Introductory Note on
International Business Transactions - MGMT 503

This course will introduce business students to legal concepts and reasoning patterns essential for today’s executives. With an international perspective, the course will focus on main principals in certain fields of law, rather than specific local laws and regulations. Naturally, most principles will also be applicable from a Turkish point of view. Someone who has completed the course should be able to broadly foresee the legal framework and mechanics of a prospective business transaction.

Substantially, the course will start by introducing different jurisdictions and legal systems and continue with an overview of the main concepts of contract law, corporate law, securities law, mergers and acquisitions, and international commercial arbitration. The course will also touch upon basic principles of competition, intellectual property and tort laws for a well-rounded perspective.

Students seem to shy away from law courses, likely assuming that they will be buried under a myriad of rules. That could not be further from the truth. Law’s primary concern is not the rules. Rules change, can later be looked up or, in the case of contracts, can be made up. Law is concerned with the reasoning, the thinking behind the rules. Learning about why a rule came about:
- sharpens your analytical skills, so you can make better arguments at negotiation tables;
- allows you to guess the next rule, so your feel for the legal landscape you operate in develops exponentially; and
- gives you a sense of when you are in dangerous territory, so you know when to consult your lawyer.

In 2011, seven Turkish banks were fined more than 60 million liras for breach of competition laws by their actions over the last ten years. In essence, those banks had promised each other that throughout one bank’s contract with a public institution for disbursement of that institution’s employee wages, another bank would not offer that institution the same services with better terms. In law, we call this price fixing. It was a blatant violation of competition laws that could have been avoided. Unfortunately, ignorance is not a defense when charged with breaking the law.

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1 Such as contract formation, defenses to contract enforcement and contractual remedies.
2 Such as corporate forms, shareholders’ rights and duties, and director’s and officer’s rights and duties.
3 Such as definition and registration of securities, insider trading and other securities crimes and regulation of trading markets.
4 Such as acquisition process and documents, successorship to assets and liabilities and tender offers.
5 Such as its main principals of arbitration, relevant institutions.