

COMPANIES CHARGES. By WJ. GOUGH. [London: Butterworths. 1978. liii+442 pp. £25.00.]

When faced with the problems of security given by companies, one has hitherto had to refer to standard works on personal property or security for banker's advances, both of which have had different emphases either from the point of view of the nature of such security or of the evaluation of such security for credit purposes. With companies becoming the predominant business form, it has become necessary to integrate these approaches with the system of registration of corporate securities as well as its consequent priorities implications — an approach the usual company law works all have not been able to make. By emphasis however, this work is confined to the conceptual nature of the form and priority of security rather than to other related issues of *ultra vires*, excess of power, receivership or liquidation, such matters being better covered elsewhere.

The area of company charges is one which while being of great practical significance is concurrently fraught with doctrinal difficulties. The systems of registration of company charges and land registration are simple enough and the detailed study in this work of the various heads of registration of charges under the English and Australian companies legislation is useful for its detail. Its value however lies in the area of conceptual difficulties to which no assistance has been rendered by legislative initiative, *viz.* priorities. If the system of registration of charges were as effective as that of a torrens title system, many of these conceptual difficulties could easily be surmounted. In the United States a system of chattels mortgage registration and priorities under the Uniform Commercial Code is quite clearly an approach which bears emulation elsewhere. Otherwise, what we have is a system of priorities which has been developed through case law which in turn requires the classification of interests by their legal or equitable nature and by various maxims and rules, which represent a dated and unsatisfactory approach. The difficulties are compounded by local custom and usage of which the case of *Wah Tat Bank Ltd. v. Chan C.K. (P.C.)* [1975] 1 M.L.J. 97 is an example. A comparative study of the Uniform Commercial Code system of registration and priorities would have served to enhance the value of this work.

This useful work, essentially a lawyers' reference, begins with a detailed analysis of the floating charge and the inherent issues of crystallisation, continued trading, restrictive clauses and priorities. It then proceeds to study at some length the companies registration system which is common to most Commonwealth company law, in particular, the various registrable interests, *viz.* charges for securing debentures, corporate bills of sale and charge on book debts. It attempts to integrate the various security devices used, *e.g.* trust receipts, liens and letters of hypothecation, into the standard heads mentioned above. It is this exercise that is novel and useful. Particularly in Singapore with the financial centre activities have come the revived use of older instruments adapted for new reasons. Thus stamp duty considerations have prompted the issue of promissory notes rather than debentures and the question arises as to the registrability of such documents. The writer goes to some lengths to consider the position and to proffer approaches on the basis of some cases. If one were faced with the

vexed question of competing priorities between a registered accounts receivable security and the third party purchaser of goods under a trust receipt, the underlying basis upon which such question may be tentatively resolved, may be found here, most other works on personal property and floating charges being content with the usual question of priority by registration and general statements on priorities.

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