

Unique Combination of Theory and Practice: Institute for Law and Finance offers LL.M. (Finance) in Frankfurt

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[1] Frankfurt, financial center of continental Europe, is home to the European Central Bank (ECB) and the Deutsche Bundesbank (the German central bank) as well as to Deutsche Börse AG (German stock exchange). Most of the important German private banks have their headquarters there, and many banks from abroad have established their subsidiaries in Frankfurt. Besides, the biggest German and international law firms have their largest German offices in the financial district of the City. Unsurprisingly, the Johann Wolfgang Goethe-Universität, one of the biggest universities in Germany, has used this advantage of location for building up and expanding its research and teaching program in Business Law and Economics. Both located in the University, the *Institut für Ausländisches und Internationales Wirtschaftsrecht – AIW* (Institute for Foreign and International Business Law) and the Center of Financial Studies, which is internationally well-known for its research on financial markets, financial intermediaries and monetary economics, are highly reputed.

[2] In an effort to further improve its research in and teaching of the law regulating banks, capital markets, their institutions and monetary policy, the University has recently taken a number of decisive steps ahead. In close cooperation with financial institutions, it has created the Institute for Law and Finance (ILF) as an independent institute of the University that will continue the work of the AIW and furthermore offer a one-year post-graduate LL.M. program, starting in October 2002. The ILF enjoys the backing of prominent banks (for example Dresdner Bank AG, Deutsche Bank AG, DGZ – Deka Bank and J.P. Morgan AG), national and international law firms such as Baker & McKenzie / Döser Amereller Noack and Price Waterhouse Coopers Veltins, the Frankfurt Chamber of Industry and Commerce and the state of Hessen as well as Deutsche Börse AG, the European Central Bank and the Deutsche Bundesbank. Many of these institutions have been involved in the creation of the ILF from the beginning. The chairman of the Board of Trustees is Prof. Dr. Bernd Fahrholz, Chairman of the Management Board of Dresdner Bank AG and Deputy Chairman of the Management Board of Allianz AG. Further members of the Board of Trustees are Mr. Hans Eichel, Federal Minister of Finance, and Mr. Karlheinz Weimar, Minister of Finance of the State of Hessen.

[3] At the heart of the ILF is a permanent professorship, which is financed by Dresdner Bank's endowment fund. Prof. Dr. Andreas Cahn, currently professor at the University of Mannheim, is appointed director of the new institute. Prof. Cahn studied Law at the Goethe-Universität Frankfurt and at the University of California at Berkeley. He has published extensively on Corporate Law, Capital Market Law, the Law of Products Liability, Civil Law in general as well as on Civil Procedure. Besides, further professors from the Law Faculty and the Department of Business and Economics and guest professors guarantee teaching and research at the highest level. They will closely collaborate with experienced professionals from leading financial institutions, banks and law firms, who will give lectures as well. In addition to the regular courses, there are guest lectures and internships. Areas of research are especially German and international civil and capital market law, company law, corporate financing law, banking law. The ILF thus features a unique combination of theory and practice and marks a prominent step towards reinforcing a vivid academic community interested in on-going thought exchange and cooperation with practitioners.

[4] The institute offers a one-year post-graduate program leading to a *Master of Laws* (LL.M., Finance) degree conferred by the Goethe-Universität, the only program of its kind in Germany to focus on law and finance. Its curriculum consists of lectures, seminars, colloquia and guest lectures on German and European company law, corporate finance, capital markets law and financial services law. The program is aimed at talented graduates of Law, Business and Economics faculties with professional experience, as well as outstanding graduates in these subjects who have just received their degree. All courses are taught in English.

[5] The curriculum (http://www.ilf-frankfurt.de/academic_noc.html) is interdisciplinary, combining law and business, with a focus on finance. Two of the courses extend over two semesters: "International and National Company Law" (law) and "Fundamentals of Finance" (business). "International and National Company Law" surveys the existing and proposed law of the EC and compares the fundamental, institutional structures of business corporations and partnerships found in a number of jurisdictions. After an overview of general structures in the first semester, the second part of the course in the summer semester undertakes a more detailed analysis of corporate finance techniques, business combinations and mergers and acquisitions. The other required courses in law are "European Regulation of Financial Markets and Institutions", "Capital Markets and Securities Law", "Commercial Banking" and "Law of Central Banks". "Fundamentals of Finance" builds on the fundamentals of the theory of finance and addresses issues relating to practical investment and finance. These issues include investment and financing

decisions in a certain and uncertain environment, valuation models such as Net Present Value and Internal Rate of Return, capital structure and capital cost, and the Capital Asset Pricing Model. The other required courses in business and economics are, "Principles of Economics" and "Financial Markets and Institutions". In addition to this, there is a number of elective courses, e.g. "Law of Investment Banking", "Law of Corporate Finance", "Accounting" and "Monetary Policy and Financial Regulation".

[6] A description of all courses can be found at http://www.ilf-frankfurt.de/academic_1_noc.html. In all, a total of 14 credit hours per semester must be taken, six of which will be required courses in law and four credit hours each of required courses in business and economics and electives. The program begins each winter semester (mid-October), courses will be offered in two semesters parallel to the winter and summer semester. Between the two semesters a two-month internship is scheduled. The ILF is able to help students to find internships in banks, law firms and financial institutions. The program ends with a two-month thesis to be written in English. To ensure direct and personal contact among the participants and with the lecturers, the ILF will admit only 35 students per year. Tuition is set at 15,000 Euro per annum. For the inaugural academic year 2002/03, tuition fees are set at 10,000 Euro. Grants and sponsorship are available. For those interested, the tuition should be a good investment, because the ILF provides its students with the skills necessary for a later occupation at a bank or a law firm and gives them a unique opportunity to establish contact to possible employers.

[7] In addition, in the fall of 2003, the Department of Business and Economics will launch a parallel post-graduate degree program leading to the award of a Master of Finance (MoF; see http://www.ilf-frankfurt.de/institution_4_noc.html).

[8] The ILF is located in an attractive, historic villa in the Westend District of Frankfurt, adjacent to the main campus of the university. Its library encompasses the extensive collection of the AIW. Students will find further reference facilities at the libraries of the university, at the Deutsche Bibliothek and the libraries of the ECB and the Deutsche Bundesbank.

For further information: : <http://www.ilf-frankfurt.de>.