

LAW, FINANCE AND TECHNOLOGY (LFT)

Responsible Faculty Instructor:

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I. COURSE OVERVIEW

Credits: 4 (four) credits

Credits Type: Law

Cross-registration: No

Pre-requisites: N/A

II. COURSE DESCRIPTION

Course Description (Course Vision)

This course explores the intersection of law, finance, and technology, focusing on how legal frameworks adapt to, enable, and regulate financial markets and institutions.

The first part begins with foundational theories of law and economics and examines key financial concepts in the context of corporate and transactional law. The second part explores the innovations in finance through technology alongside their regulatory implications including digital payments, cryptocurrencies, algorithmic trading, and artificial intelligence. The third part engages with the governance and regulatory landscape to understand how law helps structure the risks and opportunities in an evolving financial ecosystem.

The aim of the course shall be as follows:

- To introduce students to the conceptual foundations of law and finance.
- To analyse how technological developments disrupt existing financial concepts and legal categorisation
- To critically evaluate case studies of financial innovation and failure through a law-and-economics lens.
- To explore the role of regulators in balancing financial stability, innovation and individual rights.
- To equip students with the analytical skills to anticipate and assess future regulatory challenges in finance and technology.

Teaching Methodology

This course adopts a multidisciplinary pedagogy that blends theoretical frameworks in law and finance with real-world case studies. Students shall need to engage with basic concepts in finance and economics in the context of corporate transactions and financial institutions.

Classes will be conducted through a mix of interactive lectures and reflective discussions aimed at fostering critical engagement with the subject. Students will be encouraged to interrogate contemporary developments in finance and technology through readings and simulations. Guest sessions with domain experts (wherever feasible) and collaborations will further enrich classroom learning and help bridge the gap between academic discourse and practical insight.

Intended Learning Outcomes

Course Intended Learning Outcomes	Weightage in %	Teaching and Learning Activities	Assessment Tasks/ Activities
Explain the key legal and economic principles underpinning financial markets	20%	Reading and discussions on journal articles and case studies written by scholars across the globe and issues in current affairs. Critical analysis and study of existing laws, rules and regulations and discussions on their real-world impact and effectiveness.	The internal components worth 50 (fifty) marks which shall comprise of case studies and presentations shall be evenly spread through the course of the semester. Nature, marks and submission deadlines for each of these assignments will be shared by the course instructor with their class within the first 15 (fifteen) days of the semester. The end-term examination shall be an application-based paper comprising of 50 (fifty) marks.
Apply law-and-economics reasoning to analyze real-world financial technologies and corporate transactions.	20%		
Identify and assess the regulatory challenges posed by evolving financial concepts including digital payments, crypto-assets, digital lending, algorithmic trading, and AI in finance.	20%		
Critically evaluate the effectiveness of legal frameworks in promoting financial stability and inclusion while mitigating risks.	20%		
Analyze, develop and present case studies or conceptual briefs on contemporary issues in law, finance, and technology.	20%		

III. READING LIST

An indicative list of essential readings is provided below. A detailed weekly reading list shall be shared in the full course manual template. Further, additional readings based on issues of current relevance shall be shared in the course of the semester.

Books and Articles:

- Digital Finance Law (Common and Civil Law) by Robert Walters
- Principles of Financial Regulation by John Armour and Luca Enriques
- The Problem of Social Cost by Ronald H. Coase in the Journal of Law and Economics
- Deals: The Economic Structure of Business Transaction by Michael Klausner and G. Subramanian (Excerpts)
- Nudge by Richard H. Thaler and Cass R. Sunstein (Excerpts)
- Bitcoin: A Peer-to-Peer Electronic Cash System by Satoshi Nakamoto
- NITI Aayog's Data Empowerment and Protection Architecture
- Adaptive Financial Regulation and RegTech: A Concept Article on Realistic Protection for Victims of Bank Failures by Lawrence G. Baxter in the Duke Law Journal
- Future of Smart Contracts, Blockchain and Artificial Intelligence, in the Cambridge Handbook of Smart Contracts, Blockchain Technology and Digital Platforms by Christina Poncibò
- Digital Payments and Financial Inclusion by the International Centre for Law and Economics

Statutes and Regulations:

