

Yearbook

2002/2003



INSTITUTE FOR LAW AND FINANCE
JOHANN WOLFGANG GOETHE-UNIVERSITÄT FRANKFURT



*The ILF villa extended
a warm welcome
to its first-year guests*

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Dear Members and Friends,

Our first year has been a rewarding success. We want to thank you all for making it possible.

It would not have been possible without you, the students.

Your intellectual eagerness, the great diversity of your cultural backgrounds, as well as your personalities, have given the Institute for Law and Finance its spirit.

It would not have been possible without you, the lecturers.

You have given your expertise and your valuable time to us and to our students. Your presence and intellectual contribution have been an invaluable source of stimulation.

It would not have been possible without you, our sponsors.

Generously, you have shared your expertise with the ILF. You have provided the ILF with its lecturers, internships and scholarships for students, as well as a good deal of our funding.

The opening of the ILF was made possible by the Johann Wolfgang Goethe University's initial endowment. The Dresdner Bank AG agreed to sponsor a permanent chair for the ILF's Director. Commerzbank AG set up a fund that will allow the ILF to invite leading international academics to act as guest professors for the ILF over the next six years. Deutsche Bank through its Foundation fund provided tuition scholarships and funding for guest lectures. Stiftung Eurohypo provided a generous endowment to build up and maintain the collection of books in ILF's library. The Federal Ministry of Finance hosted a series of lectures at the ILF on issues of financial market policy, attended by students, academics, and members of the financial community, which will be continued in the next academic year.

While we cannot name all here, there were many others whose equally important contributions in time and energy helped to launch the ILF. These included leading international law firms, auditing companies and corporate consulting firms, investment banks and public institutions.

We thank you all.

Prof. Dr. Theodor Baums

ILF Executive Board



Prof. Dr. Andreas Cahn

ILF Director



Prof. Dr. Manfred Wandt

ILF Director



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The Founding of the Institute for Law and Finance

In early 2001, the President of Johann Wolfgang Goethe Universität, Prof. Rudolph Steinberg, and the Director of the University's Institute for Banking Law, Prof. Theodor Baums, began exploring the idea of creating a new institute that would serve as a forum for teaching and discussing the law, regulation and economics of international finance. The concrete fruit of their discussions was a plan to set up an institute in Frankfurt in association with the University, yet in the somewhat more independent and flexible form of a private, non-profit foundation that would focus on international and comparative aspects of law and finance. The faculties of Law and of Economics would work together to form the new institute. The student body would be small yet nationally diverse. Lectures and examinations would be given in English both to provide students with extensive experience in the current language of international commerce and to allow participation by students from the greatest number of nations.

In this way, a concrete plan emerged to create an institution, the "Institute for Law and Finance" or "ILF". The ILF would be a public-private partnership. Dresdner Bank AG supported the establishment of the Institute with a € 2.5 million endowment from the bank's special "Horizonte" Fund, which is administered by the Stifterverband für die Deutsche Wissenschaft. The annual earnings from the endowment fund were made available for the creation and maintenance of the ILF, including the funding of a Foundation Professor.

In late 2001, a steering committee was set up to create the ILF under the co-chairmanship of Prof. Steinberg, representing the University, and Prof. Bernd Fahrholz, representing the private sector (Dresdner Bank AG). The steering committee also included the Dean of University's Law Faculty, Prof. Helmut Kohl (beginning in 2002 Prof. Ingwer Ebsen), Notar Prof. Wulf Döser of the Law Faculty and the law firm Baker & McKenzie, Prof. Friedrich Kübler, an emeritus member of the Law Faculty and counsel to the law firm Clifford Chance Pünder, Dr. Ronaldo Schmitz of Deutsche Bank, Erwin Nierop and Hans-Peter Scheller of the European Central Bank, Dieter Haferkamp of the Deutsche Bundesbank, and Dr. Wolf Klinz, President of the Frankfurt Chamber of Industry and Commerce, Industrie- und Handelskammer.

On November 19, 2002 Prof. Fahrholz was awarded the title of Honorary Senator (Ehrensensator) of Johann Wolfgang Goethe University. Among the achievements for which he was awarded the honor, were his efforts in helping to found the ILF. In addition, the steering committee members from the Frankfurt legal and financial community were awarded the Medal of the Johann Wolfgang University for their exemplary contributions in establishing the ILF.

