

BOOK REVIEWS

LAW OF NEGOTIABLE INSTRUMENTS IN SINGAPORE AND MALAYSIA. By MOLLY CHEANG. [Singapore: Malayan Law Journal. 1984. xxviii +225 pp. S\$50.00]

THE negotiable instrument is the lifeblood of trade and commerce. It facilitates the movement of money and goods, provides for the issuance of credit and generally oils the wheels of business. Its origin can be traced as far back as the 12th century and the law relating to it has developed out of the practice of merchants in the Middle Ages. By its very nature and the legal status attached to it, the negotiable instrument has to strictly comply with requirements of form and usage. More than any other branch of commercial law, that of negotiable instruments is, therefore, fraught with technicalities and any guidance on the subject is always welcome.

Dr. Molly Cheang has brought to bear on the subject of this book her considerable knowledge and experience of the laws of banking and of negotiable instruments. Her object, as set out in the Preface, is "to present a comprehensive account of the basic law governing negotiable instruments for students, practitioners, and bankers who seek to understand the subject." She could have added "businessmen" to these categories of readers because not only has this object been fulfilled admirably but the layout and narrative style of the book are so lucid and logical that one who reads runs.

The law of negotiable instruments in Singapore and Malaysia is very largely based on the English Bills of Exchange Act, 1882. This has required the author to refer not only to local cases but to a large number of English cases as well and it is to her credit that the choice and discussion of the case-law is such that the reader, while able to grasp the main principles of the law, is not overwhelmed by authorities that bewilder rather than elucidate.

The book is divided into 12 Chapters, each one flowing naturally from its predecessor. Chapter 1 gives a succinct introduction to the History and Concept of Negotiable Instruments which sets the whole subject in its proper perspective. The subsequent Chapters deal with such topics as the Definition and Form of Negotiable Instruments, the Parties to a Bill, the requirements for valid signature, delivery, acceptance and negotiation, the consequences of dishonour of a bill, and the legal status of the holder in due course. A welcome innovation is a separate Chapter dealing with all the legal issues relating to cheques. Too often, the relevant material in a book, is scattered with consequent waste of time and effort in tracking down the required point. Bankers, in particular, should welcome this innovation. There are also separate Chapters dealing with promissory notes and the conflict of laws issue that arise with "foreign" bills of exchange.

Throughout the book, there are nuggets of practical advice and the author does not hesitate to enter into an academic discussion when the question calls for it (*e.g.*, is a post-dated cheque a cheque?, pp. 91-92). Examples of questions on which practical advice is offered are the meaning of “a sum certain”, which a bill of exchange must specify in order to be valid (p. 19), the possibility of recovering damages in a foreign currency for a dishonoured bill (pp. 83-85), the categories of persons who can derive title through the holder in due course of a bill (pp. 95-97), and the legal effect of an “account payee” or “account payee only” crossing on a cheque (pp. 131-132).

One of the great merits of the book is that it encompasses within a reasonable span virtually all questions that are likely to crop up in practice. The utility of the book is enhanced by an excellent index and a useful bibliography. The full text of the Singapore Bills of Exchange Act is set out in an Appendix. Since technicalities matter so much in the law of negotiable instruments and parties continue to suffer because of invalidity of form, the reviewer feels that another Appendix setting out the correct legal forms of the main types of negotiable instruments would have been useful. Finally, the printing and get-up of the book are excellent and up to the standard one has come to expect of the publishers.

All in all, this is a book which no businessman, banker or lawyer in Singapore and Malaysia can afford to do without. Looking to the status of Singapore as an international financial centre, businessmen, bankers and lawyers in other countries should also welcome this book.