



**STRATHMORE LAW SCHOOL
MASTERS OF LAW (LL.M)
SUPPLEMENTARY EXAMINATION
LLM 8301: INTERNATIONAL BANKING AND FINANCIAL SERVICES LAW**

Date: Wednesday, 8th May 2024

Time: 3 Hours

Instructions

1. This examination consists of **FIVE** questions.
 2. Answer **Question ONE (COMPULSORY)** and any other **TWO** questions.
 3. This is a closed-book examination.
 4. You should spend a fair amount of time organizing your thoughts before starting to write.
 5. Careful organization and clarity will be highly valued.
 6. Please start each question on a new page.
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1. “The Global economy has been undergoing a period of transformative change with profound effects on the policy environment for Central Banks.” **Christine Lagarde, President European Central Bank.**
 - a) Explain the fundamental shifts in banking activity **15 marks**
 - b) Explain the nature of policy changes, if any, to address the fundamental shifts **15 marks**
 2. Central Bank of Kenya reports indicate that liquidity in commercial banks is significantly above the required thresholds and therefore no short to medium term liquidity risk. However, an analysis of commercial bank liquidity assets indicates that there are potential risks associated with the sovereign debt crisis. **Explain. 15 marks**
 3. With increased cross border economic activity, it is important to ensure robust policies and infrastructure to support cross border payments. Explain the key points of friction in cross border payments and measures to address them. **15 marks**
 4. While regulators initially dismissed crypto currencies, it is increasingly becoming clear that regulatory intervention is necessary. **Discuss. 15 marks.**

5. The transition from traditional finance to sustainable banking practices is arduous. Explain strategies adopted by regulators and banks in developing economies that may guide regulators and banks in developing economies. **15 marks**