In an official ceremony, the awards were presented by University President, Prof. Steinberg to: Prof. Wulf Döser, Dieter Haferkamp, Dr. Wolf Klinz, Erwin Nierop, Hans-Peter Scheller, Dr. Ronaldo Schmitz and Bernhard Walter, former CEO of Dresdner Bank, who was involved in the initial phase of creation of the ILF.

On April 10, 2002, the ILF was established as a private, non-profit foundation (Stiftung bürgerlichen Rechts) with the official approval of the Hesse State Presidium in Darmstadt. The founding capital was provided by the

University. With generous financial support from Dresdner Bank and other private sponsors, the ILF was able to quickly begin official operation. By October 14, 2002, the ILF was ready to open its doors to the class of 2003.

Selecting a Manager; Procuring Facilities

In March 2002, the ILF appointed Dr. Rima Dapous as its first Managing Director. Dr. Dapous, who holds a Ph.D. from Oxford University, resided in England for 12 years where she gained extensive experience in university administration. At the time of her appointment, she was serving as an Assistant to University President Prof. Steinberg. Dr. Dapous appointed Ms. Christina Hagenbring, who had accumulated extensive administrative experience in media and marketing, as her assistant.

Dr. Dapous turned to setting up the Institute's physical facility. Her first task was to find a suitable location in which to house the ILF. The University generously provided an historical, Jugendstil Villa located at Georg-Voigt-Strasse 4 on the Bockenheimer Campus of the University, to house the ILF temporarily. This Villa will serve as home to the Institute until the construction of a new House of Finance, which will house, inter alia, both the ILF and the Center for Financial Studies.

In mid-2002, the Villa was extensively renovated. The work included internal modernization of the seminar room, lounge, library and office spaces, and the outfitting of the building with a new computer network linked to the University's high-speed mainframe. The renovation work proceeded at a healthy clip and was completed by September 5, 2002. The impressive law library of the University's AIW, (Institut für Ausländisches und Internationales Wirtschaftsrecht), with its collection of over 100,000 volumes covering the law of most major jurisdictions, was in part relocated into the renovated ILF Villa, where it will form the core of the new ILF library.

Now that it had an address, the new Institute also required a recognizable identity. With the help of professional advisors, Dr. Dapous created an ILF Corporate Identity (Logo) and drafted an ILF Brochure and other marketing material. The ILF launched its own Internet website in May 2002, at www.ilf-frankfurt.de, to provide information on the Institute to potential students and the public at large.

The press staff of various ILF sponsors provided valuable assistance to introduce the ILF to the international academic and business community. Major publications also commented on the creation of the ILF. This was not limited to Frankfurt's own Frankfurter Allgemeine Zeitung, but also included the Financial Times and The Law Journal, which both printed articles in June 2002.

Dr. Rima Dapous

Managing Director of the ILF



Prof. Fahrholz of Dresdner Bank and University President Prof. Steinberg mark the ceremony endowing the Dresdner Bank professorial chair for law and finance at the ILF.

Prof. Steinberg presents members of the founding committee with the Johann Wolfgang Goethe University Medal, for their special contribution in establishing the ILF.

From left to right: Bernhard Walter, Prof. Wulf Döser, Prof. Steinberg, Dr. Wolf Klinz, Dr. Ronaldo Schmitz, Dieter Haferkamp, Hanspeter Scheller, Erwin Nierop.

Selecting a Director

On October 1, 2002, Prof. Dr. Andreas Cahn was officially installed as the first Director of the Institute for Law and Finance. Prof. Cahn came to Frankfurt from the University of Mannheim, where he had held a professorship in Civil Law, Commerce Law and Corporate Law between 1996 and 2002.

Andreas Cahn was born in Frankfurt in 1959. After spending part of his high school education in the United States, he began to study law at the University of Frankfurt in 1980. After completing his first and second state exams in law, Cahn went to San Francisco, California, where he completed a Master of Laws (LL.M.) degree at the University of California, Berkeley.

Upon returning from Berkeley, Andreas Cahn worked briefly in the legal department of DG Bank (today DZ Bank AG), and then served seven years as a research assistant for Prof. Hans-Joachim Mertens at the University of Frankfurt's AIW. During this period, he completed his post-doctoral requirements to become a university lecturer with a thesis on capital requirements in corporate groups (Kapitalerhaltung im Konzern), which was published in 1998.

