Course 1: Basic elements of financial regulation, behavioural economics, accounting and monetary economics

A. Introduction
Session 1: Foundations of Financial Systems and Financial Regulation
- The functions and infrastructures of financial markets (incl. payment and settlement systems)
- Regulatory intervention in the financial system – justifications and objectives of financial regulation
- Development of a single EU financial market – different stages of integration
- The legal framework and constitutional constraints
- Weaknesses of ‘enabling’ models in a crisis situation
- State aid law and its limited powers
- The renaissance of the nation state
- A move towards ‘More Europe’

B. Financial Markets and Principles for Regulation
Session 3: Consumer Protection and Behavioural Economics
- Justifications for regulating consumer finance
- Key elements of behavioural law & economics
- Information regulation and financial education
- Conduct regulation
- Entry regulation for intermediaries, consumers and products
Session 4: Issuer Disclosure on public markets
- Mandatory disclosure on securities markets
- Issuer choice
- Enforcement
Session 5: Gatekeepers as Information Intermediaries
- Credit Rating Agencies
- Securities analysts and underwriters
Session 6: Insider Trading and Short Selling
- Insider trading and trade-based manipulation
- Short selling regulation

C. Banking in Financial Regulation
Session 7: Banking Regulation
- Why are banks special?
- Financial and non-financial risks to which banks are exposed (credit, liquidity, interest rate, market risks – operational, environmental)
- Capital requirements and capital buffers: capital adequacy and leverage ratios
- Large exposures regulation
- Liquidity regulation
- Deposit insurance/guarantee/protection
Session 8: Banking Supervision
- Alternative models of banking (and in general financial) supervision: sectoral approach, full integration approach, twin-peaks approach
- Institutional separation between banking supervision and monetary policy
- Bank corporate governance: ‘Bank exceptionalism’ in corporate governance – Systemic risk implications
Session 9: Bank crisis prevention and management
- Crisis prevention measures: early intervention, recovery planning, resolution planning
- Banking resolution: objectives – tools – limitations
- Lending of last resort

D. Banks and Markets
Session 10: Shadow banking
- Wholesale Funding and Structured Finance Markets
- Money Market Funds
- OTC Derivatives
Session 11: Structural regulation & macroprudential regulation
- From Glass-Steagall to today: goals and justifications of structural regulation and ring-fencing
- The Liikanen Report and structural banking separation in the EU
- Global attempts: the Independent Commission on Banking and the Volcker Rule
- A Macroprudential Approach to Financial Regulation

E. Accounting and auditing for financial firms
Session 12: Structure and objective of financial statements
- Financial accounting versus managerial accounting
- Components and Objectives of financial statements
- Financial position – structure, content and key elements of the balance sheet
- Income statement
Session 13: Bookkeeping and IFRS accounting standards
- Double-entry bookkeeping
- International Financial Reporting Standards
- Auditing according to International Standards on Auditing (ISA)
Course 2: Institutional aspects and current trends

A. Essentials of EU Law
Session 1: EU competences, EU institutions and the sources of EU Law — the particular structure of EU Financial Law (including first references to the Lamfalussy process and “soft law”)
Session 2: The Court of Justice of the European Union (CJEU) — its jurisprudence in the field of the Financial System
Session 3: The European Central Bank (ECB) — the main provisions of the EU Treaties and of the Statute of the European System of Central Banks (ESCB) and the ECB

B. The evolution of EU Financial Law
Session 4: From the early initiatives to the legislation adopted as a response to the 2007-2009 Global Financial Crisis
Session 5: The Banking Union and the Capital Markets Union

C. Specific aspects of EU Financial Law
Session 6: The role of the ECB within the Single Supervisory Mechanism (SSM) and the European Systemic Risk Board (ESRB)
Session 7: The European Supervisory Authorities (ESAs)
Session 8: The Single Resolution Board (SRB) and the Single Resolution Fund (SRF) within the Single Resolution Mechanism (SRM) — the European Stability Mechanism (ESM)
Session 9: The law-making process under the TFEU, the “Lamfalussy process” and the ever-increasing role of “soft law”

D. The impact of international financial law on the shaping of EU financial law
Session 10: Historical overview
Session 11: International financial fora and international financial standards (the important role of “soft law” once again)

