Carrots for lawyers to stay in S’pore

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LAW graduates here will soon have new options as they embark on a legal career - such as a position in a foreign law firm and opportunities in enhanced joint local and foreign law ventures.

But the changes recommended to shake up the legal sector, unveiled yesterday, also herald a far more competitive landscape for law students, as the doors are opened wider for their foreign counterparts.

The recommendations covered three main thrusts - liberalisation, law education and disciplinary proceedings for errant lawyers.

Announcing that the Government has agreed in principle on the recommendations put up by a committee headed by Justice V K Rajah, Law Minister S Jayakumar singled out liberalisation as a necessary step for Singapore’s ambition to be a regional legal services hub.

Professor Jayakumar said he hoped that “bright young lawyers” working or tempted to work in foreign firms may now see that there is also an opportunity for them to work in big firms in Singapore.

Currently, foreign law firms in Singapore can only engage in offshore “high-end” work in the areas of intellectual property, international arbitration, finance and banking, and maritime laws.

Under the Joint Law Venture (JLV) scheme, they can partner a Singapore law firm and use the lawyers on its payroll for work involving the Republic’s laws.

Under a new Qualifying Foreign Law Firm Scheme, up to five licences will be granted to foreign law firms to set up shop here. The Government will call for proposals and evaluate them based on criteria such as the firms’ commitment to maintain a large outfit.

The eight-year-old JLV scheme would also be enhanced to let foreign law firms share up to 49 per cent of the profits with its Singaporean partner firm in the permitted areas of cooperation.

Prof Jayakumar said feedback had indicated a “dire need” for legal services to support the rapid expansion of the banking and finance sector.

In the last decade, the numbers of foreign law firms and lawyers have stagnated. In 1997, there were 66 foreign law firms. As of July 31, there were 71.

Between 2000 and this year, the number of foreign lawyers in Singapore increased marginally from 576 to 645. Over the same period, the number of Singapore graduates going on to work in foreign law firms has remained flat here or overseas, increased from 15 to 119.

Unchecked, the trends could mean that top foreign law firms may see Singapore as only a satellite office of Hong Kong, the committee cautioned in its report.

Good local graduates may also leave for law firms abroad.

The committee noted that foreign law firms were unlikely to eat into the turf of small and medium local law firms, which mainly focus on “general practice” and more matrimonial and litigation matters.

The Law Society said it welcomed Prof Jayakumar’s assurance that it would have joint disciplinary jurisdiction with the Attorney General on local lawyers practising Singapore law in a foreign law firm.

Prof Jayakumar expects an implementation committee to be set up within the first half of next year.

Even with these recommendations in full swing, Singapore’s legal services would be less liberalised than rival Hong Kong’s.

A Singaporean lawyer, who left one of the biggest foreign firms here to work in one of the few top law firms (known as the Magic Circle) in Hong Kong, in now earning three times more than she used to.

Noting that Hong Kong is a lot nearer to China, a huge market for legal services, the 27-year-old told TODAY: “It doesn’t mean that if you get in the big-name foreign firms, the work will follow. It’s the lawyers who follow the work.”

Still, Prof Jayakumar indicated that the liberalisation process could be aggressively ramped up over the next few years, with a review on the cards within 18 months of implementation.

“I want to stress that these are the first steps in a calibrated and measured approach... It is not a big bang approach,” he said.

The committee also proposed that the undergraduate law programme be shortened from four to three years, with an option to chart out lawyers at a quicker rate.

But Associate Prof Tan Cheng Han, the dean of National University of Singapore’s law faculty, said that a four-year programme was needed to “sufficiently prepare law graduates for cross-border practice”.

Added Prof Michael Frenson, the dean of Singapore Management University’s law school: “I spent 50 years of my life teaching in English law schools with three-year law degrees, and you teach nothing but law.”

“There’s no doubt that law students need to see law in its context and study other subjects.”