COMMERCIAL LAW AND CORPORATIONS II

GRADO EN DERECHO Y RELACIONES INTERNACIONALES/BACHELOR OF LAW AND INTERNATIONAL RELATIONS

Professor: MARIA DOLORES CONDE RUANO
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Degree course: SECOND
Semester: 2º
Category: COMPULSORY
Number of credits: 6.0
Language: English

PREREQUISITES

SUBJECT DESCRIPTION
This subject is based on a unique program designed specifically for law students interested in a potential career as business lawyers and created to provide them with the analytical tools necessary to understand the underpinning legal and economic thinking which underlie the transactions and business structures that business lawyers design, negotiate and implement.

Building on the foundations set in Commercial Law & Corporations I the course analyzes different legal institutions that serve firms in their business activities, with a focus on Corporate Law and Commercial Contracts (sale contracts).

OBJECTIVES AND SKILLS
As was the case with Commercial Law & Corporations I, this course aims at providing students an overall and in-depth view of the legal rules of business firms and commercial activities. It will provide a detailed understanding of the relevant legal features that underlie firms’ organization and business transactions. Although there may be singularities of that features, rules and institutions that vary in each jurisdiction, the course will look at several legal systems as a way of grasping their commonalities and stressing how functional and economic reasons inspire the configuration and functioning of most of them.

Students will become familiar with the institutions and rules of corporate and commercial law. They are expected to learn the basic features of legal rules and institutions of business law and to be able to argue and discuss cases in this legal area. It will also cultivate students’ abilities to apply theoretical knowledge in problem solution in practice and also in elaborating legal documents (contracts, reports, etc.) and to give arguments in legal role-plays.

Learning outcomes and specific competences: Knowledge and understanding of most common commercial and business law institutions. Capability to detect and solve legal problems involved in business organization and trade activities. Comprehension of values and interests underlying different legal rules in the business and corporate contexts. Use of institutions and rules as a relevant tool for entrepreneurial and business activities.

**METHODOLOGY**

**GENERAL METHODOLOGY**

Commercial Law & Corporations II has been designed together with Commercial Law & Corporations I to provide a strong background on legal rules and institutions involved in business and commercial practice worldwide. Through both courses students would be able to go through the most salient features of business and commercial practice worldwide.

Being a legal discipline, Commercial Law & Corporations II will predominantly look at the legal content of each institution analyzed (looking at examples from many legal systems and jurisdictions), however a search for the functional motivation and justification of institutions and rules will also be common throughout the course. An interdisciplinary approach will be followed in trying to ascertain the reasons for the institutions being how they are.

Teaching Commercial Law & Corporations II will follow a lecture-seminar format, although interactive discussion with students will be promoted. When suitable, cases will be used to illustrate the theory underlying rules and institutions. Students must read all the materials assigned to each session, which will be related to the topic that will be analysed (you are expected to keep reading until you understand the materials, bear in mind that they have been selected as to provide you with several hints and some keys that will help your participation in the class and your understanding of the issues).

Occasionally, a teamwork approach will be used, and students will be required to work together on homework assignments and study problems, providing suggestions to each other. One of the best ways to learn is teaching someone else. In the study group you can help each other by explaining concepts and analytical techniques and working through cases together. Teams should promote active and proportional participation and work of its members, discouraging free-riding.

Active participation in class, case presentations and group assignments is a precondition for the success of the course. Students are expected to be the leading role in the class and encouraged to raise questions, doubts and reflections in each of the issues covered in class.

There will be one mid-term exam and a final exam to assess students’ knowledge comprehension of the theoretical and practical issues studied during the course.

<table>
<thead>
<tr>
<th>Teaching methodology</th>
<th>Weighting</th>
<th>Estimated time a student should dedicate to prepare for and participate in</th>
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</thead>
<tbody>
<tr>
<td>Lectures</td>
<td>39.33 %</td>
<td>59 hours</td>
</tr>
<tr>
<td>Discussions</td>
<td>25.33 %</td>
<td>38 hours</td>
</tr>
<tr>
<td>Exercises</td>
<td>35.33 %</td>
<td>53 hours</td>
</tr>
<tr>
<td>Group work</td>
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<td>0 hours</td>
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<tr>
<td>Other individual studying</td>
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<td>0 hours</td>
</tr>
<tr>
<td>TOTAL</td>
<td>100.0 %</td>
<td>150 hours</td>
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</table>

29th October 2018
PROGRAM

SESSION 1
Recap of corporate law basic rules and principles. Public and private companies. Corporate law and agency problems (I).