Course 3: EU banking regulation (1): general aspects

Session 1: The Capital Accord and Liquidity Accord of the Basel Committee on Banking Supervision (Basel III, Basel IV) and the Framework for supervision of Systemically Important Institutions of the Financial Stability Board
The Three Pillar Model of Banking Supervision and the BCBS Core principles for effective banking supervision
Session 2: The perimeter of credit institution, the shadow banking doctrine, authorisation of banks and the supervision of holders of qualifying holdings in credit institutions
Session 3: Business models of banks, governance and management
Fit and property requirements for bank management
The supervision on culture and ethical behaviour by banks
Session 4: Risk types for banks (credit risk, market risk, operational risk, liquidity risk) and the methods to ensure proper capitalisation and liquidity management
Capital buffers, capital ratios, leverage ratio, LCR and NSFR
Session 5: Standardised Approaches and Internal Ratings Based (IRB) Approaches
The role of the credit assessment of External Credit Assessment Institutions (ECAI) in the measurement of credit risk
Session 6: Credit risk mitigation techniques and credit risk transfer techniques (including securitisation)
Session 7: Qualitative capital requirements. CET1, AT1 and Tier2 capital instruments, their governance, concepts and requirements
The interplay between capital requirements and MREL/TLAC
Session 8: Funding structure and strategies and the role and protection of depositors and ordinary creditors of banks
Different funding models and reliance on deposits and savings versus interbank financing and the role of the reserve banking with central banks
The role of Deposit Guarantee Schemes
Session 9: Proportionality in the application of substantive banking law in Europe
The distinctions between systemically important and other banks.
The centralised supervision on significant banks
Session 10: Pillar 2: the Supervisory Review and Evaluation Process
Internal Capital and Liquidity Adequacy Assessments
Stress testing and the concepts of P2-Required and P2-Guidance capital
Session 11: Early intervention measures, recapitalisation, profit retention, divestiture and balance sheet abbreviations and the role of the rules on Maximum Distributable Amounts (MDA)
Session 12: Common Reporting Framework and FINREP
Prudential reporting by banks to competent authorities
Relationship with ICAAP and ILAAP
Session 13: Wrap up session and introduction to the work group assignment: draft an Internal Capital and Liquidity Adequacy Process (ICAAP) document for a fictuous bank.
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Course 4: EU capital markets regulation (1): general aspects

Session 1: The institutional structure of the financial system
The financial system as an answer to the problems raised by transaction costs, asymmetry of information and different preferences in the circulation of monetary resources

Session 2: The rationale for regulating the financial system and the main features of EU financial regulation
Financial markets, financial instruments, market participants, and supervisors
Processes and strategies of EU financial markets law
The institutional structure of EU financial regulation after the financial crisis

Session 3: Capital raising, mandatory disclosure and prospectus regulation
Gatekeepers, public enforcement and prospectus liability

Session 4: Market abuse regulation: Inside information and market manipulation

Session 5: Corporate governance.
Agency problems at public companies.
Legal strategies for companies with dispersed and concentrated ownership.
Take-overs and the mandatory bid.

Session 6: Investment services: function and nature of different investment services (such as brokerage, dealing, portfolio management and investment advice)

Session 7: Banks and investment firms: the authorisation process, prudential requirements and prudential supervision

Session 8: Investor protection and conduct of business rules.
Legal strategies for investor protection: from disclosure to product governance.
Public and private enforcement.

Session 9: Asset management
Collective Asset Management: the UCITS Regime and the AIFMD Regime

Session 10: Trading: the Regulation of Trading under MiFID II and MiFIR

Session 11: Short Selling – EMIR

Session 12: The Capital Markets Union: the foundations

Session 13: The Capital Markets Union: the way forward

Course 5: “ESG” in the financial system

A. Finance, climate change and sustainability: a conceptual framework

Session 1: Financial implications of climate change:
- Climate science and financial impact.
- "Macro" phenomena and decision-making under uncertainty
- Law, regulation and social norms.