Establishing the ILF Governing Bodies

The Institute's primary governing bodies are its Executive Committee, its Board of Trustees and its Donors' Committee. The ILF Executive Committee is composed of three Frankfurt law professors and is responsible for the management of the foundation. The current Executive Committee members are Prof. Andreas Cahn, Prof. Theodor Baums, and Prof. Manfred Wandt. The Institute's Board of Trustees is composed of representatives of the ILF's donors and sponsors, and has the task of advising the Executive Committee.

The ILF Donors' Committee is also composed of representatives of the ILF's donors and sponsors, and primarily advises the Executive Committee and the Board of Trustees of the ILF.

Prof. Rudolf Steinberg
President of Johann Wolfgang Goethe University, and member of ILF Board of Trustees



Prof. Bernd Fahrholz
Dresdner Bank AG, Chairman of the ILF Board of Trustees, and Ehrensenator, Johann Wolfgang Goethe University



Members of the ILF Board of Trustees (as of November 2003):

- Prof. Bernd Fahrholz, Chairman, Board of Trustees of ILF
- Mr. Hans Eichel, Federal German Minister of Finance
- Mr. Dieter Haferkamp, former member Governing Board, Deutsche Bundesbank
- Dr. Tessen von Heydebreck, Board of Managing Directors, Deutsche Bank AG
- Mr. Thomas Kerkhoff, Partner, PwC Veltins
- Dr. Karsten von Köller, CEO Eurohypo AG, Chairman of Eurohypo Foundation
- Prof. Jan-P. Krahen, Professor, Department of Business & Economics, Johann Wolfgang Goethe-Universität
- Dr. Günther Merl, Chairman of Board of Managing Directors, Landesbank Hessen-Thüringen Girozentrale
- Mr. Klaus Patig, Board of Managing Directors, Commerzbank AG
- Prof. Joachim Rückert, Dean, Department of Law, Johann Wolfgang Goethe-Universität
- Mr. Antonio Sainz de Vicuna, General Council, European Central Bank
- Mr. Jochen Sanio, President, BAFin
- Prof. Rudolf Steinberg, President, Johann Wolfgang Goethe-Universität
- Mr. Karlheinz Weimar, Minister of Finance of the State of Hesse

Members of the ILF Executive Committee:

- Prof. Theodor Baums, Director, Institute for Banking Law, Johann Wolfgang Goethe-Universität
- Prof. Andreas Cahn, LL.M., Director, Institute for Law and Finance, Johann Wolfgang Goethe-Universität
- Prof. Manfred Wandt, Director, Institute for Insurance Law, Johann Wolfgang Goethe-Universität

Members of the ILF Donors' Committee:

- Dr. Klaus-Albert Bauer, Managing Partner, Freshfields Bruckhaus Deringer
- Dr. Holger Berndt, Executive Director, Deutscher Sparkassen- und Giroverband
- Dr. Wolfgang Bosch, Partner, Gleiss Lutz Hootz Hirsch
- Prof. Wulf Döser, Senior Partner, Baker & McKenzie
- Dr. Thomas Gasteyer, Partner, Clifford Chance Pünder
- Prof. Wilhelm Haarmann, Partner, Haarmann Hemmelrath
- Mr. Karl Herold, Partner, Jones Day
- Prof. Michael Hüther, Bank Director and Chief Economist, DekaBank Deutsche Girozentrale
- Mr. John Jetter, Chairman of the Board of Managing Directors, J.P. Morgan AG
- Mr. Matthias Kasch, Managing Partner, White & Case, Feddersen
- Dr. Wolf Klinz, President of the Frankfurt Chamber of Commerce and Industry
- Mr. Frank Mattern, Director, McKinsey & Company.
- Mr. Volker Potthoff, Member of the Board of Managing Directors, Deutsche Börse AG
- Dr. Philipp von Randow, Partner, Latham & Watkins Schön Nolte
- Mr. Dietmar Schmid, Member of the Board of Managing Directors, BHF-Bank AG
- Mr. Stefan Seip, Chief Executive Officer, BVI Bundesverband Deutscher Investment- und Vermögensverwaltungs-Gesellschaften e.V.
- Dr. Stephan Steuer, Deputy General Executive Manager and General Counsel, Bundesverband Deutscher Banken
- Dr. Andreas Zahn, Partner, Ashurst Morris Crisp



Recruiting Lecturers

Early in the process of founding the Institute, the Steering Committee began the formidable task of recruiting a high quality teaching staff from academia and the financial community. The Steering Committee contacted qualified university colleagues and known experts in fields that would be included in the ILF curriculum. The response to these inquiries was positive. A growing circle of qualified professionals soon offered to bring their expertise to the ILF. Many well-known professionals, with the support of their firms, agreed to contribute valuable time and knowledge to the Institute.

