COURSE DATA

Data Subject

Code	35220
Name	Mercantile law II
Cycle	Grade
ECTS Credits	7.5
Academic year	2024 - 2025

Study (s)

Degree	Center	Acad. year	Period
1303 - Degree in Law	Faculty of Law	3	Annual
1921 - Double Degree Program BMA and Law	Faculty of Law	3	Annual
1922 - Double Degree Prog. Law-Political Science	Faculty of Law	4	Annual
1923 - Double Degree Programme Law-Criminology	Faculty of Law	3	Annual
1930 - Double Degree Programme in Law and Political and Public Admin. Sciences	Faculty of Law	4	Annual

Subject-matter

Degree	Subject-matter	Character
1303 - Degree in Law	16 - Commercial law	Obligatory
1921 - Double Degree Program BMA and Law	4 - Year 3 compulsory subjects	Obligatory
1922 - Double Degree Prog. Law-Political Science	5 - Year 4 compulsory subjects	Obligatory
1923 - Double Degree Programme Law-Criminology	4 - Year 3 compulsory subjects	Obligatory
1930 - Double Degree Programme in Law and Political and Public Admin. Sciences	5 - Asignaturas obligatorias de cuarto curso	Obligatory

Coordination

Name	Department
LOIS CABALLE, ANA ISABEL	70 - Mercantile Law 'Manuel Broseta Pont'

SUMMARY

Commercial Law II is a core module taught over one academic year as part of the third year of the Degree in Law. The module has a credit weight of 7,5 credits (divided into 3 credits in the 5th semester and 4.5 credits in the 6th semester in accordance with the General Study Plan).

Commercial Law is the part of the legal system that regulates businesses (encompassing both individuals and companies) and their activity in the market. In the Study Plan of the Degree in Law, the subject is divided into two parts with the following contents:

1. Commercial Law I: in their second year, students analyse the legal status of businesspeople and the rules which govern their activities (such as their book-keeping obligations and those regarding the Commercial Register), the Law of Corporations, Competition Law and the Law of Industrial Property, as well as the institutions designed to remedy crisis (Insolvency Law).
2. Commercial Law II: in their third year, students embark on an in-depth study of the legal instruments commonly used in commerce: bills of exchange and commercial contracts.

According to the description of the subject in the Study Plan, Commercial Law II focuses on the study of the «General concepts of negotiable instruments and the principal instruments of commercial exchange: promissory notes, cheques and bills of exchange» as well as « Commercial Contracts». Following this, if Commercial Law can be said to be structured around three central elements (the businessperson, the business, and the economic activity carried out by businesspeople in the market), the subject Commercial Law II is concerned with the analysis of the legal instruments used in the service of this business activity.

After an initial explanation of the economic function, the historical evolution and the essential characteristics of negotiable instruments, the first part of the course will guide the students through an exhaustive analysis of the regulation of promissory notes, cheques and bills of exchange.

The second part of the course focuses on the special characteristics of commercial contracts and the specific legal framework applied to various types of commercial contracts: sales contracts, transport contracts, business deposit contracts, finance contracts and loans guaranteed by securities.

The final part of the course examines financial markets and will study the legal status of the main subjects active in the banking market, the insurance trade and the stock market as well as the law that regulates trading in each of these markets.

The study of commercial contracts in the Degree in Law is complemented by the inclusion of two optional modules in the General Study Plan: Banking, the Stock Market and Insurance and the Law of Transportation.

PREVIOUS KNOWLEDGE

Relationship to other subjects of the same degree

There are no specified enrollment restrictions with other subjects of the curriculum.

Other requirements

The General Study Plan for the Degree in Law does not require students to have passed any specific law modules in order to take Commercial Law II. However, both the content and the objectives of the course assume that the student has a sound understanding of the General Theory of Obligations and Contracts (Civil Law II, taught in the second year of the Degree in Law) and has successfully completed Commercial Law I.

