

Information on New Arbitration Initiatives

Singapore is recognised as a leading centre for international arbitration work, with a reputation for reliability, efficiency and neutrality. Our laws are arbitration-friendly and the judiciary understands and is highly supportive of arbitration. Singapore is also well-connected by air and is extremely business friendly. All this has helped to establish Singapore as a key international arbitration location.

2 Building on these strengths, the Ministry of Law has embarked on various initiatives to grow the arbitration industry in Singapore, with support from other government agencies and industry partners. These initiatives include the ongoing development of an integrated dispute resolution complex, a tax incentive for law practices carrying out international arbitration work, easier immigration procedures for persons involved in arbitration and mediation, and the establishment of international arbitral institutions in Singapore, such as the American Arbitration Association and the Permanent Court of Arbitration.

3 There are now two new developments that will add to the attractiveness of Singapore as a venue for international arbitration:

- a. A tax incentive for law practices carrying out international arbitration work with hearings in Singapore, and;
- b. A work pass exemption for those entering Singapore for arbitration and mediation services.

Tax Incentive for International Arbitration Work in Singapore

4 Singapore is already a preferred choice as a venue of arbitration in the region. This is of no surprise – many law practices, arbitrators and even arbitration clients are well aware of our sterling reputation in international arbitration circles. However, there is still much room for Singapore to capture a larger regional share of this industry, as evidenced by the strongly increasing volume of international arbitration cases being heard here each year.

5 This tax incentive allows law practices to capitalize on this positive trend. They can now enjoy a tax exemption on a portion of their arbitration income from international arbitration cases with hearings in Singapore, for up to five years. Holding arbitrations in Singapore regularly would translate into significant tax savings for the law practice.

6 This tax incentive serves to encourage law practices to promote Singapore as an arbitration hearing venue. It will also be a prime consideration

for those deciding where to locate their regional arbitration practices to cater for the burgeoning Asian market. If a law practice already carries out substantial arbitration work in Singapore, but is not based locally nor has partners who are tax-resident here, establishing an outfit in Singapore will instantly generate tax savings.

7 For more information on the incentive, please contact:

Ms Eunice Tan at Eunice_Tan@MLAW.GOV.SG, 6332 8859, or

Mr Seck Yee Kwang at YeeKwang@EDB.GOV.SG, 6832 6546

Work Pass Exemption for Arbitration and Mediation Services

8 It is now more convenient for non-residents to enter Singapore to carry out arbitration and mediation work. As of 1st February 2008, non-residents no longer need to apply for a work pass to carry out arbitration and mediation services in Singapore.

9 Previously, it was a requirement for persons entering Singapore to carry out arbitration and mediation work to apply for a work pass. This would have applied to persons such as arbitrators and legal counsel. This was an administrative burden to those involved in alternative dispute resolution hearings in Singapore.

10 A work pass is now no longer necessary. Instead, arbitration and mediation work can be performed whilst holding a Social Visit Pass, subject to a maximum of 60 days, as long as the case is not religious, racial or political in nature. The Social Visit Pass does not require any application in advance, as it will be granted on entry at our immigration checkpoints. Once in Singapore, all that is required is for the person to make a simple e-notification using an online form available at www.enotifywpe.mom.gov.sg. This process only requires the filling in of personal particulars, and should take no more than 5 minutes.

11 This exemption is applicable to the following persons when they enter Singapore to perform services directly related to arbitration or mediation:

- a. Arbitrators / Mediators
- b. Legal Counsel
- c. Other professional service providers involved in the proceedings, for example, translators and transcribers

12 For more information, please visit www.mom.gov.sg.