The Institute was fortunate enough to receive commitments from professionals who had worked to shape some of the most important legal activity recently affecting finance in Europe, including the creation of the European Central Bank, the introduction of the euro, the creation of innovative multinational structures such as Daimler-Chrysler, and issues of debt and equity securities denominated in euro and distributed world-wide.

The ILF was also able to receive teaching commitments from high quality scholars in the University's Department of Business and Economics, including Prof. Dr. Jan Pieter Krahen, Prof. Dr. Raimond Maurer, Prof. Dr. Christian Schlag, Prof. Dr. Reinhardt Schmidt, Prof. Dr. Paul Bernd Spahn, and Prof. Dr. Mark Wahrenburg.



Reception at the University guest house commemorating the end of the course year



The guests are welcomed by Professors Cahn, Fahrholz, Steinberg and Hessen Finance Minister Weimar



- Dr. Klaus-Albert Bauer, LL.M., Partner, Freshfields, Bruckhaus Deringer: Law of Corporate Finance
- Mr. Okko H. Behrends, Partner, Allen & Overy: Capital markets and Securities Law
- Prof. Andreas Cahn, LL.M., Director Institute for Law and Finance: International and National Company Law; Law of Corporate Finance
- Mr. Gabriel Fagan, Economic Modelling Division, European Central Bank: Principles of Economics
- Dr. Andreas Hackethal, Assistant Professor, Johann Wolfgang Goethe-Universität: Financial Markets and Institutions
- Mr. Stephen Hodgson, International Partner, Baker & McKenzie: Law of Investment Banking and Project Finance
- Dr. Thomas Huertas, Chairman and CEO, Orbian Corporation: Financial Intermediation and Risk Management
- Dr. Thomas Gasteyer, LL.M., Partner, Clifford Chance Pünder: Commercial Banking
- Dr. Christoph Keller, Financial Law Unit Head, Deutsche Bundesbank: Central Banking Law
- Prof. Jan P. Krahen, Professor of Finance, Frankfurt University: Fundamentals of Finance
- Dr. Manuel Lorenz, Partner, Baker & McKenzie Frankfurt: Investment Banking and Project Financing Law
- Dr. Rainer Magold, Partner, Baker & McKenzie: Investment Banking and Project Financing Law
- Prof. Maria C. Malaguti, LL.M., Professor of Law, University of Lecce; Counsel: DG Payment Systems, European Central Bank: EU Competition Law
- Prof. Raimond Maurer, Professor of Economics, Johann Wolfgang Goethe-Universität: Fundamentals of Finance
- Mr. Douglas Nelson, Principal, KPMG: Accounting
- Mr. Erwin Nierop, Deputy General Counsel & Head, Financial Law Division, European Central Bank: Central Banking Law
- Mr. Stefan Nießner, Deutsche Bundesbank: European Regulation of Financial Markets and Institutions
- Dr. Arndt Overlack, Senior Partner Germany, Allen & Overy: Investment Banking and Project Finance Law
- Dipl.-Kfm. Frank Reiner, Department of Finance, Johann Wolfgang Goethe-Universität: Basics of Financial Mathematics
- Prof. Frank Richter, Executive Director, Investment Banking Division, Goldman Sachs: Corporate Finance
- Prof. Hanns-Christian Salger, LL.M., Partner, Lovells Rechtsanwälte: Drafting of Contracts
- Prof. Christian Schlag, Professor of Economics, Johann Wolfgang Goethe-Universität: Fundamentals of Finance
- Prof. Reinhardt H. Schmidt, Dean, Department of Business and Economics of Frankfurt University and Wilhelm Merton Professor of International Banking: Fundamentals of Finance
- Prof. Paul B. Spahn, Professor of Public Finance, Johann Wolfgang Goethe-Universität: Monetary Policy and Financial Regulation
- Dr. Peter Stenz, Partner, Allen & Overy: Investment Banking and Project Finance Law
- Mr. Pedro Gustavo Teixeira, European Central Bank: European Regulation of Financial Markets and Institutions
- Prof. Mark Wahrenburg, Professor of Business Banking, Johann Wolfgang Goethe-Universität: Financial Markets and Institutions
- Dr. Michael Weller, Board of Managers, Clifford Chance Pünder: Commercial Banking
- Mr. Mark Welling, Member of Partnership Board, Allen & Overy: Capital Markets and Securities Law
- Prof. Philip Wood, Special Global Counsel, Allen & Overy: Capital Markets and Securities Law
- Dr. Chiara Zilioli, LL.M., Deputy General Counsel, European Central Bank: Central Banking Law



