PART I: REPORT OF ACTIVITIES

Executive Summary

The Program on International Financial Systems (PIFS) was founded in 1986 under the direction of Hal S. Scott, Nomura Professor of International Financial Systems. During the 2014-2015 academic year, PIFS contributed to the mission of Harvard Law School by producing a series of Symposia on capital markets and international finance; through the Fidelity Guest Lecture Speaker Series at HLS; by hosting Socratic dialogues and panels with industry leaders on relevant topics; and by generating research on issues facing the capital markets.

PIFS annually produces four symposia on international financial systems that bring together financial, government, and academic leaders from the U.S., and their counterparts from China, the European Union, Japan, and Latin America, to discuss the common theme of Building the Financial System of the 21st Century. The series has been in existence since 1998 when the inaugural Japan-U.S. Symposium was convened, and PIFS has hosted a Japan-U.S. Symposium annually since. The 17th edition of the Japan-U.S. Symposium occurred in October of 2014. This was followed by the 13th annual Europe-U.S. Symposium in March 2015; and the 12th China-U.S. Symposium in June 2015. The 3rd Latin America-U.S. Symposium—PIFS’ latest offering—was convened in November 2014 on campus at Harvard Law School.

The Program hosted a panel on retail payment systems in January 2014. Moderated by Professor Scott, the discussion consisted of three panels of leading experts who engaged in a Socratic-style discussion.

Research, Scholarship, and Project Activities

PIFS conducts research on international finance; encourages dialogue amongst international practitioners in the capital markets and educates international lawyers.

PIFS and MasterCard continued a sponsored research project on international payment systems. This research is under the direction of Hal S. Scott.

Research by Program Director

Professor Scott also published the following commentary pieces in 2014-2015:

- Supreme Court Misses Opportunity to Address Class Actions, Constitution Daily (June 28, 2014).

Speaking Appearances and other Media, 2014-2015:

- Interview with Jeffrey Garten, International Center for Global Finance, Yale School of Management, October 30, 2014.
- Conference Panelist, “Challenges for central banks and others given the renewed emphasis on financial stability, at a national level, at a European level (including through banking union and the role of the ESAs) and internationally (including the role of IMF and FSB),” Conference on Financial and Monetary Law, The Bank of England, May 15, 2015.

Symposium Series on Building the Financial System of the 21st Century

PIFS convenes four annual Symposia that gather senior financial industry, government leaders, and academics for in-depth dialogue on issues relating to capital markets, financial regulation, and international finance. Conducted under Chatham House rules to facilitate an open dialogue, each of these Symposia provides a valuable platform for the discussion and exchange of ideas on financial and economic matters. In 2014, PIFS hosted the 3rd annual Latin America-U.S. Symposium which complemented the other longstanding Symposia between the U.S. and Japan (17 years), Europe (13 years), and China (12 years).

The Symposia provide a valuable platform for a focused and thoughtful discussion on key issues relating to the international financial system and the measures aimed at returning growth to economies worldwide and preventing future crises. At the conclusion of each Symposium, the findings are published as a substantial Symposium Final Report that stands as a key assessment of issues relating to capital markets in each of these markets.

In 2014-2015 PIFS produced the following Symposia:

12th China-US. Symposium on Building the Financial System of the 21st Century
Shenzhen, China – June 5-7, 2014

- China's Free Trade Zones and their implication for the U.S. financial sector
- Capital market financing and the changing role of private equity and venture capital
• Promoting cross border investments between China and the US through bilateral investment treaty
• What are the most important and difficult macroeconomic actions that need to be taken in the Chinese and U.S. financial sectors?

17th Japan-U.S. Symposium on Building the Financial System of the 21st Century
Karuizawa, Japan - October 24-26, 2014

• Post-Crisis Responses: Regulation, Sanctions and Limits on Shadow Banking—the right approach?
• International Financial Centers
• FED Tapering, BOJ QQE and Emerging Markets

3rd Latin America-US. Symposium on Building the Financial System of the 21st Century
Cambridge, MA – November 12-14, 2014

• U.S. monetary policy and its impact on Latin America
• Extraterritorial impact on Latin America of U.S. and European regulations (e.g., derivatives regulation)
• Improving capital markets in Latin America and the U.S.
• Pension fund diversification of Latin American assets

14th Europe-U.S. Symposium on Building the Financial System of the 21st Century
Eltville, Germany– April 15-17, 2015

• Regulation and supervision for EU and US banks: Does Banking Union ease transatlantic cooperation?
• The search for bail-inable debt: Total Loss Absorbing Capacity (TLAC) and cross border resolution
• Reform of capital markets in the US and EU. Is the US the model for the EU?
• The effect of Quantitative Easing on capital markets

