Course Description: International banks organized outside the United States ("foreign banks") have established a major presence in the United States over the last six decades and have acquired a substantial share of the banking and financial markets during that time. In response, the U.S. regulation of foreign banks has likewise expanded and experienced significant change during that period.

This course will analyze the conceptual framework and the laws and regulations governing the U.S. banking regulation of foreign banks, including how foreign banks may enter, operate and expand in the United States. The course will also review the supervision, examination and enforcement scheme that the U.S. government applies to foreign banks. Finally, it will assess evolving U.S. regulatory standards, including under the Dodd-Frank Act, the International Banking Act, the Bank Holding Company Act, the Basel Capital Accords, the Bank Secrecy Act and the USA PATRIOT Act.

Student Learning Goals: The learning goal for the class is for students to understand the basic conceptual and legal framework that applies to foreign banks in the United States. This understanding will then allow a student to select and analyze a topic of interest for purposes of a class paper.

Class Attendance and Participation: Pursuant to the Georgetown Law Student Handbook of Academic Policies, "[regular and punctual attendance at all class sessions is required of each student." For class purposes, students are expected to adhere to this policy as well as participate in class on a good faith basis.

Grade: Your final grade will be based on the class paper required for the course by Georgetown. The paper will be evaluated based on the quality of the analysis of the topic selected as well as the quality of the writing and research. Appropriate attribution and citations should be used in the paper.

Late Papers: A student must receive my permission for a faculty-approved extension to the paper deadline to turn the paper in late. Extensions will be granted provided the student has made some progress on the paper, for example, the student has selected a topic and a short outline has been prepared. Absent an extension approved by the Associate Dean, a student who submits a paper after the regular deadline or, if applicable, after my faculty-approved extension deadline, will receive an AF in the course.
Withdrawals: Course withdrawals are permitted up until the last day of class for this course.

Reading Assignments: The reading assignments provide background information for the class lectures and for general familiarity with the class topic and should be reviewed for those purposes. It is not necessary to memorize the materials and only a general understanding of them is required for class purposes.

Course Recording Policy: The class will use the Law Center’s standard policy that all classes will be recorded and released only to enrolled students meeting one of the limited circumstances set forth in the Law Center’s Policy (e.g., illness, religious observance or family emergency). If the reason for a request falls outside the limited circumstances outlined in the Policy, professor permission will be required.

Class Schedule; Topics and Reading Assignments:

CLASS 1, January 23th: Introduction to Foreign Banking Regulation in the United States.
Reading Assignment: Executive Summary of the U.S. Senate Report: The BCCI Affair.

CLASS 2, January 30th: Structure of the U.S. Banking System & Dodd-Frank Act Regulation.

CLASS 3, February 6th: Foreign Bank Entry into the United States.
Reading Assignment: Subpart B of Regulation K of the Federal Reserve Board, 12 CFR 211.20-211.30.

Class 4, February 13th: Capital Requirements & Basel Accords.
Reading Assignment: Basel Committee Capital Materials.

Class 5, February 23th (Thursday): Supervision, Examination and Enforcement.
Reading Assignments: (1) Federal Reserve Board Supervisory Letter SR 12-17: Consolidated Supervision Framework for Large Financial Institutions; (2) Federal Reserve Board Supervisory Letter SR 08-9: Consolidated Supervision of Bank Holding Companies and the Combined U.S. Operations of Foreign Banking Organizations; and (3) Federal Reserve Board Enforcement Order.

Class 6, February 27th: Bank Secrecy Laws & USA PATRIOT Act.
Reading Assignments: (1) The Bank of Nova Scotia decision, 691 F.2d 1384 (11th Cir. 1982); (2) The First National Bank of Chicago decision, 699 F.2d 341 (7th Cir. 1983); (3) Restatement (Third); and (4) Federal Reserve Board Supervisory Letter 01-29: The USA PATRIOT Act and the International Money Laundering Abatement and Anti-Terrorist Financing Act of 2001.

Class 7, March 6th: Economic Sanctions and Class Review.

Reading Assignments: (1) Outline of BNP Settlement; (2) Department of Justice BNP Press Release; (3) Federal Reserve Board BNP Materials; and (4) Federal Reserve Board HSBC Materials.