



Opening Address by Minister for Law, K Shanmugam, at the launch of the NUS Centre for Banking and Financial Law

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Excellencies,
Mr Simon Chesterman, Dean of NUS Faculty of Law,
Ms Dora Neo, Director of the Centre for Banking and Financial Law,
Judicial Commissioners,
Ladies and gentleman,

1. A very good morning to all of you.
2. Thank you for inviting me to today's event, for this launch.

I. Why are we launching this centre?

3. Why are we launching this centre, and why is the government putting a substantial sum of money into this as well as the other centres, and encouraging NUS to go down this route?
4. The context is this: the banking and financial sector is one of the key planks of our economy as all of you know.
 - a) We have succeeded in positioning ourselves as one of the world's top five financial centres, and we are now home to more than 200 banks and 700 financial institutions.
 - b) Our banking and financial services sector contributes about 12 per cent of our GDP and just under 200,000 jobs in Singapore.
 - c) We expect to continue to grow this sector as our regional economies and Asia grows.
5. How does the legal sector fit in? It plays an integral part in contributing to the success of the banking and financial services sector.
6. The banking and financial services sector presents our lawyers with several opportunities.
7. We have seen the legal profession grow in the last five years, not just due to the banking and financial services sector, but as a whole.
 - a) The value of legal services has grown between 2008 and 2013 by 71.5 per cent, and the nominal value-add of the sector has grown by 40 per cent in the same period, five years.
8. In that context, my Ministry will continue to develop initiatives to strengthen the legal sector in Singapore.
 - a) We have focused quite a lot on arbitration, we're now going to set up the Singapore International Commercial Court (SICC).
 - b) We have announced plans for the Singapore International Mediation Centre (SIMC) and the Singapore International Mediation Institute (SIMI). They will be launched towards the end of this year.
 - c) And we will support the efforts to regionalise by our Singapore law practices by providing schemes and incentives to help them develop international capabilities.
 - d) We will give concessionary corporate income tax rates and training grants. These will be made available for firms with plans to develop a regional practice from Singapore.
 - e) There is of course the Productivity and Innovation Credit which is fairly liberally available, and a Capability Development Grant, applicable to firms with at least 30 per cent of local shareholding.

II. Centres of Excellence

9. That's the background context to what we are doing with the legal profession. And as we develop as a financial centre, the government is very keen that we develop intellectual leadership and capabilities in this field.
10. Both Law Schools aspire to be the premier law schools in Asia, and among the premier law schools in the world, and we are fully committed to supporting both of them in that aspiration.
11. To support NUS Law School, the Government has provided significant funding for it to establish these four new centres:
 - a) The Centre for Law and Business;
 - b) The Centre for Maritime Law;
 - c) Centre for Asian Legal Studies; and

d) Centre for Banking and Financial Law.

12. This comes in the context of the rest of the world, budgets being cut for universities and law schools. But we believe very strongly that this is important for Singapore. We hope that the Centres will:

- a) Provide the scholarship necessary to keep pace with the needs of the respective industries;
- b) Continue to educate lawyers with specialist skills;
- c) Build up a strong core of home-grown academics in the law faculty who are able to articulate and grow Singapore law as a law of choice for commerce in the region, and are able to help in the development of our own jurisprudence particularly in areas of law that are inherently contextual, for example constitutional law and human rights law;
- d) Build up global reputations for the law schools and thought-leadership through the work and academic output of the research centres.

13. That leadership will also place us in a better position to influence how the law is shaped in ASEAN and indeed, Asia.

III. Centre of Banking and Financial Law

14. Turning to the Centre of Banking and Financial Law in particular, to cement Singapore's position as a leading financial centre, we must have lawyers who are able to cater to the needs of these banks and financial institutions.

15. Lawyers who are:

- a) Practising in law firms;
- b) Regulators of the financial industry;
- c) Policy makers;
- d) In-house counsel; and
- e) In academia.

16. As issues confronting the financial industry become even more complex and esoteric, it becomes all the more important that the legal community is able to keep itself apprised of the latest developments.

17. For example,

- a) The global regulatory landscape for banks and financial institutions is evolving;
- b) Regulatory changes in the US and European Union drive legal and compliance work. Compliance teams in financial institutions have expanded significantly.
- c) This trend is continuing. A number of international law firms have also started or bolstered regulatory risks and compliance practices.

18. The CBFL should aspire to undertake scholarship and applied research that will be relevant to the needs of banks and financial institutions:

- a) The Centre can convene practising lawyers, regulators, policy makers, in-house counsel, students and academics from the region to discuss practitioner concerns and issues, and to share ideas and perspectives.
- b) It can also study and research issues of banking and financial law, such as the harmonisation of laws in this area, and contribute to the development of better laws and regulation, both in Singapore and in the region.
- c) Build up expertise in Singapore, especially amongst our local lawyers and policy makers.
- d) Enable the various stakeholders to have a better appreciation of a broad range of issues.

19. This will benefit Singapore and our Bar, and it will help to raise the profile and use of Singapore law for various financial transactions.

20. The official launch today, together with Professor Wood's lecture is a good beginning, and I think most of us, if not all of us will know Professor Wood, a well-known scholar in the field of corporate finance.

- a) He will speak on the future of banking and financial law, and the roles that lawyers will play.
- b) If you look at the list of books that Professor Wood has published, those of us who were in practice in the 80s, his Book on Set-Offs in 1989 was a standard text, particularly in the context of the then-crises that we were facing.
- c) And of course the Law and Practice of International Finance Series, which was very well-received.

IV. Conclusion

21. I wish the Centre every success as it embarks on this journey to build capabilities and scholarship in this very important area of banking and finance.

22. Thank you.

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