

# INTRODUCTION

---

We live in unprecedented economic times. In this rapidly changing environment, borders are dissolving, the world is getting flatter, and transactions are and will continue to be conducted across borders with nations, legal systems, and regulations unlike our own. Such legal “new frontiers” essentially represent an added dimension in the lawyer’s chessboard in terms of legal strategy, thinking, and issues. As a result, lawyers in the 21st century must increasingly conduct business in a rapidly changing, borderless, and fast-moving international economic system.

Often people enter such a new frontier with imperfect knowledge of the environment. To many, the term “international economic system” may seem vague, unclear, and even daunting. Thus, the issues and analysis in an international, cross-border context will often mirror such lack of clarity when applied to transactions or other situations that demand a lawyer’s attention. In such a finely calibrated environment—where many products and services involve some level of international context—not knowing the rules of the game in the international economic system playing field could cause substantial lost opportunities and clients. Conversely, knowing the rules of the game that underlie the international economic system can provide a distinct competitive advantage.

The purpose of this book, *ABA Fundamentals: International Economic Systems*, is to provide you, the reader, with a strategic lens with which to filter the interrelated legal and economic benefits, risks, challenges, and issues concerning today's international economic systems. Understanding the rules of the game, along with some helpful hints and strategies, can help to maximize associated benefits and minimize risk.

As step one, to help add clarity on the topic, the term international economic system will be analyzed from the perspective of several levels (or "tranches"). These levels are international economic analysis, the international trading system, foreign exchange policies (and products), international banking systems, global financial crises (past and present), multinational entities (MNEs), and market regulation.

As step two, each of this book's chapters will focus entirely on one level, delving into greater detail using plain language and related examples. Each chapter will serve as an important building block for the next chapter's (level's) conceptual framework and analysis. Even with no previous coursework in or knowledge of economics, this book will help lawyers at various levels and institutions navigate the rules of the game in the most user-friendly way possible. It is a tool I wish I had when I first began in this field.

From developed economies like the United States, Europe, and Japan to the lesser developed BRIC (Brazil, Russia, India, and China) economies, trade flows are increasing at a breathtaking rate. Thus, whether in the boardroom or courtroom, knowing how to think like a lawyer as it applies to international economic systems will provide the value-added skill set of knowing how to think specifically, rather than broadly, about issues such as trade, foreign exchange, international economics, and market regulation.

This book was written based on my academic background (as a professor of law and economics) as well as my professional experience (as a lawyer and investment banker for Lehman Brothers and Barclays Capital, respectively). Based on my experience, when introducing a new term or phrase in this book, I have at times written somewhat synonymous terms next to them in parentheses to denote other terms that can also refer to the same term. This way, ambiguity is minimized and clarity is maximized, which is useful in a field with numerous complex "insider" lingua franca used by market actors within the international economic system.

To conclude, I hope this book achieves its mandate for you: to provide a vital and value-added skill set in the area of international economic systems for practicing lawyers in the 21st century.

Jasper Kim  
Cambridge, Massachusetts