



### Syllabus

Academic Year	2020/2021
Program	Law, Digital Innovation and Sustainability
course	Finance and Financial Technologies
Term	I semester
Year	1
SSD	Secs-P/011
Credits	6

	<p>The course will discuss and analyze the Financial Technologies.</p> <p>Students will examine the legal framework on financial markets technologic development. The course shall provide students a complete institutional knowledge on the topic both in a private and a public/regulatory view. It is intended to be an advanced course, allowing students to be able to use a critical approach in dealing with financial issues and possible solutions.</p> <p>The final aim is to prepare students to be professionals in this rapidly expanding field.</p>
INSTRUCTIONAL GOALS	<p><b>Knowledge and understanding:</b> By the end of the course, students should be able to:</p> <ul style="list-style-type: none"> <li>• develop a critical comprehension of the innovations of the dematerialization of financial, banking and insurance market;</li> <li>• understand the main differences between the new and traditional forms of financing a business;</li> <li>• understand the inner functioning of Blockchain and Artificial Intelligence and how they influence and impact on traditional finance, banking and insurance;</li> <li>• understand the use of cryptoassets as investment tools, the use of smart contracts in financial, banking and insurance contexts.</li> <li>• evaluate how new technologies could affects traditional structure of companies and traditional relations with stakeholders;</li> <li>• comprehend the possible consequences of the impact of Fintech on European Single Market and on global market.</li> </ul> <p><b>Applying knowledge and understanding:</b> Upon completing the study program, students will be able to:</p> <ul style="list-style-type: none"> <li>• evaluate the impact of future changes in the financial market</li> <li>• assess and interpret different hypotheses explaining key economic, political, and social developments.</li> <li>• effectively communicate and work, as an expert in European financial issues.</li> </ul> <p><b>Making judgements:</b> Upon completing the study program, students will be able to:</p> <ul style="list-style-type: none"> <li>• present an informed scientific opinion in the debate concerning the use of new technologies in the financial ecosystem</li> <li>• apply reasoning in the main corporate subjects, thanks to the understanding of Fintech economic and legal aspects</li> <li>• gather and interpret information and data from different sources, in order to make judgements in an independent way</li> <li>• prepare original research supported by relevant bibliography and data analysis, and debate different perspectives to address the issue.</li> </ul> <p><b>Communications Skills:</b> Upon completing the study program, students will be able to:</p>
INTENDED LEARNING OUTCOMES	



- develop the ability to communicate in written form through completing the assignment and oral form through the final exam and the class debate;
- foster the development of relational skills by dedicated discussion labs on specific case-studies and multicultural settings through a comparative analysis of the different approaches adopted by the legislators to Fintech
- participate in a public policy debate, by researching and expressing expert opinions on the latest financial issues.

**Learning skills:**

Upon completing the study program, students will be able to:

- build an analytic toolbox from both economic and policy analysis
- solve problems in dynamics settings and develop critical positions

This ability will be acquired through: class participation, class debate, and research carried out for the drafting of the written assignment.

---

Pre-requisites

Students can easily follow the analytical content of this course if they have a basic knowledge in: Private Law, Company Law, IT law, Banking and Financial Markets Law. By basic knowledge we mean the command of the notions offered in the courses of Legal computer science and Business Law at the first University degree.

---

Course content

The course is divided into three main parts, in consistence with the traditional subdivision of the financial markets in securities, banking and insurance segments. Each of the three parts shall be introduced by a lesson which aims at providing students with a picture of the digitalization status of the abovementioned markets. The first part of the course shall focus on Fintech and, in which shall be explored the juridical issues of the tokenization, robotization and automation of financial services. In this context, for example, the robo-advisory is a very discussed topic; then, generally speaking, another focus shall be dedicated to the use of smart contracts in financial markets. Then students shall deal with the influence of technology on enterprises financing tools such as ICOs, crowdfunding, tokenized financial assets and, connected to this last point, with the juridical qualification of cryptocurrencies in general. As above stated, the second part shall refer to the banking sector. In this respect shall be explained the problems related to bank disintermediation due to the use of technologies and the latest developments regarding digital payment systems. The PSD2 is in fact a great revolution under many aspects. Moreover, a specific study shall concern the impact of technology in credit ranking. The final lectures will focus on the impact of the Artificial Intelligence, Blockchain and Big Data on the Insurance market, concluding with a further study on the development of new business opportunities for insurers in the market of risks generated by autonomous vehicles.

Part I: Financial Markets

- Foundational principles of financial markets regulation
- Financial markets regulation after the economic crisis, and its rationale: the MiFID/MiFIR regulation and its implementation in the European Union and in Italy;
- Regulation of Cryptocurrencies and ICO
- Virtual currencies and money laundering vulnerabilities;
- Data gathering, profiling, and knowledge generation for financial products;
- Blockchain, circulation of assets and anonymity: terrorism prevention;
- Tax evasion and emerging technologies;
- Hacking and Cybercrimes in the financial markets.
- Smart contract: legal force, regulation, potential and perils
- Smart contracts in the stock market transactions



---

	<p>Part II: the Banking sector</p> <ul style="list-style-type: none"><li>- The digitalization of the banking sector;</li><li>- Regulation of digital assets and securities law;</li><li>- The role of soft law in governing the technologic advancements: ex multis, IOSCO Principles; European Commission and ECB Guidelines; EBA opinions; documents issued by the Bank of Italy.</li><li>- Circulation of cryptocurrencies and banking supervision</li><li>- Parallel markets: DLT stock exchange markets and regulatory powers;</li><li>- Credit Rating methodologies and regulation of Credit Rating Agencies;</li><li>- Emerging technologies and regulation transactional payment services;</li><li>- AI and provisions of banking services: roboadvisory, AI, and trust;</li><li>- Consumer empowerment. Literacy, command and control or choice architecture.</li></ul> <p>Part III: Insurance sector and consumer protection</p> <ul style="list-style-type: none"><li>- Software and robotic technologies' defects: torts and liability rules</li><li>- Judicial enforcement of, and supervision over, inter private smart contracts.</li><li>- Algorithmic competition law: artificial intelligence, incentives for collusion and market regulation.</li><li>- Algorithmic-enhanced unfair commercial practices in the financial markets;</li><li>- Online behavioural advertising;</li><li>- Consumer protection-by-design.</li></ul>
Reference Books	<p>Nareg Essaghoolian, Initial Coins Offerings: Emerging Techology's Fundraising Innovation, 66 <i>UCLA Law Review</i> 294, 2019.</p> <p>Adrian Parlow, Securities Liability and the Role of D &amp; O Insurance in Regulating Initial Coin Offering, 167 <i>University of Pennsylvania Law Review</i> 211, 2018.</p> <p>Theo Lynn – John. G. Mooney – Pierangelo Rosati - Mark Cummins, <i>Disrupting Finance. FinTech and Strategy in the 21st Century</i>, Palgrave macmillan, 2019, 71-82.</p> <p>Luigi Wewege, Michael Tomsett, <i>The Digital Banking Revolution: How Fintech Companies are Transforming the Retail Banking Industry Through Disruptive Financial Innovation</i>. De Gruyter, 2019.</p> <p>Berger, Molyneux, Wilson (eds.), <i>The Oxford Handbook of Banking</i> (3 ed.), Oxford University Press, 2019.</p>
Teaching Methods	Mix of lectures, learning by doing, group work, class presentations, design thinking labs
Assessment	50% participation, 50% evaluation of students output

---