



Smart Contract Drafting, Risk and Disputes in Finance



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Smart Contract Drafting, Risk and Disputes in Finance is a 10-day course for lawyers, compliance staff and fintech teams who draft or review self-executing agreements in lending, insurance and trade. You follow the lifecycle from design to governance, write hybrid legal-code terms, test oracle and code risk, and plan dispute routes. You take back a Hybrid Agreement Risk File. Smart contract drafting training is delivered by Mercury Training Center.

About This Course

Code-based agreements now settle payments, release collateral and pay insurance claims, yet many are written without clear legal terms, fallback rules or a route for disputes. To follow the course you should already review or negotiate commercial agreements. You practice on sample term sheets, code excerpts and failure reports, then on an agreement from your own work.

Who It Is For

- Lawyers who draft, review and negotiate agreements for banks, insurers and investment firms.
- Compliance teams who check automated transactions against AML and KYC duties.
- Product and fintech teams who turn business terms into self-executing code.
- Risk and audit staff who assess exposure from code, data feeds and platforms.
- Investment and treasury staff who use DeFi protocols or automated settlement.

This course is not for developers who want to learn to write Solidity, who are better served by a hands-on blockchain programming course, nor for readers new to agreements of any kind, who suit an introductory course on commercial contract principles.

Competencies You Will Build

- Lifecycle Governance: you map a self-executing agreement from design through deployment, upgrade and retirement and give each stage an owner.
- Hybrid Drafting: you write natural-language terms that match the code and state which prevails when they conflict.
- Oracle and Code Risk: you identify where data feeds, bugs or hacks could trigger a wrong payment and set controls.
- Enforceability Review: you test formation, consent, capacity and jurisdiction for a code-based deal.
- Dispute Design: you choose arbitration, mediation, court or on-chain routes and write the clause.
- Audit and Compliance Oversight: you scope third-party code audits and AML and KYC checks before launch.

What You Will Be Able to Do

By the end of the course you will be able to:

- From a term sheet for an automated loan, map each clause to its code trigger and flag terms that cannot be automated.
- Given a code excerpt and its written agreement, find the mismatches and write a precedence clause.
- Using a failure report from a hacked or mispriced protocol, trace the loss to its oracle, code or governance cause.
- Given a cross-border payment arrangement, assess which law and forum apply and how enforcement would work.
- From an audit report, decide which findings block launch and which go into the risk register.
- Using a parametric insurance scenario, design the payout trigger, the fallback and the dispute route.

Course Content

Day 1: Agreement Formation for Code-Based Deals

- Offer, Acceptance, Consideration and Legality in Automated Transactions
- Bilateral, Unilateral, Express and Implied Agreements Mapped to Code
- Intention, Capacity and Voidability When Terms Execute Themselves
- Common Formation Defects in Commercial Agreements
- Status of Self-Executing Agreements Under General Contract Principles

Day 2: How Self-Executing Code Works

- Ledgers, Consensus and Immutability for Non-Technical Reviewers
- Solidity Code Structure Read by Legal Reviewers
- Ethereum and Hyperledger Platform Choice for Financial Use
- Gas Fees and Transaction Costs in Execution Planning
- Self-Execution Limits: Terms Code Cannot Capture

Day 3: Lifecycle from Design to Governance

- Requirements Capture from Business Term Sheets
- Development, Testing and Deployment Gates
- Upgrade, Pause and Kill-Switch Governance Controls
- Role Assignment Between Lawyers, Developers and Product Owners
- Decommissioning and Record Retention for Retired Agreements

Day 4: Drafting Hybrid Legal-Code Agreements

- Translating Clauses into Terms, Conditions and Triggers
- Precedence Clauses When Prose and Code Conflict
- Self-Executing Payment, Collateral and Escrow Clauses
- Plain-Language Annexes Explaining Code Behavior
- Drafting Review Checklists for Transparency and Clarity

