

SINGAPORE
ACADEMY OF LAW

SINGAPORE

Your Partner For Legal Solutions In Asia







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Businessmen, like lawyers, don't like surprises.

The wheels of business require stable rims to cross into the unknown future - stability that contracts are crafted to help ensure.

But contracts are subject to interpretation. It is not uncommon to find parties giving the same words different meanings. As Emily Dickinson aptly put it, "A word is dead when it is said, some say.

I say it just begins to live that day." Contracts also cannot provide for all eventualities, and with transactions spanning a longer time-frame, in markets subject to rapid changes, disputes are not uncommon.

These may be amplified in the case of cross-border contracts, where cultural and linguistic differences are very real.

This brochure shows the value of choosing Singapore as your partner for legal solutions, and Singapore law as the law of choice to govern your contracts. It also provides resources for you to start using Singapore as your venue for dispute resolution, and to help you opt for Singapore law as the law governing your contracts.



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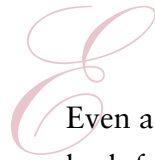
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The Natural Choice For Dispute Resolution

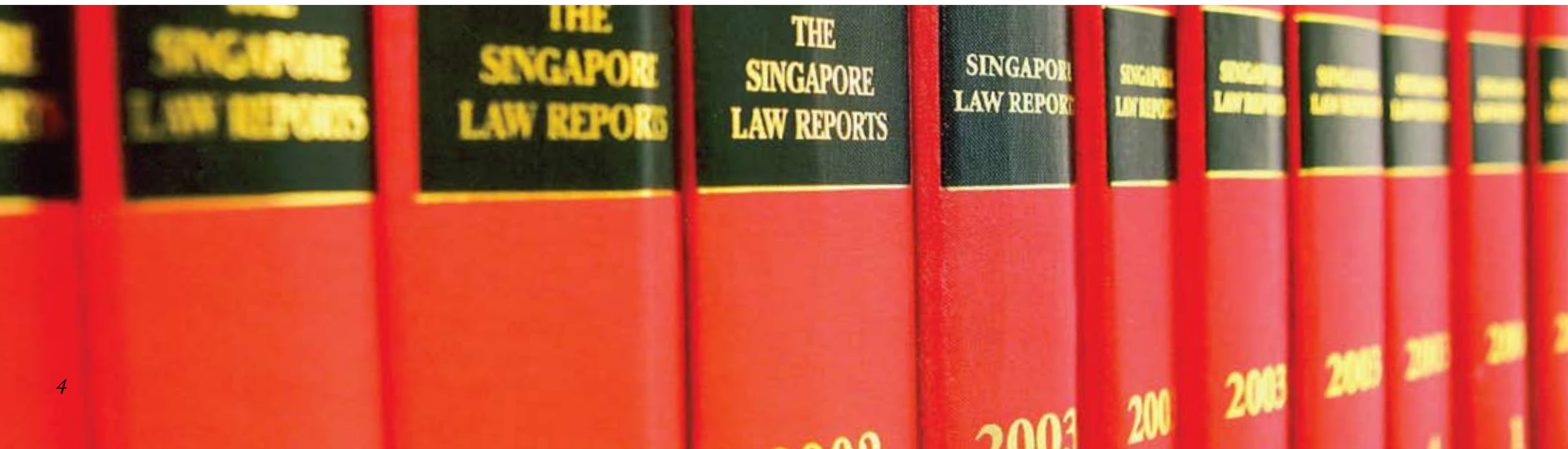
Singapore And Singapore Law



Even as parties to a cross-border transaction look forward to a fruitful relationship together at the closing of a deal, and thoughts of disputes are farthest from mind, what the governing law and the venue for dispute resolution are to remain important considerations. While each party has a natural preference (borne out of familiarity) for the law of its own jurisdiction as the governing law, and its own domicile as the venue for

dispute resolution, a neutral alternative is often the most feasible and pragmatic.

Your foremost interest when things turn sour is to make sure the disputes are resolved expeditiously, economically and equitably. In Singapore, you can be assured it will be so.



“Singapore is the pre-eminent legal and business centre in this part of the world.”

*John Townsend,
Chairman,
American Arbitration
Association*



Changi International Airport

Why Choose Singapore as a Venue?

