framework. They are consequently essentially managed on a self-regulatory basis using standard private law documentation and a combination of high-level regulatory principles and other market codes and professional ethical standards.

#### 2. ACTIVE LEARNING – PRE-CLASS

Consider and be able to explain 1 or 2 of the following core Class objectives:

- (1) Identify and explain the role and function of each of the principal private International Trade Associations in the international finance area (including the LMA, ICMA and ISDA)
- (3) Identify the extent to which International Finance activities are subject to direct financial regulation (such as under the UK FSMA 2000 and Regulated Activities Order (RAO) 2001 as amended) and identify the specific range of activities that may fall outside direct regulation
- (3) Explain the content, role and function of the earlier Non-Investment Products (NIP) Code that was issued through the Bank of England
- (4) Identify the three principal new market Codes that have since replaced the earlier NIP Code in the Money Market, Foreign Exchange and Metals areas
- (5) Identify the other general regulatory principles or other professional standards that may apply in the regulation of market conduct in the international finance area

#### 3. ACTIVE LEARNING – POST-CLASS

Try to identify the most important Trade Associations and standard documentation used and insert these on the A3 or A4 Study Template Online. Students can also try to list the 11 FCA High Level Principles for Businesses and any other sets of regulatory or professional standards that apply in international finance and insert these on the Study Template.

#### 3. CORE READING

- (1) Students are recommended to refer Prof G A Walker '[International Finance Market Regulation Presentation](#)' (Slides 6-11) Online
- (2) Students are recommended to read Prof G A Walker '[Market and Exchange Regulation](#)' in Walker (et al) *Financial Markets and Exchanges Law* (FMEL) (OUP 3rd 2020) ch 2 (paras 2.114-2.118) Online
- (3) Prof G A Walker, '[Financial Ethics](#)' (extract) Online.

Students should familiarise themselves with the following websites and documentation

<https://www.lma.eu.com/>      <https://www.icmagroup.org/>      <https://www.isda.org/>  
<https://www.bankofengland.co.uk/-/media/boe/files/markets/money-markets-committee/uk-money-markets-code>      [https://www.globalfx.org/docs/fx\\_global.pdf](https://www.globalfx.org/docs/fx_global.pdf)  
<http://www.lbma.org.uk/downloads/PMC2018.pdf>

## INTERNATIONAL FINANCE LAW

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### RECOMMENDED READING

A McKnight, S Paterson and R Zakrzewski, *The Law of International Finance* (OUP Oxford 2017)

Philip Wood's *Law and Practice of International Finance* (Sweet & Maxwell 2019)

Philip Wood, *Law and Practice of International Finance* (University Edition, Thomson Sweet & Maxwell 2008)

### INTRODUCTORY TEXTS

Stephen Valdez, *An Introduction to Global Financial Markets* (Macmillan, London, 8<sup>th</sup> ed. 2015) - [6<sup>th</sup> ed i/s Main Library](#) / [7<sup>th</sup> ed i/s Main Library](#) / [8<sup>th</sup> ed in stock main Library](#)

William Clarke, [How the City of London Works](#) (Thompson London 6<sup>th</sup> ed. 2004) [7<sup>th</sup> ed i/s Main Library](#)

Richard Roberts, [Inside International Finance](#) (Orion London 1999)

### ALTERNATIVE BASIC TEXTS

Andrew McKnight, *International Finance Law* (OUP Oxford 2008)

Geoffrey Fuller, *The Law and Practice of International Capital Markets* (Lexisnexis third edition 2012)

Andrew Haynes, *The Law Relating to International Banking* (Bloomsbury Professional 2<sup>nd</sup> 2018)

### SUPPLEMENTAL REGULATORY READING LIST BOOKS I STRICTLY OPTIONAL

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

G A Walker, [European Banking Law – Policy and Programme Construction](#) (BIICCL, 2006)

M. Blair, G A Walker (*et al*), [Financial Services Law](#) (Oxford University Press, 2ed 2009)

M. Blair, G A Walker (*et al*), [Financial Markets and Exchanges Law](#) (Oxford University Press, 2006) [2<sup>nd</sup> ed i/s Main Library](#)

M. Blair, G A Walker (*et al*), [Guide to the Financial Services and Markets Act](#) (Blackstones, 2000)

W Blair, G A Walker (*et al*), [Banking and Financial Services Regulation](#) (Butterworths, 3<sup>rd</sup> ed, 2002)

W. Blair and G A Walker (*et al*), [Encyclopedia of Banking Law](#) (Butterworths, 5 Vols, Looseleaf)

M. Blair and G A Walker (*et al*), *Financial Services Regulation* (Butterworths, 5 Vols, Looseleaf) – Not in stock Main Library

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Students can always refer to *The New Palgrave Dictionary of Money and Finance* (Macmillan Press London 1992) for shorter articles on specific subjects.

