

FINTECH
UNIVERSITY OF FLORIDA LEVIN COLLEGE OF LAW
FALL 2023 SYLLABUS – LAW 6936 – 2 CREDITS

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Office Hours: Tuesdays 1:30 pm – 2:30 pm (in person)
 Wednesdays 3:00 pm – 4:00 pm (on Zoom)

MEETING TIME AND LOCATION

Tuesdays 10:00 am – 12:00 pm
HOL 285A

COURSE DESCRIPTION

The landscape of financial services is undergoing a transformative change, driven by technology. Innovations such as robo-advising, high frequency trading, marketplace lending, and mobile payment are not only redefining how financial services are conducted, but also creating unique legal and regulatory challenges. This course aims to provide a comprehensive overview of these innovations and the regulatory framework being adopted to oversee them.

The course will explore a distinct fintech innovation each week for two hours. The first hour will be dedicated to understanding the history, concept, characteristics, business model, and major industry participants of the chosen fintech innovation. The second hour will focus on applicable laws and regulations and will engage students in a critical analysis of whether current legal structures are equipped to address the unique issues arising from these fintech innovations.

STUDENT LEARNING OUTCOMES

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

- Develop a comprehensive understanding of fintech's brief history and the evolving dynamics between fintech entities and traditional financial institutions.
- Gain a solid grasp of various fintech advancements including crowdfunding, robo-advising, high-frequency trading, marketplace lending, and mobile payment.
- Apply existing laws and regulations to these fintech innovations.
- Critically evaluate the suitability of current laws and regulations in addressing the unique challenges posed by these fintech developments.
- Weigh the advantages and disadvantages of existing legal and regulatory frameworks in the fintech space.
- Deepen their understanding of the challenges fintech firms face, comprehend the legal and regulatory objectives pursued by lawmakers and regulators, and identify the potential conflicts between these two aspects.

REQUIRED TEXTBOOK

Fintech Law, the Case Studies, Howell Jackson, and Margaret Tahyar (Free eBook available online)

Fintech Law and Policy, Lee Reiners (Excerpts will be distributed on Canvas)

Fintech Law in a Nutshell, Chris Brummer

Weekly reading assignments and study materials will be provided via Canvas, to be prepared ahead of each class. Ensure to have these materials readily accessible in print or electronically during class. You are responsible for checking Canvas and associated email on a regular basis for class updates and announcements.

COURSE EXPECTATIONS

For a successful seminar experience, the following requirements should be met:

- *Preparation:* Prior to each session, please ensure you've thoroughly studied the assigned materials. This will foster productive and insightful discussions. All resources will be available on Canvas.
- *Active Participation:* Each class session is designed to be dynamic and engaging, consisting of lectures, guest speaker sessions, small group activities, and discussions. Your active participation is a fundamental component of the learning experience.
- *"Discussion Leader" Assignment:* Throughout this seminar, we'll delve into five main topics: crowdfunding, high-frequency trading, robo-advisors, marketplace lending, and payment. For one of these topics, you will take on the role of a "discussion leader", presenting a concise history, the underlying concept, characteristics, business model, and key industry players of your chosen fintech innovation. In addition, you will lead the discussion for the first hour of the class. A week prior to your "discussion leader" role, we will have a one-on-one meeting to prepare you for this task.
- *Draft Presentation and Final Paper:* You are expected to write a comprehensive **10-12 pages paper, single-spaced in 12 point, Times New Roman font**. You will present this paper to the class. This topic can focus on any aspect of fintech. However, it may be beneficial to select a topic aligned with your "discussion leader" duty, as you'll have to conduct research on that topic. The **outline** is due on either **September 26 or October 3** when you meet with me to discuss your outline and receive individualized feedback. Your **first draft** is due a week before your scheduled presentation on either **October 24 or 31** by 11:59 pm ET. The **final paper** is due by 11:59 pm ET on **December 14**.
- *Peer Feedback:* The presentations will be split across two days (October 31 and November 7), with half of the students (3 or 4 students) presenting on each day. On the day of your presentation, you are also expected to provide a one-page written feedback

on the other presentations within 48 hours. You should also prepare to ask questions and provide verbal feedback/comments to your peers presenting on the alternate day.

GRADING EVALUATION

Class Component	Percent of Grade
Class participation	10%
Discussion leader assignment	15%
Draft presentation	15%
Feedback to peers	10%
Final paper	50%
TOTAL	100%

CLASS ATTENDANCE POLICY

Both the ABA and Law School mandate class attendance. The school's attendance policy can be found [here](#). Attendance will be monitored at each session. You're allowed up to **TWO** absences per semester. Ensure you're not marked absent if you arrive late, and kindly inform me ahead of time if you're unable to attend a class.

- Absences beyond two will result in a one-third grade reduction for each additional absence (e.g., from 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.
- A seating chart will be provided on the first day of class. Choose your preferred seat on this day, as this will be your assigned spot for the remainder of the semester.

UF LEVIN COLLEGE OF LAW STANDARD SYLLABUS POLICIES:

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>.

ABA OUT-OF-CLASS HOURS REQUIREMENTS:

ABA Standard 310 requires that students devote 120 minutes to out-of-class preparation for every “classroom hour” of in-class instruction. This weekly class is **two** hours in length, requiring at least **four** hours of preparation outside of class.

COURSE SCHEDULE OF TOPICS AND ASSIGNMENTS (TENTATIVE)

This syllabus is offered as a guide to the direction of the seminar. It will be regularly updated on Canvas with specific reading assignments and may be adjusted based on guest speaker availability. The pace may vary depending on the level of interest and complexity of each topic

and is therefore subject to change. Initial readings assignments are included below, but Canvas will be the primary source for all topics, assignments and reading material links.

