

Corporate Law BY HANS **TJIO**, PEARLIE **KOH** & LEE PEY **WOAN** [Singapore: Academy Publishing, 2015. lxxxiv + 774 pp. Paperback: \$96.30]

For a long time, Professor Walter Woon's seminal work on the Singapore company law has been the sole authoritative text in this area. However, as Singapore continues to position itself as a prime location for legal services and commercial dispute resolution in Asia, a single company law book may not be sufficient to serve the growing needs of the legal profession and the law students. Our legal professionals require more indigenous academic writings that embrace both the intellectual rigour and practical reality to guide them in their day-to-day work. At the same time, our law students yearn to read more books that can challenge their way of thinking and inspire them to love the area of law in which they are studying. It is therefore very heartening to see all these qualities incorporated in the latest corporate law book jointly written by our three prolific local legal scholars. In addition, this book is

forward-looking in that it is written on the basis that all amendments to the *Companies Act* (Cap 50, 2006 Rev Ed Sing) [*Companies Act*] introduced by the *Companies (Amendment) Act 2014* (No 36 of 2014) [*2014 Amendment Act*] have been effected. The *2014 Amendment Act* was the product of extensive work done by the Steering Committee for the Review of the *Companies Act*, chaired by Professor Walter Woon that began in October 2007. After a few rounds of public consultations and various discussions with the Ministry of Finance, Attorney-General's Chambers and ACRA, the bill was finally passed by the Singapore Parliament in October 2015. However, as the changes to the corporate landscape are extensive, the amendments will take effect in phases. This book will therefore stay useful and relevant for some time after it is published.

There are altogether four parts in the book, each written by the different authors (except for Parts I and IV) and looking at the various features of the company. Part I, consisting of Chapters 1 to 3, examines the historical (Chapter 1) and theoretical (Chapter 2) aspects of corporation as a business entity. Chapter 3 covers the various alternative legal entities, such as business trusts, limited liability partnerships and limited partnerships, which compete with the corporation as the preferred form for doing business. While the differing corporation theories such as the contractarian view of the corporation and agency cost theory concocted by the economists are not new, what is interesting is that Tjio, the author of Parts I and IV, has meticulously teased out from the judgments, including those from our local courts, parts where the judges made references to these theories, showing that practice and theory can co-exist and enrich each other. Part II (Chapters 4 to 7), written by Lee, discusses the corporate entity and its attributes. Chapters 5 and 7 on corporate constitution and corporate acts and liabilities are particularly useful as they explore some of the important structural changes brought about by the 2014 amendments. These include, *inter alia*, the introduction of a single constitutive document (although this change has been introduced by the passing of the *2014 Amendment Act*, the effective date is still yet to be gazette), the abolishing of the automatic application of the default articles (s 36 of the *Companies Act*—this section will be repealed and re-enacted when the relevant portions of the *2014 Amendment Act* come into force), and the effect of constitutional limits on a director's power (*ie* the new sections 25B, 25C and 25D). Part III (Chapters 8 to 11), written by Koh, looks at the governance of a corporation, which include issues like corporate operations, organisation and processes (Chapter 8), constraints on directors' exercise of powers (Chapter 9) and shareholder litigation (Chapters 10 & 11). The last part, Part IV (Chapters 12-14), is on corporate finance such as shares (Chapter 12), capital maintenance (Chapter 13) and debentures and charges (Chapter 14).

The book contains a thorough and comprehensive review of most local and some English and Commonwealth company law cases, with extensive footnote references to secondary and academic materials. Although the authors in their preface write that they have taken "a conventional approach to the subject of corporate law" (at p vi), this book is not exactly a conventional corporate law textbook. Rather than the usual expository and pedagogical style of writing that most textbooks would adopt, each part (and as a matter of fact, each chapter) reads like a high-standard stand-alone monograph worthy of being published in a top academic journal. As a result, students or practitioners looking for a quick solution to a particular problem

may be disappointed as many of the issues are discussed and debated at great length, and the authors often raise more questions than to provide straightforward answers to them.

Another feature of this book is that although this is a book based on Singapore company law, the authors have painstakingly discussed and pointed out the areas where our courts or our legislature depart from the positions taken in England or in other common law jurisdictions. For instance, under the *2014 Amendment Act*, although Singapore has chosen to replace Table A with a Model Constitution prescribed by the Minister as was done in the UK, Singapore felt that there was no need to dictate a standard constitution for public companies given the latter's complexity, unlike that in the UK (see para 05.009, citing Ministry of Finance, *Report of the Singapore Steering Committee for the Review of the Companies Act* (Consultation Paper, June 2011) c 5, at para 32). Another example is the in-depth discussion by Koh on how our courts have taken a less rigid stance in applying the "no-reflective loss" principle as compared to that adopted by the House of Lords in *Johnson v Gore Wood & Co (a firm)* [2002] 2 AC 1 (HL) (see paras 11.009-11.021). Therefore, in addition to the local audience, this book would also benefit overseas scholars who are interested in comparative corporate law and foreign litigators looking for support in their attempts to persuade their courts to deviate from an established position. Overall, this is an excellent and up-to-date corporate law book that every student, scholar and practitioner must read.

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