Welcoming the Class of 2003

With its building renovated and furnished, and its administrative and academic teams in place, the ILF was ready to welcome its first class of students. On October 14, 2002, in a festive ceremony held in the new Westend Campus of the University, some 400 invited guests heard a podium presentation on the ILF with the theme, "A Public-Private Partnership of Business and Academia." Speakers included Hessian Premier Dr. Roland Koch, Frankfurt Mayor Petra Roth, University President Prof. Rudolf Steinberg, and Dresdner Bank Chairman Prof. Bernd Fahrholz.

The ILF's first student class was composed of 28 students from 18 different countries. This diverse group met the ILF's goal of creating a truly international academy designed to attract highly qualified professionals from around the world. Countries represented in the first class included Germany (7 students), Belgium, China, Estonia, India, Italy, Russia (each with 2 students), Turkey, Mexico, Chile, Bulgaria, Poland, Lithuania, Switzerland, Ukraine and the United States and France (each with 1 student).

The educational background and professional experience of the first student body was also richly diverse. Students held MBAs and LL.B.s, had completed postgraduate study in finance, had experience in investment banks, central banks, national securities regulatory bodies and private law practice. The institutions that our students had previously attended included Harvard University, the Russian Academy of Economics, Shanghai University, and Tufts University. The students ranged in age from their mid-20's to their mid-40's.



Sabri Abarkan
DEUTSCHLAND

Sanjay Agrawal
INDIEN

Alessandra Atripaldi
ITALIEN

Erdem Banaz
TÜRKEI

Sangeeta Chauhan
INDIEN

Jan De Bondt
DEUTSCHLAND

Nicolas De Wilde
BELGIEN

Javier Andres Díaz Velásquez
CHILE

Patrick Halfpap
DEUTSCHLAND

Stanislavova Lora Ialamova
BULGARIEN

Gereon Kronenberger
DEUTSCHLAND

Jakub Kubicki
POLEN

Bernadette Lauro
ITALIEN

Paulius Markovas
LITAUEN

Debora Elisa Mayen Carey
MEXIKO



Leif Orvald

USA

Yuriy Pavlyk

UKRAINE

Viacheslav Ponomarev

RUSSLAND

Dr. Dirk Torsten Posner

DEUTSCHLAND

Rain Raa

ESTLAND

Simon Schuler

DEUTSCHLAND

Kathrin Schulte-Südhoff

DEUTSCHLAND

Ingrid Ulst

ESTLAND

Pieter Vandavelde

BELGIEN

André Wahab

DEUTSCHLAND

Jiajia Wang

V. R. CHINA

Dr. Winfried Weigel

DEUTSCHLAND

Marina Zelenova

RUSSLAND

Lei Zhang

V. R. CHINA

The ILF in the Media

The ILF has also enjoyed extensive coverage in a number of German and international publications. These include the Frankfurter Allgemeine Zeitung, the Frankfurter Rundschau, the Financial Times Deutschland, Die Bank, Finance Magazin (Switzerland/Austria), the German Law Journal, Wirtschaftswoche, and the Financial Times.

FINANCIAL TIMES 25. Juni 2002

... The setting up of the ILF marks an important Stepp forward for Frankfurt, which is keen to secure its position as continental Europe's leading financial centre. ... With the ILF, Frankfurt is beginning to create a center of competence for training tomorrow's leaders in the world of business and finance...

DIE WELT 12.10.2002

... Ungewöhnlich viele hochkarätige Unternehmen und Institutionen haben sich, in Kooperation mit der öffentlichen Hand, am Aufbau des ILF beteiligt.... Ein Grund: Das neue Institut in der Finanzmetropole soll dem internationalen Finanzsektor... Spitzen-Nachwuchs zuführen. Ein anderer Grund: Internationalisierung.

