



Exchange programme Vrije Universiteit Amsterdam

Vrije Universiteit Amsterdam - Exchange programme Vrije Universiteit Amsterdam - 2024-2025

Exchange

Vrije Universiteit Amsterdam offers many English-taught courses in a variety of subjects, ranging from arts & culture and social sciences, neurosciences and computer science, to economics and business administration.

The International Office is responsible for course approval and course registration for exchange students. For details about course registration, requirements, credits, semesters and so on, please [visit the exchange programmes webpages](#).

Climate Change and Financial Regulation

Course Code	R_CCFR
Credits	6
Period	P3
Course Level	500
Language Of Tuition	English
Faculty	Faculty of Law
Course Coordinator	mr. T.R. Bleeker
Examiner	mr. T.R. Bleeker
Teaching Staff	
Teaching method(s)	Lecture, Study Group

Course Objective

Financial markets play a key role in contributing to the Paris Agreement goal to limit the temperature increase to 1.5°C. Sustainable or 'green' investments can be seen as essential to establish climate change mitigating initiatives, technologies and businesses. This course aims at presenting an overview of the European and national regulatory initiatives in the field of the Climate Change topic for the financial

markets. These initiatives aim to incentivise financial markets to direct investments towards these more sustainable technologies and businesses. After establishing the regulatory overview, students will be involved in the study of practical implications and tools for the financial markets, the market participants active on such markets and the supervisory authorities in this field. This will be done by addressing a number of case studies where students are trained to interpret the current and future law provisions and their application in practice, taking the perspective from investors, .

Course Content

The course will address the various aspects of regulation of the financial markets from the perspective of the Climate Change agenda of the European Commission. The course consists of three different focus areas:

1. Theoretical background

Firstly, the Green Deal will be discussed and its impact on the financial market. We discuss the importance of the development of the common and harmonised "Taxonomy" for classification of "green assets" and certification of sustainable finance. It appears that one of the most impactful measures of these rules for market participants, is the obligation to report on these classifications and certifications to enable investors to actually make 'green' decisions. Such reporting obligations and their regulatory basis will be addressed. Furthermore, the course will focus on the legal framework which forces corporates to focus on the role of sustainability in their individual supply chain.

2. Financial tools to mitigate climate change

The second part of the course has a more practical focus on which tools are available for market participants and investors to make sustainable investment decisions. These tools include legislative initiatives for sustainable finance, including the issue of Green Bonds. The EU emissions trading scheme as a tool to make polluters pay for their greenhouse gas emissions and its effect on the financial markets will be discussed.

3. Supervision and Enforcement

Fourthly, the implications of the Climate Change agenda for the prudential supervision of banks, insurance companies and other regulated entities will be discussed, both from the perspective of required adjustments to internal risk management processes (f.i. identification of risks pertaining to "brown assets") as well as incentivisation of regulated entities to phase in green investments and sustainable financing.

The methodology of the course will particularly be based on the analysis of existing and forthcoming legislation and the discovery of the academic debate on the various topics. The fundamental theme will be to assess the (expected) effectiveness and impact of the legislative agenda at European level to achieve the objectives of the Climate Change agenda, with a focus on regulation of the financial markets. The course will be about the evaluation of the obstacles that may exist in the enforcement of the existing and new legislation and the manner in which these obstacles will stand in the way to achieve the policy objectives.

Additional Information Teaching Methods

The course will be organised by means of six or seven lectures and workshops. Firstly there will be five lectures of approximately two hours per meeting, where for three to four meetings guest lecturers will be invited that will share the experiences of practitioners and supervisory authorities with the subject matter for one hour, where the remaining part of the lecture will be organised to provide for the technical overview of the relevant laws and regulations and the relevant academic debate. Subsequently two workshops of approximately three hours per week will be organised with practical case studies involving the participating students by means of presentations of their analysis of the case study in the plenary session.

Method of Assessment

The examination of the course will be based on (i) the contribution of the students in the workshops and their presentations, which will be evaluated as part of the assessment of the student's knowledge and (ii) a Final Paper of approximately 4000 words to be delivered at the end of the course.

Literature

Importantly, the course will address the current and future European legislation and the relevant suite of legal texts will be the basis of the course. In addition academic research papers will be made available to the students on the various topics.

Additional Information Target Audience

The course is open for any student participating in the IBL Master. If you want to take this course as a student from other university/faculty or as a contract student, you must obtain prior permission from the course coordinator.

Explanation Canvas

Canvas will be used as the most important resource for students to retrieve the mandatory literature, the presentation materials used in the lectures and the workshop guidance. The materials will be uploaded approximately two weeks before the commencement of the course.

Recommended background knowledge

It is recommended that students familiarise themselves with the core institutional arrangements in the European Union and the organisation of the legislative process and use of different legislative instruments by the European institutions.