Singapore law firms boost tax practices

Move in tandem with demand driven by growing private banking clients, litigation

By CHEN HUIFEN

Driven by the growth of the wealth management business, and transactions requiring more complex tax advisory, Singapore law firms are expanding their tax practices.

Lawyers also note the increasing trend of using litigation for resolving tax disputes.

Amid the pessimism surrounding an impending global slowdown, law firms are reporting a rise in demand for tax advice, as there is a greater focus on corporate governance.

Also, Singapore’s booming wealth management industry and the rise in cross-border deals are making companies and rich individuals seek more advisory services.

Rajah & Tann has added Yeoh Lian Chuan, a former partner at Allen & Gledhill, as well as leading tax academic Stephen Phua to its team.

KhattarWong recently welcomed Alan Ow, former senior deputy commissioner at the Inland Revenue Authority of Singapore (IRAS), as its new tax consultant.

“Litigation through the courts has grown in importance as a method of resolving tax disputes,” said Rajah & Tann partner Stacy Choong, a member of the firm’s tax team. “Historically, there has been limited tax litigation in Singapore but this is changing.

“This trend can be clearly seen from the number of cases in the past few years. In income tax alone, the number of cases was 10 in 2003, fewer than 10 cases were litigated in 2004, and over 20 cases in 2006,” he said.

Mr Yeoh joins Rajah & Tann this month after more than six years at Allen & Gledhill’s financial services department.

Between 1998 and 2001, he was with the Monetary Authority of Singapore, where he held the position of deputy director in the central bank’s financial centre development department and was also head of its tax unit.

He was recently cited as a leading tax practitioner in Who’s Who Legal (2008), The Practical Law Company’s Which Lawyer (2008) and Best Lawyer’s 2008.

Prof Phua is a lecturer at the National University of Singapore. He is a member of the Ministry of Finance’s tax advisory group, the GST Board of Review and the Valuation Review Board.

The duo’s entry is expected to strengthen the depth and breadth of tax expertise at Rajah & Tann, which has been building up the tax team in the past.

Last month, Ms Cheong, a tax and trust law specialist, joined the firm from Drew & Napier.

Her move follows that of Christina Ng, who last year joined the tax group at Rajah & Tann. Ms Ng is currently tax counsel to Norway’s Renewable Energy Corp, which is building a $6.3 billion solar energy plant in Singapore.

KhattarWong’s Mr Ow is CEO of the Tax Academy of Singapore. A recipient of three Public Administration Medals, he recently retired from IRAS after an illustrious career spanning more than 30 years.

“Alan’s extensive width and depth of experience in tax matters, especially from the regulatory board perspective, will serve to add increased dimension to our capabilities,” said KhattarWong’s head of tax, Leon Kwong Wing.

Drew & Napier has taken on veteran tax lawyer Ong Sim Ho to lead and expand its tax law practice. Mr Ong joins the law firm after running a very successful boutique law practice for about seven years.

Lawyers say there is a shortage of tax lawyers because it takes time to become tax specialists.

Said KhattarWong senior partner Gurbachan Singh: “There is a shortage of tax lawyers. Not many students at the universities enrol to read revenue law which is not a compulsory subject.

“Given the increase in demand for their services, tax lawyers are not readily available. The shortage is compounded by the long gestation period required for on-the-job training for those who wish to switch to this area of the law.”