

FINTECH
UNIVERSITY OF FLORIDA LEVIN COLLEGE OF LAW
Spring 2023 SYLLABUS – LAW 6930 – 3 CREDITS

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Office Hours: Wednesdays 11am-noon (in person)
Fridays 10 am -11 am (on Zoom)

MEETING TIME AND LOCATION

Tuesdays & Thursdays 4:00 pm – 5:25 pm
HH 345

COURSE DESCRIPTION

Technology is redefining financial services—including the way actors make and settle payments, raise capital, extend loans, and memorialize increasingly complex relationships. At the same time, new innovations—from crowdfunding to robo-advising, high frequency trading, marketplace lending, mobile payments, and digital assets—are creating novel legal and regulatory issues. This course provides an overview of the key developments reshaping finance and the rules adopted to oversee them.

The course will cover a distinct fintech innovation each week (two class sessions). In the first session, students will learn the brief history, concept, characteristics, business model, and major participants of this fintech innovation. In the second session, students will study what laws and regulations apply and analyze if existing laws and regulations can adequately address the novel issues posed by this fintech innovation. Throughout the semester, students will better understand problems fintech firms face, legal and regulatory goals lawmakers and regulators seek to achieve, and the potential conflicts between these two. Additionally, students will have the chance to hear from fintech entrepreneurs, regulators, and other experts in this area.

STUDENT LEARNING OUTCOMES

At the end of this course, students should be able to perform the following:

- Describe the short history of fintech and the evolving relationship between fintech companies and traditional financial institutions.
- Understand various fintech developments including crowdfunding, robo-advising, high frequency trading, marketplace lending, mobile payments, and digital assets.
- Apply laws and regulations to these fintech developments.
- Analyze if existing laws and regulations can adequately address all novel issues posed by these fintech developments.
- Evaluate the pros and cons of existing laws and regulations.

REQUIRED TEXTBOOK

Fintech Law, the Case Studies, Howell Jackson, and Margaret Tahyar, (free eBook available)
Fintech Law and Policy, Lee Reiners

Fintech Law in a Nutshell, Chris Brummer

Students will also be required to read and prepare additional materials that will be posted on Canvas. Please have the materials in print or in an easily accessible electronic form during class. You are responsible for checking your Canvas page and the e-mail connected to the page on a regular basis for any class announcements or adjustments. A variety of optional resources also will be provided on Canvas should you want to explore deeper than we can dive in the time allotted.

CLASS ATTENDANCE POLICY

Students are expected to attend and participate in class and attendance will be taken at every class. I am assuming that each student that enrolls in this course is committing to attend every class to the best of their abilities, and class attendance is required by both the [ABA and the Law School](#).

- Nevertheless, to allow for exigencies in life, **students are permitted two unexcused absences during the semester** without impacting their final grade. This allowance is designed to accommodate for illness, job interviews, family emergencies, and life. Please budget accordingly so that you are not left at the end of the semester with a needed absence and your budget depleted. As a courtesy, please let me know when you are going to be absent from class.
- For each absence beyond two, a student's final grade will be reduced by one-third of a grade (e.g., A- to B+).
- If a student misses four classes, the professor has the discretion to render the student ineligible to receive credit for the course.
- Excused absences, including [observance of religious holidays](#), are consistent with University policies, and require appropriate documents and/or notification before or shortly after class about your absence. If you have a religious holiday, exceptional illness, or emergency that causes you to miss class, you must contact me before or soon after class for your absence to be excused. The law school's policy on attendance can be found [here](#).

A seating chart will be available on the first day of class for students to choose a seat. Please sit where you would like to remain for the rest of the semester on that day. I will pass around an attendance sheet at the beginning of each class period. I will consider it a violation of the honor code if you have someone else sign you in and you are not present, and I reserve the right to lower your final grade accordingly.

PROFESSIONAL COURTESY

Please do not arrive late to class or leave early absent extenuating circumstances. If you need to do so, please sit near one of the exits to minimize your disruption to others and notify me in advance. Please make sure your cell phone is turned off during class. I reserve the right to deduct points from your final grade if you engage in behavior that significantly disrupts the learning environment for your classmates.

