

CORPORATE RESCUES AND INSOLVENCIES. By J.R. LINGARD (2nd Edition). [London: Butterworths. 1989. v xvii + 268pp. Hardcover: £35.00]

THE main thrust of the book is based on the provisions of the Insolvency Act 1986, U.K. of which there is no equivalent statutory enactment in Singapore. In this respect, "Corporate Rescues and Insolvencies", provides ample and useful background material for academic comparisons between a Scheme of Arrangement under the 1986 U.K. Act and an order for Judicial Management under the Singapore Companies Act, Cap. 50.

The Insolvency Act 1986 requires an insolvency practitioner to supervise or administer the rescue of an insolvent company. A new breed of practitioners are presumably being groomed in the United Kingdom to provide the specialised services of insolvency practitioner. This book serves as a general guide for any practitioner interested in insolvency practice.

The substance is neatly packed into 14 chapters and written in a clear and readable style. The law is set out and explained concisely. Major problems are given emphasis, but details and analysis are noticeably absent. The weakness of this book lies mainly in the inadequacy of advice to a fledgling insolvency practitioner on the practical steps and approaches to taking over what is undeniably a very awesome responsibility – supervising or administering a financially sick company. Often such companies are floundering notwithstanding the stewardship of able and experienced businessman. Cynics are bound to question the wisdom of passing the buck in hard time to inexperienced practitioners ill-equipped for running a business.

References are also made to other relevant English statutes such as the Companies Act, 1985 and the Company Directors Disqualification Act 1986, but these are treated as if they are separate topics and scant effort was expended in weaving these statutes into the main picture of insolvency. In particular, it would have been helpful if greater emphasis had been placed on a comparison and analysis of the provisions relating to S.425 of the Companies Act and the alternatives under the Insolvency Act, 1986. This is dealt with only in pages 53 to 56 in broad terms. Detailed analysis would have been welcome. “Floating charges” is another topic to suffer from the disadvantage of brevity.

Although the Insolvency Act, 1986, was designed in part to marry the competing claims of different interests groups, little is discussed in respect of litigation arising from the diverse claims on a company during insolvency. In such situations, where creditors are many, (sometimes including the company’s employees) would it be preferable for liquidation to give way to rescue?

On the whole, this is certainly a useful book for beginners and the problems referred to should inspire more debate and literature on this subject.

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