SESSION 2
Public and private companies. Corporate law and agency problems (I).

SESSION 3
Public and private companies. Corporate law and agency problems (II).

SESSION 4
Public and private companies. Corporate law and agency problems (II).

SESSION 5
Public and private companies. Choice of legal regime. Corporate law and agency problems (III).

The balance of power and shareholder interests. Governance structures (I).

SESSION 6
The balance of power and shareholder interests. Governance structures (I).

SESSION 7
The balance of power and minority shareholder interests. Governance structures (II).

SESSION 8
The balance of power and minority shareholder interests. Governance structures (II).
SESSION 6
The balance of power and minority shareholder interests. Governance structures (III).

The balance of power and minority shareholder interests. Governance structures (II).

SESSION 7
Directors' liability (I).

Directors' liability (I).

SESSION 8
Directors' liability (II).

Directors' liability (II).

SESSION 9
Directors' liability (III).

Directors' liability (III).

SESSION 10
Directors' liability (IV).

Directors' liability (IV).

SESSION 11
Corporate transactions (capital increase, capital decrease, liquidation).
Corporate transactions (capital increase, capital decrease, liquidation).

SESSION 12
Intermediate exam

SESSION 13
Fundamental changes: reincorporations, mergers, spin offs (I).

SESSION 14
Fundamental changes: reincorporations, mergers, spin offs (II).

SESSION 15
Fundamental changes: reincorporations, mergers, spin offs (III).

SESSION 16
Control transactions. Takeovers (I).
SESSION 17
Control transactions. Takeovers (II).

Control transactions. Takeovers (II).

SESSION 18
Control transactions. Takeovers (III).

Control transactions. Takeovers (III).

SESSION 19
Listed companies and investor protection (I).

Listed companies and investor protection (I)

SESSION 20
Listed companies and investor protection (II).

Listed companies and investor protection (II)

SESSION 21
Listed companies and investor protection (III).

Listed companies and investor protection (III)
SESSION 22
Listed companies and investor protection (IV).

Listed companies and investor protection (IV)

SESSION 23
Corporate governance revision.

Corporate Governance Revision

SESSION 24
Insolvency Law (I).

Insolvency Law I

SESSION 25
Insolvency Law (II).

Insolvency Law (II)

SESSION 26
Sale of Goods (I).

Sale of Goods (I)

SESSION 27
Sale of Goods (II).
Sale of Goods (II).

SESSION 28
Sale of goods (III).

Sale of Goods (III).

SESSION 29
Exam preparation. Q&A.

Exam preparation Q&A

SESSION 30
Final exam.

Final exam
**BIBLIOGRAPHY**

There is one compulsory textbook for this course. In addition, readings will be posted on the Internet (through IE campus).

1.1. **COMPULSORY**

Title: The Anatomy of Corporate Law.

Author: Reiner Kraakman, John Armour, Paul Davies, Luca Enriques, Henry B. Hansmann, Gerard Hertig, Klaus J. Hopt, Hideki Kanda and Edward B. Rock


1.2. **RECOMMENDED**

Title: Comparative Corporate Governance. A Functional and International Analysis

Author: Fleckner/Hopts

Publisher/Edition/Year: Cambridge University Press, 2013

Medium: PRINT ELECTRONIC

Title: Commercial Law Author: R. Goode


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**EVALUATION CRITERIA**

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<thead>
<tr>
<th>Criteria</th>
<th>Percentage</th>
<th>Comments</th>
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</thead>
<tbody>
<tr>
<td>Class Participation</td>
<td>20 %</td>
<td></td>
</tr>
<tr>
<td>Individual Work</td>
<td>15 %</td>
<td></td>
</tr>
<tr>
<td>Workgroups</td>
<td>15 %</td>
<td></td>
</tr>
<tr>
<td>Final Exam</td>
<td>50 %</td>
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6.1. **GENERAL OBSERVATIONS**

Each student has four attempts over two consecutive academic years to pass this course. Dates and location of the final exam will be posted in advance and will not be changed.

