

EMLE	
Course: International Financial Markets and Regulations	Course: 2022-2023
	Term: 3
	Language: English
Lecturer: Assistant Professor Jarosław Bełdowski(https://orcid.org/0000-0003-4498-8009)	
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Course description

Knowledge:

The course is devoted to the topic of international financial markets with emphasis on their regulation through the prism of Law and Economics. The course provides basic theories lying behind banking, insurance and capital markets. The course introduces students to the general characteristics of banking, insurance and capital markets, in particular the role of public authorities in monitoring such markets including macro- and micro-supervision.

To provide students with hands on experience with such interdisciplinary framework, each lecture will consist of group case studies in which students will apply theoretical knowledge into practical situations.

Capacities and skills:

Identification of the key components of the international financial markets framework, with the ability to analyze and formulate implications for public policy. Correct understanding of the goals and structure of financial regulation. Develop social and ethical awareness of public policy towards big financial holdings as well as to regular market participants. Development of capacities related to the use of arguments through written assignments and oral presentations.

Previous requirements

There are no pre-requisites to take the course.

Teaching methods

The course will develop along a full term, with ten 1,5 hour sessions. Each of them will consist of a lecture by the professor, a discussion about readings, and in some cases additional activities addressed to specific issues of the course. Depending of the nature of such, activities, active participation of students will be required.

Syllabus

<p>Session 1</p>	<p>Financial market</p> <p>Topics:</p> <ol style="list-style-type: none"> 1. What is a financial market? 2. How the capital could be obtained via financial market? 3. What are the financial intermediaries? 4. Theory of banking. 5. Theory of insurance. 6. Capital market theory and efficient capital market hypothesis. 7. What is financial regulation? 8. What are the strategies of financial regulation and their challenges? 9. Examples of financial regulation (domestic, regional and international). <p>Readings:</p> <ol style="list-style-type: none"> 1. S. Valdez, P. Molyneux, <i>An Introduction to Global Financial Markets</i>, 8th edition, Palgrave 2. J. de Haan, S. Oosterloo, <i>Financial Markets and Institutions: An European Perspective</i>, 2018, Cambridge University Press 3. F.S. Mishkin, S.G. Eakins, <i>Financial Markets and Institutions</i>, 2018, Pearson 4. J. Armour, D. Arway and others, <i>Principles of Financial Regulation</i>, 2018, Oxford 5. F. Fama, <i>Efficient Capital Markets: A Review of Theory and Empirical Work</i>, <i>Journal of Finance</i> 25 (2), p. 383-417, 1970 6. H. Schlesinger, <i>The Theory of Insurance Demand</i>, University of Alabama, Revised in G. Dionne: <i>Handbook of Insurance</i>, February 2012 7. R.A. Werner, <i>A lost century in economics: Three theories of banking and the conclusive evidence</i>, <i>International Review of Financial Analysis</i>, Volume 46, July 2016, p. 361-379
<p>Session 4 & 5</p>	<p>Central banks and monetary policy</p> <p>Topics:</p> <ol style="list-style-type: none"> 1. Which activities do central banks perform? 2. The most important central banks. 3. Central bank and independence. 4. Which goals has monetary policy? 5. What is inflation targeting? 6. Important terms in monetary policy. 7. What are conventional tools in monetary policy? 8. What are effects of changes in the tools of monetary policy? <p>Readings:</p> <ol style="list-style-type: none"> 1. F. S. Mishkin, S. G. Eakins, <i>Financial Markets and Institutions</i>, Pearson, 2018. 2. S. Valdez, P. Molyneux, <i>An Introduction to Global Financial Markets</i>, 8th edition, Palgrave 3. J. de Haan, S. Oosterloo, <i>Financial Markets and Institutions: An European</i>

	<p><i>Perspective</i>, 2018, Cambridge University Press</p> <p>4. Luís Miguel Clemente Casinhas, <i>Central Bank Independence and Economic Growth</i>. Master's thesis 2019.</p>
Session 4 & 5	<p>Financial supervision</p> <p>Topics:</p> <ol style="list-style-type: none"> 1. How supervision of financial market can be conducted? <ol style="list-style-type: none"> a. Macroprudential approach b. Microprudential approach 2. What supervisors have we got? <p>Readings:</p> <ol style="list-style-type: none"> 1. S. Valdez, P. Molyneux, <i>An Introduction to Global Financial Markets</i>, 8th edition, Palgrave 2. J. de Haan, S. Oosterloo, <i>Financial Markets and Institutions: An European Perspective</i>, 2018, Cambridge University Press 3. F.S. Mishkin, S.G. Eakins, <i>Financial Markets and Institutions</i>, 2018, Pearson 4. E. Schoenmaker, P. Wierts, <i>Macroprudential supervision: from theory to practice</i>, 2016, European Systemic Risk Board.
Session 6 & 7	<p>Factoring</p> <p>Topics:</p> <ol style="list-style-type: none"> 1. Factoring: basics. 2. Factoring: advantages. 3. Factoring: contents (selected). 4. Factoring: international aspects (selected). 5. Other factoring schemes. 6. Securitisation.
Session 8 & 9	<p>Banking</p> <p>Topics:</p> <ol style="list-style-type: none"> 1. Wholesale banking lending. 2. Credit facility within LMA's standard. 3. General structure of LMA Agreements. 4. Stages of bank lending negotiations. 5. LMA Negotiations.
Session 10	<p>Green Finance: Green Bonds</p> <p>Topics:</p> <ol style="list-style-type: none"> 1. Green bonds and existing market standards.

	<ol style="list-style-type: none"> 2. Selected general issues from the draft regulation. 3. Transparency and external audit requirements according to the draft regulation. 4. Supervision of competent authorities according to the regulation. 5. Other issues. <p>Readings:</p> <ol style="list-style-type: none"> 1. Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on European green bonds, COM(2021) 391 final, https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:52021PC0391&from=PL 2. REGULATION (EU) 2017/1129 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC, https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:32017R1129&from=PL 3. ICMA's Green Bond Principles, https://www.icmagroup.org/assets/documents/Regulatory/Green-Bonds/Translations/2018/Polish-GBP2018-06.pdf 4. Climate Bonds Initiative's Climate Bonds Standard, https://www.climatebonds.net/standard
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Activities and assessment

Apart from lectures, course will imply writing and reading assignments, as well as active participation in class. The evaluation of the course will combine continuous assessment and a final examination, according to the given criteria:

Activities	%	Assessment guidelines
Activity	30	Participation in discussions and case studies will be highly valued.
Final Examination	70%	Quality of arguments, originality and precision of answers will be highly valued.

Retaking conditions:

For students failing the course after the final examination, it will be possible to retake the exam while grades for course assignments and class participation are maintained.

Materials and references

Bibliography:

S. Valdez, P. Molyneux, An Introduction to Global Financial Markets, 8th edition, Palgrave
J. de Haan, S. Oosterloo, Financial Markets and Institutions: An European Perspective, 2018, Cambridge University Press
F.S. Mishkin, S.G. Eakins, Financial Markets and Institutions, 2018, Pearson
J. Armour, D. Arway and others, Principles of Financial Regulation, 2018, Oxford

Required readings and additional materials:

Required readings will be available for students at the beginning of the course.

Additional materials may be required to prepare course activities. The professor will give indicators about such activities and the required materials. All extended literature will be provided for students.