



COURSE SYLLABUS SUMMARY



Universidad de
los Andes
Colombia

School of
Management
Leadership for Life

international
summer
school **2022**

CRYPTO AND FINTECH REGULATION CHALLENGES

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July 5 – July 15

Monday - Friday (6:30 am – 9:30 am) *Saturday (9:00 a.m. – 12:00 m.)

ONLINE - AM

DESCRIPTION

The design of cryptocurrencies challenges the existing banking system and traditional financial system. Cryptocurrencies built on the blockchain works as on a decentralized scheme disrupting the existence hierarchical system. This is a very complex topic since the banking and financial system greatly influences the state of the economy. Financial intermediation underwent through major changes over the past 30 years because of financial deregulation and globalization and they are now facing a major challenge with the development of the blockchain. Central banks are concerned by the development of cryptocurrencies, in particular stablecoins – in particular since the proposal of the Diem (Libra) project since it affects their monopoly power over money creation. There is a strong debate over the nature of cryptocurrencies and their ability to compete with official currencies. Cryptocurrencies - the Bitcoin in particular - were born as an alternative to the existing system judged corrupted and biased by human action. Cryptocurrencies represent more than just the design of a new monetary system, it offers an alternative design for the organization of the society based on decentralization and trust. 2021 is a major turning point for cryptocurrencies, decentralized finance and Fintech as their market capitalization soared since January 2021. Regulators have accelerated

their discussion over the regulatory design to be implemented meanwhile the major central banks are seriously working on the development of their own CBDC with China ahead of them. After an overview of the Fintech and cryptocurrencies landscape, the course examines the challenges arising from Fintech and cryptocurrencies innovations and how financial regulators intend to address their regulatory response.

OBJECTIVES

By the end of the course the student should have a clear understanding of:

1. The organization of the financial and banking system in developed economies like US and Euro.
2. They should have a clear view of the changes that have affected the bank's traditional business in the last 30 years.
3. The role played by central banks and regulators in the post- crisis era
4. Cryptocurrencies, Blockchain, Decentralized Finance, Fintech, Central Bank Digital Currencies
5. Government regulation of cryptocurrencies

METHODOLOGY

The course uses a combination of lectures, case study discussion and simulations. The case study method, which requires in-class active participation from students, is essential to understand the relevance of the concepts discussed in class. The course includes a simulation to highlight the importance of coordination in the food supply chain. The final exam is designed so that students reflect on how the topics learned in class can be applied to their career objectives. Students are expected to read before class the indicated chapters from the textbooks and supplemental readings on cryptocurrencies and Fintech. Consequently, class is an opportunity for illustrating and discussing further the concepts presented in the readings and it is therefore interactive. Students will work in team (ideally 3 students) on oral presentations/debate.

EVALUATION

Presentation/debates (teamwork) 50%

Position paper (individual work) 50%

The evaluation system can be subject to changes.

PRE-REQUISITES

None

Given the uncertainty related to Covid-19, the time schedule and delivery mode of the courses can be subject to changes according to government and institutional regulations.