COURSE EXPECTATIONS

Each class session will involve a mix of lecture, discussion, and group exercise, all focusing on the week's assigned materials. For some classes, guest speakers may join us. This course does *not* satisfy the Advanced Writing Requirement. No prior scientific background is required; merely a willingness to learn. The requirements for the course are:

- *Reading and Viewing:* Each class session will require you to read and/or view materials. You are expected to read and view those materials before class, so that you are prepared to discuss them in the seminar. Readings and viewings will be circulated on Canvas.

- *Participation:* Our class sessions will vary, with a combination of lectures, guest speakers, in-class small group projects, and discussions. The one constant is an expectation that you will be an active participant in each week's class.
- *Case studies and group work:* There will be two case studies throughout the semester, and four or five students will team up to complete each case study. In the first case study, students will provide strategic options and legal risks for Elite ReFi, Inc., a marketplace leader that operates an online platform for the refinancing of student loans. In the second case study, students will help the World Bank advise developing countries interested in developing new mobile payment systems.
- *Final exam:* The final exam will consist of essay, multiple choice, and short answer questions.

USE OF LAPTOPS IN CLASS

Although laptops and comparable technology are not prohibited, I would encourage you to use them judiciously.

PREFERRED NAME AND PRONOUNS

Many of you may have a preferred name that is not the name given to me on the official roll. It is important to the learning environment that you feel welcome and safe in this class. I want you to be comfortable participating in class discussions and communicating with me on any issues related to the class. I would like to refer to you by your preferred pronoun and last name. As such, if your preferred name is not the name listed on the official UF roll, please let me know as soon as possible by e-mail or otherwise before the first day of class.¹

DISCOURSE, INCLUSION, AND THE CLASSROOM

As a law student and future lawyer, it is important that you be able to engage in rigorous discourse and critical evaluation while also demonstrating civility and respect for others. This is even more important in the case of controversial issues and other topics that may elicit strong emotions. As a group, we are likely diverse across racial, ethnic, sexual orientation, gender identity, economic, religious, and political lines. As we enter one of the great learning spaces in the world—the law school classroom—and develop our unique personality as a class section, I encourage each of us to:

- commit to self-examination of our values and assumptions;
- speak honestly, thoughtfully, and respectfully;
- listen carefully and respectfully;
- reserve the right to change our mind and allow for others to do the same;
- allow ourselves and each other to verbalize ideas and to push the boundaries of logic and reasoning both as a means of exploring our beliefs as well as a method of sharpening our skills as lawyers.

GRADING EVALUATION

Class Component	Percent of Grade
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¹ You may also change your "Display Name" in Canvas. Canvas uses the "Display Name" as set in myUFL. The Display Name is what you want people to see in the UF Directory, such as "Ally" instead of "Allison." To update your display name, go to one.ufl.edu, click on the dropdown at the top right, and select "Directory Profile." Click "Edit" on the right of the name panel, uncheck "Use my legal name" under "Display Name," update how you wish your name to be displayed, and click "Submit" at the bottom. This change may take up to 24 hours to appear in Canvas. This does not change your legal name for official UF records.

Class participation	10%
Case study	20%
Final exam	70%
TOTAL	100%

Other information about UF Levin College of Law policies, including compliance with the UF Honor Code, Grading, Accommodations, Class Recordings, and Course Evaluations can be found at this link: <https://ufl.instructure.com/courses/427635/files/74674656?wrap=1>

COURSE SCHEDULE OF TOPICS AND ASSIGNMENTS (TENTATIVE)

This syllabus is offered as a guide to the direction of the course, and it will be updated on Canvas with specific reading assignments and may be adjusted based on the availability of our speakers. **Six weeks' assignments are below**, but Canvas will be your go-to location for assignments. It will also have links to all the readings for your convenience. ABA Standard 310 requires that students devote 120 minutes to out-of-class preparation for every “classroom hour” of in-class instruction. This course has 3 “classroom hours” of in-class instruction each week, **requiring at least six hours of preparation outside of class.**