**SUPPLEMENTAL READING LIST BOOKS II**

**STRICTLY OPTIONAL**

**J Dalhuisen, *Dalhuisen on International Commercial, Financial and Trade Law* (2001)**

**F Graaf, *Euromarket Finance: Issues of Euromarket Securities and Syndicated Eurocurrency Loan* (1991)**

**G Penn, A Shea, and A Arora, *Law and Practice of International Banking* (1987)**

**A Hudson, *Finance Law* (2009)**

**G Roberts, *Law Relating to International Banking* (1997)**

**R C Tennekoon, *The Law and Regulation of International Finance* (2005)**

**J R Lingard, *Tolley's Commercial Loan Agreement*(1990)**

**JJ Norton and TW Conner. (eds), *Commercial Loan Documentation Guide* (1988) [US only]**

**Stephen Valdez and Philip Molyneaux, *An Introduction to Global Financial Markets* (Macmillan, London, 6<sup>th</sup> ed. 2010)**

**William Clarke, *How the City of London Works* (Thompson London 7<sup>th</sup> ed. 2008)**

**SUPPLEMENTAL READING LIST BOOKS III**

**STRICTLY OPTIONAL**

**Additional Background References**

**Buchheit, L.C., *How to Negotiate the LIBOR Definition* (*International Financial Law Review* (June 1993) – off campus requires GUID**

**Buchheit, L.C., *Introduction to Eurocurrency Loan Agreements*, *International Financial Law Review* (Oct. 1992) – off campus requires GUID**

**Cranston, R., *Principles of Banking Law* (2nd ed., 2002 and esp Ch. 4-5)**

**Ellinger, E. P., Lomnicka E., Hooley R.J.A., *Modern Banking Law* (3rd ed., 2002 and esp Part III)**

**Norton, J.J. and Paperback, R., *International Finance in the 1990s* (1993)**

**Penn, G. & Haynes, A., *Law and Practice of International Banking* (new edition 2004) – Not in stock Main Library and Out of Print**

**Scott, H. and Walloons, P., *International Finance, Casebook* (9th ed., 2002) – Not in stock Main Library and Out of Print**

**Attanasio, J.B. and Norton, J.J. (eds.), *A New International Financial Architecture: A Viable Approach* (2001) – Not in stock Main Library and Out of Print**

**Pettit, P., *Equity and the Law of Trusts* (9th ed, 1997)**

**R Goode, *Commercial Law* (2nd ed, 1995 and later editions)**

**G H Treitel, *The Law of Contract* (11th ed. 2003)**

**SUPPLEMENTAL READING LIST BOOKS IV**

**STRICTLY OPTIONAL**

**Specialised Topic Books**

**Andrews, G., Millet, R., *Law of Guarantees* (3rd ed, 2000)**

**Benjamin, J. & Yates, M., *The Law of Global Custody* (2 ed, 2002)**

**Benjamin, J., *Interests in Securities* (2000)**

**Blair, W., *Banks and Remedies* (2nd ed., 1999)**

**Bridge, M., & Stevens, R. (eds), *Cross-border Security & Insolvency* (2001)**

**Buckley, R. P., *Emerging Markets Debts: An Analysis of the Secondary Market* (1999)**

**Cheshire & North, *Private International Law* (1999)**

**Dicey & Morris, *Conflict of Laws* (14<sup>th</sup> ed 2006)**

**Gengatharen, R., *Derivatives Law and Regulation* (2001)**

**Goode, R.M., *Legal Problems of Credit and Security* (3rd ed, 2003) (4<sup>th</sup> ed 2009)**

**Goode, R.M., *Principles in Corporate Insolvency Law* (2nd ed, 1997 or 4<sup>th</sup> ed)**

**Gruson, M., Hutter, S., Kutschera, M., *Legal Opinions in International Transactions* (4th ed, 2003)**

**Hoffman, S. L., *The Law and Business of International Project Finance* (1998 or 3<sup>rd</sup> ed 2008)**

**Horn, N. and Norton, J.J. (eds.), *Non-Judicial Dispute Settlement in International Financial Transactions* (2000)**

**Norton, J.J., and Andenas, M. (eds), *Emerging Financial Markets and Secured Transactions* (1998)**

**Norton, J.J. and Spellman, P. (eds.), *Asset Securitization: International Financial and Legal Perspectives*, (1991)**

**Sarkar, R., *Development Law and International Finance* (2nd ed, 2002 & 2009)**

**Esteban C Buljevich and Yoon S Park, *Project financing and the International Financial Markets* (Kluwer Boston Dordrecht London 1999)**

**R F Sullivan, *Financing Transactional Projects* (Matthew Bender New York 1988)**

**Graham D Vinter, 'Project Finance' (Sweet & Maxwell London 2 Ed. 1998)**



**SUPPLEMENTAL READING LIST BOOKS V**

**STRICTLY OPTIONAL**

**Financial Derivatives and Structured Finance**

**Henderson, S., *Introduction to Derivatives* (2<sup>nd</sup> 2010)**

**Hudson, A. (ed.), *Modern Financial Techniques, Derivatives and Law* (2000)**

**Hudson, A., *The Law on Financial Derivatives* (3<sup>rd</sup> ed, 2002 or 4<sup>th</sup> ed)**

**Gengatharen, R., *Derivatives Law and Regulation* (2001)**

**Satyajit Das, *Credit Derivatives, CDOs and Structured Credit Products* (Wiley Finance Singapore 2005)**

**Das, *Structured Products and Hybrid Securities* (John Wiley & Sons Singapore 2<sup>nd</sup> ed 2001)**

**Das, *Credit Derivatives and Credit Linked Notes* (John Wiley & Sons Singapore 2<sup>nd</sup> ed 2000)**