Session 2: Sustainable finance: concepts and frameworks.
- Sustainable finance: concepts
- Sustainable finance: frameworks

B. Climate change and sustainability in monetary policy and financial supervision

Session 3: Climate change, sustainability and monetary policy

Session 4: Climate change, sustainability and prudential supervision of banks

Session 5: Sustainability and Non-Financial Disclosures in the Financial Sector

Session 6: Sustainability and financial intermediaries’ duties

Session 7: Finance’s social dimension

C. Corporate governance

Session 8: Role of the Board and Non-Executive Directors

Session 9: Board Composition and Board Diversity

Session 10: Risk Management (incl cyber risk) – Directors’ Remuneration

Session 11: Accuracy and Transparency in Reporting & Disclosure

Session 12: Ethics and Culture

Session 13: Shareholder Engagement – Stakeholder Value Creation and Corporate Purpose – Senior Management Accountability and Oversight
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Course 6: Central banking policies (other than prudential supervision)

A. General overview
Session 1: ECB mandate
- The primary and secondary objectives of the ECB within the Eurosystem
- Financial stability as an objective of the ECB
Session 2: Monetary policy vs. other economic policies within the Treaties
- Budgetary coordination (Stability and Growth Pact, 6/2 pack)
- European Stability Mechanism
- Next Generation EU
- Delineation according to ECJ case law (Pringle)
Session 3: The basic tasks of the Eurosystem and the other tasks of the ECB
- Definition and implementation of the single monetary policy
- Issuance of banknotes and coins; Central Bank Digital Currency (CBDC)
- Single foreign-exchange policy and the holding of foreign exchange reserves

B. The single monetary policy
Session 4: Evolution since the establishment of the ECB
- Conventional vs. unconventional measures
- Overview of the relevant legal acts
Session 5: The key "General Documentation Guideline" and other ECB legal acts
- APPs and in particular the PEPP
- Gauweiler, Weiss cases
Session 7: Interest rate benchmarks
- Relevance and functioning
- Transition from IBOR to alternative benchmarks

C. Other aspects
Session 8: Promotion of the smooth operation of payment systems (1): general aspects
Session 9: Promotion of the smooth operation of payment systems (2): the TARGET 2 system
Session 10: Macroprudential oversight of the financial system in the EU (1): general aspects
- A conceptual framework of systemic risks (time dimension, cross-sectional dimension)
- Work of the ESRB and translation into EU and national policies
- Macroprudential tools
Session 11: Macroprudential oversight of the financial system in the EU (2): specific aspects
Session 12: Green central banking
- The work of the NGFS: climate-related financial risks and "green swans"
- Climate change and sustainability in the mandate of the ECB
- Means to "green" monetary policy instruments (green QE, green TLTROs etc.)
Session 13: Last resort lending: the ELA mechanism in the Eurozone

Course 7: EU banking regulation (2): specific aspects

A. The system’s institutional structure
Session 1: The SSM and the allocation of competences: the Landeskreditbank Baden Württemberg case
Session 2: The “dialogue” between the ECJ and the German CC in the Banking Union cases: Decision by the BVerfG – Comparison
Session 3: Composite procedures: C-219/17 P Berlusconi & Fininvest v. ECB
Session 4: The application of National Law by the ECB and the ECJ (art. 4(3) SSMR): the Crédit Agricole and Crédit Mutuel cases

B. Challenging acts by public authorities
Session 5: Regulating banks via soft law: an open issue: Case C-501/18 BT/ Bałgarska Narodna Banka – Comparison with Opinion of AG Wahl in case C-526/14 Kotnik
Session 6: Exercise of delegated competences: C-270/12 ESMA Short selling
Session 7: Locus standi and the withdrawal of the Banking License:
- C-663/17 P Trasta – Albert & others v. Hungary, 5294/14 ECHR
- Challenging the ECB’s discretion: Banque Postale – Judgments of the General Court of 13 July 2018 in Cases T-733/16, T-745/16, T-751/16, T-757/16, T-758/16, T-768/16
Session 8: ECB and financial penalties: the standard for review by the ECJ:
- VQ – Crédit Agricole Cases T-576/18 – T-577/18, T-578/18
Session 9: Reviewability of state aid decisions in bank resolution/liquidation:
- Joined cases T-98/16 Italy v Commission etc. (Tercas) and C-425/19 P Commission v. Italy
Session 10: Public interest and resolution: a complicated enigma: ABLV cases