Jan 17 #1	Fintech Introduction 1. Fintech Law, the Case Studies 1) The Nature of the Fintech Firm, P9-22 2. Fintech Law in a Nutshell 1) Introduction: Regulating Financial Innovation, P1-27 3. An Introduction to Fintech, Key Sectors and Trends, S&P Global, https://www.spglobal.com/marketintelligence/en/documents/an-introduction-to-fintech-key-sectors-and-trends.pdf 4. A Global Fintech Overview, Harvard Business Publishing Education, https://hbsp.harvard.edu/product/UV7736-PDF-ENG
Jan 19 #2	Fintech Introduction II 1. Fintech Law and Policy P10-25 1) The evolving relationship between Fintech, Regulators, and Traditional Financial Institutions 2. Fintech: Overview of Financial Regulators and Recent Policy Approaches, Congress Research Services, https://crsreports.congress.gov/product/pdf/R/R46333 3. 21st Century Fintech, Financial Technology Research Guide, Library of Congress, https://guides.loc.gov/fintech/21st-century 4. Should the States or Federal Government Regulate Fintech? Duke FinReg Blog, https://sites.duke.edu/thefinregblog/2021/10/07/should-the-states-or-federal-government-regulate-fintech/

Jan 24 #3	Crowdfunding 1. Fintech Law in a Nutshell 1) Chapter 1 Crowdfunding P51-53 2. Crowdfunding Explained, European Commission https://single-market-economy.ec.europa.eu/access-finance/guide-crowdfunding/what-crowdfunding/crowdfunding-explained_en 3. A Brief Introduction to Crowdfunding, Dutch Caribbean Securities Exchange, https://www.dcsx.cw/wp-content/uploads/2020/06/Publication-7-A-An-introduction-to-Crowdfunding-final.pdf
Jan 26 #4	Crowdfunding II 1. Fintech Law in a Nutshell 1) Chapter 1 Crowdfunding P54-104 (skim through it) 2. Financial Technology Research Guide, Library of Congress 1) Crowdfunding & Regulations https://guides.loc.gov/fintech/21st-century/crowdfunding 3. U.S. Securities-based Crowdfunding Under Title III of the JOBS Act https://www.sec.gov/files/regcf_whitepaper.pdf 4. Regulation Crowdfunding: A Small Entity Compliance Guide for Issuers https://www.sec.gov/info/smallbus/secg/rccomplianceguide-051316 Optional readings: 5. Financial Industry Regulatory Authority (FINRA): Funding Portals We Regulate https://www.finra.org/registration-exams-ce/funding-portals 6. Regulation Crowdfunding: Home/Small Business/ Exempt Offerings https://www.sec.gov/education/smallbusiness/exemptofferings/regcrowdfunding
Jan 31 #5	NO CLASS Makeup TBD
Feb 2 #6	Robo-Advisors 1. Fintech Law, the Case Studies 1) Robo-Advising, P65-84 2. Fintech Law and Policy 1) Fintech Wealth Management and Financial Account Aggregators, P99-106 3. The Expansion of Robo-Advisory in Wealth Management, Deloitte, https://www2.deloitte.com/content/dam/Deloitte/de/Documents/financial-services/Deloitte-Robo-safe.pdf

Feb 7 #7	Robo-Advisors II 1. Fintech Law in a Nutshell 1) Chapter 3, Robo-Advisors P201-234 (skim through it) 2. The SEC’s Guidance on Robo-Advisers https://www.sec.gov/investment/im-guidance-2017-02.pdf 3. Are Robots Good Fiduciaries? Regulating Robo-Advisors Under the Investment Advisers Act of 1940, Columbia Law Review, https://columbialawreview.org/content/are-robots-good-fiduciaries-regulating-robo-advisors-under-the-investment-advisers-act-of-1940-2/ 4. Case: the SEC charged Charles Schwab Investment Advisory, Inc. and Schwab Investment Advisory, Inc. https://www.sec.gov/enforce/34-95087-s Optional readings: 1. Overview of Securities Exchange Commission Rules of Robo-Advisors, Imperial Law Office https://imperiallawoffice.com/blog/overview-of-securities-and-exchange-commission-rules-of-robo-advisors 2. Regulating Robo Advice Across the Financial Service Industry, Tom Baker, University of Pennsylvania Law School https://www.law.upenn.edu/live/files/6308-baker-and-dellaert-regulating-robo-advice-across
Feb 9 #8	High Frequency Trading 1. Fintech Law, the Case Studies 1) Algorithmic Trading Strategies, P99-114 2. Fintech Law in a Nutshell 1) Chapter 4 High Frequency Trading, P237-248 3. The Need for Speed: Regulatory Approaches to High Frequency Trading in the United States and the European Union, Megan Woodward, P1360-1373 https://scholarship.law.vanderbilt.edu/cgi/viewcontent.cgi?article=1154&context=vjtl 4. High Frequency Trading: History, Basics, Facts, Features, and More, Chainika Thakar, Anupriya Gupta, and Milind Paradkar, https://blog.quantinsti.com/high-frequency-trading/
Feb 14 #9	High Frequency Trading II 1. Fintech Law, the Case Studies 1) Algorithmic Trading Strategies, P115-122 2. Fintech Law in a Nutshell 1) Chapter 4 High Frequency Trading, P249-279 (Skim through it) 3. The Need for Speed: Regulatory Approaches to High Frequency Trading in the United States and the European Union, Megan Woodward, P1377-1387