COMPETENCES (RD 1393/2007) // LEARNING OUTCOMES (RD 822/2021)

1303 - Degree in Law

- Know the content and application of each of the branches of the legal system.
- Understand the legal system as unitary and have an interdisciplinary perspective of legal problems.
- Be able to apply constitutional principles and values, the respect for human rights, with special attention to equality between men and women, sustainability and the culture of peace as working tools in the interpretation of the legal system.
- Be able to use legal sources (legal, jurisprudential and doctrinal).
- Be able to read and interpret legal texts.
- Be able to communicate correctly both orally and in writing in the field of law.
- Be able to analyse legal problems and synthesise their approach and resolution.
- Develop critical awareness for the analysis of the legal system and develop the legal dialectic.
- Be able to use information and communication technology to obtain and select legal information.
- Have negotiation and conciliation skills.
- Be able to create and structure regulations.

LEARNING OUTCOMES (RD 1393/2007) // NO CONTENT (RD 822/2021)

The subject Commercial Law II is designed for the student to get the following basic abilities:

- Understand the legal consequences of issuing securities, particularly the differences between the assignment of credit and the circulation of a right incorporated in a deed or bond.

- Have a profound understanding of the regulation of bills of exchange, cheques and promissory notes and be able to correctly fill in any of these instruments from a given set of circumstances

- Comprehend the principal problems, challenges and legal tendencies in the regulation of commercial contracts.

- Understand the regulation of commercial contracts and be able to solve practical problems related to them, particularly those related to the sale of goods, the sale of businesses, transport, custody, distribution contracts and finance and guarantees.

- Obtain a basic understanding of the organization of financial markets and the regulation of subjects, markets and legal transactions within those markets.

- Comprehend the principal parts of a contract and be able to write the basic parts of any of the contracts analysed during the course.

DESCRIPTION OF CONTENTS

1. Securities

1. Concept, role, and historic evolution of securities, in particular, the bill of exchange.
2. Features of securities: standing granted by the possession, its literal description of the right, autonomy from underlying obligation.
3. Types of exchange securities. Securities in a broad and narrow sense.
4. The problem of securities mass issuance and its remedy: electronic clearing system and electronic shares systems.

2. Rules governing the bill of exchange

1. Formal requirements of the Bill of exchange. Blank bill of exchange and inchoate bill of exchange.
2. Capacity and representation in the bill of exchange.
3. The acceptance: concept, requirements, and effects.
4. The transfer of the bill of exchange: endorsement and assignment of receivable.
5. The guarantee in the bill of exchange.
6. The maturity of the bill of exchange, payment request, and voluntary compliance.
7. Execution of the bill of exchange: claims based on the bill of exchange, and claims based on underlying obligations.
8. Defence arguments based on the bill of exchange.

3. Rules governing the promissory note and the cheque

1. Concept, economic role, and formal requirements of the promissory note.
2. Concept, economic role, and formal and material requirements of the cheque.
3. Relationships between the drawer, accepting bank and the payee.
4. Presentation and payment of the cheque. Liability for the payment of a forged cheque.

4. General rules on obligations and commercial contracts

1. Commercial contracting law in the market.
2. Characteristics of the legal system of obligations and commercial contracts in the Code of Commerce.

3. Digitalisation of commercial electronic contracting: from electronic commerce to crypto-assets.
4. Legal rules governing general terms and conditions.

5. The commercial sales contract

1. The concept of commercial sales contract and differences compared to the civil sales contract.
2. Content of the contract. Obligations of the parties to the contract. Breach of contract.
3. Transfer of risks on the commercial sales contract.
4. Rules concerning late payment in commercial contracts.
5. The legal system of retail
6. Distance and off premises selling.
7. Distance selling, INCOTERMS y international commercial sales contract.

6. Transactions over the business

1. The business as tradeable asset. Main issues.
2. Negotiations and due diligence.
3. Transfer of the business vs the transfer of the shares.
4. The sale of a business.
5. The lease of a business.
6. Rights in rem over a business.
7. The mortis causa transfer of a business.
8. Special reference to family-owned business.

7. Deposit and transportation contracts

1. The commercial deposit contract.
2. The deposit in general warehouses.
3. Legal status of the commercial road freight activity
4. Concept, nature, and types of road freight contracts.
4. Personal elements and conditions. The consignment note.
5. Content of the contract. Obligations of the parties. Special reference to the liability of the carrier.
6. International road freight transport.