Accreditation

On March 7, 2003, the ILF Program was accredited by the competent German accreditation authority, Zentrale Evaluations- und Akkreditierungsagentur Hannover (ZEVA). The ZEVA is a member of the European Network for Quality Assurance in Higher Education, ENQA, and participates in their Joint Quality Initiative (JQI), which has developed evaluation criteria for Bachelors and Masters Degrees study on a European level. The ZEVA accreditation is based on internationally accepted standards of accreditation.

The ILF as a Forum for Ideas

In addition to educating post-graduate students, the ILF is also designed to serve as a forum for discussing ideas affecting law and finance. During the 2002/2003 academic year, the ILF hosted alone and with partners a number of successful conferences and lectures addressing financial, regulatory and corporate matters.

On March 6, 2003, the ILF hosted a conference sponsored by Dresdner Bank entitled "The Future of Frankfurt as a Financial Center" and attended by more than 450 students, university faculty, and members of the financial and business community. The conference provoked a lively debate between five of Germany's leading experts on financial issues with journalists representing major newspapers and broadcasters in attendance.

Among the prominent speakers were University President Prof. Rudolf Steinberg, who reviewed Frankfurt's century-old history as an international financial center. Prof. Steinberg pointed out how the creation of the ILF continues this tradition as a major, positive development in Frankfurt's educational infrastructure for financial issues. German Minister of Finance Hans Eichel used the occasion to unveil details of the Government's proposed 2006 Financial Market Promotion Act. Dresdner Bank Chairman Prof. Bernd Fahrholz also introduced private-sector proposals to strengthen Frankfurt's standing as a leading financial center.

Other podium speakers included McKinsey & Co. director Frank Mattern, Holger Steltzner of the Frankfurter Allgemeine Zeitung, David Marsh, author of a book on the Deutsche Bundesbank and a consultant with Droege & Company, and Prof. Wolfgang Gerke of Erlangen-Nürnberg University.

On May 22, 2003, the ILF and the Deutsches Aktieninstitut (DAI) co-hosted a conference entitled "Hedge Funds: Risks and Regulations," which was attended by more than 100 students, university faculty, and members of the financial and business community. The conference addressed the increased use of hedge funds in the bear market since 2001, and the regulatory challenges that such funds present. The conference also played an important role in airing the concerns related to hedge funds while such important jurisdictions as Germany, the United Kingdom, and the United States contemplate and prepare the introduction of new hedge fund legislation.

ILF Director Prof. Andreas Cahn and DAI Chairman Prof. Rüdiger von Rosen gave welcoming remarks and outlined recent developments in the German financial markets and their regulation. UBS Warburg division head Alexander Ineichen explained the nature of hedge funds and their advantages for investors. Columbia University's Prof. Franklin Edwards set forth the specific risks that hedge funds present and outlined his ideas for their regulation. UK Financial Services Authority manager Ashley Kovas described the risks in selling hedge fund products to individual investors and sketched the UK regulatory framework for hedge funds. Debevoise & Plimpton partner Marcia MacHarg explained how and why U.S. regulatory authorities were currently "waking up" to hedge funds. Shearman & Sterling attorney Dr. Kai-Uwe Steck reviewed existing German legal treatment of hedge funds. Elvinger, Hoss & Prussen partner Jacques Elvinger outlined the transactions which hedge funds may enter into under Luxembourg law.

An afternoon roundtable including the speakers mentioned above, plus Prof. Theodor Baums and Sullivan & Cromwell partner John O'Brien addressed the regulatory options to protect ordinary investors from the risks of hedge funds. Prof. Andreas Cahn pointed out the inadequacy of disclosure where investors fail to heed the warnings. Prof. Franklin Edwards advocated "regulation light" in order not to stifle market forces. John O'Brien explained that the corporate lawyer is only able to ensure disclosure of the information his client is willing to provide. Dr. Edgar Wallach of Hengeler Mueller contributed to a lively debate on the current state of the new draft law of the German Finance Ministry.

As well, in the course of the academic year, a number of special lectures were held for ILF students. These included Dr. Dieter Glüder of the Kreditanstalt für Wiederaufbau on the "Economic and Legal Aspects of Securitization;" Rainer Rauleder of Deutsche Bank on "Share buybacks as a tool for Capital Management;" Dr. Marcus Mick of Flick Gocke Schaumburg on "International Corporate Taxation;" and Prof. Xingyuan Feng of the Chinese Academy for Social Science on the "Chinese Finance and Banking System."