- ✎ Transparent, neutral and reliable
- ✎ Trusted legal system
- ✎ Outstanding pool of diverse expertise
- ✎ Financial and business centre in Asia
- ✎ Accessible and cost-competitive
- ✎ Superb infrastructure
- ✎ Stable and secure
- ✎ Cosmopolitan and sophisticated

Why Choose Singapore Law?

- ✎ Established and dependable
- ✎ Fair and predictable
- ✎ Pro-business
- ✎ Responsive to changing global commercial practices
- ✎ Unique appreciation of commercial realities in Asia
- ✎ Cost-effective alternative to other often-used laws
- ✎ Easy to understand and use

“Neutrality is the key attraction for international parties choosing Singapore for arbitration.”

*John Savage,
Partner,
Shearman & Sterling*

Transparent and Neutral

Independent benchmarking institutions consistently hold Singapore in the highest regard for integrity and rule of law. Transparency International’s Corruption Perceptions Index 2007 ranks it the least corrupt country in Asia and the 4th least corrupt in the world.

Being founded on established common law principles, Singapore law retains the commercial strengths of English jurisprudence but yet remains unaffected by politico-legal developments of the European Union. Furthermore, having evolved in a cosmopolitan environment, Singapore law is necessarily blind to cultural biases and highly regarded for its neutrality. It does not interfere with, but gives full effect to, the contractual parties’ commercial intentions. It is transparent, neutral, predictable and easy to understand – major reasons for its international popularity as the law of choice.



When Singapore law is used, no connection between Singapore and the parties or transaction is required. You have the assurance that there will be no application of a foreign law that had not been expressly chosen.



Supreme Court of Singapore



A judicial system that is “widely seen as among the most efficient and effective in the world”.

The World Bank,
*Judiciary-Led Reforms
in Singapore* (2007)

Excellent Legal Infrastructure

The Hong Kong-based Political and Economic Risk Consultancy (“PERC”) ranks us second in its 2006 report on “Confidence in Asian Judicial Systems”. Also, the Institute for Management Development (“IMD”) World Competitiveness Yearbook has, since 1997, regularly ranked us first or second for having a pro-enterprise legal framework.

We are home to world-class dispute resolution facilities, including:

- ✦ a Facility of the Permanent Court of Arbitration (the first in Asia);
- ✦ the Singapore International Arbitration Centre (“SIAC”);

- ✦ the International Centre for Dispute Resolution - Singapore (a joint venture between the American Arbitration Association and the SIAC);
- ✦ a Liaison Office dedicated to the International Chamber of Commerce’s (“ICC”) Dispute Resolution Services; and
- ✦ the Singapore Mediation Centre (“SMC”).

With these facilities, Singapore has become the *de facto* regional base for numerous top global law firms, highly-skilled lawyers, and experienced arbitrators and mediators.



“... outstanding legal profession, an outstanding judiciary and an outstanding academic world in relation to the law.”

*Fernando Pombo,
President, International Bar Association (“IBA”), on why Singapore was chosen as the venue for the IBA’s 2007 Annual Conference*

Rich Talent Pool

Singapore’s Commonwealth heritage and multinational make-up have produced a pool of highly experienced judges and advocates, as well as arbitrators, mediators, and arbitration and mediation counsel. They are multi-lingual and familiar with various commercially-popular laws other than Singapore law.

To better serve you, we have a policy of investing in and attracting top brains from different fields of expertise from around the world to come and establish their base in Singapore. We count among these talents global law firms which established their offices for their international arbitration practice groups here. The presence of leaders in investment banking, finance and other allied industries serves to provide holistic support for your commercial dispute resolution needs.



“The life of the law has not been logic; it has been experience.”

Oliver Wendell Holmes, Jr.

Pro-Business

Singapore’s strong legal system nourishes and is enriched in turn by its role as the region’s pre-eminent commercial and financial centre.

Its geographical position, rich ethnic mix, business acumen and internationally-oriented institutions give it a natural foothold in Asia’s development, especially in China and India.

For example, Singapore has become a popular public-listing venue for foreign Asian companies attracted by our free capital and debt markets, transparent regulatory processes, legal protection, low taxes and high standard of living.

