

COMPANY AND SECURITIES LAW JOURNAL

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EDITORIAL 353

ARTICLES

Shareholder primacy revisited: Does the public interest have any role in statutory duties? – *Jason Harris, Anil Hargovan and Janet Austin*

The conventional view of corporate regulation is that corporations are to be managed for the benefit of their shareholders. The general law and statutory duties of directors and officers reflect this “shareholder primacy norm”, with duties formulated to prevent directors acting otherwise than in the interests of shareholders. However, the general law and statutory duties are not identical. The remedies and enforcement mechanisms differ considerably, which raises the question as to whether the public enforcement of statutory duties carries with it a public interest mandate that general law duties do not. This article considers what role the public interest should have in enforcing statutory duties and whether such a role represents a challenge to the dominant shareholder primacy norm of corporate law. This issue is highly topical as recent decisions have suggested that the statutory duties of directors and officers are limited in their scope to protecting the interests of shareholders, even to the detriment of the public interest. The authors contest that viewpoint and argue that, at least in relation to statutory duties, directors and officers have obligations that extend beyond the narrow conception of the protection of shareholder wealth. 355

Civil liabilities for false or misleading statements made by listed companies to the securities market in Singapore – *Wai Yee Wan*

This article examines the scope and efficacy of the civil remedies available to investors against listed companies which have made false or misleading statements in the secondary securities market in Singapore, both at common law and the statutory compensation scheme under the *Securities and Futures Act*. It argues that there are a number of limitations faced by such investors in bringing claims founded in tort law against the listed companies. While the statutory compensation scheme attempts to improve the position of investors, there are a number of deficiencies in the scheme, the most significant of which is the ceiling on the overall damages recoverable against the contravening listed companies. These deficiencies largely stem from the fact that the scheme is strongly influenced by the desire to achieve optimal deterrence, rather than compensation. This article argues that the aim of the statutory compensation scheme should be clarified and that it should be founded on compensation for losses incurred by investors in having relied on the false or misleading statements, and not on optimal deterrence. Reforms are suggested to the statutory compensation scheme to achieve this aim. 377

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