

DO NOT REMOVE THE QUESTION PAPER FROM THE EXAMINATION HALL

UNIVERSITY OF LONDON

CENTRE FOR FINANCIAL AND MANAGEMENT STUDIES

MSc Examination

Postgraduate Diploma Examination

Postgraduate Certificate Examination

for External Students

91DFMC345

FMM445

FINANCE AND FINANCIAL LAW

Law and Regulation of Electronic Finance and Internet Banking

Specimen Examination

This is a specimen examination paper designed to show you the type of examination you will have at the end of this module. The number of questions and the structure of the examination will be the same but the wording and the requirements of each question will be different. Best wishes for success on your final examination.

The examination must be completed in **THREE** hours.

Candidates should answer **THREE** questions, *at least ONE* question from Section A and **ONE** question from Section B. The remaining question may be selected from *either* section.

The examiners give equal weight to each question; therefore, you are advised to distribute your time approximately equally between the three questions.

The examiners wish to see evidence of your ability to use technical models and to critically discuss their mechanisms and application.

PLEASE TURN OVER

Answer **THREE** questions, *at least ONE* question from Section A and **ONE** question from Section B. The remaining question may be selected from *either* section.

Section A

(Answer at least ONE question from this section)

1. Prudential regulation of the business of banking is a core government responsibility. Describe in detail the purposes of prudential regulation and the methods used by bank supervisors to implement prudential regulation; identify the bank supervisory structures in place in the EU, UK and US; and discuss the methods employed in administering banking regulation in those jurisdictions.
2. Crowdfunding has become a popular method of raising capital solely through the internet. Discuss the concept of crowdfunding, the participants and their respective roles in a crowdfunding offering.
3. The 'effects' doctrine has met with near-unanimous acceptance by regulators with regard to offering of financial services over the internet. Discuss the basic principles underlying this doctrine and provide examples of circumstances when it may and may not apply.
4. Provision of banking services continues to migrate to bank websites that are accessible by customers in multiple jurisdictions. Banks in EU Member States benefit from mandatory application of the EU's freedom of economic movement, subject to any 'general good' derogations required by national prudential regulation. Discuss in detail the concept of freedom of economic movement in the EU and the rationale for the 'general good' derogation, and provide examples of situations where derogations for the 'general good' are permissible.

Section B

(Answer at least ONE question from this section)

5. The internet allows for cost-effective electronic delivery of documents. Many organisations that are subject to the jurisdiction of financial services regulators are required to provide mandated disclosures. Explain the position of these regulators with respect to electronic delivery of mandated disclosures, and provide examples of the types of mandated disclosures that may be delivered electronically.

6. US laws have established a comprehensive employee whistleblower and anti-retaliation regime applicable to publicly listed financial services companies. Critically discuss the provisions of this regime and its interface with the EU's General Data Protection Regulation.

7. As financial services offered over the internet become more commoditised, the need for standardisation to drive down costs accelerates. This includes the use of forum selection clauses requiring disputes to be resolved in a specific jurisdiction or by arbitration. Critically discuss the use, and enforceability under EU law, of forum selection and arbitration clauses in contracts for the provision of financial services.

8. The internet has greatly facilitated the cross-border marketing of financial products and services among EU Member States. Although the EU Directive on Electronic Commerce is designed to promote such internet commerce, the EU Directive on Distance Marketing seeks to provide certain levels of consumer protection with respect to financial transactions concluded over the internet. Comprehensively discuss the provisions of these directives and how they apply to financial products and services offered over the internet and transactions resulting therefrom.

[END OF EXAMINATION]