



BANKING LAW

20.01.2020

18h

Duration: 2h (30 min. tolerance)

Instructions: Students cannot use any materials for the exam.

Students **may choose** to answer the exam either in Portuguese or English, however an answer in one language with resort to expressions from the other will not be allowed.

I (10 points)

(limit of one page per answer per question)

Julia, an engineer, developed a solar-powered bicycle. As she was confident on the potential of the bicycle, she decided to produce and sell such bicycles. However she didn't have the necessary capital to set up a factory, buy the necessary equipment, machinery, employ six workers, amongst others.

In order to try and solve this problem, she decided to go to a bank, *Bank Miracolo*.

(a) Imagine you work at *Bank Miracolo*. What would you present as possible contractual solution(s) to Julia? Answer, explaining why the solution(s) presented are interesting from Julia's position. (5 points)

Loan
Leasing
Facility Loan

A few years later, business was doing very well: sales were very good, actually so well, that it was now difficult to manage and control all of the payments and invoices. As a result of the success of the sales of the bicycle in Portugal, Julia decided to export the bicycles to new markets. She wasn't sure however of what markets to explore, worried with the increase of volume of invoices and also concerned with the risk of executing agreements with counterparties she didn't know.

Factoring
Documentary
Letter of
Credit

Again, she went back to *Bank Miracolo* seeking for advice and solutions.

(b) Imagine again you work at *Bank Miracolo*. What would you present as possible contractual solution(s) to Julia's problems, fears? Answer, explaining why the solution(s) presented are interesting for the three friends. (5 points)

II (10 points)

Please comment **two** and **only two** of the following statements (the answer to each should not exceed in length one page):

1. A citizen of the European Union has a right to a bank account.

Right
Basic account
Anti-Money Laundering
Anti-Terrorism

Master in Law and Financial Markets

- 2. A facility loan agreement is always a better solution than a simple loan agreement, considering that you do not have to pay interest for the principal.
- 3. A financial leasing agreement is a credit operation.
- 4. A fixed interest rate in a loan agreement is always a better solution for both client and bank it allows them to know from the beginning what to expect.
- 5. Banking agreements are formed by terms not individually negotiated.

Standard forms
Unfair terms
Not individually
Binding
Non-~~test~~