Students must attend at least 70% of the sessions. Students who do not comply with the 70% attendance rule will receive a 0.0 on their first and second attempts and go directly to the third one (they will need to enroll in this course again the following academic year).

Students who are in the third or fourth attempt should contact the professor during the first two weeks of the course.

6.2. **EVALUATION AND WEIGHTING CRITERIA**

Your final course grade will be determined as follows:

- Class participation (20%).
- Practical exercises and assignments (30%)
- Exams (50%): A combination of essay questions, multiple-choice tests and short-answer problems.

Please note that the midterm exam date is only indicative and can be adapted to the circumstances of the course.

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29th October 2018
Participation policy: To encourage participation, your attendance and participation will be graded and will be reflected in the final score. Participation in the course is mandatory (indeed, there is no need to say, almost half of the grade depends upon it). Much of the course will involve discussions among the class participants in order to build a better understanding of the issues in question.

6.3. GRADING IN EXTRAORDINARY EXAM PERIODS

Any student whose weighted final grade is below 5 will be required to sit for the retake exam to pass the course (except those not complying with the attendance rules, whom are banned from this possibility).

Grading for retakes will be subject to the following rules:

The retakes will consist of a comprehensive exam. The grade will depend only on the performance on this exam; continuous evaluation over the semester will not be taken into account.

The exam will be designed bearing in mind that the passing grade is 5 and the maximum grade that can be attained on the second and fourth attempts is 8 out of 10.

The third attempt will require the student to complete:

a written assignment
a final exam

This is also applicable to students who do not have required attendance, e.g. sickness.

Dates and location of the retakes will be posted in advance and will not be changed.

PROFESSOR BIO

Professor: MARIA DOLORES CONDE RUANO
E-mail: mconde@faculty.ie.edu

Degree in Law and European Law (CEU) and university studies on Political Science. In March, 1999 started her professional career at Santander Group, as legal counsel in different areas as retail banking business, IT&OP, marketing and communication affairs, e-business, procurement and negotiation, corporate governance and general and financial regulatory affairs.

International experience, generalist legal knowledge, legal background in business and corporate transactions.

She participates and collaborate on projects of very different nature and scope, which has provided her a high degree of knowledge and expertise as legal advisor.

Executive development programs: Among others, PDD (IE), Multinational MBA (Deusto - Universidad Adolfo Ibañez), Managing international diversity and talent (IMD)

For 19 years, she has combined her work as legal counsel at Santander Group with different academic activities for public and private institutions.

OTHER INFORMATION

CODE OF CONDUCT IN CLASS

1. Be on time: Students arriving more than 5 minutes late will be marked as “Absent”.

Only students that notify in advance in writing that they will be late for a specific session may be granted an exception (at the discretion of the professor).
2. **If applicable, bring your name card and strictly follow the seating chart.** It helps faculty members and fellow students learn your names.

3. **Do not leave the room during the lecture:** Students are not allowed to leave the room during lectures. If a student leaves the room during lectures, he/she will not be allowed to re-enter and, therefore, will be marked as “Absent”.

Only students that notify that they have a special reason to leave the session early will be granted an exception (at the discretion of the professor).

4. **Do not engage in side conversation.** As a sign of respect toward the person presenting the lecture (the teacher as well as fellow students), side conversations are not allowed. If you have a question, raise your hand and ask it. If you do not want to ask it during the lecture, feel free to approach your teacher after class.

If a student is disrupting the flow of the lecture, he/she will be asked to leave the classroom and, consequently, will be marked as “Absent”.

5. **Use your laptop for course-related purposes only.** The use of laptops during lectures must be authorized by the professor. The use of Social Media or accessing any type of content not related to the lecture is penalized. The student will be asked to leave the room and, consequently, will be marked as “Absent”.

6. **No cellular phones:** IE University implements a “Phone-free Classroom” policy and, therefore, the use of phones, tablets, etc. is forbidden inside the classroom. Failing to abide by this rule entails expulsion from the room and will be counted as one absence.

7. **Escalation policy: 1/3/5.** Items 4, 5, and 6 above entail expulsion from the classroom and the consequent marking of the student as “Absent.” IE University implements an “escalation policy”: The first time a student is asked to leave the room for disciplinary reasons (as per items 4, 5, and 6 above), the student will incur one absence, the second time it will count as three absences, and from the third time onward, any expulsion from the classroom due to disciplinary issues will entail 5 absences.