8. Collaboration and distribution contracts (I)

1. Legal tools designed to facilitate commercial distribution.
2. Contracts under which a commission is payable.
3. The mediation contract.
4. The supply contract.
5. The contract of sales in consignment.

9. Collaboration and distribution contracts (II)

1. Rules governing the agency contract.
2. Content of the contract. Obligations and failure to comply.
3. Termination of the contract and compensations.
4. Selective and exclusive distribution contracts and the concession contract.
5. The franchise agreement.

10. Financial operations and commercial law

1. The commercial loan.
2. Business checking account.
3. Silent partnership.
4. Collaborative financing and alternatives to the bank financing, especial reference to crowdfunding.
5. Rules governing consumer lending.

11. Financial regulation (banking, insurance and securities markets)

1. General rules of the financial markets legislation.
2. Supervisory authorities. The protection of the retail investor in financial markets.
3. Credit institutions and special financial institutions.
4. Insurance entities and distribution of insurances.
5. Investment services firms.

12. Contracts in the credit market

1. Sources of banking contracts law.
2. Concept and types of banking contracts.
3. The current account.
4. Payment services: bank transfers, credit and debit cards and other payment services.
5. Bank deposit agreement.
6. The loan and a credit agreement for a line of credit.
7. The discounting agreement.
8. The factoring contract.
9. Leasing and renting contracts.
10. Letter of credit.

11. The deposit and management of securities.
12. The commercial bond, independent guarantees o guarantees on first demand.

13. The insurance contract

1. Economic role and requirements for private insurance.
2. Concept, characteristics, and types of insurance.
3. Personal elements of the insurance contract.
4. Contract formation and documentation.
5. Obligations of the parties to the insurance contract.
6. Duration, limitation period and termination of the insurance contract.
7. Insurable interest, principle of indemnity and insured amount.
8. Calculation of the compensation and subrogation.

14. Specific insurance contracts. Pension funds.

1. Fire, theft, and transportation insurance.
2. Income loss, credit, and bonding insurance.
3. Civil liability insurance.
4. Motor vehicles compulsory insurance.
5. Life and accident insurance.
6. Health and medical health care insurance.
7. Death insurance.
8. Insurance for dependency.
9. Pension plans and funds.

15. The securities market

1. An introduction to the securities markets.
2. Tradeable assets: securities and financial instruments.
3. The primary market, special reference to initial public offerings of securities.
4. Trading on the secondary market.

WORKLOAD

ACTIVITY	Hours	% To be attended
Theoretical and practical classes	75,00	100
Attendance at events and external activities	5,00	0
Development of group work	3,00	0
Development of individual work	8,00	0
Study and independent work	40,00	0
Readings supplementary material	5,00	0
Preparation of evaluation activities	10,00	0
Preparing lectures	20,00	0
Preparation of practical classes and problem	10,00	0
Resolution of case studies	10,00	0
Resolution of online questionnaires	1,50	0
TOTAL	**187,50**	

TEACHING METHODOLOGY

The teaching methodology has been adapted to suit the system of evaluation outlined in the annex to the study guide, and this allows for the options permitted by the general system described in epigraph 9 (such as, for example, the use of supplementary activities, or the discretionary evaluation of class exercises or the resolution of practical cases). However, the fundamental points to be taken into consideration are the following:

1. The presentation of the content of the course. The lessons will use a teaching method focusing on the active participation of the students. The teaching sessions will be based on the discussion of cases and hypothetical problems and the exegesis of points of law, using the ideas and explanations given in the material on the required reading list, and will presuppose the prior preparation of lessons by the students. The lessons should be approached as a dialogue between the students and the lecturer, although the lecturer may make use of traditional lectures in order to explain points of particular complexity.

2. Applied and guided activities. Throughout the course the students will be asked to resolve practical exercises and to write about cases of interest, etc., that will be closely connected to the course content. These exercises are intended to complement the theoretical explanations provided by the lecturer, although students may be required to complete them outside the lecture hours. They are designed to be participatory exercises, and in all cases the course lecturer will indicate whether they will be subject to evaluation. At any time throughout the course the students may be asked to complete additional activities designed to reinforce the knowledge they have acquired.