In addition, the ILF hosted a lecture series and talks by individual guest lecturers. Leading representatives of the German Finance Ministry (Bundesministerium der Finanzen - BMF) and the German Financial Market Regulatory Authority (BaFin) gave their insights into regulatory issues with a series of lectures that ran from October 2002 until July of 2003. Topics included the optimal structure for financial markets and a balanced approach to their regulation, the supervision of market manipulation, measures against money laundering in the EU, tracing the financing of international terrorism, the changing EU internal market for investment funds, and the implications of the Basel II capital adequacy rules for EU companies.

On December 16, 2002, Prof. Bob Wessels of the University of Amsterdam presented a lecture on EU Insolvency Law.

On June 4 and 5, 2003, Prof. Kenneth E. Scott, of Stanford University Law School, spoke as a Commerzbank Guest Lecturer on corporate governance scandals in the United States and the details surrounding the downfall of Enron Corp. and Worldcom Inc.

The ILF also publishes a series of working papers to allow the academic and financial community to air their thoughts on a number of financial and regulatory issues. The Working Papers include papers presented by some of the lecturers discussed above. The following Papers have been released to date:

WP 1 Andreas Cahn

Verwaltungsbefugnisse der Bundesanstalt für Finanzdienstleistungsaufsicht im Übernahmerecht und Rechtsschutz Betroffener

WP 2 Axel Nawrath

Rahmenbedingungen für den Finanzplatz Deutschland: Ziele und Aufgaben der Politik, insbesondere des Bundesministeriums der Finanzen

WP 3 Michael Senger

Die Begrenzung von qualifizierten Beteiligungen nach § 12 Abs. 1 KWG, publ. in WM 2003, 1697-1705

WP 4 Georg Dreyling

Bedeutung internationaler Gremien für die Fortentwicklung des Finanzplatzes Deutschland

WP 5 Matthias Berger

Das Vierte Finanzmarktförderungsgesetz – Schwerpunkt Börsen- und Wertpapierrecht

WP 6 Felicitas Linden

Die europäische Wertpapierdienstleistungsrichtlinie – Herausforderungen bei der Gestaltung der Richtlinie

WP 7 Michael Findeisen

Nationale und internationale Maßnahmen gegen die Geldwäsche und die Finanzierung des Terrorismus – ein Instrument zur Sicherstellung der Stabilität der Finanzmärkte

WP 8 Regina Nöbner

Kurs- und Marktpreismanipulation – Gradwanderung zwischen wirtschaftlich sinnvollem und strafrechtlich relevantem Verhalten

WP 9 Franklin R. Edwards

The Regulation of Hedge Funds: Financial Stability and Investor Protection

WP 10 Ashley Kovas

Should Hedge Fund Products be Marketed to Retail Investors? A Balancing Act for Regulators

WP 11 Marcia L. MacHarg

Waking up to Hedge Funds: Is U.S. Regulation Taking a New Direction?

WP 12 Kai-Uwe Steck

Legal Aspects of German Hedge Fund Structures

Recent publications of ILF Director

Prof. Andreas Cahn include:

Einführung in das neue Schadensrecht, Cahn (ed.), München 2003

„Isolierte Gewinnabführungsverträge“, article published in *Der Konzern* 2003, pp. 1, by Cahn and Simon.

„Verwaltungsbefugnisse der Bundesanstalt für Finanzdienstleistungsaufsicht im Übernahmerecht und Rechtsschutz Betroffener“, article published in *Zeitschrift für das gesamte Handelsrecht und Wirtschaftsrecht* 167 (2003), pp. 262, by Cahn.

Newly Established Law Review on Corporate Groups: „*Der Konzern – Zeitschrift für Gesellschaftsrecht, Steuerrecht, Bilanzrecht und Rechnungslegung der verbundenen Unternehmen*“ (edited by Cahn, Dr. Stefan Simon, Ewald Dötsch and Prof Dr. Hans-Joachim Böcking).