	https://scholarship.law.vanderbilt.edu/cgi/viewcontent.cgi?article=1154&context=vjtl
Feb 16 #10	Special Purpose Fintech Charter 1. Fintech Law and Policy 1) Chapter 3, Banking Regulation in the United States, P45-56 2. Fintech Law and Policy 1) Chapter 2 Fintech Lending, P26-44 3. Fintech Law in a Nutshell 1) Chapter 5, Marketplace Lending, P289-P295
Feb 21 #11	Marketplace Lending 1. Fintech Law in a Nutshell 1) Chapter 5, Marketplace Lending, P296-344 (skim through it) 2. Trends in Marketplace Lending: An Overview, Millennium Trust Company, https://www.mtrustcompany.com/sites/default/files/uploads/docs/Marketplace-Lending-Whitepaper.pdf 3. Case: Madden v. Midland Funding LLC https://caselaw.findlaw.com/us-2nd-circuit/1701613.html 4. Federal banking Regulators Can and Should Resolve Madden and True Lender Developments, Davis Polk, https://www.davispolk.com/sites/default/files/madden-true-lender-federal-regulatory-fix-whitepaper_final.pdf Optional readings: 1. District Court Upholds OCC and FDIC’s “Valid when Made” Rules, Skadden, https://www.skadden.com/insights/publications/2022/02/district-court-upholds-occ-and-fdic-valid-when-made-rules 2. Fintech Credit, Bank for International Settlement, https://www.bis.org/publ/cgfs_fsb1.pdf
Feb 23 #12	Marketplace Lending II Credit scoring and anti-discrimination Guest Lecturer: Professor Katja Langenbucher
Feb 28 #13	Marketplace Lending III 1. Fintech Law, the Case Studies 1) Lending club:2008, P 25-36 2. Fintech Law in a Nutshell 2) Chapter 5, Marketplace Lending, P351-361 3. Case: People of the State of California, et al., v. Federal Deposit Insurance Corp.,

	https://casetext.com/case/people-v-fed-deposit-ins-corp 4. Case: People of the State of California, et al., v. the Office of the Comptroller of the Currency, et al., https://www.morganlewis.com/-/media/files/supplemental/2022/california-v-occ-decision-finreg-blog-pdf.pdf
Feb 30 #14	Case Study: Strategic Options and Legal Risks for Elite ReFi, Inc. A marketplace lender attempts to negotiate legal uncertainties arising out of the Madden litigation and its aftermath.
Mar 2 #15	Case Study: Strategic Options and Legal Risks for Elite ReFi, Inc. Peer feedback
Mar 7 #16	Mobile Payments
Mar 9 #17	NO CLASS MAKEUP TBD
Mar 21 #18	Mobile Payments II Digital Currencies and Decentralized Payments
Mar 23 #19	Mobile Payments III Anti-Money Laundering and Compliance
Mar 28 #20	Case study 2 Mobile Payments for the Developing World: Presentation
Mar 30 #21	Case study 2 Mobile Payments for the Developing World: Presentation
Apr 4 #22	Cybersecurity
Apr 6 #23	Beyond Fintech: Suptech
Apr 11 #24	Beyond Fintech: Regtech
Apr 13 #25	The Future of Fintech

Apr 18 #26	Review Session
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