

Singapore-India corridor: a natural fit for both parties

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There is no place in the modern world that has utilized the “hub-network effect” as efficiently as Singapore. The business corridor between Singapore and India has flourished as a result. Where business leads, legal services follow. The two countries share a rich historical and cultural heritage. This was cemented when economic ties were boosted in 2005 with the signing of the Comprehensive Economic Co-operation Agreement (CECA).



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The tax protocol was amended and brought almost on a par with Mauritius. Singapore quickly leapt into pole position, or close enough, when it came to investment into India. Singapore is the second-largest contributing country for FDI into India. The relationship between the two governments has always been very good, and this has helped nurture a natural affinity that exists between the two. When Nishith Desai Associates decided to open an office in Singapore in 2005, the firm received its licence to practice Indian law in three days. We have never looked back.

The focus of a number of international companies to set up their regional headquarters in Singapore also meant that legal services were being bought in Singapore, for India and the region. Many US and European companies have their RHQs in Singapore courtesy of a clever strategy of incentives from the Singapore government.

Having a presence in Singapore provides in-house and external lawyers with a chance to meet and interact, rather than just hold virtual meetings and calls. This “face-to-face” environment cannot be overrated. It makes a world of difference and provides all parties with the comfort and trust that is key to a lawyer-client relationship. Singapore has cracked the code when it comes to enabling everyone to actually meet and share their thoughts. The recent Trump-Kim meeting is a good example. Nothing puts the “hub-network effect” into better perspective.

The hub ecosystem in Singapore has also attracted law firms from across the world. Calibrated liberalization of the legal services sector in Singapore has allowed access to a diverse pool of legal expertise in the city-state. This has helped foreign law firms gain access to India for their clients. Geographical proximity and the growing economic co-operation between the two jurisdictions at a G-to-G level, and in the private sector, enables this important access.

Our access to the “Japanese investing in India market”, for example, has increased ever since all the major Japanese law firms opened offices in Singapore. The presence of lawyers from all over the world has transformed Singapore into a regional hub for legal services and expertise. Everyone is in each other’s backyard, and all within a couple of square miles of one another. This has greatly benefited the corridor.

The same is true for dispute resolution. India is the largest contributor country for cases before the Singapore International Arbitration Centre (SIAC). An SIAC clause is pretty much standard now for international commercial contracts between a foreign party and an Indian party. Enforcement of the awards is much easier, and thus Singapore has gained dominance when it comes to a seat of choice for India arbitrations. SIAC is usually abuzz with lawyers and counsel from India conducting their arbitrations in Singapore. The establishment of the Singapore International Commercial Court (SICC) and the Singapore International Mediation Centre (SIMC) will only add to the use of Singapore as a global dispute resolution hub.

The future looks bright. With various “affinities” in place, the future belongs to technology and innovation, and both countries are natural fits. Singapore’s focus on creating a fintech innovation hub, for example, provides Indian entrepreneurs with a huge opportunity. We have already seen growing collaborations in this and other fields such as AI, Big Data etc., between entrepreneurs in both countries.

Indian startups and other companies looking to globalize invariably choose Singapore as their global hub. No longer is it a tax-driven structure, but one which relies on access to markets, incentives to create and house intellectual property, and an overall familiarity with the system of, and rule of, law. The outbound story from India will always find Singapore playing a vital role of providing the “substance” required to successfully implement a global expansion structure from India.

To conclude, the author’s experience in the city-state has been one of joy and discovery. We were very early in the game when the firm set up in 2005 – the first Indian law firm to do so. In hindsight, we could not have made a better decision. Singapore and India have evolved over this period and we have had the benefit of watching the growth of the Singapore-India corridor into what it is today. The future for the “hub-network effect” goes from strength to strength.

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