Day 5: Use Cases in Banking, Insurance and Trade

- Automated Payments, Loans and Asset Transfers
- DeFi Lending and Its Reliance on Protocol Code
- Parametric Insurance Claims Processing and Payouts
- Automated Trading, Real-Time Settlement and Credit Scoring
- Supply Chain Finance and Escrow Arrangements

Day 6: Oracle, Code and Operational Risk

- Oracle Failure and Data Feed Manipulation Scenarios
- Logic Bugs, Reentrancy and Common Security Vulnerabilities
- Hacking, Fraud and Unintended Outcome Analysis
- Third-Party Code Audit Scoping and Findings Review
- Risk Registers for Code-Based Financial Products

Day 7: Jurisdiction, Compliance and Ethics

- Jurisdiction and Governing Law in Cross-Border Transactions
- AML and KYC Checks Built into Automated Flows
- Regulatory Frameworks Affecting Code-Based Financial Products
- Privacy and Data Protection on Shared Ledgers
- Consent, Accountability and Ethics in Automated Decisions

Day 8: Dispute Mechanisms

- Arbitration, Mediation and Court Routes for Code Disputes
- On-Chain Dispute Resolution and Escrowed Remedies
- Evidence from Transaction Logs and Code Versions
- Dispute Clauses Tailored to Automated Performance
- Reviews of Failed Implementations and Legal Challenges

Day 9: Emerging Practice and Market Impact

- AI in Agreement Automation and Its Liability Questions
- Effect on Banks, Brokers and Other Intermediaries
- Expected Legal Reform and Regulatory Change
- Ethical Questions in Decentralized Finance
- Roles Joining Legal and Technical Skills

Day 10: Building Your Hybrid Agreement Risk File

- Exercise: Mapping Your Agreement's Lifecycle and Owners
- Exercise: Drafting Precedence and Fallback Clauses
- Exercise: Rating Oracle and Code Risks for Your Deal
- Exercise: Choosing and Drafting the Dispute Route
- Completing the Hybrid Agreement Risk File

Case Studies and Exercises

The items below are suggested activities, adjusted to the group's sectors.

- Case study: A lending platform liquidated collateral after a faulty price feed; you trace the cause and decide which party bears the loss under the agreement.
- Case study: An insurer's parametric flight-delay cover paid the wrong claims after a data error; you redraft the trigger and fallback terms.
- Exercise: A supply chain finance escrow between a buyer, a supplier and a bank; you draft the precedence and dispute clauses.
- Exercise: A third-party audit of a payment protocol; you rank the findings and decide whether launch goes ahead.

What You Take Back

The Hybrid Agreement Risk File documents one agreement from your own work. In your first month back you use it to review a pending deal or product launch with developers and compliance, close gaps between prose and code, and agree the dispute route before signature.

- A lifecycle map with owners and governance controls.
- A clause-to-code table with precedence and fallback terms.
- An oracle and code risk register.
- A dispute route and its clause.

Quick Answers FAQ

What should you know before smart contract drafting and risk training?

You should already review or negotiate commercial agreements and follow basic payment or lending flows. No coding is needed: code excerpts are read line by line with the group, and technical terms are explained before they are used.

How does smart contract drafting differ from a short introduction to smart contracts and contract law?

A short introduction explains what self-executing agreements are and where finance uses them. Smart contract drafting over 10 days goes on to the full lifecycle, hybrid drafting, oracle and code risk, audits and dispute design, ending with a risk file for your own agreement.

Are smart contracts legally enforceable in finance?

Often they are, when the usual elements of formation are present and the parties can be identified. Enforceability weakens when code and written terms conflict, when governing law is unclear, or when no route exists to reverse a wrong payment.

What do you take back from smart contract drafting and disputes training?

You take back the Hybrid Agreement Risk File for one of your agreements: lifecycle map, clause-to-code table, oracle and code risk register, and dispute clause, ready for your next deal or product review.

For Your Manager

After the course, the team member will be able to review code-based financial agreements, write terms that match the code, rate oracle and code risk, and design dispute routes before signature. They return with the Hybrid Agreement Risk File for one live agreement, first used in the next product launch review or deal negotiation with developers and compliance.