

Monthly Maritime Korea (December 2012) <Zoom Up> (at page 86, 87)

The SCMA aims to be the Center for maritime arbitration in Asia region

Over 100 experts participated at the SCMA Conference held at Royal Hotel, Seoul on November 14, 2012.

The SCMA's swift response and advertisement in accordance with the new development of increasing maritime matter disputes in the Asian regions drew attention. The effort for the SCMA to become the center for solving Asian maritime related disputes could be confirmed at the Conference held by the SCMA on November 14, 2012 at Royal Hotel, Seoul.

The Conference was opened by Prof. Captain In Hyeon Kim (Korea University)'s opening speech and Permanent Secretary of Singapore's Ministry of Law Dr. Beh's keynote speech, followed by the Director Captain Lee Wai Pong's explanation on the overview of the SCMA and its history. Prof. In Hyeon Kim also made presentation on how to develop Korean Maritime Arbitration, followed by the speech of Mr. JH Kim from Hyundai Heavy Industry on International Commercial Arbitration, Mr. SD Shim from Charles Taylor Singapore on charter parties and arbitration and other speakers.

Prof. In Hyeon Kim said, in the opening speech, that the SCMA conference was originally organized for introducing the SCMA to the Korean market but programs for promoting Korean maritime arbitration was added in order to reflect the increasing desire in Korean maritime society and he wished that the



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conference serves for the mutual development of both Singapore and Korean Maritime arbitration.

Dr. Beh said that maritime arbitration became important as a means to solve maritime related disputes among ship owners and ship builders. He addressed that the numbers of legal disputes has been increasing in line with the expansion of investment and trade volume in the Asian region, and owing to the geographic location of Singapore between China and India, Singapore plays important role as a center for solving legal disputes.

Dr. Beh explained that Singapore government implemented many measures to become center for dispute settlement in the middle of the 1990. He further introduced to the audience that Singapore government gave tax exemption to income earned by foreign arbitrators in Singapore and the SCMA had system to accept foreign governing law and foreign lawyer's participation. He explained that several arbitration institutions such as PCA, ICC, AAA, SCMA and SIAC resided in the Maxwell Chamber and thus international arbitration could be held conveniently. He stressed that Singapore was ranked by ICC as one of the top 5 arbitration venue alongside Paris, London, Geneva and Zurich. He further explained that the SIAC dealt with over 200 cases since 2010. Apart from Singaporean arbitrators, SCMA Panel of arbitrators includes many other nationalities including many from LMAA. In April 2012, BIMCO announced the inclusion of Singapore as a venue of arbitration alongside London and NY in all of its revised and new documents.

He ended his speech by stressing that the SCMA would certainly offer itself as an attractive arbitration venue for the Korean customers as it is based on Singapore's supportive legislative framework, good hard and soft infrastructure, neutrality and impartiality.

Prof. In Hyeon Kim introduced that the SCMA was a kind of ad-hoc arbitration rather than an institutional arbitration and thus the arbitration process was led by the arbitrators with applicants rather than the SCMA. He added that the arbitration cost was decided by the agreement between arbitrator and applicants and only two staff (Executive Director and Assistant) paid by the Singapore Maritime Fund (SMF) works for the SCMA.

In his presentation, Prof. In Hyeon Kim explained about Korean situation on maritime arbitration as followings: "Korea's dependence on foreign countries is too high. About 90% of maritime disputes involved in Korea interests are dealt in London. However, new trends to insert Korean governing law clause in maritime cases appeared recently in Korea: a study group for ship building contract was established; a Korean marine insurance company started to engage in Korean governing law clause in an insurance contract for shipbuilding; a relevant Korean agency made an official interpretation that the buyer (shipowner) who orders shipbuilding in Korean shipyard should enter into the shipbuilding insurance contract with Korean marine insurance company pursuant to the Korean Insurance Act.

Prof. In Hyeon Kim suggested several measure to be taken in order to develop maritime arbitration in Korea: the establishment of an efficient arbitration centre similar to the SCMA or LMAA in the form of an independent agency or a



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part of current Korean Commercial Arbitration Board(KCAB); production of maritime arbitrators; publication of books or articles written in English explaining Korean maritime law; effort to use Korean governing law and Korean arbitration between Korean parties; and set-up of a nationwide committee to develop Korean maritime dispute settlement regime. He recommended that Korean maritime arbitration should modeled on the SCMA regarding the composition of secretary, and a public fund like SMF should be established in order to support the Korea Maritime Arbitration Board financially. He spoke to the audience that Korean maritime experts should be listed as an arbitrator in the SCMA as many as possible, which will eventually enhance the customer's reliability on the Korean maritime arbitration.

(Reported by In Ae Lee)