

LAW AND PRACTICE OF INTERNATIONAL FINANCE. By PHILLIP WOOD.
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The law and practice of international finance has traditionally been the concern of international lending agencies like the World Bank and the Asian Development Bank, and a specialist core of lawyers in New York and London. With the explosion of involvement of commercial and merchant banks in the late 1960's and 1970's, and the large borrowings of states and state corporations, there has come about a proliferation also of lawyers and the centres from which they operate. While London and New York still dominate the tenor of the negotiation and settlement of disputes involving international financial transactions, other centres like Singapore and Hong Kong display new significance as regional centres. The internationalization of the law and practice of international finance, has made it a formidable task to attempt a treatise on this area. It is no surprise that works have hitherto been on the international lending agencies — Delaume's *Legal Aspects of International Lending and Economic Development Financing* (1967).

In addition to the complexities generated by the fact of the international dimension of these transactions, there is also the problem that the area is a dynamic one which spans several legal specialities from bond issues and loan syndications to project financing and ship and aircraft financing.

This work is therefore welcome and quite useful, even though it modestly positions itself for an audience of lawyers and non-lawyers, as being 'not a digest of law or a technical treatise', its purpose 'is to do no more than to provide orientation and some ideas'.

The author approaches the subject firstly by considering the common legal issues that arise, primarily conflict of laws issues of choice of law, choice of forum and sovereign risk. This is followed by exchange control issues and issues relating to covenants and default clauses in agreements. Specific international finance transactions are then examined: bond issues, term loans and syndication; guarantees, secured finance and ship and aircraft finance. While legal approaches to certain problems are illustrated by reference to international examples, these are not intended to be comprehensive treatment of each example chosen. These examples range from the Panamanian Code of Commerce on Ship Mortgages to the BarChris litigation in the United States and they are used to illustrate varying approaches of key jurisdictions. The common base of the book remains English law, which is of primary importance in international finance.

The utility of this approach is that it triggers off issues that must be further examined and occasionally provides references for further investigation. The danger, which must be avoided, and the author readily warns the reader of this, is an over reliance on this work for a complete treatment of the law of countries other than Britain. For example, on the duties of trustees for bondholders, a review of the Singapore Companies Act leads the author to conclude that it 'transforms the trustee into an active watchdog' and 'one wonders how Singapore trustees can be persuaded to come forward' [p. 223]. What must be added to this conclusion is that the Act, as amended in 1975, now exempts 'prescribed corporations' from having to make provision in their debentures or trust deeds for the appointment of a trustee corporation and hence, some relief from the vigorous trustee obligations may be available on the Minister's gazetting a particular corporation to be a prescribed corporation under section 74(5c). Another example of the trigger effect of this work is the reference to the *Tarling* extradition proceedings under the extraterritorial application of securities law. The reader will have to search for the case, not identified by name, except as 'a British resident extradited to Singapore for an alleged violation in a securities transaction.'

Together with Rendalls' *International Financial Law: Lending Capital Transfers and Institutions* (1980), this work will dominate the field as being timely and practical.