We take care to nurture the right legal environment and practices for businesses to prosper. We monitor and adopt best practices and keep abreast of commercial developments in the knowledge that the law, like the businesses it protects, does not stand still.



Business District



Shangri-la Hotel, Singapore



“In law, nothing is certain but the expense.”

Samuel Butler

Cost Advantage

Legal costs in Singapore are consistently lower than those in London, New York and other major cities. Hotel costs are also comparatively lower than in other major cities. The “2007 Corporate Travel Index” compiled by *Business Travel News* ranks Singapore 76th (in descending order) for hotel costs – well below these other venues: London (4th), Paris (6th), Geneva (17th) and Zurich (20th). As for cost-competitiveness, Singapore ranks first in KPMG’s 2006 “Competitive Alternatives” study of nine top industrialised countries, ahead of France (3rd), UK (6th) and US (7th).



Centrally Located and Cosmopolitan

Singapore is conveniently located between China and India, Vietnam and Indonesia, the Middle East and the Far East. It has one of the best transport and communications systems in the world and is connected by air and sea to 140 cities around the world. It takes less than seven hours to fly to Beijing, Hong Kong, Jakarta, Mumbai, New Delhi, Shanghai, Tokyo and Seoul.



Safe and Secure

A World Bank report, “Doing Business 2008”, describes Singapore as the easiest country to do business in. Our crime rate is among the lowest in the world. According to the World Competitiveness Yearbook 2007 published by the IMD, Singapore has the lowest risk of political instability among countries in Asia.

Culturally Sensitive

Singaporeans have a natural advantage when it comes to crossing language and cultural divides, whether in conflict resolution or in business. Although English is our main language, we are cosmopolitan, multi-racial and multi-lingual, with our roots in Chinese, Indian and Malay immigrants who brought a tradition of commerce, hard work, adaptability and resourcefulness with them. Our liberal immigration policy has further enriched our perspectives and capabilities.



Port of Singapore



Singapore Flyer

“Singapore is a reasonable choice for Indonesia and foreign investors, if they have disputes, to resolve their disputes here and even use Singapore law. Indonesian lawyers are more familiar with Singapore law compared to the law of Switzerland or New York.”

*Professor Hikmahanto Juwana,
Dean of the Law Faculty of
University of Indonesia*

The Natural Choice in Asia

Singapore’s institutional, economic, historical, geographical and human resource strengths combine to make Singapore law the natural choice for businesses already in Asia as well as those not yet established in this region but which transact with Asian companies. According to a 2005 report published by the ICC International Court of Arbitration (“ICA”), Singapore law was most frequently chosen among Asian national laws as the applicable law for contracts.



Chinatown



Clarke Quay



Downtown Singapore

The Preferred Venue In Asia For Arbitration And Mediation

Arbitrate And Mediate In Singapore

The Right Honourable Lord Hoffmann referred to Singapore as a leading centre of arbitration in the 2007 House of Lords opinion in *West Tankers v RAS Riunione Adriatica di Sicurta SpA* [2007] 1 Lloyd's Rep 391.

Singapore is a favourite venue for arbitration and mediation for many multinational corporations in Asia. In a 2006 report published by the ICA, Singapore ranks as the top city in Asia for arbitration and one of the six most popular arbitration venues alongside Paris, London, Geneva, Zurich and New York. Among Asian countries, Singapore arbitrators were most frequently appointed.



Maxwell Chambers



From July 2009, Singapore will have a dedicated facility for alternative dispute resolution at 32 Maxwell Road, a refurbished conservation building to be named Maxwell Chambers. Leveraging on both heritage and technology, Maxwell Chambers will be the world's first integrated dispute resolution complex housing best-of-class hearing facilities as well as top international arbitral institutions. Parties can look forward to purpose-designed, fully-equipped hearing rooms and value-added secretarial and concierge services.

Why Arbitrate in Singapore?

