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BOOK REVIEW

INTERNATIONAL BANKING CENTRES. Edited by Bowman Brown. London: Euromoney Publications Limited, 1982. Pp. v, 277. Authors' biographies.

Global economic integration, marked by the advent of the Marshall Doctrine and sustained by the competitiveness of a world market place, has spawned new international banking centers and buttressed the old. Much as commercial paper evolved to satisfy new transactional demands of feudal trade, world trade has forced divestiture of exclusive financial power from the traditional New York-London-Zurich axis to an increasingly international banking network. The results are twofold. First, banks of international prominence are emerging from these new trade foci. A case on point is the increasing Japanese presence during the 1970's among the world's major commercial bank companies. Second, American and European banks are expanding their international operations. Furthermore, much of this expansion is by banks which previously were not international financial actors. North Carolina National Bank's activities in Hong Kong, London and the Cayman Islands are exemplary.

The corporate attorney increasingly represents clients conducting international business financed, in part or in whole, through a foreign banking center. Successful transactions demand at least a cursory acquaintance with the limited potential of the financier. The commercial banker and his attorney must acquire a working knowledge of the statutory and regulatory implications of a proposed and/or established international presence.

Euromoney Publications seeks to provide in *International Banking Centres* a practical overview of the regulatory boundaries defining the establishment and operation of a banking institution in nineteen selected sites. General requirements for banking operations are discussed and any distinctions between foreign and domestic institutions are noted. The locations were selected using the disjunctive criteria of direct financing of international transactions and assistance for such financing principally conducted elsewhere. These selections are within six designated international banking centers: Asia, the Caribbean, Central and South America, Europe, the Middle East, and the United States. The invited authors of each exposé are practicing international banking law attorneys chosen on the basis of endorsements from their peers and repre-

sented banking officers. Credentials listed in the authors' biographies are notable.

The book is organized to facilitate comparison among the several locales. The authors frame the chapters into the common elements of establishment procedures, classifications, supervisory regulations, taxation, secrecy, and also include listing of resident financial institutions. The classifications outline various institution types and the banking activities each may transact. The regulatory matters mentioned include reporting, liquidity and solvency requirements, lending and diverse operations' restrictions, and the enforcement agencies involved. Local employment mandates are mentioned where appropriate. The works highlight matters of special distinction for various centers. Permissible activities of foreign banks' subsidiaries and branches are suitably distinguished.

Several authors deserve specific mention for the quality of their discussion. W. S. Wallace reports with depth and clarity upon procedures either to open a branch or to form a separate corporation to hold a banking license in the Cayman Islands. This procedural emphasis parallels the Islands' status as a monetary center with a modest but developing clientele of international bank companies. Fernando Cardoze and Gabriel A. Calinido present an exhaustive review of Panamanian regulations and a comprehensive feature on banking secrecy.

The strength of the United Kingdom's chapter rests upon John Edwards' and Peter Sakal's in-depth summary of specific Bank of England policy papers affecting supervisory regulation. The breadth of their tax coverage and suggested actions beyond statutory compliance deserve commendation. Hans Niederer and Max C. Roesle include in the Switzerland chapter a specific analysis of various exchange markets and the instruments of national economic policy. Hatim S. Zu'be and Hugh Stokes highlight the peculiarities of Bahrainian regulation and the absence of established legal and statutory process. The United States' myriad banking regulations are deciphered and clearly presented by H. Rodgin Cohen.

Although Bowman Brown states in the preface that *International Banking Centres* is a "review of the practical aspects of regulation . . . in each of the world's international banking centers," it falls short of this purpose in some respects. First, it omits reference to any African international banking centers, of which Kenya and the Ivory Coast deserve brief mention because of their emerging status as multinational financial centers. Kuwait is also excluded from the Middle Eastern discussion. Second, in the established banking centers, the rigorous adherence to operational regulations matters less to the financier than an understanding of the effects of those regulations when coupled with the particular nation's economic and monetary policies. Few chapters go beyond a perfunctory recital of the primary governmental policy organs. Third, the

recent global proliferation of the international banking facility (IBF) as a bona fide financial instrumentality¹ receives but scant mention.

International Banking Centres serves not as a detailed presentation of banking regulations, but as an initial reference for the banker or practitioner analyzing comparative banking locales. In this regard, it will prove to be quite valuable for those newly initiated either to international banking per se or to a specific foreign site. This work provides a competent foundation upon which to extend analysis of an international banking center.

—ROBERT W. CRAMER

¹ Comment, *International Banking Facilities*, 8 N.C. J. INT'L L. & COM. REG. 61 (1982).

