

**Transcript of Clarifications on Legal Services Sector**  
**Ministry of Law's COS Debate 2010**

**MP Alvin Yeo**

Two clarifications, Mr Chairman. I certainly wasn't seeking to reopen the debate on liberalisation. That debate has been done. As I mentioned, I was on the side that was for it. My request of the Minister was for, if you like, an update on the progress thus far: specifically have we gotten feedback from the banks and financial institutions which are key players in the financial sector which we are trying to support. It's an enhancement of the level of services.

My second request for clarifications related to my call to allow Singapore firms a chance to pitch for their work – not to force them to use us, but to give us a chance to compete. This becomes more relevant as Singapore companies venture overseas, because if we can't persuade Singapore companies to allow us a chance to tender for our work, it becomes even more difficult to convince non-Singapore companies. And this is not unknown. US and Japanese companies, just to name two, often bring their lawyers with them. Perhaps I can invite our Minister to comment on that.

**Minister(Law)**

I thank Mr Yeo for the two clarifications. On his first point as to whether there is specific feedback from financial institutions and others on the liberalisation and the new entrants, it's early days. Most of them started their practices only in the middle of last year. And as Mr Yeo and members know, last year was probably not a banner year for financial institutions. Having said that, the feedback from the general industry has been positive. It's been positive amongst young lawyers, for obvious reasons, which Mr Yeo appreciates. I'm sure his firm, like many other firms, are under pressure because young lawyers are being approached by the international law firms with remunerations which are somewhat higher. The feedback from clients and financial institutions has also been generally positive. So I think if you were to take a snapshot at this point in time and ask: Has it worked out in the way that we envisaged, the answer must be: It certainly looks like getting there, though it's early days. I would suspend judgement on this for some time, because if you have implemented a policy like this, which by its very nature has a very long term perspective, you need to take time to assess it.

As to the second point about encouraging our Government Linked Companies (GLCs), Temasek Linked Companies (TLCs) and so on to use Singapore law firms, I think we have many CEOs and senior people within this chamber itself – we know how the market works. It's not even specifically law firms. They look for specifically the kind of lawyer who can assist them in the specific matter. It's not much that the Government can do to even suggest to the corporates and private institutions that

they should allow everyone to tender. But I think it's in the interest of the corporates, the GLCs, TLCs and others – for the very nature of process, it makes sense to open the process up, as far as possible, to all who can add value and then choose the best.

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