- ✔ Widely recognised as top venue in Asia
- ✔ Internationally accepted arbitration regime characterised by maximum party autonomy, minimal judicial intervention and supportive judiciary
- ✔ Party to the New York Convention
- ✔ Highly experienced arbitrators and lawyers
- ✔ Sophisticated experts from different fields and disciplines
- ✔ Friendly laws and policies for foreign arbitrators and counsel
- ✔ Independent arbitration centres providing top-notch services and facilities
- ✔ Centrally located, cost-effective and culturally diverse

“Based on current trends, an increasing number of companies and lawyers are choosing Singapore as a neutral forum for international arbitration. With the increased awareness on the part of Chinese companies and their foreign counterparts as a result of globalisation and regionalisation, there is an increasing number of Chinese and foreign companies and their lawyers agreeing to have their arbitrations administered by Singapore International Arbitration Centre (SIAC).”

*Yu Ning,
President,
All China Lawyers Association*

Internationally Accepted Arbitration Regime

Singapore’s arbitration laws are in line with internationally-accepted best practices. Its International Arbitration Act adopts and gives force to the UNCITRAL Model Law on International Commercial Arbitration and the Convention on the Recognition and Enforcement of Foreign Arbitral Awards 1958 (“the New York Convention”). As Singapore is a party to the New York Convention, arbitral awards rendered here are potentially enforceable in more than 140 jurisdictions.

Parties are free to nominate arbitrators of any nationality to preside over their arbitration proceedings. They are also free to instruct any lawyer from any jurisdiction to represent them in arbitration. Foreign arbitrators are exempted from Singapore tax on any income derived from arbitration work done in Singapore. Non-resident

mediators and arbitrators are also exempt from applying for a work pass to carry out mediation and arbitration services in Singapore which last for no more than sixty days.



Singapore and Singapore law provided the required neutrality for the resolution of a multi-million dollar dispute in the transaction between India-based Polaris Software Lab Limited and Bank Artha Graha of Indonesia. The parties in that case had entered into an agreement which assigned Singapore law as the governing law and Singapore as the place for arbitration. The much-publicised dispute was eventually resolved successfully.

First-Class Infrastructure for Mediation

Through its flagship mediation centre, the SMC, Singapore’s mediation scene is firmly set in a global context. In a pioneering effort to standardise and promote an international competency standard for mediators, SMC co-founded the International Mediation Institute (“IMI”), a non-profit foundation incorporated in the Netherlands. SMC has memoranda of understanding and close working relationships with more than 20 institutions around the world. It recently spearheaded the formation of the Asian Mediation Association (“AMA”), a coalition of Asian organisations with a Singapore-based secretariat, whose mission is to promote and accelerate the development of mediation in Asia.



Why Mediate in Singapore?

- ✓ Global reputation for mediation expertise
- ✓ Leader in ADR development and education
- ✓ Culturally sophisticated approaches to mediation and problem-solving
- ✓ Corps of multi-disciplinary mediators and mediation advocates adept at managing complex cross-border disputes
- ✓ Distinctive commercial orientation
- ✓ Independent mediation and ADR services with established track record
- ✓ World-class, purpose-built mediation facilities and comprehensive case management support

Let Sleeping Beds Lie

The dispute between British Airways (“BA”) and Singapore Airlines (“SIA”) over the alleged patent infringement of BA’s first-class sleeper beds was resolved amicably at the SMC. The case was mediated over two days and the suits pending in the courts were withdrawn. Both airlines said in their identical press releases that they “each acknowledged the other’s legitimate concerns” and were “happy to have found a sensible compromise”. They added that they looked forward to “continuing their competition through their products and services rather than in the law courts.”



Expertise

Singapore has highly experienced, multi-lingual arbitrators and arbitration counsel who are familiar with various commercially-popular laws other than Singapore law. Chambers Asia 2008 lists four Singaporeans among Asia's 17 most sought-after arbitrators. It also lists five Singapore-based law firms among the top law firms in Asia that have a strong arbitration practice.

Singapore has also developed a corps of mediators who are adept at handling complex cross-borders disputes. These mediators include specially-selected and highly-qualified leaders from different professions and disciplines.

Global Reputation for Training

Singapore also enjoys a global reputation in mediation training. Through SMC, it has been invited to conduct training courses in 11 countries, and attracted participants from 59 countries to its workshops.

