

**SPEECH BY MR K SHANMUGAM, MINISTER FOR LAW AND SECOND
MINISTER FOR HOME AFFAIRS, AT THE OPENING CEREMONY OF THE
INAUGURAL SINGAPORE CORPORATE COUNSEL ASSOCIATION (SCCA)
REGIONAL CONFERENCE 2009, ON 2 APRIL 2009, 9.45 AM, AT GRAND
COPTHORNE WATERFRONT HOTEL**

Professor Walter Woon, Attorney-General,
Justice Chao Hick Tin, Judge of Appeal,
Mrs Koh Juat Jong, Solicitor-General,
Organising committee members,
Distinguished delegates,
Ladies and gentlemen,

Thank you for inviting me to the SCCA's inaugural regional conference this year. Let me first welcome all participants to this conference, especially those from abroad who have made the special effort to be here today.

Importance of SCCA Regional Conference

2 This conference is an important gathering for all corporate counsel from the region. Many of you work in several countries in the region. This event will allow you to discuss common challenges. It will also provide an opportunity for you to get to know each other and forge useful networks.

Importance of Corporate Counsel

3 The paradigms in the corporate world are continually changing. As a reaction to the current crisis, it is very likely that there will be further changes – and the importance of corporate counsel is likely to grow.

4 At the core of MNCs and large companies, corporate counsel play a key role in corporate governance and ethics, which are the key words in the current

environment. You are duty-bound to protect the interests and reputations of the firms, and preserve the faith of the general public in the organisations. Your responsibilities as internal “watchdogs” will only grow as companies become larger and their dealings take on greater complexity. And you are in some ways in an immediate position of being employees, having to work with management, and at the same time, having to be responsible to the broader public, the stakeholders and shareholders, who could turn round on an internal audit and corporate counsel and say, “Why did you allow this”. But it is going to be an interesting, evolving role.

Significant role for SCCA

5 In this context, a stronger corporate counsel association can only be beneficial to all. The signing of the Regional Memorandum of Cooperation (MOC) later this morning is therefore a step in the right direction. I understand that Singapore is already a partner in the International Cooperation Agreement with the corporate counsel associations of Australia, New Zealand, Canada, South Africa, Malaysia and Hong Kong. The MOC is a significant initiative by the SCCA to extend this collaboration to other regional associations. It will grow the corporate community beyond our shores and encourage the development of laws and value systems that would benefit in the development of the countries involved.

6 The SCCA has also collaborated with the Institute of Knowledge Development (IKD) of Australia to launch a specialist certificate programme for corporate counsel and for lawyers looking to move in-house in Singapore and the rest of Asia.

7 Currently, more than 7,000 MNCs have offices in Singapore. Our political and social stability, ease of doing business, abundance of talent and skilled labour, and a number of other factors have made Singapore an attractive location

for MNCs to site their regional headquarters here. As the importance of the MNCs' Singapore offices grow, the role of corporate counsel in the Singapore offices will become even more important.

8 It may be useful at this gathering therefore to touch on some changes in the Singapore legal framework because as corporate counsel, we believe that will help you better assess what Singapore has to offer.

What Singapore offers

(A) Corporate Legal Services

9 I will touch on three aspects. First and fundamentally, we believe in the Rule of Law, which is a basic foundation for our state. And we also believe that has to be maintained in its absolute form, because it is important for investors and business people. So, laws have to be clear, predictable and as a guide, support it for economic activity.

10 In that context, for the corporate legal services available here, we have world class law firms in Singapore, which provide quality advice. To deepen the pool of expertise, we recognise the importance of ensuring the availability of top quality corporate law expertise. We therefore announced in December 2008 that licences to practise Singapore law will be given to six top international law firms. They are all ranked within the top 60 law firms in the world and four of the six are ranked within the top 10. The licences will enable them to practise Singapore law and see them expand their practices in Singapore.

