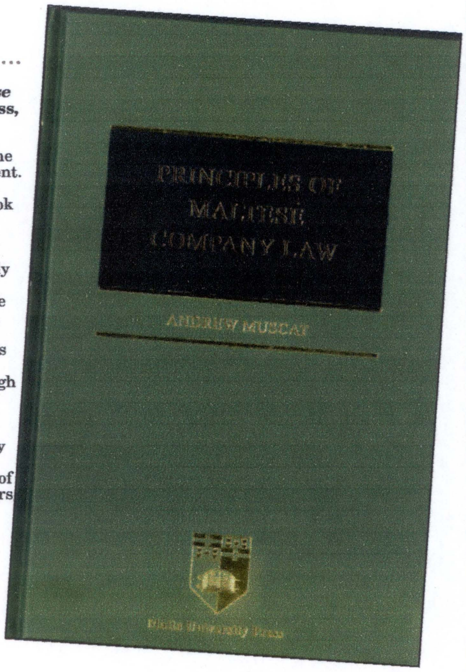
Definitive publication

David Fabri

Andrew Muscat, *Principles of Maltese Company Law*, Malta University Press, 2007, 1,317 pages



A couple of mentions come my way in the book - but not such as to cloud my judgment. While I shall seek to avoid hyperbole, the significance of this recently published book cannot be overstated.

Prof. Muscat's publication is a massive contribution to one of the most dynamic areas of Maltese law and will prove hugely useful for practitioners and students involved or merely interested in corporate law. The book is a product of competence, tenacity and a love for a subject he has practised and taught for many years. This 1,300 page volume is the most extensive study yet of our current company law. High quality printing, diligent annotated text and well-indexed lay-out render it even more attractive.

The first chapter sets out a brief history of Maltese company law and is indeed a fine place to start. In my view, the whole of the first seven chapters as well as chapters 13 to 20 are the best parts and make a truly great read. The discussion on the formation of companies, corporate personality, the lifting of the corporate veil (almost an entire book in its own right), the two chapters dealing with company directors and the *ultra vires* rules stand out. The Table of Maltese Cases takes one's breath away: More than 250 local cases are listed and the author has unearthed some fine lesser known judgments.

The weakest chapter seems to be chapter 8 which deals with the fashionable notion of corporate governance. The subject warranted a more severely critical appraisal than is the case. The chapter lacks the inspiration and the enthusiasm so tangible in the rest of the book.

In his preface, the author readily admits that his aim was not to cover the entire Companies Act. Commercial partnerships other than companies are not considered and the book does not deal with such weighty matters as the dissolution and winding up of companies and the special recovery procedures. These are significant exclusions. Several other topics probably deserved more attention:

Company revival: The recently introduced so-called recent company revival provisions need to be adequately addressed for their implications for the notion of legal personality.

Oversea companies: This category of companies deserve renewed attention particularly following their involvement in the now notorious Parmalat web of international corporate structures. (The Parmalat companies in Malta remain subject to an inspector appointed under new powers assigned to the Registrar by the Companies Act.)

The Registrar: A future edition could trace and investigate the evolving role of the Registrar, particularly as this office comes to terms with new responsibilities under EU directives.

EC Law: The European law dimension constitutes an important part of our Companies Act. The interplay between local and EU principles probably merit separate analysis which could also focus on the likely future of Maltese company legislation.

Now for some nit-picking: the Table of Maltese Legislation (page cxii) makes incorrect references to the Malta International Authority Act and Malta International Business Authority Act, when the correct designation is the Malta International Business Activities Act. On page cv, Consumers Affairs Act should read Consumer Affairs Act.

The author's description of the Companies Act as "a masterpiece of legislative drafting" (page 28) seems to err on the side of excessive generosity. The Companies Act is far from being a masterpiece because for one thing it borrowed too much from UK legislation. Despite some other flaws, the 1995 Act has made available a useful and efficient framework for corporate operations of any description or size; providing a flexible, efficient and relatively simple mechanism for the pursuit of trade while protecting the legitimate rights of minority shareholders and creditors.