Mediators with an international standing accredited to the SMC include Mr Martti Ahtisaari, former President of Finland; Professor Karl Mackie, Chief Executive, CEDR, UK; Michael Beloff QC, Senior Ordinary Judge of the Court of Appeal of Jersey and Guernsey; and Michael Hwang SC, Deputy Chief Justice of the Court of the Dubai International Financial Centre.

The ICC chose to hold its Commission on Arbitration Conference in Singapore in 2007, the first time it was held outside Paris. ICC Chairman, Professor Pierre Tercier, indicated that Singapore is "becoming an extremely important place" for arbitration due to its booming economy.

Pro-ADR (Alternative Dispute Resolution) Judiciary

Singapore courts zealously uphold parties' rights and agreements to arbitrate. They readily assist in arbitral procedures whenever necessary, for example, in the granting of interim orders and the enforcement of arbitral awards. Specially-appointed High Court judges preside over arbitration matters brought before the High Court. These senior specialist judges oversee the development of Singapore's jurisprudence in arbitration. Thus, judicial decisions and arbitration development in Singapore are harmonised, with a long-standing and definitive trend of respect for the sanctity of arbitral awards, including foreign arbitral awards, for instance in the case of *Aloe Vera of America, Inc v Asianic Food (S) Pte Ltd and Another* [2006] 3 SLR 174.

On the mediation front, it was the judiciary that took the lead in establishing institutionalised mediation. In fact, it is one of the strongest supporters of the SMC. Mediated settlement agreements are recognised as legally binding contracts by Singapore courts. Mediation is today widely used for commercial and other disputes, in court and in numerous industry-specific mediation set-ups.

Sample Choice of Law Clauses

- “This Agreement shall be governed and construed in accordance with the laws of Singapore.”
- “The Contract and all its subsequent variations shall be subject to, governed by and interpreted in accordance with the laws of Singapore for every purpose.”

Sample Arbitration Clauses

- “Any dispute arising out of or in connection with this contract, including any question regarding its existence, validity or termination, shall be referred to and finally resolved by arbitration in Singapore in accordance with the Arbitration Rules of the Singapore International Arbitration Centre (“SIAC Rules”) for the time being in force, which rules are deemed to be incorporated by reference in this clause.
The Tribunal shall consist of _____* arbitrator(s) to be appointed by the Chairman of the SIAC.
The language of the arbitration shall be _____.”

*State an odd number. Either state one, or state three.

- “Any dispute arising out of or in connection with this Contract, including any question regarding its existence, validity or termination, shall be determined by arbitration in Singapore in accordance with the Law Society Arbitration Rules in force at the commencement of the arbitration.”

Sample Mediation Clauses

- “All disputes, controversies or differences arising out of or in connection with this Agreement shall be submitted to the Singapore Mediation Centre for resolution by mediation in accordance with the Mediation Procedure of the Singapore Mediation Centre for the time being in force. The parties agree to participate in the mediation and undertake to abide by the terms of any settlement reached.”
- “Notwithstanding anything in this Contract, in the event of any dispute, controversy or claim arising out of or relating to this Contract, no Party shall proceed to any form of dispute resolution unless the Parties have made reasonable efforts to resolve the same through mediation in accordance with the Mediation Procedure of the Singapore



Mediation Centre for the time being in force. A Party who receives a notice for mediation from the other Party shall consent and participate in the mediation process or shall be deemed to be in breach of contract.”



Sample Med-Arb Clause

- “All disputes, controversies or differences arising out of or in connection with this agreement shall be submitted to the Singapore Mediation Centre (“SMC”) and the Singapore International Arbitration Centre (“SIAC”) for resolution by mediation-arbitration in accordance with the SMC-SIAC Med-Arb Procedure for the time being in force, which procedure is deemed to be incorporated by reference to this clause.”



SINGAPORE ACADEMY OF LAW

Singapore Academy of Law

The Singapore Academy of Law (“the Academy”) is the umbrella body of the legal community in Singapore and has more than 7,000 members. They include members of the Singapore Judiciary, officers of the Legal Service Commission of Singapore, all advocates and solicitors of the Supreme Court of Singapore, corporate counsel and faculty members of law schools. The President of the Academy is the Honourable Chief Justice of Singapore.

