PRESS RELEASE

Update on Qualifying Foreign Law Practice Licences Awarded in 2013

1. The Ministry of Law will be deferring the decision on the renewal of the licences of the second batch of Qualifying Foreign Law Practice (QFLP) firms to 2020.

2. The second batch of QFLP firms have contributed to the growth of Singapore’s legal sector. Collectively, they have increased their revenue from offshore work and doubled their headcount of their Singapore offices since they obtained their licences. However, their respective performances have fallen short of the initial commitments they made in 2012, as they have all been impacted by Asian economies’ weaker than expected growth, drop in commodities prices and decrease in mergers and acquisitions which had resulted in weaker demand for legal services in the region in the last two years.

3. Deferring the decision to 2020 will allow the Ministry to better assess each firm’s performance and contribution to Singapore and their respective proposals for the new licence period.

4. The second batch of QFLP firms, which includes Gibson Dunn & Crutcher, Jones Day, Linklaters and Sidley Austin, were awarded their licences in 2013 for a period of five years. The licences were originally due to expire in 2018. The licences will be extended to 2020 till the Ministry decides on the renewal.

Background

5. The QFLP scheme was introduced in 2008 following the recommendations of the Committee to Develop the Legal Sector chaired by then Justice V K Rajah. The Committee included senior partners of local law firms.

6. The QFLP scheme seeks to grow the legal sector, support the growth of Singapore’s key economic sectors, and offer additional opportunities to Singaporean lawyers.

7. The QFLP licences allow Foreign Law Practices (FLPs) to practise Singapore law, except in domestic areas of litigation and general practice, for example, criminal law, retail conveyancing, family law and administrative law. The QFLPs can practise the permitted areas of Singapore law through Singapore-qualified lawyers with practising certificates or foreign lawyers holding the foreign practitioner certificate.

8. A total of nine FLPs currently hold QFLP licences – five firms were awarded their licences in 2009 and successfully renewed their licences in 2014 (first batch) and four firms were awarded their licences in 2013 (second batch). The
first batch of QFLPs are Allen & Overy, Clifford Chance, Latham & Watkins, Norton Rose Fulbright and White & Case.

9. The QFLPs have contributed strongly to the growth of Singapore’s legal sector. In 2016/2017, the nine QFLPs generated over $400 million in total revenue, of which about 80% came from offshore work, or work that could have been done elsewhere. The nine firms also employ over 450 lawyers in their Singapore office, of which about 30% are Singapore-qualified lawyers.

10. To decide whether to renew a firm’s licence, the Ministry will consider the firm’s quantitative and qualitative performance, such as the value of work that the Singapore office will generate and the extent to which the Singapore office will function as the firm’s headquarter for the region, during the five-year licence period relative to its earlier commitments, the firm’s contributions to Singapore, and the firm’s proposal for the new licence period.

MINISTRY OF LAW
13 DECEMBER 2017

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