C. Transparency and accountability, system’s inner functioning, supervisors’ liability and new issues
Session 11: Transparency of ECB’s proceedings and access to documents:
- Carige – Case T-552/19
- SRB appeal panel: access to documents: SRB Appeal Panel cases 7/18 (Joined by 44/17), 19/18, and 21/18
Session 12: The financing of the SRF and ex-ante contributions: Case C-484/18 Icrea Banca - Case C-584/20 P (and T-411/17) Landeskreditbank Baden Württemberg
Session 13: On the liability of supervisors and other authorities (in the context of resolution and beyond): Kantarev/Bałgarska Narodna Banka, C-571/16 - Case T-635/19 Fondazione Cassa di Risparmio di Pesaro
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Course 8: EU capital markets regulation (2): specific aspects

Session 1: Information and markets for securities and crypto-assets
Session 2: Rationale and limits of the disclosure paradigm
The role of disclosure from an economic perspective and as a part of investor protection
Disclosure, behavioural finance, and the role of fairness
Session 3: Disclosure and capital raising
The Prospectus Regulation
Regulatory concepts
Drawing up a prospectus
Sanctions
Session 4: The MiCA Regulation Proposal
Session 5: On-going and periodic disclosure
The Transparency Directive and the Market Abuse Regime
Periodic disclosure and the disclosure of inside information
Shareholders’ rights and disclosure
Session 6: Disclosure in takeovers
Transparency requirements and the obligation to disclose takeover bids
Session 7: Disclosure regulation for financial analysts and proxy-advisors
Session 8: Digital finance and alternative finance: general overview
(crypto-assets, digital transformation of financial services, crowdfunding both investment-based, and loan-based, RegTech)
Session 9: In particular: the Crowdfunding Regulation
Session 10: The EU agenda, policies and approaches relating to financial innovation; the marketplace, the incumbents, and the business case and strategies of the incoming technology-driven players
Session 11: Interdisciplinary aspects concerning economics, technology, and competition; DLT and BlockChain
Session 12: Algorithms, big data and IA; intermediation, dis-intermediation and layering; theories of disruption
Session 13: Industry drivers and product areas - such as money and payments, lending, and investment, smart contracts, and money

Course 9: International Bank Accounting and Auditing

A. General overview
Session 1: Fair value related to the IASB hierarchy of norms
IFRS 9 as a compromise — Structure and scope of application
Session 2: Derivatives and related contracts, structured products/embedded derivatives
Session 3: Categorisation, and measurement of financial instruments (overview)
Business models
Session 4: The cash flow criterion on instrument level
Session 5: Non-recourse financial assets — Contractually linked instruments
Session 6: Classification of liabilities for measurement purposes — Issuing equity instruments versus financial liabilities
Session 7: Impairment, Three Stage Model, POCI Investments, Modification — Derecognition
Session 8: Hedging versus Hedge Accounting — Hedge Accounting according to IAS 39 and IFRS 9 — Fair Value Hedge and Cash Flow Hedge — Portfolio Hedge of Interest rate risk

B. Specific ISAs
Session 9: ISA 200 — Overall Objective of the Independent Auditor, and the Conduct of an Audit in Accordance with International Standards on Auditing
Session 10: 18. ISA 230 — Audit documentation
ISA 240 — The Auditor’s Responsibility to Consider Fraud in an Audit of Financial Statements
Session 11: ISA 315 — Identifying and Assessing the Risks of Material Misstatement through Understanding the Entity and Its Environment
Session 12: ISA 320 — Materiality in Planning and Performing an Audit
ISA 330 — The Auditor’s Procedures in Response to Assessed Risks
Session 13: ISA 500 — Audit Evidence
ISA 701 — Communicating Key Audit Matters in the Independent. Auditor’s Report

Elective Course
Students will choose 2 of the 4 available electives

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Course 10: EU insurance regulation

A. General overview
Session 1: An introduction to the insurance sector
Session 2: Sources of the EU insurance regulation
  • Sources of EU insurance regulation
  • Evolutionary lines of the European insurance legislation
  • Freedom to provide services and right of establishment
  • Case law
Session 3: The role of the EIOPA

B. The regime governing insurance companies
Session 4: Prudential regime of insurance companies (Solvency II)
  • The key features of the insurance prudential regime
  • The three pillars and the supervisory toolkit
Session 5: Solvency II Review
Session 6: Solvency II Governance and risk management requirements
Session 7: Group supervision
Session 8: Case law
Session 9: Liquidation and resolution of insurance companies
  • Deterioration of the financial condition
  • Supervisory powers and intervention measures
  • Liquidation and resolution

