Basic Principles of Singapore Business Law

General Editor
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SINGAPORE
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To Our Students

Foreword

Business is the lifeblood of Singapore. Faith in the law and in the learning and incorruptibility of the personnel of the law explains and maintains its status as the regional capital for business and finance. Against that background the appearance of this new book on the basic principles of business law must be seen as an important event. It is certainly an occasion for congratulation. Appropriately enough it comes from the lawyers of the Business School of the Singapore Management University. Every member of the Law Department in that School has had a hand in the authorship.

Professor Andrew Phang is the general editor. He is a scholar of international reputation. He has moulded his Department into an effective team to produce an up-to-date and economical account which ought to have a market beyond the students who must study to maintain the Singaporean lead in this sector. Teamwork is highly valued in business. The congratulations are shared by every member.

Legal learning can be packaged in many different ways. Some categories, such as property and obligations, are based on unitary concepts which are essential to the currently dominant taxonomy of the whole law. Others are contextual in the sense that they take as their focus some aspect of life, as it might be art or building or cricket, and seek to expound all the law about that particular subject. 'Business' is a contextual category and one with wide boundaries.

All the law about business would run to many volumes. The first task of the SMU team was therefore to select what really mattered so as to make available a compact account on which to build. In that kind of exercise one person always knows better than another. But nobody will disagree that contract must form the core of the core. Secure in that choice, this book adds, by way of necessary introduction, an account of the structure and operation of the legal system and, so to say at the other end, a lively discussion of that part of the law of civil wrongs most likely to be encountered in the course of business activities. Moving out from core the choice becomes more open and more difficult. In deference to its great importance in the modern world this book chooses to present the law of intellectual property and, finally, the international aspects of trade. The latter certainly reflects Singapore's position as a hub in a huge network of overseas activity.

This volume gives the reader the basics which its title promises. At the same time it prepares the way for the distinguished SMU team to follow the success of this work with a second, building out from the foundation now secured. Some great houses never admit to being finished. We have to hope that this team will stay together, for this, it would seem, is only the end of the beginning.

Peter Birks QC, DCL, FBA
Regius Professor of Civil Law in the University of Oxford
and
Fellow of All Souls College Oxford
1 August 2003

Preface

The present book is literally the cooperative effort of the entire Law Department of the Business School of the Singapore Management University. Originally conceived as a textbook for our own students, it is simultaneously an attempt at conveying the basic principles of Singapore business law to the general public as well. We also hope that both lawyers as well as students would find this work useful and stimulating.

Although written in an accessible style, this book does not avoid controversial issues but, rather, sets them out in a systematic fashion in order that the reader might bring his or her analysis to bear on them. This is wholly consistent with the spirit undergirding the university's basic approach towards education: to encourage creative thinking as well as analysis. Much of the work, however, also comprises a clear and systematic restatement of the many principles of Singapore business law. Wherever relevant, it has also incorporated elements of the new economy, in particular, those pertaining to cyberspace.

The book itself is divided into several parts. The first chapter gives the reader a succinct, yet substantive, introduction to the Singapore legal system as viewed in its historical and socio-economic context. The next fifteen chapters take the reader through the various principles of the law of contract, which is not only vitally important in its own right but is also the foundation of many other areas of commercial law as well. The reader is then introduced to two areas in the law of tort that are of particular relevance to the business context: negligence and economic torts, respectively. There follow accounts of the various forms of business organisations as well as the important area of agency law. The final two chapters deal with areas that are of vital relevance in the sphere of business: intellectual property law and law and international business, respectively.

One of the privileges of the general editor of any work is being able to acknowledge the assistance as well as kindness of the very many persons involved, which constitute the true source and strength of the work itself. I must commence by thanking the various authors themselves. This book is the cooperative effort of eleven faculty members (including myself). Any editor will know how difficult it is to coordinate the efforts of so very many persons. In over two decades in academia, however, I have never encountered a more cooperative and committed team of scholars, who delivered manuscripts of the highest quality on time and with relative cheerfulness! The team would also like to express its gratitude to Professor Peter Birks, Regius Professor of Civil Law in the University of Oxford and Fellow of All Souls College Oxford for kindly consenting to write the *Foreword* as well as to the then Dean of the Business School, Associate Professor Tsui Kai Chong, for his encouragement and support. We would also like to thank Professor George Wei and Associate Professor Tan Keng Feng of the National University of Singapore for their comments and suggestions with regard to the intellectual property law and negligence chapters, respectively. Mr Aedit Abdullah of the Attorney-General's Chambers also provided valuable comments on the negligence chapter. Our thanks, also, to Ms Carol Yap, who not only cheerfully and efficiently helps in the Department's administration but also assisted throughout in this project. Last, but by no means

least, we would like to to express our gratitude to the team from Thomson Learning, who contributed immensely to the fruition of this work. We would like to thank Mr Paul Tan, Mr Tony Ng, Ms Pauline Lim, Ms Juliana Lim and Ms Gillian Chee. Juliana and Gillian, in particular, were closely involved in the production of the book as it entered its final stages.

Andrew Phang
August 2003

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