WEINBERG ON TAKEOVER AND MERGERS. 3rd Ed. By M. A. WEINBERG WITH M. V. BLANK AND A. L. GREYSTOKE. [Sweet & Maxwell. 1971. + pp] £9.00.

The latest edition of Weinberg conincides in time with an overblown spate of takeovers in Singapore and thus merits some consideration in the light of Singapore regulation of takeovers. Overblown, because as distinct from the U.K. where between 1967-1968 "10% of all non-nationalised manufacturing distribution property and financial assets were the object of a takeover offer successful or not", the few publicised bids in 1970 in Singapore were the Slater Walker-Haw Par-Chung Khiaw Bank affair; the Borneo Group's bid for Motor Investments; Wheelock Marden and United Engineer's bid for McAlister; Sime Darby's bid for Seafield Amalgamated in London; and the rumoured takeover by the Chinese Bus Companies for Singapore Traction Company (which materialised to be merely a purchase of all S.T.C.'s assets).

In a comprehensive manner this major work covers every material aspect of a takeover bid from accounting to tax to stamp duty consideration. As almost always however while its usefulness to the Singapore practitioner is immense it has to be utilised with some caution. This is because much of the detailed treatment given to Legislation like the Prevention of Fraud (Investments) Act 1958, the U.K. Stock Exchange Rules, The City Code, the Monopolies and Mergers Act 1965 and the tax legislation are not relevant here. Local readers have to note even the different Company Law provisions e.g. s. 67(4) of our Companies Act (Cap. 185) and the financing of takeovers; the effects of s. 132 and s. 132A of our Companies Act on insider trading and the prohibition of non-voting shares by s. 55 of our Companies Act at least in public companies; and the effects of the Securities Industries Act, (No. 61 of 1970). Further the impact of s. 37(5) of the Income Tax Act (Cap. 141) on the process of dividend stripping as a motive for takeovers. S. 37(5) denies the use of a tax loss company for deductions from income tax when less than 50% of the old members of the company remain as members when the deduction is claimed.

An interesting feature of the book is that each chapter commences with a summary of its contents which makes for easy reference. Further there is a large appendix which includes all the relevant statutory and other material, including the City Code. The style and presentation adopted lends itself to the work being a takeover manual e.g., in the point-by-point analysis of the procedure to be followed together with specimen documents in the appendix.

What is perhaps its most welcome feature is its interdisciplinary approach. The work deals competently with the economic and legal background of takeovers, it presents legal and accounting information recurrently which together allow for adequate dealing of the all important tax consequences.

Ministerial statements that a Code similar to the City Code is being considered to be introduced into Singapore abound. The desireability of such a Code is put further in doubt when one notes the absence of self-discipline in the local Stock Exchange which necessitated statutory regulation in the form of the Securities Industries Act. To seek to implement the Code involves a high sense of business ethic among the Panel members which may be as yet premature for Singapore. To convert the Code into a statute may prove equally undesireable and as such a close study of the problem as well as the local context may well necessitate an independent approach.

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