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Article *in* The Cambridge Law Journal · November 2013

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The Cambridge Law Journal / Volume 72 / Issue 03 / November 2013, pp 768 - 771
DOI: 10.1017/S0008197313000810, Published online: 20 November 2013

financial firm shareholders' reluctance to sue directors for breach of duty, they do not purport to provide silver-bullet regulatory solutions to the problem of risk-taking in financial firms – and it is a credit to the authors that they avoid glib policy prescription. Nevertheless, through its engaging and thoughtful exploration of a surprising post-crisis legal phenomenon, *Directors' Duties and Shareholder Litigation in the Wake of the Financial Crisis* makes an important contribution to the ongoing debate over the role of shareholders in financial and non-financial firms alike.

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Comparative Company Law: A Case-Based Approach. By MATHIAS SIEMS and DAVID CABRELLI (eds). [Oxford and Portland, Oregon: Hart Publishing: February 2013. xi + 399 pp. Paperback. £35. ISBN: 978-1-84113-891-6.]

THERE is no doubt that the recent evolution of company law has been deeply influenced by comparative studies which, in so far as they spread knowledge of the different legal systems amongst the academic community, permit the implementation of legal solutions that have proved successful in other countries. The work of Mathias Siems and David Cabrelli, as editors of this collection, leads the efforts of academics from several different legal systems to the next level. In fact, although drawing on a train of academic work that has remarkably paved the way toward a unifying hermeneutic methodology in company law (see, e.g., the work of Kraakman, Hansmann et al.), it ameliorates this body of literature in so far as it induces the reader into a five-step maieutic journey that ultimately leads to a comprehensive understanding of the way the various analysed legal systems work. Indeed, the most appreciable novelty of this book is its approach to the comparison of company law across Europe and the major world economies, which makes it a must-have for both legal academics and practitioners.

In this book, ten hypothetical cases are considered that have been selected so as to cover the hottest topics in company law, namely: i) four on directors' duties (and, therefore, liabilities); ii) two on creditor(s) protection; iii) four on shareholder(s) protection. The editors framed the set of cases with a clear introduction (Ch. 1) which explains the aims of the book and the reasons why a book as such was needed together with an explanation of the methodology adopted; and a brief conclusion (Ch. 12) which, to some extent, digests the results of the case-based approach, turning them into a theoretical framework that both the national and comparative legal scholar will find helpful.

In order to achieve consistency in the exposition of the chosen cases, the editors structured the book so as to have: (i) a specific case; (ii) a solution given by the author of the case itself; (iii) the solutions given by each of the contributors who are from countries of the same legal family of the one in which the case is based; (iv) the solutions from the remaining contributors; (v) and the solution that the Japanese legal system will give, as this legal system has been influenced by both the common law and civil law families. Each chapter, moreover, starts with a brief list of the main and related topics—this helps the reader in flicking through the pages in order to get what he or she wants from the book with much more ease.

The section on directors' duties and liabilities (Part 1) starts with a case (Ch. 2) involving a Latvian company, used to introduce an analysis of the duty of care and the duty of loyalty in the various jurisdictions studied. Its scope is twofold: on the one hand, it seeks to explain the nature and the structure of directors' duties; on the other hand, it explores the relationship between managerial responsibility and shareholders' power to authorise or ratify conduct that might amount to a breach. From the very beginning of the book it is thus clear that some legal systems (e.g. Latvia) depend more heavily than others on the legal scholarship of States that have a long-lasting successful legal tradition (e.g., Germany).

The next case (Ch. 3) looks at a more specific situation, namely the investigation of the duties of nominee directors (especially to avoid conflict of interests) together with the analysis of the legal status of promissory notes that are convertible into equity. This case highlights not only how differently such a situation is approached between the two main different legal families, but also how differently it is approached by systems belonging to the same legal tradition. For example, while all the countries examined have a general rule on the election of directors by shareholders, there are diverting rules on the enforceability of promissory notes between the 'common law block' (US and UK) and the civil law one (in fact, in Germany, Italy, Spain and Latvia the promissory note described in the case would not be valid).

The case in Chapter 4 focuses on an even more specific situation, examining the duty of loyalty of a director when a takeover bid is in place. This case study proves itself particularly useful to understanding the impact of EU legal acts on the legal systems of its Member States. Indeed, the EU Takeover Directive (which is at stake in this case) introduced a board neutrality/passivity rule that eliminated the possibility for the directors of a targeted company to engage in activities that may turn the bidder's offer down, without the previous consent of the shareholders. However, the EU Takeover Directive allows the Member States a great degree of flexibility. This, coupled with the situation in the US and in Japan–where similar rules are not in place and, nevertheless, a similar scrutiny on the lawfulness of the conduct of the directors is carried out by means of testing it against fiduciary duties – shows the heterogeneity of solutions adopted by the different legal systems.

Chapter 5 concludes Part 1 of the book with a case analysing a cross-border takeover and the relative defences, expanding on the case in Chapter 4. This case discusses not only the neutrality rule and the events that might trigger this duty but also three more topics that provide a broader overview of takeover-related law. First, the cross-border dimension of the takeover is taken into consideration; issues such as the relation between the 'incorporation theory' and the 'real seat theory' are not discussed because the case is designed in such a fashion to avoid these considerations. Second, a shareholders' rights plan is analysed: together with procedural restrictions that in EU countries stem from the Second Company Law Directive, some of the European contributors also proposed substantive reasons for the plan to be unlawful. A remarkably different approach is taken by the US and Japan, where the competence for capital measures lies not with the shareholders but with the board of directors. Moreover, the US solution is the only one entirely based on case law. Third, a 'customer assurance programme', devised to protect customers against any service disruption should a prolonged takeover battle take place, is considered although none of the ten jurisdictions' courts has so far had the opportunity to deal with such a programme.

