LETTER

Singapore far from a threat to London on arbitration front

▸**NICHOLAS WOO:** Writes that the actual location of arbitration (compared to the juridicial seat of the arbitration) is becoming increasingly irrelevant.

Photo: BIRKETTS

Re: "Singapore arbitration primed for bright future"
(*TradeWinds 20 September, page 32*)

To the Editor

As a former Singapore citizen, I am always heartened to see that Singapore is making so much progress in its efforts to make itself a maritime service centre. In particular, in terms of shipping litigation, Singapore has excellent lawyers (all trained in English common law) that clients (including English solicitors like myself) can turn to with total confidence when vessels have to be arrested etc. The SMAC (Singapore Maritime Arbitration Center) also has on its panel a number of LMAA (London Maritime Arbitrators Association) arbitrators, which lends it additional credibility in the eyes of the shipping world more used to London arbitration.

However, your report gives the impression that the 70 cases that the SMAC has had since 2009 is significant in terms of maritime arbitrations worldwide (although I will concede that it may be significant from a Singaporean point of view). To put that number into better context, in the same period, LMAA full members have recorded about 10,000 arbitration cases (not counting those arbitrations where only supporting members of the LMAA have been appointed) and have published over 2,000 awards. Eight percent of the awards were published using a documents-only procedure — that is, without the expense of an oral hearing — some of which on the very cost effective Small Claims Procedure Rules.

I would also like to clarify a few matters about what was said in the article. Firstly, in the world of modern communications, the actual location of the arbitration (compared to the juridicial seat of the arbitration) is becoming increasingly irrelevant. This is especially so when the overwhelming majority of London arbitrations are conducted on paper only. In the case of the minority of cases that involve hearings, it might be that a Chinese witness may have more difficulty obtaining a visa at the last minute to attend an arbitration in London than in Singapore. This is quite easily circumvented through the use of modern video conferencing facilities (and saves on the carbon footprint to boot). Thirdly, save where the arbitration clause requires that arbitrators "shall be full members of the LMAA", London is a very open place in respect of the appointment of arbitrators. The ad hoc nature of London arbitration means that an arbitrator of any nationality can be appointed irrespective of where that arbitrator lives and works, even if the seat of the arbitration is in London. Likewise the hearing may take place at a location chosen by the parties other than London. Even if the arbitration agreement requires the arbitrator appointed to be a "member of the LMAA", there are many supporting members who meet this requirement located in all the major maritime jurisdictions, including Hong Kong, Singapore, India and the PRC (People's Republic of China). For example, there have been several extremely well-qualified arbitrators from the PRC who have been appointed in recent London arbitrations, all without valid objection. Finally, it is not necessarily the case that London arbitrations are more expensive than Singapore. This is a complex issue not given to discussion in this letter, but I believe the P&I [protection-and-indemnity] and Defence clubs will have a better insight into this, given that they fund a large number of these shipping arbitrations. They may not share the view quoted in your article.

In conclusion, I very much welcome the competition from Singapore arbitration and can only see it as a good thing for both London and Singapore. However, with respect, I believe Singapore has some way to go before it poses any threat to London for the position of the world's leading centre for maritime arbitration.

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For and on behalf of
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