1 8/2 2	Fintech Introduction • Fintech Law in a Nutshell ◦ Introduction: Regulating Financial Innovation • Fintech Law, the Case Studies ◦ The Nature of the Fintech Firm • Fintech Law and Policy ◦ The evolving relationship between Fintech, Regulators, and Traditional Financial Institutions • The Future of FinTech, A Paradigm Shift in Small Business Finance https://www3.weforum.org/docs/IP/2015/FS/GAC15_The_Future_of_FinTech_Paradigm_Shift_Small_Business_Finance_report_2015.pdf • (Optional) Fintech: Overview of Financial Regulators and Recent Policy Approaches, Congress Research Services https://crsreports.congress.gov/product/pdf/R/R46333Links to an external site.
2 8/2 9	Fintech Introduction from a Comparative Perspective: Open Banking in Europe Guest speakers: Daniel Ostrovski and Leander Bucken PhD researchers, Philipps-Universität Marburg, Germany
3 9/5	Crowdfunding • Fintech Law in a Nutshell ◦ Chapter 1 Crowdfunding • Crowdfunding Explained, European Commission https://single-market-economy.ec.europa.eu/access-finance/guide-crowdfunding/what-crowdfunding/crowdfunding-explained_enLinks to an external site. • The Legal Regulation of U.S. Crowdfunding https://ir.law.utk.edu/cgi/viewcontent.cgi?article=1870&context=utklaw_facpubs • Regulation Crowdfunding: A Small Entity Compliance Guide for Issuers https://www.sec.gov/info/smallbus/secg/rccomplianceguide-051316 Links to an external site.
4 9/1 2	High Frequency Trading • High Frequency Trading

	https://www.youtube.com/watch?v=z4nCTdQIH8wLinks to an external site.  • SEC Press Release https://www.sec.gov/news/press-release/2014-229Links to an external site. • Athena Capital Research, LLC- SEC.gov https://www.sec.gov/litigation/admin/2014/34-73369.pdfLinks to an external site. • The Wall Street Journal, High-Frequency Trader Athena Capital Settles Stock-Manipulation Charges https://www.wsj.com/articles/athena-capital-settles-stock-manipulation-charges-with-sec-1413486055Links to an external site. • Fintech Law, the Case Studies ◦ Algorithmic Trading Strategies • Fintech Law in a Nutshell ◦ Chapter 4 High Frequency Trading
5 9/1 9	Robo-advisors • Will Robots Replace Human Advisors? https://www.youtube.com/watch?v=suUVjOi5tHALLinks to an external site.  • Robo-advisor Landscape 2022 • Fintech Law in a Nutshell ◦ Chapter 3, Robo-Advisors • In the Matter of Charles Schwab & Co., INC., Charles Schwab Investment Advisory, Inc. and Schwab Wealth Investment Advisory, Inc. https://www.sec.gov/litigation/admin/2022/34-95087.pdfLinks to an external site. • SEC Adopts Modernized Marketing Rule for Investment Advisers https://www.sec.gov/news/press-release/2020-334Links to an external site. • The SEC's New Marketing Rule: Key Takeaways for Advisers https://www.morganlewis.com/-/media/files/publication/morgan-lewis-title/white-paper/2021/the-secs-new-marketing-rule-key-takeaways-for-advisers.pdfLinks to an external site.

6 9/2 6	Writing Period and Individualized Feedback Your outline due Class does not meet. Please stop by my office during our regular class time, this week or next, to discuss progress on your paper. Bring an outline or draft.
7 10/ 3	Writing Period and Individualized Feedback Your outline due Class does not meet. Please stop by my office during our regular class time (if you did not stop by last week) to discuss progress on your paper. Bring an outline or draft.
8 10/ 10	Marketplace Lending - Fintech Credit, Bank for International Settlement https://www.bis.org/publ/cgfs_fsb1.pdfLinks to an external site. - Fintech Law in a Nutshell - Chapter 5, Marketplace Lending - Fintech Law and Policy - Chapter 3, Banking Regulation in the United States - Case: Madden v. Midland Funding LLC https://caselaw.findlaw.com/us-2nd-circuit/1701613.htmlLinks to an external site. - Case: In the Matter of People v County of Rehoboth Beach, Del., 45 A.D.3d 1136 (2007) - 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.pdfLinks to an external site. (Optional) 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-rulesLinks to an external site.
9 10/ 17	Payment - Fintech Law and Policy - Chapter 5 Payment - Fintech Law in a Nutshell - Payment chapter - Chapter 7, Anti-Money Laundering and Compliance - Barrer v. Chase Bank USA

	https://casetext.com/case/barrer-v-chase-bank Links to an external site. • FTC v. Capital City https://www.ftc.gov/sites/default/files/documents/cases/1998/01/capitcmp.pdf • Criminal charges against U.S. Bancorp https://www.justice.gov/usao-sdny/press-release/file/1035076/downloadLinks to an external site.
10/ 24 or 10/ 31	Your first draft due a week before your scheduled presentation
10 10/ 24	Fintech Startup from a Legal Perspective Guest speaker: Kristina Subbotina Esq. Former Cooley attorney, now startup founder
11 10/ 31	Student Presentations
12 11/ 7	Student Presentations
13 11/ 14	CBDC Workshop 8:00-10:30 am
12/ 14	Final paper due