

INTERNATIONAL NEWS

SINGAPORE ENACTS LAW ALLOWING FOREIGN LAWYERS' PARTICIPATION

Singapore's Parliament enacted a law on February 27 that will allow foreign lawyers to appear in international arbitrations conducted in Singapore when the dispute is governed by foreign law.

Parliament passed the Legal Profession (Amendment No. 2) Bill 1991, which is intended to offset the 1988 High Court ruling in *Turner (East Asia) Pte Ltd v. Builders Federal (Hong Kong)*. In that case, the High Court barred a U.S. law firm from appearing in an international arbitration in Singapore.

Foreign lawyers have complained bitterly about the *Turner* ruling. Many in Singapore have felt that it had the effect of limiting Singapore's role as a site for international arbitrations conducted in Asia, arguing that those parties who wished to use foreign attorneys simply refused to arbitrate in Singapore rather than use local counsel.

Turner was thus seen as having a negative impact on Singapore's desire to become an international trading and business capital, which was reflected in last year's creation of the Singapore International Arbitration Centre as an alternative to arbitration centres in Malaysia and Hong Kong (*see 2 WAMR 203, 245*).

As a compromise to satisfy local counsel, who have held a monopoly on international arbitrations since the 1988 ruling, the law provides that if the applicable law is Singapore law, local counsel will be required to appear jointly with the foreign counsel.

ADVERSE EFFECTS OF *TURNER*

Law Minister S. Jayakumar praised Parliament's action, saying that *Turner* "has given rise to speculation and uncertainty as to the participation of foreign lawyers in international arbitrations held in Singapore." Whether that decision "was rightly decided or not, it has unintentionally brought about adverse effects on the commercial reputation of Singapore as a centre for international arbitrations," he declared.

Jayakumar added that the requirement of having local counsel appear jointly with foreign counsel if domestic law is applicable will "act as a safeguard, as the local lawyer can advise the foreign lawyer on aspects of the local law in which the foreign lawyer may not have sufficient expertise."

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