

Singapore Launches Model Clause for Arbitration-Related Litigation

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On 12 January 2023, the Singapore International Commercial Court (SICC) launched a model clause for arbitration-related matters under the International Arbitration Act, confirming that parties may select the SICC as their choice of court.

The clause, which the Singapore International Arbitration Centre (SIAC) will adopt as part of its model arbitration clause,^[1] reads:

"In respect of any court proceedings in Singapore commenced under the International Arbitration Act 1994 in relation to the arbitration, the parties agree (a) to commence such proceedings before the Singapore International Commercial Court ("the SICC"); and (b) in any event, that such proceedings shall be heard and adjudicated by the SICC."

The model clause was promulgated by a Working Group which included Paul Tan, Partner in Gibson Dunn's Singapore office. The Working Group is chaired by Justice Philip Jeyaretnam SC, the current President of the SICC.

The launch event was held at the Singapore Supreme Court, and was attended by Singapore's Second Minister for Law Edwin Tong SC, Justice Philip Jeyaretnam SC, SIAC's Chief Executive Officer Gloria Lim, and around 100 other leading figures in the Singapore arbitration community. It was also livestreamed to an international audience.

The SICC and its advantages to international parties

The SICC is a division of the Singapore High Court established in 2015 and has the jurisdiction to hear international commercial cases.

In general, cases can be filed directly with the SICC (if it is international in nature) or the General Division of the High Court, and the court has the power to transfer cases from the General Division to the SICC. It is also possible to select the SICC specifically in one's jurisdiction clause. The latest model clause confirms the ability of parties to also choose the SICC to be supervisory court for international arbitrations seated in Singapore.

The SICC has been hearing an increasing number of arbitration-related matters, although they have generally been transferred from the General Division.

There are several advantages of the SICC to international parties.

- First, proceedings before the SICC will be heard by judges drawn from a bench comprising Singapore judges and international judges. They include many former or sitting judges from both the civil law and common law jurisdictions. Depending on the complexity of the matter, a case may be heard before 1 or 3 judges at first instance. Matters decided by the SICC may also be appealed to the Court of Appeal, unless this has been expressly excluded.
- Second, cost recovery is higher in the SICC. A recent decision by the Court of Appeal has confirmed that successful parties will be awarded their reasonable costs by reference to what has in fact incurred, in line with the practice of arbitral tribunals.^[2]
- Third, the procedural rules are more inline with international best practices. For example, rules on discovery follow those usually adopted in international arbitrations. In particular, it does not provide for general discovery; only specific discovery. It is also possible to either apply for or agree to the proceedings being confidential and private.
- Fourth, parties in cases before the SICC may also be represented by registered foreign lawyers of their choice in "offshore cases". Offshore cases are defined as either being governed by a law other than Singapore law, or having no other connection to Singapore other than Singapore law as the governing law.

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Although arbitration-related matters are not generally considered offshore cases, where foreign law is relevant, registered foreign lawyers or legal experts are also permitted to appear as co-counsel in the SICC without parties having to file expert reports.

Last year, the SICC expanded its jurisdiction to hear restructuring and insolvency matters and also appointed Christopher Scott Sontchi, the former Chief Judge of the United States Bankruptcy Court, City of Delaware. In such matters, parties may be represented by registered foreign lawyers, save in relation to any specific Singapore law arguments.^[3]

Gibson Dunn's experience before the SICC

Gibson Dunn's lawyers have experience representing clients in the SICC. Paul Tan, who joined Gibson Dunn's Singapore office in November 2022, argued the first commercial trial in the SICC to reach a full judgment, and has successfully defended and challenged arbitral awards in the SICC.

[1] [https://www.sicc.gov.sg/docs/default-source/guide-to-the-sicc/sicc-siac-media-release_launch-of-the-jurisdiction-model-clause-\(final\).pdf](https://www.sicc.gov.sg/docs/default-source/guide-to-the-sicc/sicc-siac-media-release_launch-of-the-jurisdiction-model-clause-(final).pdf)

[2] *Senda International Capital Ltd v Kiri Industries Ltd* [2022] SGCA(I) 10

[3] [https://www.sicc.gov.sg/docs/default-source/sicc-resources/media-release_new-sicc-rules-\(without-contact-details\)-\(1\).pdf](https://www.sicc.gov.sg/docs/default-source/sicc-resources/media-release_new-sicc-rules-(without-contact-details)-(1).pdf)

Gibson Dunn's lawyers are available to assist in addressing any questions you may have regarding these developments. Please contact the Gibson Dunn lawyer with whom you usually work, any member of the firm's International Arbitration practice group, or any of the following:

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