In February 1997, I reviewed Andrew Muscat's first published book in the Sunday Times of Malta. That book dealt with the The Liability of the Holding Company for the Debts of its Insolvent Subsidiaries (Dartmouth Publishing Company, 1996, 521 pgs). I did so because I believed, and still believe, that it amply merited wider recognition. The same applies to his second and much more ambitious and extensive publication.

Incidentally, following Judge T. Mallia's important Price Club judgments, the issues studied so assiduously in Prof. Muscat's first book have recently made headlines. It is a pity that they were delivered when the book was already at printing stage. Seeing the author's deep conviction in the judicious lifting of the corporate veil and in imposing personal liability on rogue directors, he would simply have revelled in the task of commenting on these landmark judgments.

Prof. Muscat has now followed in the steps of two of his predecessors in the Commercial Law chair, Prof. F. Cremona and Prof. J. A. Micallef. Prof. Cremona's The Law on Commercial Partnerships in Malta (first published in 1967, reprinted in 1984) was diligently written, well organised and extensively used. It has for many years served us students and practitioners well. Prof. Micallef's pioneering work on *The European Company* was published at a time when few of us had even heard of the EU. Both these gentlemen are still much respected and admired for their dedication and academic contributions to the study and development of company law.

Neither a brief book nor one for beginners, this new volume is much more than an introduction to the subject. Its considerable length will probably mean that few will ever venture to read it from cover to cover.

Prof. Muscat's new volume is now the leading text book on Maltese company law setting standards of quality, detail and commitment difficult to emulate. Twenty-five years of lecturing on company law at graduate and post-graduate levels does give one a certain edge. Students and practitioners will henceforth be better off than those who came before them.

I strongly recommend it to all readers interested in a comprehensive and excellent study of the main principles of Maltese company law. The publication of this book fills an important void and is therefore a cause for celebration.

~~€4 billion for research~~

~~THE Scientific Council of the European Research Council (ERC) has announced the successful completion of its first round of funding and unveiled the detailed design of a new high-profile initiative which is set to become one of the most prestigious and forward-looking schemes for supporting frontier research across Europe.~~

~~Following the success of this year's starting grant competition for younger researchers, the ERC advanced grant scheme will channel around 4 billion over the next six years to the very best research projects and the most talented researchers across Europe.~~

~~To thrive in the globalised, interconnected world of tomorrow, Europe must reinforce its leading role in science and research, and make itself a desirable home for the best talents. The ERC was set up to improve Europe's position at the frontiers of research, including in new and fast-growing research fields that will be critical to the knowledge society of the future.~~

~~The advanced grant scheme is set to be a flagship funding programme of the ERC for the years 2008-2013, dispensing about two-thirds of the ERC's total budget, which averages about 1 billion per annum. It will operate alongside the already-established ERC starting grant scheme, which is targeted at younger investigators, and which received over 9,000 grant applications in 2007, the year it was launched.~~

~~Depending on the nature of the research, ERC advanced grants may be up to 3.5 million for a period of five years. While the starting grant scheme aims to boost the career and performance of young investigators by supporting early scientific independence, advanced grants will target researchers who already have established themselves as exceptional leaders in their field. ERC grants are open to researchers of any nationality, working or planning to work in Europe, and working in any field of science, scholarship or engineering.~~

~~The selection process for these prestigious grants is based on an open competition with scientific excellence as the sole award criterion. Grants are awarded and managed accord-~~ing to simple procedures that ~~maintain the focus on scientific excellence, encourage creativity and interdisciplinarity, and combine flexibility with accountability.~~

~~In contrast to the usual EU's Seventh Framework Programme (FP7) rules, these grants do not require partners from two other EU countries, while the bottom-up, investigator-driven approach allows the researcher an unusual amount of autonomy and flexibility.~~

~~The Malta Council for Science and Technology (MCST), the national contact point organisation for the FP7, encourages Malta's research community to learn more about the grant. For further details contact karen.fiorini@gov.mt~~

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