

BOOK REVIEWS

Financial Services Law and Regulation BY DORA SWEE SUAN NEO, HANS TJIO & LUH LUH LAN, eds [Singapore: SAL Academy Publishing, 2019. xcv + 766 pp. Softcover: \$96.30]

Understanding the depth of financial regulations without losing the big picture has presented many challenges to practitioners, businesspersons, and naturally, students. On the one hand, the modern financial market is complex and has multiple dimensions. Traditionally, it has been divided into three major sectors: capital markets, banking, and insurance. Such divisions still underline financial regulations in many countries. Each sector has its own characteristics and practices, and an expert in one sector may not know the details of the other sectors. At the same time, different financial sectors and market participants interact and intersect, contributing to the market's complexity. Beyond the domestic market, there is an international dimension. The rise of international soft law and transnational regulatory networks that issue regulatory standards (eg, the Basel Accord issued by the Basel Committee on Banking Supervision) adds another layer of complexity to the financial market. Understanding the overall financial market is a daunting task.

On the other hand, the financial sector is known to be heavily regulated. According to government statistics, 12.9% (or about \$559.4 billion) of Singapore's gross domestic product in 2018 was contributed by financial services. Given the importance of the industry, the health and behaviour of financial firms have immense implications for the economy and society.

However, financial regulations are known to be lengthy, capricious, and at times full of technical rules. They are applied to various degrees in different financial sectors and reflect a wide range of issues. For example, Singapore's *Banking Act* (Cap 19, 2008 Rev Ed Sing) has been amended at least 13 times since 2008, and Singapore's primary regulations pertaining to banks' capital adequacy consisted of over 900 pages at the end of 2018 (see Monetary Authority of Singapore ("MAS") Notice 637, *Notice on Risk Based Capital Adequacy Requirements for Banks Incorporated in Singapore* (2018)). From 2017 to 2018, MAS issued 39 consultation papers on various regulatory proposals. These reflect the fast-moving nature of financial regulations and the difficulty of keeping up with them. Therefore, it is rare to find a book that offers a peek into the regulatory rules of various financial sectors with both breadth and sufficient detail, even in the United States ("US"), the United Kingdom ("UK") or Europe.

That is certainly the case with *Financial Services Law and Regulation*, published by SAL Academy Publishing. Edited by Professors Dora Neo, Hans Tjio, and Lan Luh Luh from the National University of Singapore, the book features a list of distinguished contributors from both academia and practice.

The book nicely fills a vacuum. First, it attempts to cover regulatory issues for a wide range of financial services sectors and regulatory issues. The book is not specialised or dedicated to a single area (eg, securities regulations or banking law only). Instead, it provides a good overview of the landscape of financial services sector in Singapore and related regulatory issues from banking and payment systems (Chapters 2 to 6) to insurance (Chapters 7 to 8) and the securities market, derivatives and advisory services (Chapters 9 to 15). This provides great utility for readers who wish to have a comprehensive book to start with.

Second, the book focuses on Singapore law. Some books have covered the US, the UK, and European regulations. However, even in the Western market, there has rarely been a book with a good overview of the entire financial market and its regulations. The exception perhaps is *Principles of Financial Regulations* (2016), which provides a good discussion of financial services regulations. Yet it lacks discourse on the laws and concerns that exist outside Western markets. Given that Singapore is one of the top two largest international financial centres in the Asia-Pacific region, a book dedicated to its financial services laws and regulations has long been overdue.

Third, the book presents a good mixture of past, current, and emerging developments in Singapore. For example, it offers valuable perspective on the early development of Singapore's financial market. Chapter 1 covers the history of both formal banking and other informal financial vehicles, and Chapter 7 introduces a historical perspective of the insurance market in Singapore. In addition to the existing regulations, the book provides a good analysis of new issues that are emerging, such as the development of financial technology (Chapter 16), the new payment services regulatory framework (Chapter 6), and the regional financial integration of Southeast Asia (Chapter 18).

Fourth, in terms of topics, the book maintains a good balance between prudential regulations and conduct of business as well as other general regulatory measures. Chapter 2 examines the prudential regulations of banks and Chapter 8 looks at insurers. Other chapters are dedicated to the general regulation of insurance companies (Chapter 7), corporate governance of banks (Chapter 3), deposit insurance (Chapter 5), and bank secrecy (Chapter 4). The book provides comprehensive coverage of capital market operations, including securities offerings (Chapter 9), derivatives regulations (Chapter 10), securitisation (Chapter 11), market misconduct such as insider dealing and market rigging (Chapter 12), and private equity as well as hedge funds (Chapters 14 and 15). It explores the regulations governing the conduct of financial advisors that may also apply to banks and insurers (Chapter 13). It also has a chapter on the regulatory issues related to anti-money laundering and countering the financing of terrorism (Chapter 17). These are important issues to modern financial institutions. The breadth of subjects in this book reflects the strength of the authors the editors have brought together.

Financial Services Law and Regulations is a great addition to the market. It should suit readers from different genres, from lawyers and in-house counsel to individuals and businesses providing financial services or working in related industries. Although

regulatory rules are bound to change, many essential issues (eg, fraud or other misconduct) are likely to remain in various forms. The book provides a good foundation for readers to explore the ocean of financial regulations and the depth of regulatory issues in the financial services sector, both old and new. It is a useful book and should be on the shelf of anyone working in the Singapore financial services sector. Personally, I am relieved to finally have a good book to assign to my students so they can study financial regulations in Singapore and Asia!

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Equity & Trusts: Text, Cases and Materials BY PAUL DAVIES AND GRAHAM VIRGO
[Oxford: Oxford University Press, 2019. xl + 1038 pp. Paperback: £41.99]

In 1871, Christopher Columbus Langdell, Dean of the Harvard Law School, published what is held to be the first casebook in the common law world—*A Selection of Cases on the Law of Contracts* (1871). It should come as no surprise that, more than a century later, books that combine legal materials with analysis and commentary are still an invaluable part of legal education. The number of relevant cases in any given area only increases with time, and therefore books that harvest, organise and analyse the sheer bulk of relevant legal material are perhaps more needed than ever.

The third edition of Paul Davies and Graham Virgo's text, *Equity & Trusts: Text, Cases and Materials* is a lucid and comprehensive treatment of a difficult area. Students find equity and trusts difficult for two main reasons. First, a proper understanding of the area requires a working knowledge of several other areas—contracts, property, arguably unjust enrichment. Second, many fundamental aspects of the trust, perhaps equity's most important contribution to the law, remain the subject of vigorous disagreement in the academic literature. It is to the authors' credit that the book overcomes both these challenges.

For example, when introducing the concept of equitable property rights (at p 11), the authors also take pains to explain the two modes by which property can be co-owned (at p 13). When introducing the trust, comparisons are made with other legal mechanisms—contract, debt, gifts, and wills, to name a few (at pp 38-54). The exposition on these other areas is naturally brief, but these short detours are quite crucial for figuring out the trust's place in the larger scheme of private law.

On the second point, take the following examples. Resulting trusts are considered in Chapter 8. Why resulting trusts arise is a vexed issue, to say the least. No single view can claim orthodoxy. The differences between the various views on offer are not minor—they range from the claim that resulting trusts respond to a presumed intention to create a trust, to the claim that resulting trusts reverse unjust enrichment, and respond to the absence of intention to benefit the recipient of property. The book adroitly deals with this by first laying out a descriptive account of resulting trusts (when they arise), before summarising the academic debates in a separate section entitled "Explaining Resulting Trusts". The book manages to avoid the twin

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