

## **FACTSHEET 1**

### **KEY RECOMMENDATIONS OF THE THIRD COMMITTEE ON THE SUPPLY OF LAWYERS**

1 On 6 December 2005, the Deputy Prime Minister and Minister for Law appointed a third committee (“the 3<sup>rd</sup> Committee”) “to review the supply of Singapore lawyers to meet the legal and business needs of Singapore”.

2 The 3<sup>rd</sup> Committee, having reviewed the current state of legal services in Singapore, and in particular that of the legal profession, makes the following observations:

- (a) there is an acute shortage of practising lawyers due to the inability of the legal profession to replace its own population during the years 2000 to 2005;
- (b) there has been a growing increase in the number of in-house or corporate counsel during this period although the precise number is not known, reflecting the growing demand for corporate legal services by businesses and public bodies in Singapore;
- (c) the offshore legal services sector saw a decline in the number of foreign lawyers based in Singapore due to the decline in regional demand for legal services;
- (d) there has also been a growing increase in the number of Singapore lawyers joining foreign law firms (“FLFs”) to work either in Singapore or in other financial centres such as London, New York, Hong Kong and Shanghai during this period; and
- (e) the number of Singapore lawyers employed by multi-national corporations and other foreign and local companies in Singapore has also increased during this period, mirroring a decline in the number of foreign corporate counsel.

3 The 3<sup>rd</sup> Committee recommends that the legal services sector should, over and above the annual intake of 250 at the NUS Faculty of Law and output of 90 from the Overseas Scheduled Universities, aim for an increase of about 140-150 additional legal professionals each year from 2010 until 2015. This target should be met by:

- (a) an increased student intake by local law school(s) beginning from 2007;
- (b) the supply of law graduates from the current list of qualifying law schools from the Overseas Scheduled Universities, and such other law schools as may be accorded recognition for admission to the Singapore Bar under any bilateral, regional or multilateral Free Trade Agreements (“FTAs”) or Comprehensive Economic Cooperation Agreements;
- (c) extending recognition for admission to the Singapore Bar of holders of Second Class (Lower Division) Honours law degree or its equivalent from the Overseas Scheduled Universities who have additional professional experience or qualifications with effect from 2007; and
- (d) importing foreign talent on an ad hoc basis, according to market needs.

**A. *Increase Student Intake at Local Law School(s)***

4 The 3<sup>rd</sup> Committee is of the view that it is still important for the majority of the Singapore practising lawyers to be locally-trained. The NUS Faculty of Law should accordingly be permitted to increase its annual intake of law students up to a maximum of 250 law students each year beginning from 2007 for the next five years, but with the option to reduce the intake if a second law school is set up.

5 To provide a desirable number of locally-trained lawyers for the legal services sector in excess of the 250 law students which the NUS Faculty of Law can produce, the Government should consider the feasibility of setting up a second law school in Singapore to produce an additional estimate of 90 law students.

**B. *Admission of Legally Experienced Overseas Second Class (Lower Division) Honours (or Its Equivalent) Law Graduates***

6 To alleviate the current shortage of lawyers, overseas law graduates holding Second Class (Lower Division) Honours law degrees or its equivalent from the Overseas Scheduled Universities and who are Singapore citizens or permanent residents shall be permitted to qualify for Singapore law practice if they:

- (ai) have 3 years of legal work experience either in a FLF or Singapore law firm (“SLF”), or as Assistant Public Prosecutors or legal executives in the Singapore Attorney-General’s Chambers (“AGC”); or
  - (a ii) are qualified as solicitors of either Hong Kong or England & Wales;
- and
- (b) have completed and passed the Diploma in Singapore Law course and the PLC conducted by the BLE.

The current stock of such law degree holders is not known, but a rough estimate would be around 300 for the period 1997-2005.