Education: IF-LL.M. Concentration
Starting with the 2014-15 Academic year, the Law School replaced its International Finance concentration with a more flexible approach to curricular offerings in the field. All of the elements that were previously included in the International Finance concentration have remained a part of the HLS curriculum, including Regulation of Financial Institutions, Securities Regulation, International Finance and Capital Markets Regulation. Moving away from the concentration but retaining the course offerings gives LL.Ms more flexibility in selecting HLS courses and in complying with new requirements of the New York State Bar. Students interested in International Finance are welcome to visit Professors Jackson and Scott during office hours to discuss HLS course offerings and research opportunities.

Although the concentration itself no longer exists, the Program continues to work with students from all over the world, both through formal courses and additional research projects. Students
come from Europe, Asia, the Middle East, Latin America, Africa, and Australia/New Zealand. Below is a historical breakdown of countries our students have hailed from in past years.

**LL.M. Concentration in International Finance (1999-2013)**

<table>
<thead>
<tr>
<th>Region</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Europe</td>
<td>48</td>
</tr>
<tr>
<td>Asia</td>
<td>55</td>
</tr>
<tr>
<td>Middle East</td>
<td>2</td>
</tr>
<tr>
<td>Latin America</td>
<td>21</td>
</tr>
<tr>
<td>Africa</td>
<td>9</td>
</tr>
<tr>
<td>Australia/New Zealand</td>
<td>7</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>142</td>
</tr>
</tbody>
</table>

**Scholarly Papers Produced by IF-LL.M Students and the PIFS Prize**

The PIFS prize is associated with Professor Scott’s International Finance Seminar, which was not offered in 2014-15. Thus, no scholarly papers were produced in conjunction with this seminar, and thus, the PIFS prize was not given out this year.

**HLS Student Research:**

In 2014-15, PIFS drew on HLS student resources for various research projects, including Professor Hal Scott’s International Finance textbook, his working paper, as well as research materials relating to each of the PIFS Symposia.

**The International Finance Seminar Guest Lecture Series**

Guest speakers during the 2014-15 program included:

- Daniel Tarullo - Governor, Board of The Federal Reserves: “Liquidity Regulation”
- Peter Praet - Executive Board Member, European Central Bank: “Euro Area Monetary Policy in Crisis Times”
- Luigi Zingales - Professor of Entrepreneurship and Finance, University of Chicago, Booth School of Business: “The Future of Europe and the Euro”
- Barbara Novick - Vice Chairman, BlackRock: “Regulation of Asset Management”
- Thomas Huertas- Partner, FS Risk & Chair, Ernst & Young Global Regulatory Network: “From Rhetoric to Reality”
- Lloyd Blankfein - Chairman & CEO, Goldman Sachs: “Bank Size”
- Bengt Holmstrom - Professor of Economics, Massachusetts Institute of Technology: “Debt & Liquidity”
Plans for Academic year: 2015-2016:

Executive Summary
In 2015-2016, PIFS will support the core missions of Harvard Law School by continuing its efforts in the areas of programs, research, and scholarship on issues relating to capital markets, financial regulation, and international finance. Given the ongoing prevalence of these issues around the globe following the financial crisis, PIFS will endeavor to contribute to this dialogue through its various activities.

Symposia Series on Building the Financial System of the 21st Century:
PIFS will maintain its series of four Symposia in 2015-2016 and look to maximize benefits garnered from each.

Program on International Financial Systems Guest Lecture Series
PIFS will continue to host the International Guest Lecture Series in 2015-2016, with four speakers already confirmed and more speakers in process of being confirmed.

Research by Program Director
In 2015-2016 Professor Scott will continue to produce timely research in the areas of capital markets, financial regulation, payment systems, and international finance.

HLS Student Research:
PIFS will continue to draw on HLS students for research projects, including preparatory materials for various Symposia in 2015-2016.

Fellowships:
PIFS will sponsor fellows doing work in the area of capital markets, financial regulation, and international finance in accordance with the needs of the program. In 2015-16, the Program will sponsor Panagiotis Delamatis, Brian Johnson, and Marsha vande Berg as visiting scholars.

Collaborations:
For the fifth consecutive year Professor Hal Scott will co-host a financial discussion group with Professor Larry Summers. The discussion group gathers faculty from across the Business School, Kennedy School and Law School, as well as the Economics Department, for two-hour-long discussions focused on financial regulation. The group will meet three times per semester in 2015-16.