

LAW OF NEGOTIABLE INSTRUMENTS. By POH CHU CHAI. [Singapore:  
Malayan Law Journal Pte. Ltd. 1984. xx+139 pp. S\$28.00]

FEW students of negotiable instruments will forget the frustration felt in attempting to understand the Bills of Exchange Act by using merely the cases, the statutes and voluminous commentaries thereon. What was missing was a text which placed matters in perspective and looked at the Act, not through a microscope, but through a wide angle lens.

The author, in the preface to this book, shows he has used the wide angle lens by indicating its primary purpose to be a text for use

as a learning aid for students. The outside back cover reinforces this aim by stressing the "theme" approach adopted, rather than the commentary approach followed by so many authors in the Bills of Exchange field. The author goes on to state that "it is hoped that this book will not only be useful to students of banking but also to bankers and legal practitioners." As the author himself appears to distinguish "seasoned" legal practitioners (and presumably "seasoned" bankers) from other legal practitioners (and bankers), it would appear that the usefulness of the text in this field is intended by the author to be limited to that of a learning aid introducing the subject to "unseasoned" bankers and legal practitioners. Indeed, one could hardly expect more of a general text of this size.

The theme approach is a wise choice for texts meant to be used as teaching/learning aids. In this regard, Poh Chu Chai has followed the lead of James McLoughlin with respect to a similar English text on the subject,<sup>1</sup> and shunned the more traditional commentary approach to Bills of Exchange adopted by Byles.<sup>2</sup> The latter, of course, is much more attuned to the seasoned practitioner than to a student coming to grips with the area for the first time. The author does, however, stray a little from the theme approach espoused, relying perhaps a little too heavily on a detailed review of cases and quotations from judgements.

The book does give good coverage to the subject matter, dealing with a general discussion of bills of exchange (Chapter 2), acceptance, negotiation and payment (Chapter 3), cheques (Chapter 4), alterations (Chapter 5), holders (Chapter 6) and the position of the Banker (Chapter 7). The chapters dealing with cheques, holders and the banker are quite clear and concise and the other chapters adequate. Structurally, the main problem with the text is a lack of adequate chapter titles and sub-headings which would have given a better impression of the overall organisation of the subject matter. Some of the headings used are vague, and, on occasion, misleading. This does not however affect the content, although it does affect the ease with which the relevant material may be located. It might also have been useful to have included a Statute Citator in the list of tables, rather than using just a Table of Statutes.

The ease of reading and the manageable length of the text will no doubt make the book attractive to students, and to others who seek a general overview of the topic. However, if one had to find drawbacks of the text with respect to this audience, they would be the lack of sufficient general background for some of the technical requirements in certain areas (the requirements of presentment, acceptance and noting come particularly to mind) and a tendency from time to time to recite decisions without any explanation of the result. Consequently, the opportunity for better comprehension and understanding is lost. In a similar vein, the relevant authorities concerning the regularity of a post-dated cheque are reviewed (pp. 64-67) with the conclusion that the question is still open for court decision. The reader would have perhaps benefited more from a discussion of whether or not a post-dated cheque should be viewed as regular, with some of the author's own insight on the matter.

<sup>1</sup> James McLoughlin, *Introduction to Negotiable Instruments* (London: Butterworths, 1975).

<sup>2</sup> *Byles on Bills of Exchange*, 25th Ed., (London: Sweet & Maxwell, 1983).

A shortcoming of the text is its introduction. In a book such as this, one would expect the opening pages to give a fairly clear outline of the underpinnings of the area and its importance in furthering the course of business. This is not achieved. The attributes and importance of negotiability are not stated clearly enough. Likewise, the author switches back and forth between a discussion of common law concepts and cases dealing with the interpretation of the codified law, without clarifying why this can be done. There is also mention of instruments that may qualify as negotiable instruments outside the bounds of the legislation which is not followed up by discussion in the text itself.

This book, together with another on the same topic and published simultaneously,<sup>3</sup> are welcome additions to local legal literature. Local cases, where relevant, have been incorporated into the text or referred to in footnotes. It is interesting to note that the author makes no claim of attempting to approach his topic from a purely local perspective. Indeed, in light of Section 101(2) of the Bills of Exchange Act,<sup>4</sup> and Section 5(1) of the Civil Law Act,<sup>5</sup> English case authorities are most relevant. However, the author might have been indulged had he explored certain local perspectives — such as the use of chops and thumb prints in his section dealing with signature, or the different forms of lettering on endorsements in his discussion of *Arab Bank Ltd. v. Ross*.<sup>6</sup>

On the whole, the book is suitable for use by the audience to which it is directed — the uninitiated in the field — be they law students or unseasoned legal practitioners or bankers. It provides a useful overview of the area and is of such manageable proportions as to be a good introduction to the law in the area. For those whose interests and needs are more extensive, the traditional commentaries are available.

K. R. EVANS

<sup>3</sup> Molly Cheang, *Law of Negotiable Instruments in Singapore and Malaysia*, M.L.J. Press, Singapore, 1984.

<sup>4</sup> Cap. 28, Singapore Statutes, Rev. Ed. 1970. The section reads: "Subject to the provisions of any written law for the time being in force, the rules of the common law of England, including the law merchant, shall, save in so far as they are inconsistent with the express provisions of this Act, apply to bills of exchange, promissory notes and cheques."

<sup>5</sup> Cap. 30, Singapore Statutes, Rev. Ed. 1970. The section reads: "Subject to the provisions of this section, in all questions or issues which arise or which have to be decided in Singapore with respect to the law of... banks and banking,... and with respect to mercantile law generally, the law with respect to those matters to be administered shall be the same as would be administered in England in the like case, at the corresponding period, if such question or issue had arisen or had to be decided in England, unless in any case other provision is or shall be made by any law having force in Singapore."

<sup>6</sup> [1952] 2 Q.B. 216.