11 We have also enhanced a scheme, which makes it easier for foreign law firms to partner with local firms and expand the provision of high-end legal services here, in a seamless way. In addition, we have expanded the foreign law

firms' scope of Singapore law work by allowing them to participate in the practice of Singapore law wherever arbitration is contemplated.

12 The overall effect of these changes is to make it more attractive for foreign law firms to establish and expand their offices in Singapore. Together with local law firms, we believe that the total availability of top legal services will be enhanced.

(B) Litigation Services

13 Secondly, we also recognise the importance of having effective dispute resolution processes. If parties should choose to go to the courts, they will benefit from the steps that our Courts have taken to streamline the litigation process, and the quality of our first rate Bench. A dispute can be heard in Singapore from the time of issue of the writ to the disposal of the trial within 18 months. And the appeal could be disposed of within three to four months thereafter. When these changes were made, the profession had to be literally dragged kicking and screaming. So, the ideal situation to be in is the request by the Courts to follow the timetable. But looking at it from outside, from a business perspective, you can see a clean, efficient, corrupt-free system that delivers justice in a predictable manner, but clear laws can only enhance the business environment. At the same time, litigation costs have been kept relatively low in Singapore.

14 Since its independence more than 40 years ago, Singapore has endeavoured to build and strengthen its legal system. Today, international organisations rank its judiciary highly. For example, the IMD World Competitiveness Yearbook 2008 ranked Singapore first among 55 countries for having a legal and regulatory framework that encourages the competitiveness of enterprises. The Global Competitiveness Report 2007 – 2008 issued by the World Economic Forum rated Singapore 19th out of 131 countries on the subject

of independence of the judiciary from political influence, ahead of Japan, France and the United States.

(C) Singapore as a Dispute Resolution Hub

15 We have also worked quite hard on making Singapore an arbitration venue of choice. Singapore is a convenient and neutral locale to hold arbitration hearings. There are a number of aspects to this.

16 First, our judicial philosophy facilitates arbitration in Singapore. The Judiciary has, through case law, made clear that it will support the arbitral process and will not interfere with it. Second, for arbitration, parties are free to engage lawyers of any nationality and use any governing law, and not just Singapore-qualified lawyers or Singapore law.

17 We have also made it easier for foreign arbitrators and mediators to do their work here. From last year, we have allowed them to provide services related to arbitration without having to apply for a Work Permit or Pass. By the middle of this year, we will have Maxwell Chambers – a colonial era conservation building renovated to house a first-class venue for international hearings. It will be equipped with state-of-the-art facilities for arbitration.

18 These are not isolated efforts, but part of a series of concerted measures to build up our arbitration sector. These include attracting top arbitral institutions to set up in Singapore, such as the American Arbitration Association (AAA), the Permanent Court of Arbitration (PCA) and the International Chamber of Commerce – International Court of Arbitration (ICC-ICA).

19 The Singapore International Arbitration Centre (SIAC) and its clauses are also gaining ground internationally. The recent appointments to its Board will bring additional international expertise to SIAC and further boost its reputation as

a premier international institution. The appointment of highly regarded international arbitrators to its board, including its Chairman, Professor Michael Pryles from Australia, represents a clear statement of intent by SIAC to maintain its development as one of the leading arbitration centres in Asia and in the world.

20 In summary, we believe that these measures have significantly improved the quality and range of arbitration services available in Singapore, engendered confidence in the integrity and enforceability of arbitration proceedings here, and created flexibility for arbitration parties to hold hearings in Singapore.

21 All said, investors, MNCs and lawyers know about the strength of our legal system – particularly in the corporate, litigation and arbitration sectors. They have made Singapore a top destination. They know that their rights will be protected from arbitrary action.

Conclusion

22 Whilst these tough economic conditions persist, they also offer scope for augmented roles for corporate counsel and the SCCA. We believe that in-house corporate counsel will be seen as an essential, integral and important part of organisations going forward. It is a privilege for Singapore to host the SCCA inaugural regional conference, and I hope delegates enjoy their time here.

23 I wish all of you a fruitful conference. Thank you.