

**COURSE SYLLABUS**  
**International Financial Law**  
**Spring Semester 2026**

This course examines the role of international financial law and regulation in the operation of financial markets. It is designed to contribute to enhanced understanding of the rationale, methods and institutional design of the regulation and supervision of financial markets. The course focuses on the principles of regulation in international financial markets and the role of international, European, and related areas of national private law and public regulation in governing financial markets. The institutional design for the supervision of financial markets will be addressed, including the interaction between central banks, regulatory agencies and international organizations, on the one hand, and financial markets and market participants, on the other.

**Aims & Objectives**

When you have completed your study of this course, you will be able to:

- outline and discuss the main reasons for government regulation and supervision of financial markets;
- analyse inherent weaknesses and market failures in the financial system and explain the role of law and regulation in correcting those deficiencies;
- outline and discuss the methods and instruments of banking regulation in a range of issues, including capital regulation, liquidity requirements and corporate governance;
- critically assess the regulatory components of the global financial system;
- analyse the legal components of current work towards a stronger global financial system following a recent sequence of devastating crises;
- review the development of derivatives markets and infrastructure of financial markets, including clearing, settlement and payment systems.

The course will address many topical issues concerning the operation of banking and financial markets in light of regulatory developments. The freezing and subsequent meltdown of international financial markets in 2007 and 2008 triggered a widespread economic recession which, in turn, was addressed by unprecedented government interventions. A course on financial law and regulation therefore cannot proceed without reference to the profound changes that the financial crisis has caused. This course will analyse the main principles and standards of international financial regulation with particular focus on implementation in the United States, European Union, and selected other jurisdictions.

**Required Course Textbooks:**

- Kern Alexander, *Principles of Banking Regulation* (Cambridge UP, 2019)
- Kern Alexander et al., *Global Governance of Financial Systems* (Oxford UP, 2006)

### **Class 1, 19 February 2026: Overview: International financial architecture and legal framework**

Introductory overview of the architecture of international financial regulation. The class will discuss why there is a need for cooperation in matters of finance at the international level and shed light on the numerous sets of rules, initiatives and institutional structures adopted for that purpose. It will examine different sources of international financial law and the mechanisms that foster compliance by national regulators and market participants. It covers the activities of the International Monetary Fund (IMF) and World Bank as well as the Financial Stability Board (FSB).

### **Class 2, 26 February 2026 – Financial crime, FATF standards, Anti-money laundering and counter terrorist financing (*Guest Lecturer Holly J Hoch*)**

Placing emphasis on international standards, the class examines how financial crime is addressed to safeguard financial stability. Focusing on the global architecture of financial crime regulation, it considers international anti-money laundering (AML) and counter-terrorist financing (CTF) standards, including the Financial Action Task Force (FATF) Recommendations as the core global framework, alongside other key instruments and sanctions regimes. The class also explores money laundering typologies, selected case studies such as the Panama Papers, and the regulatory and operational lessons for the banking sector.

### **Class 3, 5 March 2026: Bank capital adequacy and liquidity rules and standards, bank risk management and corporate governance, Basel III/IV, Core Principles for Banking Supervision**

Bank capital regulation. What is the purpose of bank capital regulation? What is a risk-based regime? International agreements on capital regulation and Basel Committee on Banking Supervision (BCBS). Basel I- Basel II & Basel III, Basel IV. The implementation of international capital/liquidity regulation is illustrated with discussion of the EU Capital Requirements Directive, Swiss bank requirements, and recent US capital regulation.

### **Class 4, 12 March 2026: Bank Resolution and Deposit Guarantee Schemes**

#### **Class 5, 19 March 2026: Bank Resolution and Deposit Guarantee Schemes (Continued)**

If all else fails, struggling banks may have to be restructured or wound-up in a resolution proceeding. We will discuss the main principles of resolution proceedings: depositor protection in the event of a bank's failure. We will look at the basics, functioning and the rationale of Deposit Guarantee Schemes (DGS) and the reimbursement of a limited amount as compensation to depositors whose bank has failed.

### **Class 6, 26 March 2026: Central Clearing of Derivatives**

We look at the historical development and main features of the international derivatives and swaps markets. We will look at model over-the-counter derivatives contracts and related financial risks, the crisis and central clearing of derivatives.

*The lecture on 2 April 2026 was cancelled.*

*There will be no lecture on 9 April 2026 due to the UZH Easter holiday.*

### **Class 7, 16 April 2026: Sustainable Finance Regulation**

We look at Climate finance, environmental risks to the financial sector. Physical, transition and legal risks. Role of regulation. European Union Taxonomy and Disclosure Requirements.

### **Class 8, 23 April 2026: Securities regulation & investor protection**

The class will focus on the main underlying principles connected to theories of regulation, and securities regulation & investor protection. Beginning with the financial crisis of 2008, the class will delve into the primary market infrastructures, notably stock exchanges, and will also explore the role of information, particularly in the context of regulating Initial Public Offerings (IPOs). It will examine the governance of regulation, including a focus on the International Organization of Securities Commissions (IOSCO), IOSCO standards, the US Securities and Exchange Commission (SEC), and European regulatory developments such as the Markets in Financial Instruments Directive (MiFID).

### **Class 9, 30 April 2026: Decentralized Finance, Stablecoin and Shadow Banking**

The class will cover the most recent developments in decentralized finance, Stablecoin and crypto-assets analyzing the main structures. It will also explore the new market infrastructures, particularly crypto-exchanges, the role of finance in the context of digital communities and the metaverse, and the risks emerging from these new paradigms. The shadow banking system emerged as a network affecting the entire structure of capital markets. During this class, we will understand what shadow banking is, how it works, and what the main risks are. The class will also cover the role of private funds, particularly hedge funds and private equity funds, as main actors in the context of shadow banking. We will compare them with traditional mutual funds.

### **Class 10, 7 May 2026: Insurance and Reinsurance Regulation**

The role of insurance regulation and solvency requirements and related requirements for policyholder protection. Reinsurance regulation. The International Association of Insurance Supervisors (IAIS) and EU and Swiss solvency regulations.

*There will be **no lectures on 14 May 2026** due to the Ascension Day holiday.*

### **Class 12, 21 May: Extra Credit Presentations**

[...]

### **Class 13, 28 May: Extra Credit Presentations / Exam Review / Questions**

[...]