

CORPORATE FINANCE LAW. By R. BURGESS. [London: Sweet and Maxwell. 1985. xxxix+542 pp. Hardcover: £46.00]

THIS book deals with the law of corporate finance in the United Kingdom. As such, while it is useful to the practitioner and academic in Singapore, one must be careful in using it. The author covers topics like the issue of shares, take-overs, borrowing, leasing and credit factoring. These are matters in which the law of Singapore is close enough to that of the United Kingdom to make reading worthwhile. In contrast, the portions of the book that deal with tax matters and government financing are of extremely limited utility.

Chapter 1, titled "Financing Corporate Enterprise", covers the sources of capital for businesses. The author here describes the capital and securities markets and the regulatory agencies in the United Kingdom. While all of this is interesting, a Singapore lawyer will have to be circumspect in relying upon this information, given that there are some substantial differences between Singapore and the United Kingdom in these respects.

The second chapter covers borrowing. The author discusses loan financing (including a short section on syndication), bills of exchange, debt securities and equity securities. Here the Singapore lawyer may find more meat. In the main, the statutory provisions are similar or, in some cases, identical. As this may properly be classed as a mercantile area, the law to be administered in Singapore will be the same as that administered in England, insofar as there are no contrary statutory provisions.<sup>1</sup>

Chapter 3 covers leasing. The author discusses the tax advantages of this sort of financing. He also describes the common terms that one might find in the relevant documentation. As Singapore's tax laws differ substantially from those of the United Kingdom, the first part of the chapter is not very useful. The description of the terms of a lease is useful, and could with suitable adaptations be applied to Singapore.

Chapter 4 covers credit factoring. Again the statutory provisions in Singapore are similar enough to those in the United Kingdom so that the discussion may be relevant. In any case, credit factoring is one area where the common law predominates. Assuming that this is mercantile, again the law here will be the same as in the United Kingdom.

Chapter 5 deals with financing from internal resources. Most of the discussion is concentrated on tax aspects, and as such is of peripheral relevance to Singapore.

The next chapter covers the public issue of securities. The provisions of the U.K. Companies Act 1985<sup>2</sup> are in many cases identical to the provisions of the Singapore Companies Act.<sup>3</sup> Accordingly, one may find this chapter particularly useful. However, the reader should

<sup>1</sup> By virtue of s. 5 of the Civil Law Act, Cap. 30, 1970 (Rev. Ed.).

<sup>2</sup> 1985 c. 6.

<sup>3</sup> Cap. 185, 1970 (Rev. Ed.); reprinted in 1985 with sections renumbered.

still keep in mind the differences that exist between Singapore law and that of the United Kingdom. Much of the chapter is also devoted to the listing procedure on the London Stock Exchange and the Unlisted Securities Market. Insofar as the requirements for listing contained in the Stock Exchange of Singapore Listing Manual are similar to the listing requirements in England, the discussion is valuable. However, the details differ and one should always be alert for those subtle differences that might catch the unwary unawares.

Chapter 7 deals with asset realisation, mergers and take-overs. This covers schemes of arrangement under sections 425-427 of the U.K. Companies Act 1985; these sections are practically identical to sections 210-212 of the Singapore Companies Act. The section on sales by private treaty again deals with tax and other matters that are not relevant to Singapore. The third part of this chapter deals with take-overs. As the Singapore Code on Take-overs and Mergers is based on the City Code on Take-overs and Mergers, there is much here that is of interest to Singapore lawyers. However, it should be remembered that sections 213-215 of the Singapore Companies Act also regulate take-overs; there is no English equivalent of these sections.

The last chapter deals with finance from government sources. As might be expected, this chapter is completely irrelevant to Singapore.

Generally, the text is simply written, without much discussion of legal niceties. The author concentrates on practical matters, for instance what sort of clause should be contained in loan documents, subscription agreements, prospectuses, etc. The author's style is primarily descriptive and narrative rather than argumentative, and it is apparent that it is not his intention to delve deeply into any of the areas covered. It may fairly be said that this is a practitioner's book rather than an academic's.

As a general introduction to this wide and important area of the law, this book is perfectly adequate. For a practitioner who wishes a quick run-down on the law possibly applicable in Singapore, this book is admirable. However, a person seeking an in-depth treatment of corporate finance law will not find the necessary detail here. One may treat this as the basis for further detailed research.

In sum, the book is a good introduction to the topic. It is a useful guide for the stranger to the law. But if one is looking for comprehensiveness and depth, one must look elsewhere. Still, it is a book that anyone who is interested in corporate matters might profitably read, provided that the differences between Singapore law and that of the United Kingdom are kept firmly in mind.