C. Other aspects
Session 10: The insurance distribution Directive (IDD)
  • Introductory aspects
  • Rules of conduct
  • Sanctions and other supervisory measures
Session 11: Insured protection
  • Product and Oversight Governance (POG)
  • Insurance investment products (IBIPs)
  • Sustainability and IDD review
Session 12: Rules on pensions funds and personal pensions (I)
  • The European directives on collective pension schemes
  • The prudent person principle in the regulation of pension funds
Session 13: Rules on pensions funds and personal pensions (II)
  • The Pan European Pension Regulation (PEPP)

Course 11: Prudential regulation & supervision and resolution of financial groups in the EU

Session 1: Historical background of group supervision on financial groups
  First and second Consolidated Group supervision Directives for banks of 1992 and 1999
  The Financial Conglomerate Directive (FICO) and the Supplemental Supervision regime for insurance groups of Solvency II
Session 2: Definitions of holding companies, financial institutions and ancillary business undertakings throughout CRR, CRD IV, FICO and Solvency II to define the scope of group supervision
Session 3: Institutional organisation of group supervision: colleges of supervisors, and the rules for determining the group coordination
Session 4: Subsidiarisation versus branch-ification trends: the drivers to establish groups and to break them down. Trends and developments after the introduction of the SSM with respect to the branch-ification
Session 5: Substantive law provisions on groups supervision: making the holding company subject to capital or solvency requirements and liquidity requirements
  Supervision on intragroup relations
  Common risk management model and group wide organisation or governance and risk management
Session 6: Consolidated group supervision: scope and impact for banking groups
  Relations with third country supervisors
  Memoranda of understanding for cross-border banking groups
Session 7: Supplemental group supervision for insurance groups: deviations from banking regime and the impact of Solvency II requirements for international groups operating in non-equivalent supervision jurisdictions
  The constraints of re-insurance arrangements offered to European groups offered by US parents.
Session 8: FICO supervision, coordinating the CRR/CRD IV and Solvency II solvency requirements for mixed activity groups
Session 9: Group supervision for groups of investment firms: prudential consolidation versus the group capital test
Session 10: The creation of intermediary holding company regimes (CRR2/CRDS and IFIRIIFD) to address cross-border constraints on the supervision of groups, and the resolution of them
Session 11: Resolving banking groups in Europe
  Multi Point of Entry versus Single Point of Entry strategies Resolvability of banking groups and Group Resolution Plans
Session 12: TLAC and MREL requirements for Banking groups
Internal MREL versus External MREL
  Ringfencing trends and the application of DGS schemes throughout the jurisdictions where the banking group is present
Session 13: Summary

Elective Course

Students will choose 2 of the 4 available electives
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Course 12: Comparative aspects of EU financial regulation in a global context

A. Switzerland
Session 1: Institutional aspects (Swiss National Bank, FINMA), authorisation, regulation and supervision of credit institutions, supervision of G-SIBs and D-SIBs, resolution and deposit insurance
Session 2: Financial infrastructures; market abuse regulation
Session 3: Financial services and investment funds

B. United Kingdom
Session 4: Institutional aspects (Bank of England, Financial Conduct Authority and Prudential Regulation Authority), authorisation, regulation and supervision of credit institutions, supervision of G-SIBs and D-SIBs, resolution and deposit insurance
Session 5: Financial infrastructures and market abuse regulation
Session 6: Financial services and investment funds

C. USA
Session 7: Institutional aspects (Dual banking system; Federal Reserve, OCC, CFPB, FSOC) and financial institutions (e.g., thrifts, credit unions, investment banks, commercial banks and trust companies, state and nationally chartered banks), authorisation, regulation and supervision of credit institutions, supervision of G-SIBs and D-SIBs, resolution and deposit insurance
Session 8: Financial infrastructures and market abuse regulation
Session 9: Financial services and investment funds

D. Japan
Session 10: Institutional aspects (Bank of Japan, Financial Services Agency), authorisation, regulation and supervision of credit institutions, supervision of G-SIBs and D-SIBs
Session 11: Financial infrastructures and market abuse regulation
Session 12: Financial services and investment funds

E. Overview on other jurisdictions
Session 13: Comparison and summary

Elective Course
Students will choose 2 of the 4 available electives