# Diritto dell’Economia Internazionale

# International Economic Law

## Proff. Paolo Arginelli - Piergiuseppe Spolaore

## ***COURSE AIMS***

The course is made up of two distinct, although related, modules.

The first module is aimed at giving students an understanding of those rules and principles of domestic and international tax law that have a significant bearing on the way multinational groups plan their business.

The second module is an introduction to corporate governance from a transnational perspective. In particular, the course aims at examining the core topics that arise in the governance of public, transnationally interconnected firms, with specific regard to the relationship between shareholders (owners), managers and other stakeholders. Considering the most recent international approaches to corporate governance failures, which appear to have played a significant role in a number of scandal and crisis, the analysis will focus on some of the several issues related to board governance.

***COURSE CONTENT***

The first module examines the most important issues concerning the taxation of business profits in an international context. At the outset, it analyzes the basic rules on the taxation of business profits widespread in both developed and developping countries, including those concerning the distribution of such profits. It then tackles the international aspects of the taxation of such profits, both under domestic law and under international treaty law. It finally copes with the impact of EU law on the taxation of business profits within the EU Internal Market.

In particular, this module examines the following topics:

Basic rules on the taxation of business profits.

* Generally accepted rules for the taxation of business profits from international economic activities.
* International double taxation and the methods to relieve it.
* Transfer pricing regulations.
* Controlled Foreign Companies (CFC) regulations.
* Treaties for the avoidance of international double taxation.
* The impact of EU fundamental freedoms on the taxation of business profits.
* EU directives concerning the taxation of business profits.

The second module deals with the following topics:

* Agency problems and regulatory strategies in corporate law.
* Public vs. close corporations.
* Models of corporate governance. Regulatory framework(s).
* Shareholder activism and institutional investors.
* The board in the public corporation. Law and practice.
  + Board functions. Board and management. One-tier boards vs. two-tier boards.
  + Composition. Size, diversity, independence, professionalism. Executive vs. non executive.
  + The role of the chairman.
  + Board committees (audit, compensation).
  + Board functioning: meetings; inductions; board evaluation.
  + Executive compensation.
* Risk governance.

***READING LIST***

For the first module:

* B.J. Arnold, *International Tax Primer*, Third Edition, Kluwer Law International, 2016
* B.J. Arnold and H.J. Ault, *Comparative Income Taxation*, Kluwer Law International, 2016 (only the Business Taxation Section)
* Further materials handed out in class (for non-attending students); the materials will be also uploaded on the university web-page of the Professor.

For the second module:

* Tricker, *Corporate Governance. Principles, Policies, and Practices*, Oxford University Press, 2015.
* Further materials handed out in class (for non-attending students); the materials will be also uploaded on the university web-page of the Professor.

***TEACHING METHOD***

The course will be taught through different methods combined: lectures, discussions of case studies, presentations by students in-class and project works.

***ASSESSMENT METHOD***

For the first module, students will be required to take a written exam of 120 minutes covering all the topics indicated above (“Course content”).

For the second module, the final examination will be a written exam; approximately one third of the questions will be complex multiple choice questions. However, class participation is encouraged.

***NOTES***

Updated information on office hours will be periodically available at the Professors’ website at <http://docenti.unicatt.it/>