Foreign law firms eye access

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by Pamela Koh

SINGAPORE - More foreign law firms have expressed interest in applying to practice in commercial areas of Singapore law, following an announcement by the government that it will award a second round of licences by next year.

The government awarded Qualifying Foreign Law Practice licences to six firms in 2008. Hoping to join the club is United States law firm Jones Day, which has opened four offices globally in the past year alone.

Another firm, UK-based Watson, Farley & Williams, is also eyeing a licence. Its Singapore office head, Mr Chris Lowe, said: "The licence is going to be important for us because it means we can have more people who can practise Singapore law. At the moment ... we are hitting a boom in this part of the world in the natural resources side, power and energy and transport - that's great, and we're going to need more lawyers."

While some 600 law graduates enter the market annually here, questions have been raised on whether there is enough supply to meet the growing demand for local lawyers.

Professor Simon Chesterman, dean of the law faculty at the National University of Singapore, said it is too early to rule out the option of setting up a third law school to counter the talent crunch. But he cautions that it is an idea that needs careful consideration.

Other concerns include the potential fiercer competition from foreign law firms. But at least one firm dismissed this.

TSMP Law Corporation joint managing partner Stefanie Thio said: "It's a complete myth that international firms coming into Singapore will cannibalise Singapore law firms' work because the cost structure of international firms is such that they bid for totally different areas of work from most of us."

"They bid for project finance and international financing work, a domain that Singaporean law firms have not been able to penetrate that successfully. It's going to be good for the market generally," she said.

The Ministry of Law said in a statement that it would be premature to predict the number of new licences to be issued at this juncture.