

## CBFL SEMINAR SERIES

# The Interface of Contract Law and Investor Protection

29 August 2023  
Wee Chong Jin Moot Court, NUS Law



*Professor Gerard McMeel KC, University of Reading*

On 29 August 2023, the Centre for Banking & Finance Law (CBFL) welcomed **Professor Gerard McMeel KC** from the University of Reading as a distinguished speaker for the lecture titled 'The Interface of Contract Law and Investor Protection'. This engaging presentation was part of the CBFL Seminar Series and was chaired by Associate Professor Sandra Booyesen. The event took place at the NUS School of Law's Moot Court, drawing a diverse audience comprising participants from academia, the legal industry, as well as other enthusiastic stakeholders.

Professor McMeel's lecture delved into the intricate connections between contract law and investment protection law, focusing on their interaction within the financial services domain. He provided invaluable insights into how these legal realms intersect and how they can complementarily address challenges arising in contractual situations. With an erudite and in-depth chronicle of pertinent jurisprudence, Professor McMeel primarily focused on the legal systems of the United Kingdom, while also drawing connections to Singapore. He discussed the legal principles and standards associated with contract formation and interpretation. He also explored emerging trends in commercial contract litigation, offering his perspective on how courts should interpret contractual terms and apply standards in litigation cases.

Professor McMeel commenced the lecture by highlighting the distinctive characteristics of contracts that underpin financial products. These contracts often lack widely recognized minimum standards and are

characterized by their lengthiness and prolixity due to the detailed information they contain. All this contractual complexity can sometimes complicate legal interpretation, posing additional challenges compared to more straightforward commercial contracts. As a result, determining the concrete contractual obligations of parties in financial agreements can often be challenging. The lecture was structured into three main parts, examining the interplay between contractual law and investor protection in (i) contract formation, (ii) incorporation, and (iii) implied terms. Central to the lecture, however, was the question of the role that statutory legislation should play in shaping contractual relationships, particularly in defining the conduct and obligations of contracting parties, especially financial service providers.

A key takeaway from the lecture is the pivotal role that courts should play in establishing the standards applicable to contracts. Standards which arise from provisions of financial regulation encompass aspects such as (i) the provision of clear, fair, and not misleading information, (ii) 'know your client', (iii) 'know your product', (iv) effective explanation of risk, and (v) product suitability. However, Professor McMeel noted that, in interpreting contracts, while courts have often considered industry-developed standards, they have sometimes neglected standards originating from specific regulations. Given this attitude, Professor McMeel argued that courts should place greater reliance on existing regulations, viewing them as effective tools for governing many aspects of contractual relationships between service providers and their clients. This perspective, for instance, implies that the duty of care should encompass compliance with all applicable laws and regulations.

The seminar concluded with a Q&A session, leaving the participants with profound reflections on how various facets of contract law and investor protection can integrate and thus create a comprehensive legal framework that can assist professionals and courts in navigating the intricacies of contractual relationships within the complex world of financial services.