

Zen & The Art of Legal Networking

INSIGHTS & COMMENTARY ON RELATIONSHIP BUILDING WITHIN THE INTERNATIONAL LAWYERS NETWORK

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Lindsay Griffiths



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[SIAC - Arbitration in Singapore, an ILN Conference Re-Cap](#)



Although generally I would make every effort to offer posts from our ILN conferences as they happen, in this case I am forced to write them after the fact. Because of the political turmoil in Bangkok, we had to make the decision four weeks before our Annual Meeting to move the conference to Singapore, so I was knee deep in last minute decisions and more on-site planning and execution as a result than is normally the case. So without further ado, I bring you some of the highlights from the ILN's 22nd Annual Meeting in Singapore!

In the first days of our visit, we had the pleasure of visiting [Maxwell Chambers](#), the home of the [Singapore International Arbitration Centre](#), where we met their head of business development, Ms. [Rachel Foxton](#), and their CEO, Mr. Ming Naing Oo. We saw several of their hearing rooms and learned more about the benefits of arbitration in Singapore during our Saturday morning session.

In recent years, Singapore has become an arbitration hub for the region, thanks to a number of initiatives making it easier to do arbitration there. One of these, Rachel told our group, was the construction of Maxwell Chambers. The SIAC is one of many arbitral institutions based there, along with the ICC and AAA.

Singapore has a common law system, which lends itself well to supporting international arbitration. In particular, Rachel mentioned that [the courts are very supportive of arbitration](#) - for parties that go to court unnecessarily when they've agreed to privately resolve their disputes via arbitration, the court will award indemnity costs against them. The support of the courts is one thing that Rachel felt makes arbitration popular in Singapore and give parties confidence in the process. Additionally, there is a tremendous amount of knowledge and expertise available in Singapore, both in terms of local firms and the 95 international firms who have offices there.

The SIAC, in terms of arbitral institutions, is relatively young, having only been established in 1991 as a not-for-profit organization. They offer institutional arbitration and have a secretariat to administer the process and a

set of rules for the parties. We learned that these rules have recently been reviewed, and will come out 1 July 2010, having recently been launched at an event in London.

In terms of the facilities that the SIAC offers, they assist in the appointment of arbitrators where the parties haven't agreed, and authenticate awards for enforcement. The SIAC is very much international in nature, with a team of 18 qualified lawyers from Australia, the US, India, China, the Philippines, Indonesia, and Singapore. Their Board of Directors is headed by [Dr. Michael Pryles](#), one of the world's leading arbitrators, and its Deputy Chairman, Sundaresh Menon, was recently rated very highly in the Global Arbitration Review as one of the leading arbitrators in the region.

The SIAC's qualified team of lawyers helps with the appointment of arbitrators, selecting them in relation to the qualifications and experience they have with respect to the dispute in question. The secretariat also works to handle the administrative tasks, including fixing fees, rendering accounts, and collecting deposits, so that the tribunals can instead focus on the substantive issues. Additionally, they scrutinize the awards with the help of the registrar and deputy registrar, which is helpful in terms of enforcement since not all arbitrators are lawyers.

The SIAC currently has [286 arbitrators from 30 countries](#), with fairly [strong standards for admission](#). Arbitrators must have 10 years of post-qualification experience in their field and have previously acted as an arbitrator. Rachel also mentioned that one of the things that is important to the SIAC is ensuring that one arbitrator doesn't have too many cases - so for this reason, they track cases and ensure in advance that the arbitrators have the capacity to act completely and efficiently on a case throughout the hearing and arbitration process.

[Ankit Goyal](#), the head of SIAC's India desk and one of their case managers, took the ILN audience through the important features of an SIAC arbitration and two recent cases of interest. The important features included:

- **Appointment of arbitrators:** In Singapore, whether an arbitration is ad hoc or institutional, the Chairman of the SIAC is the legislative appointing authority for arbitrators.
- **Financial management:** the SIAC has a schedule of fees, so that at the outset, the parties know what the costs will be. The cost is based on the amount in dispute and the arbitrators fees are capped. Additionally, at the end of an arbitration, the secretariat will do a cost determination to decide whether the full capped amount should be paid out, or a lesser percentage.
- **Scrutiny of awards:** the SIAC's scrutiny of awards gives the parties comfort that they can get the awards enforced.

Ankit then offered two recent SIAC cases, which illustrated both the SIAC's ability to administer and facilitate the arbitration, as well as their arbitrator's ability to truncate timelines as indicated and necessary. Rachel said that the average arbitration can take up to 18 months, but made the point that people tend to think of administered arbitrations as following one set of inflexible rules when arbitrators, who are commercial men, can actually cater the timetable to the needs of the parties.

We learned that the SIAC has seen a significant increase in their case load since 2008, of 62% in 2009. This indicates that arbitration is on the rise, which makes sense with the current global financial crisis. But it also indicates a trend to have disputes arbitrated in the region where they occur, rather than taking them to London or Paris.

Rachel said that most institutions have seen about a 20-25% increase in arbitrations, but the SIAC's increase has been much more significant, because of the confidence people have in the SIAC's administration and because of the facilities available at Maxwell Chambers. The largest percentage of their arbitrations come from India, followed by China, and they also see significant cases from Malaysia and Indonesia.

It is interesting to note that administered arbitrations are enforceable in China, whereas ad hoc arbitrations are not. Additionally, there can be issues with enforcement of arbitration awards from Hong Kong in India, but not from awards issued in Singapore.

Lindsay Griffiths of the International Lawyers Network
179 Kinderkamack Road
Westwood, NJ 07675
Phone: (201) 594-9985
Fax: (201) 740-9765