- Relevant RBI Regulations and Guidelines
- Relevant SEBI Regulations and Guidelines
- Banking Regulation Act 1949 (Select Provisions)
- Payment and Settlement Systems Act, 2007 (Select Provisions)
- Digital Personal Data Protection Act, 2023 (Select Provisions)
- Draft Digital India Act (Select Provisions)
- EU Payment Services Directive (Select Provisions)
- EU Artificial Intelligence Act (Select Provisions)
- EU General Data Protection Regulation (Select Provisions)
- ESMA Markets in Crypto-Assets Regulation (Select Provisions)
- US Securities Act, 1933 (Select Provisions)
- US Sarbanes-Oxley Act, 2002 (Select Provisions)

IV. WEEKLY PLAN

WEEK	MODULE DESCRIPTION
Part I: Foundations in Law and Finance	
1.	Week 1. Introduction <ul style="list-style-type: none"> • Why finance matters for lawyers • Evolution of corporate finance law: from company law to capital markets • Law's dual role: enabling transactions vs. regulating systemic risk • Financial regulation philosophies: market discipline vs. state intervention
2.	Week 2. Basics of Law and Economics <ul style="list-style-type: none"> • Foundational concepts of law and economics including agency theory and

	<p>transaction costs</p> <ul style="list-style-type: none"> • Coase theorem and efficiency-compensation trade-off • Behavioral economics in the context of regulatory policy
3.	<p>Week 3. Concepts in Law and Finance I</p> <ul style="list-style-type: none"> • Introduction to financial markets and institutions • The need for financial regulation • Understanding monetary policy
4.	<p>Week 4: Concepts in Law and Finance II</p> <ul style="list-style-type: none"> • Basics of corporate finance: capital structures, debt, equity and valuation • How law shapes corporate transactions: fiduciary duties, disclosure, contract design
Part II: Finance and Technology - Regulatory Interface	
5.	<p>Week 5. Digital Transformation of Finance</p> <ul style="list-style-type: none"> • From traditional finance to fintech ecosystems • ‘Platformisation’ of finance in payments and lending • Comparative perspectives: India’s UPI versus EU PSD2
6.	<p>Week 6. Digital Banking – Payments and Lending – Part I</p> <ul style="list-style-type: none"> • Legal frameworks: Payment and Settlement Systems Act (India), PSD2 (EU), RBI regulations and guidelines • Unified Payment Interface, Unified Lending Interface, P2P Lending • Risks: fraud, over-indebtedness, systemic disruption and user protection
7.	<p>Week 7. Digital Banking – Payments and Lending – Part II</p> <ul style="list-style-type: none"> • Legal frameworks: Payment and Settlement Systems Act (India), PSD2 (EU), RBI regulations and guidelines • Unified Payment Interface, Unified Lending Interface, P2P Lending <p>Risks: fraud, over-indebtedness, systemic disruption and user protection</p>
8.	<p>Week 8. Crypto-Assets and Decentralized Finance (DeFi)</p> <ul style="list-style-type: none"> • Introduction to blockchain and decentralized finance • Concepts of tokens, ICOs, NFTs, and classification challenges • Comparative regulation: MiCA (EU), SEC enforcement (US), India’s evolving stance • Case study: FTX collapse and implications for regulation.
9.	<p>Week 9. Algorithmic High-Frequency Trading and RegTech/SupTech</p> <ul style="list-style-type: none"> • High-frequency and algorithmic trading: market manipulation, flash crashes • Legal frameworks: SEBI, SEC, EU regulations

	<ul style="list-style-type: none"> Regulatory Technology for compliance automation and Supervisory Technology for regulatory oversight
Part III: Role of Law in Governance of Finance and Technology	
10.	Week 10. Data Governance in Finance <ul style="list-style-type: none"> Data as financial infrastructure. India's DPDP Act (2023) and financial sector compliance Relevant provisions of the draft Digital India Act Open banking (UK, EU, India's Account Aggregator system)
11.	Week 11. AI in Finance <ul style="list-style-type: none"> AI in risk management, advisory, trading and lending. Relevant provisions of the EU AI Act Challenges: explainability, liability, accountability Should algorithms make financial decisions
12.	Week 12. Sustainability, ESG, and Green Finance <ul style="list-style-type: none"> Role of law in governing the flow and direction of finance Climate risk as financial risk ESG disclosures, green bonds, sustainable finance taxonomies Global approaches: SEBI, SEC, EU
13.	Week 13. The Future of Law, Finance, and Technology <ul style="list-style-type: none"> Convergence of digital public infrastructure and finance Global debates: digital sovereignty, systemic risk, cross-border flows.
Part IV: Case Studies and Presentations	
14.	Week 14: Presentations: <ul style="list-style-type: none"> Case studies for regulation in finance and technology
15.	Week 15: Presentations and Revision: <ul style="list-style-type: none"> Case studies for regulation in finance and technology and revision.