

Faculty of Law



DPRI2254 Credit and Securities Law

[30h] 4.5 credits

This two-yearly course is taught in 2005-2006, 2007-2008,...

Teacher(s): Denis Philippe
Language: French
Level: Second cycle

Aims

Credit and Securities Law is an optional course of the Law Degree. It aims at providing students with a theoretical and practical knowledge of the subject as it is not covered by compulsory courses.

Main themes

The course starts by introducing students to the usefulness and the limits of credit in modern society. Emphasis is put on the difference between private and professional credit.

The course goes on with a systematic analysis of :

The various types of credit;

The various types of securities covering the grant of credit;

Legal mechanisms behind the grant of credit (covered by a security or not); and

Control mechanisms against abusive use of credit.

Moreover, emphasis is put on mortgage loans and consumer credit, which are subject to specific regulations.

Content and teaching methods

Credit is the key-engine of economic activities of individuals and companies. Credit means trust. Only trust allows risk taking and initiatives.

As for individuals, buying a house or a car, or going on holiday often requires the grant of a credit.

As for companies, they are bound by important credits in order to finance their investments (immovable, stock, machines, opening of an office abroad, etc.) or to cover failing debtors, launch a take-over bids, etc.

Credit Law is based on general principles of Law of Obligations and on Contracts Law (loan contracts especially). Emphasis is put on rules on the granting of credits by banks.

The subject is characterised by specific regulations, such as the Law of 12 June 1991 on Consumer Credit and the Law of 4 August 1992 on Mortgage Loans. These Laws are analysed in the light of the general principles of Law of Obligations.

As explained above, credit means trust. Of course, banks do not grant credit without being sure that the debtor is trustworthy.

This is why, banks require securities.

This course analyses the different types of securities granted by credit institutions. From this viewpoint, it aims at completing the Course of Contracts Law (pledge on commercial establishments, assignation of debts, etc.).

Moreover, Securities Law acquires an increasing international dimension. This is why, this course studies the types of credits and securities governing international transactions (claimright insurance, comfort letters, first request guarantees, trusts, etc.) and recent EU directives on financial guarantees.

This course provides illustrations through the study of terms and conditions and moot situations. Banking lawyers, representative bodies of consumer protection associations or of the European Commission will share their experience with students.