

TAKE OVERS AND AMALGAMATIONS. By M. A. Weinberg, B.com., LL.B. (Rand), LL.M. (London). [London: Sweet & Maxwell. 1963. xxii + 255 pp. £2 15s. 0d.]

Mr. Weinberg has written an excellent book on a subject on which but little has previously been written. His book covers, in fact, all that is relevant to Take Overs and Amalgamations of companies.

The book contains five parts. The first part is on "Economic and Legal Backgrounds". In it the authors defines "Take Over" "Amalgamation" and "Take Over Bids". The first of these is neatly defined as "a transaction or series of transactions whereby a person....acquires control over the assets of a company, either directly by becoming the owner of those assets or indirectly by obtaining control of the administration of a company". The different aspects of control are, very clearly, explained in the second chapter of the first part. An observation which one can, however, raise in connection with this chapter, is that the author could have pointed out how a minority control can become of greatest importance if a company determines that most of its resolutions should be by way of special resolution.

The third chapter in Part One, *i.e.* "The Causes of Take Overs and Amalgamation" is, no doubt the most interesting one in this part. To a lawyer, especially an academician, this chapter affords a glimpse of economic power moving in the background of company law. It is, in fact, typical that only few legal authorities are quoted in this chapter (*i.e.* in footnotes 14 at p. 21 and footnote 23 at p. 25). The author discusses the motives of "acquiring assets at a discount" and "trade advantage." He also mentions "sundry causes", *i.e.* control obtained for a motive of "empire building" and "acquiring minority held shares" for motives of convenience and taxation, as well as in cases where they can be acquired at less than *pro rata* interest.

The second part of the book is entitled "the Forms and Legal Mechanics of Take-Overs and Amalgamations". It gives a most clear and thorough discussion of

the mechanics of amalgamation. Despite the technical nature of the subject, the part offers a pleasant and authoritative discussion of the different modes of take overs and amalgamations. At the same time, it is felt that an elaborate discussion of redeemable shares and the role these might play in take overs should perhaps have been included. Transfer of assets to subsidiary companies with redeemable shares and their redemption can (and in several Middle Eastern Countries does) offer a convenient mode of tax free take overs.

The third part of the book discusses "Fiscal and Procedural Matters". It is the part which an accountant and businessman would find of greatest importance. Chapter 4 of this part discusses the stamp duty considerations; Chapter 10 the Income Tax Considerations. The third part discloses the practical and procedural aspects of take overs and amalgamations.

The last two parts of the book discuss "Information to Shareholders" and "The Directors of the Oferee Company". Both of them are well written and fully cover the remaining aspects of take-overs and amalgamations.

In conclusion it should be said that Mr. Weinberg has produced an authoritative book covering all the aspects of take overs and amalgamations. It is an excellent contribution to company law. It is, also, very neatly printed and, apparently, free from printing errors.