### **C. *Talent Tap for SLFs scheme***

7 To make up for the migration of local talent from the domestic sector to the offshore legal services sector and to enable the SLFs to grow their regional practices, a market-driven mechanism to allow the entry of foreign legal talent under a “Talent Tap for SLFs scheme” should be put in place for the qualifying SLFs to sponsor and employ high quality foreign lawyers<sup>1</sup>. These lawyers may eventually qualify to practise Singapore law within the qualifying SLFs to the extent and subject to the conditions prescribed by section 130C of the Legal Profession Act (“LPA”). The minimum qualifying criteria that are envisaged will be as follows:

- (a) foreign lawyers already qualified in their respective home jurisdictions, of good standing, and possessing either excellent academic qualifications from reputable law schools or relevant working experience in Tier 1 and Tier 2 work in foreign laws in banking, finance, corporate and other areas of legal or regional practice as may be approved by the Attorney-General;
- (b) assured employment by the qualifying SLFs and they must remain in such employment continuously for a minimum period of 1 year; and
- (c) after completion of the minimum period of employment, they may take the section 130C (3) of the LPA courses and modules (that is, take and pass the current qualifying examination prescribed for foreign lawyers working in JLVs in order to practise Singapore law).

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<sup>1</sup> The President of the Law Society does not agree to this proposed scheme, expressing concerns about the nature of the scheme and its impact on the perceived quality of the legal profession and the value of the right to practice Singapore law.

8 There is an inherent lag time of at least 5 years between any policy approval and the increase in output of law graduates. The recommendations in this Report will not result in an appreciable increase in the number of young lawyers entering the market in the next 5 years. Any significant increase in numbers will only take effect from 2010.

9 The next review on the supply of legal professionals in Singapore should therefore be undertaken in 2010 in the light of market demand against the numbers produced by NUS, the Overseas Scheduled Universities, the “Talent Tap for SLFs scheme” and the new law school, if established by 2007.

10 The recommendations in this Report, if accepted, should be implemented as soon as practicable.

### **Observations by the 3<sup>rd</sup> Committee on Potential Growth of Singapore’s Legal Services Sector**

11 The 3<sup>rd</sup> Committee stated that, “the need to increase the supply of lawyers is undeniable, given the ongoing demographic changes in the legal profession. The need to do so is also urgent as the Singapore economy, both domestic and external, continues to grow.” The 3<sup>rd</sup> Committee agrees that the demand for lawyers goes beyond the legal profession and includes new market demand for in-house counsel in multi-national corporations and other foreign and local companies in Singapore. More lawyers are needed to meet the future legal needs of the Singapore economy on the basis of the projected GDP growth and growth in the export of legal services.

## COMPOSITION OF THE THIRD COMMITTEE

### CHAIRMAN

<b>Mr Chan Sek Keong</b>	-	Attorney-General, Attorney-General's Chambers (till 10 April 2006)
	-	Chief Justice, Supreme Court (from 11 April 2006)

### MEMBERS

<b>Mr Philip Jeyaretnam, Senior Counsel</b>	-	President, Law Society of Singapore
<b>Mr K Shanmugam, Senior Counsel</b>	-	Partner, Messrs Allen & Gledhill
<b>Prof Tan Cheng Han, Senior Counsel</b>	-	Dean, Faculty of Law, National University of Singapore
<b>Dr Philip Pillai</b>	-	Senior Partner, Messrs Shook Lin & Bok
<b>Mr Greg Tanner</b>	-	Senior Vice President, Strategic Development, Asia Pacific, DHL and former President, Singapore Corporate Counsel Association
<b>Mr Kenneth Tan</b>	-	Director, Cluster Development, Economic Development Board

### SECRETARIAT:

<b>Mr Soh Tze Bian (Secretary)</b>	-	Senior State Counsel, Attorney-General's Chambers
<b>Ms Sharon Ong (Deputy Secretary)</b>	-	State Counsel, Attorney-General's Chambers
<b>Ms Ranjini Ramakrishnan (Assistant Secretary)</b>	-	State Counsel, Attorney-General's Chambers