3. Supplementary activities: At least one supplementary activity, to be chosen by the course lecturer or proposed by the students, shall be included as part of the activities that require the compulsory attendance of the students. These may include attendance to conferences, seminars, or visits to institutions relevant to the course content.

EVALUATION

Final qualification is calculated by adding two different blocks/parts: on the one hand, the continuous evaluation and taking part in the planned activities (30% of the final grade) and, on the other hand, the final theory-practice test which represents 70% of the final grade.

Students must pass the final test to pass the course. In the event of failing the test, the final grade shall be determined through the weighted addition of the continuous evaluation and the mark in the theory-practice test, which will not be higher than 4.5 (fail).

Final evaluation might take oral or written form depending on the lecturer's choice, and it has to be indicated in the annex to the course guide.

a) If the final test is a written exam, it will be a joint examination common to all groups. Students will be allowed to use legal texts. Answering space won't be limited and it shall not be a multiple-choice (quiz) test. However, time will be limited.

b) In the case of an oral evaluation, the lecturer has to indicate in the annex whether students may use legal documents for taking the exam. The lecturer will announce with at least 5 working days, via the Aula Virtual, data concerning location of the exam, time, date and its maximum duration for each student and the order in which the exam will take place.

Regardless of the exam type (oral or written), it will be on the lecturer to include in the annex the possibility to change the exam type when a different day has to be appointed to solve an exams' overlapping situation in conformity with the *Reglamento de evaluación y calificación de la Universitat de València*.

There will not be a midterm exam for the Commercial Law II course, except for double degrees when midterm exams are mandatory if prescribed by the pertinent Academic Commissions' agreements.

The grade for the first call is formed by the result of the final test grade and the continuous evaluation in the percentages stated above. As for the second call, the continuous evaluation block will be the one obtained during the year.

Continuous evaluation activities (guided activities and supplementary activities) can't be replicated for the second call whenever their nature makes it impossible to repeat a similar test that evaluates the training of the student. The lecturer will specify the latter in the annex, where supplementary activities and guided activities that will take place during the course must be detailed.

Despite having, fully or partially, participated in the continuous evaluation, if the student does not show up to the final test, the grade in the record will be NOT PRESENTED. However, as an exception, if the student asks for it, and taking into consideration special circumstances, FAIL might be the grade in the record, considering only the weighed continuous evaluation.

Activities that may be scored: final grade will be formed by the addition of the two following elements:

1. Final theory and practice test with legal materials support: 70% of the final grade.

2. Activities that may be scored (taking place during the lectures or outside that timeframe): 30% of the final grade.

Each lecturer must define the activities corresponding to 30% of the final grade in the annex to the course guide. There might be both guided activities and supplementary activities. At least one activity must be planned along the year. In any case, activities shall amount up to 8 hours during the course.

2.1.- Guided activities: between 10-20% on the lecturer's discretion.

2.2.- Supplementary activities: between 10-20% on the lecturer's discretion. These activities may consist of:

- Activities organised by the Department of Commercial Law for all groups.

- Activities arranged by a specific group lecturer or various course lecturers for their respective groups.

- Students may carry out supplementary activities of their choice providing that these are authorized by their group lecturer.

- Supplementary activities may consist of participation in workshops, conferences, seminars, etc.

REFERENCES

Basic

- Broseta Pont, M., Manual de Derecho Mercantil (Edición revisada por Fernando Martínez Sanz), Editorial Tecnos, tomo II.
- Sánchez Calero, F. y Sánchez-Calero Guilarte, J., Instituciones de Derecho Mercantil, Editorial Thomson-Aranzadi, tomo II.
- Vicent Chuliá, Francisco, Introducción al Derecho Mercantil, Editorial Tirant lo Blanch, tomo II.
- Menéndez, A. y otros: Lecciones de Derecho Mercantil, Editorial Thomson-Civitas, tomo II.
- Jiménez Sánchez, G. J., (coord.), Derecho Mercantil, Editorial Marcial Pons, vol. 4 a 9.

Additional

- Páginas web de autoridades supervisoras:
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