

## BOOK REVIEWS

COMPANY FORMATION PRACTICE MANUAL. By CATHERINE TAY SWEE KIAN. [Singapore: Malayan Law Journal Pte Ltd. 1983. 306 + xxiv pp. including index. Hardcover: S\$50.]

A work of this nature can be reviewed on two separate planes. As a practice manual, the first basis of review would review the accuracy and comprehensiveness of the material presented. Second, some attention may be focussed on the treatment of the substantive law.

As a practice manual, the coverage is considerable and includes practical information on government policy in the form of immigration policy and Department of Trade Questionnaires. The latter, which is not a legal requirement, is nevertheless required by the Registrar of Companies. This requirement has never been challenged in court and the possibility of other sanctions like revocation of immigration permits cause it to remain unchallenged. The manual spans the list of companies and their incorporation process from private and public companies, to listed companies, foreign companies and some special types of companies like banks and insurance companies. Another useful feature is that several checklists of the incorporation process are provided at various stages.

One omission which should be rectified in future editions concerns pre-incorporation contracts. Persons involved in incorporating companies are invariably concerned about the liability of promoters in preincorporation contracts made on behalf of the unformed company. Since Section 35 of the Singapore Companies Act makes a radical change, in that it holds promoters liable but allows a company to ratify such contracts after incorporation, mention is necessary.

In the area of substantive law, a major deficiency lies in the treatment of 'unit trusts' under registration of special kinds of companies. Unit trusts are described as in the *locus classicus*, *Australian Fixed Trust Property v. Clyde*, and with a short explanation. No mention or discussion is provided that unit trusts are extensively regulated by the Companies Act, Sections 84-97 and the Seventh Schedule. Perhaps this omission is the result of the fact that the Companies Act does not use the expression 'unit trust' but instead adopts a wider expression 'interests other than shares and debentures' to cover unit trusts and other like interests. The substantive definition of 'interests' in section 84 makes it abundantly clear that unit trusts are within its ambit.

On balance, this work is a painstaking effort which must be a welcome addition to the legal literature in the area of business law.