Part 2 of the book focuses on creditor protection. The first case is on the assessment of the ability of creditors of a bankrupt company to seek recourse against the shareholders or directors of the company (Ch. 6). The case is designed to highlight whether a doctrine of piercing the corporate veil is in place in each of the jurisdictions studied. Moreover, the case seeks to understand whether there is a chance for creditors to use directors' duties as a means to seek recourse against the bankrupt company's directors and whether a direct recourse is possible or, rather, whether a third party is needed to enforce creditors' rights. Various are the solutions devised by the contributors and, as this is a topic closely linked to judicial solutions, the behaviour of the different national scholars varies according to the orientation of the courts in that specific country. It is worth noting that the US presents a peculiar system that is heavily dependent on contractual means of creditors' protection.

The second case on creditor protection focuses on rights and powers vested in creditors and/or contained in general company law concerning capital maintenance rules (Ch. 7). The analysis starts with the examination of the rule on capital maintenance, which, in each jurisdiction, is linked to different models and tests that are used to assess whether distributions to shareholders can be made. These models vary conspicuously amongst the different legal systems and each of them seeks to protect creditors through different means (e.g., a solvency-based test mandates that distributions cannot be made if they will result in a company's insolvency). Related party transactions and transfer of assets at undervalue are also considered, together with addressing the issues of: (i) equal treatment of shareholders; (ii) duties of directors; (iii) the relationship between the 'piercing the corporate veil' doctrine and a company group structure; and (iv) fraudulent conveyance laws.

Part 3 of the book is centred on shareholder protection. The first case of the series focuses on shareholders' protection against a (non-)decision of dividend distribution, and a merger resolution (Ch. 8) which involves: (i) an application to the court to seek the annulment of the merger that presents a conflict of interests; (ii) a failure to receive notice of the meeting in which the merger was decided; (iii) an exclusion as a shareholder from the company as a consequence of the merger itself. The analysis provided by the contributors shows that some jurisdictions are less protective (US—Delaware—and Japan) than average whereas others seem more protective (Finland).

The second case on shareholder protection is used to investigate the rights shareholders have to intervene in a meeting to ask questions and demand answers, together with the right to oppose a merger and to apply to the court as to annul a meeting resolution (Ch. 9). Although under German law the claim of a single shareholder might be effective to have a merger be declared void—and many are thus calling for a change of the law—the general position of the other nine jurisdictions is that they will not allow such a claim for different reasons. Formal and procedural requirements, together with substantive ones, are analysed as well and, especially with reference to a substantive requirement (whether there exists a cause of action), it is possible to note the relevant impact on convergence of the laws that the 2007 Shareholders Rights Directive has had in the EU.

In chapter 10, a very specific case is presented and it asks the contributors to deal with a situation in which: (i) a former shareholder has to challenge a board resolution terminating his consultancy contract (with the double option of having the resolution be passed with or without the consent of a minority shareholder); and (ii) a minority shareholder wants to challenge a board

resolution on the grounds that it approved a transaction at undervalue which can be detrimental for the benefit of the company. Various are the responses of the single jurisdictions but they lead in *sub* (i) to the same formal outcomes regardless of the formal divergence in company law rules. In contrast, whereas, in *sub* (ii), we learn that the grounds on which a derivative action might be brought are different and that, moreover, only some legal systems would allow a personal action. The last case of the series concerns the validity of restrictions on shareholder's rights to transfer his or her shares together with the possibility of inheriting shares (Ch. 11).The comparative analysis works here as a powerful tool to give the reader "useful insights into the scope and mechanics of limitations on the right to transfer shares in the jurisdictions under investigation" (p. 354).

The book ends with a comprehensive recollection of the findings (Ch. 12) that "inform[s] our understanding of the extent to which the legal systems explored have fundamentally similar company law rules and sources of company law, as well as the nature of the results reached on the application of such rules" (p. 381). Eminently, there is a confirmation of the non-Americanisation of company law, the US being an outlier in terms of legal rules and solutions. However, the study carried out in the book shows that the "question of Europeanisation of company law is more difficult to answer" (p. 381) as it is not clear to what extent EU Directives have led to convergence. Moreover, the study led to a scepticism about the role of legal families, leading to the rejection of the findings of La Porta et al about a robust shareholder protection in common law countries. A very useful annex with tables summing up some of the findings of the research completes the book.

In conclusion, in so far as an equivalent functionality of legal rules means a willingness of rule-makers to achieve the same results regardless of their formal structure, this work can be seen as both a tool and as an invitation: a tool for academics and professionals in their daily activity; an invitation to rule-makers to be frank about the ultimate end of company law, so as to continually improve the economic arena through a set of rules that draw on the best practices of other powerful world economies.

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The Political Economy of Corporation Tax: Theory, Values and Law Reform. By JOHN SNAPE. [Oxford: Hart Publishing, 2011. 290 pp. Hardback £62.00. ISBN 978-1-8494-6028-6]

THIS is an important and interesting book showing yet again that tax law provides the material for major research. Each word of the title of John Snape's book is important. The raw material is to be found in the changes made to corporation tax in the United Kingdom from 1997, with occasional looks back to earlier times, to 2011. It does not stop with the arrival of the Coalition so is essentially an examination of/commentary on these years but taking in the Coalition's 'New Approach' and 'Corporate Tax Road Map'. It is not the purpose of the book to look at the technical detail of the changes but rather to examine the changes as a process – and to evaluate what is happening against a theory of public law formulated by Martin Loughlin. The writings of political