The Academy’s activities are driven by three strategic priorities: developing and supporting the legal industry, enhancing legal knowledge, and improving efficiency of legal practice through technology. Each of these aims at raising the standards and quality of legal practice and building a strong legal community in Singapore.

For more details on the Academy, please visit www.sal.org.sg. The Academy also provides authoritative commentaries on the essential principles of Singapore law at www.singaporelaw.sg, and the latest legal news at www.singaporelawwatch.sg



Law Society of Singapore

The Law Society of Singapore (“Law Society”), established in 1967, is the representative body for all lawyers in Singapore. It currently has about 3,500 practitioner members who are advocates and solicitors with practising certificates. Its membership also includes non-practitioner members such as foreign lawyers.

The Singapore legal profession is the only profession in Singapore that is self-regulated. The Law Society performs the key roles of both representing and regulating lawyers, in addition to providing *pro bono* legal assistance to the public.

The Law Society’s mission is to serve its members and the community by sustaining a competent and independent Bar which upholds the rule of law and ensures access to justice.

For more details on the Law Society and news relating to the legal profession, please visit www.lawsociety.org.sg



Law Society Arbitration Scheme

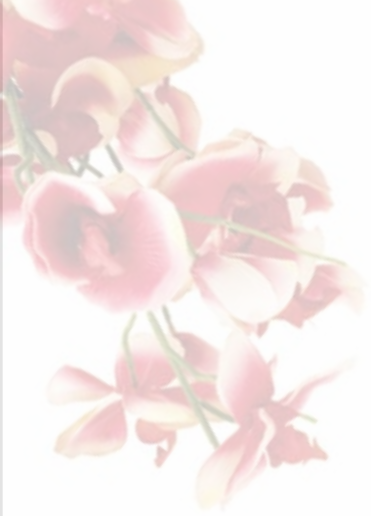
The Law Society Arbitration Scheme (“LSAS”), launched by The Law Society of Singapore on 1 August 2007, addresses the growing demand for quick and cost-effective ways to resolve civil and commercial disputes.

The LSAS is a comprehensive arbitration scheme with its own set of rules, a prescribed scale for arbitrators’ fees, its own panel of arbitrators and a Code of Conduct for its arbitrators. Arbitration under the LSAS, which may be under the domestic or international regime, is governed by the LSAS rules and supplemented by the general arbitration laws of Singapore. Either the Arbitration Act or the International Arbitration Act can be drawn upon as legislative support for certainty and structure in arbitration.

The LSAS rules are simple and flexible, and aim to have disputes resolved within 120 days of commencement of the arbitration. Parties may also elect to conduct the dispute on a “Documents-only” basis, where physical attendance by parties at a substantive hearing is not required.

For more details on the LSAS, please visit <http://www.lawsociety.org.sg/lzas/index.asp>





Singapore International Arbitration Centre (SIAC)

SIAC is an independent, non-profit organisation that serves the international business community in cross-border disputes. It has regional and international panels of experienced arbitrators with expert knowledge of different industries and language capabilities. In 17 years since starting operations in 1991, the SIAC has administered more than 1,200 cases, 80% of which are international. The number of new international cases filed at the SIAC doubled between 2003 and 2006. It now administers in the region of 150 cases at any one time.

For more details on the SIAC, please visit www.siac.org.sg



Singapore Mediation Centre (SMC)

SMC is a non-profit organisation dedicated to providing client-focused mediation services and cutting-edge training in dispute management and resolution. It has conducted training in 11 countries and attracted high-level officials and professionals from 59 countries to attend its workshops in Singapore. It has handled more than 1,400 disputes with a settlement rate of approximately 75%. Of the settled cases, more than 90% were settled within a day. SMC has the experience to manage commercial disputes of any kind and any amount. At least 20% of its case-load involves a non-Singaporean party.

SMC has an experienced and efficient secretariat to manage mediation matters. If necessary, it can arrange a mediation session in its purpose-built mediation chambers within 24 hours. SMC's scale fees, which cover mediator fees and other incidentals, start from a reasonable SGD 900 per party per day.

For more details on the SMC, please visit www.mediation.com.sg

Singapore skyline by night





With the support of :



Law Society of Singapore



Singapore International Arbitration Centre



Singapore Mediation Centre