Internships

In December 2002, the Frankfurt Chamber of Commerce and Industry, Industrie- und Handelskammer (IHK), organized an internship fair (Praktikumsbörse) to give ILF students an opportunity to meet with the ILF sponsors who wanted to take on an intern. The event took place at the IHK and was an all-day affair. The resulting internship placements were gratifying for both students and sponsors, as a high number of internships, some of which led to lasting relationships, well testified.

The ILF Celebrates the Graduating Class of 2003

The ILF held a dinner reception for the graduating class of 2003 at the University's Guest House on July 23, 2003. The event marked the students' completion of academic course requirements prior to the writing of a Master's Thesis to complete the Program.

In a festive ceremony, students, ILF faculty and sponsors gathered to hear greetings from University President Prof. Rudolph Steinberg, Hesse Finance Minister Karl-Heinz Weimar, ILF Board of Trustees Chairman Prof. Bernd Fahrholz, and ILF Director Prof. Andreas Cahn.

University President Prof. Steinberg welcomed the students, and explained that the ILF fits in well with Frankfurt University's tradition as an academic institution founded with generous support from prominent civic leaders and businessmen.

Finance Minister Weimar expressed the ongoing support of the government of Hesse to the ILF, and to the planned construction of the new House of Finance that will house both the ILF and the Center for Financial Studies.

Prof. Fahrholz expressed his personal satisfaction in seeing the first class complete their course study. He recalled that it had been a bold venture to decide on the creation and sponsoring of a pioneering new public private partnership integrating the study of law and finance. He commented that it is easy to argue for the financing of an ongoing institution or university, but it is risky to finance an entirely new idea. Looking over the assembled students, he added that the decision was clearly correct.

At the conclusion of the official ceremony, President Steinberg presented each student with a certificate of achievement commending their work in pursuit of the LL.M. Finance degree. Upon successful completion of all examinations and a Masters Thesis by October 2003, each student will receive his or her final degree.

A student representative, Mr. Jan De Bondt then presented the students' award for the "Lecturer of the Year" to Prof. Paul Bernd Spahn of the University's Faculty of Business and Economics. De Bondt then recounted his personal impressions as a member of the ILF's inaugural class. The students also announced that an official ILF Alumni Association had been formed.

Building an International Network

In May of 2003, ILF Director Prof. Cahn met with representatives of leading law schools and law firms in New York to discuss the ILF, international collaboration and possible exchange programs. One result was to increase U.S. awareness and interest in the ILF's LL.M. Finance Program. Prof. Cahn presented the ILF and its curriculum in a speech to the American International Law Association, stressing that his conversations with senior lawyers had convinced him that the completion of an LL.M. Finance in Europe would increase a young lawyer's attractiveness to leading U.S. law firms with an international practice.

Prof. Cahn spoke with members of the law faculties of New York University and Columbia University, among others. The agenda included the possible creation of a U.S./German exchange program in which ILF students would participate in a Master of Laws program in New York and U.S. law students would have an opportunity to participate in and receive an LL.M. Finance from the ILF. Another benefit of Prof. Cahn's meetings will be the presence of a New York faculty member in Frankfurt as a guest lecturer during the 2003/2004 academic year.

A Network of Sponsors

Generous sponsors from the public and private sectors provide the ILF with most of its funding. The University of Frankfurt created an endowment to establish the ILF, Dresdner Bank AG sponsors a permanent chair for the ILF's Director. Commerzbank AG has set up a fund that will allow the ILF to invite leading international academics to act as guest professors for the ILF over the next six years. Deutsche Bank through its Foundation fund provides tuition scholarships, and Stiftung Eurohypo has provided a generous endowment to build up and maintain the collection of books in ILF's library.

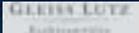
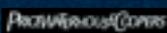
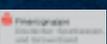
Beyond serving as a teaching institution, the ILF is also designed to act as an intellectual forum for financial issues. To this end, the Federal Ministry of Finance (Bundesministerium der Finanzen - BMF) has agreed to an ongoing series of lectures at the ILF in 2002/2003 on important issues of financial market policy. The lectures are attended by students, academics, and members of the financial community, in particular by representatives of ILF sponsors.

Another key contribution of the ILF Sponsors is time. As discussed above, many of our Sponsors have supported the members of their firms and banks who donate valuable time to teach seminars and lectures to ILF students.

Sponsors have also provided financial assistance to students. A number of other banks and law firms have provided tuition scholarships for qualified ILF students.

The ILF is pleased to acknowledge the support of the following distinguished sponsors:

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