REPORT OF THE COMMITTEE TO REVIEW THE REGULATORY FRAMEWORK FOR LAW PRACTICES AND COLLABORATIONS IN SINGAPORE

OCTOBER 2025

The Committee is pleased to submit this Report for consideration.

Dated 16 October 2025.

Attorney-General, Mr Lucien Wong Yuen Kai, SC
(Chairperson)

Deputy Attorney-General [until 30 April 2025]**, Mr Ang Cheng Hock, SC**
(Alternate Chairperson)

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GLOSSARY OF TERMS

DLS	"Director of Legal Services"
FL	"Foreign lawyer", within the definition of the LPA
FLA	"Formal Law Alliance", within the definition of the LPA
FLP	"Foreign law practice", within the definition of the LPA
FLP entity/entities	Collectively refers to licensed FLPs and QFLPs, and, where relevant in the context, also JLV entities
JLV	"Joint Law Venture", within the definition of the LPA
LPA	Legal Profession Act 1966
LPER	Legal Profession (Law Practice Entities) Rules 2015
LPRIR	Legal Profession (Regulated Individuals) Rules 2015
PC	"Practising certificate", within the definition of the LPA
QFLP	"Qualifying Foreign Law Practice", within the definition of the LPA
SL	"Singapore lawyer", which refers to an "advocate and solicitor" within the definition of the LPA
S36E SL	An SL who is registered under Section 36E of the LPA to practise Singapore law in a JLV or its constituent FLP, a QFLP or a licensed FLP
SLP	"Singapore law practice", within the definition of the LPA

I. EXECUTIVE SUMMARY

1. To date, the Singapore government has introduced various legislative and policy initiatives to facilitate the entry of foreign law practices and foreign lawyers into the Singapore market, taking into account the recommendations from different Review Committees that had been formed from time to time to review the Singapore legal services sector. These initiatives included permitting different types of collaboration arrangements between SLPs and FLPs, granting licences under the QFLP scheme to allow selected FLPs to practise Singapore law in commercial areas, and permitting licensed FLPs to practise Singapore law in the context of international arbitration. In so doing, the diversity of Singapore's legal service offerings was enhanced, and Singapore has seen success in making a name for itself as an international legal services hub.

2. The last Committee to Review the Regulatory Framework of the Singapore Legal Services Sector released its recommendations in January 2014. This Committee's present review – to evaluate the efficacy of the current regulatory framework – is therefore timely. This Committee's review was conducted while having regard to the following policy imperatives:

   (a) Maintaining an open and international outlook for the Singapore legal market by welcoming and anchoring the presence of FLPs and FLs in Singapore;

   (b) Preserving a strong and vibrant "Singapore core" within Singapore's legal profession, comprising dynamic and competitive SLPs to support key domestic industries, as well as a long-term pipeline of SLs who are well-versed in domestic law and the local economic and social contexts, and at the same time, possess the competencies to deal with cross-border multi-jurisdictional legal issues;

   (c) Providing opportunities for the growth of SLPs through collaborative arrangements with FLPs, while ensuring the financial, managerial and operational independence of SLPs; and

   (d) Enhancing all-round compliance with regulatory requirements.

3. The Committee submits 10 recommendations under four thematic areas, for the Government's consideration:

Thematic Area	Recommendations
Criteria to enter into collaboration arrangements	1. Streamlining the application framework for SLP-FLP collaborations 2. New qualitative requirement on SLPs to demonstrate independent and substantive practice 3. Enhanced quantitative requirements on SLPs
Foreign interests in SLPs	4. New qualitative requirement of independence 5. Standardised requirement for DLS' approval for all concurrent appointments in the SLP and the FLP entity 6. Providing clarity on the application of the "profit threshold requirement"
Lawyer composition in FLP entities	7. New requirement on QFLPs to meet a minimum percentage of revenue generated from offshore work 8. Revising the cap on the proportion of SLs in QFLPs 9. New requirement to cap the maximum proportion of SLs in licensed FLPs at one-third of the total number of lawyers
Permitted areas of legal practice for licensed FLPs	10. Clarifying scope of practice in the context of international arbitration

II. INTRODUCTION AND BACKGROUND

A. Singapore's Legal Services Sector

1. With globalisation driving the cross-border exchange of goods and services, Singapore's legal services sector has experienced significant growth and greater demand to support our banking, financial and other economic sectors. The value of legal services exported from Singapore increased from S$0.64 billion in 2013 to S$1.74 billion in 2024.[1] Furthermore, between 2017 and 2023, the number of Asian FLPs in Singapore has doubled.[2] With Asia projected to be the world's largest economic and trading region responsible for more than half of the world's GDP growth, the need for legal services will only continue to rise, and Singapore's legal services sector must continue to keep pace.

2. To this end, Singapore's legal services sector has been the subject of periodic reviews, in 1999, 2006, 2007 and 2014. Each of these reviews culminated in legislative and policy changes to facilitate, inter alia, the participation of FLPs and FLs in the Singapore legal services market, to expand the range of cutting-edge legal services available in Singapore. Consequently, the market has grown significantly and become far more diverse. Compared to the approximately 70 FLPs and 300 FLs in 1999 when the Legal Services Review Committee completed its review, the sector today comprises around 150 FLPs and 1,400 FLs.[3]

3. The policies and schemes that are of particular relevance to this Committee's present study are summarised briefly below.

Introduction of JLVs and FLAs

4. In 1997, the Legal Services Review Committee was established "*to review Singapore's strategic legal needs in the financial sector, and the conditions under which foreign law firms and foreign lawyers are allowed to operate in Singapore, [to ensure] Singapore's competitiveness in financial services*".[4] Following the recommendations of this Committee as set out in its 1999 Report, the JLV and FLA schemes were introduced.

5. These schemes were intended to:

   (a) Enhance delivery of legal services in cross-border financial transactions with more diverse and efficient offerings in Singapore;

   (b) Upgrade the legal expertise of SLs through the transfer of expertise from FLs to SLs; and

   (c) Promote the regionalisation of SLPs and facilitate their participation in offshore financial transactions.

6. There are presently nine licensed JLV and 10 FLA arrangements operating in Singapore,[5] in contrast to the large majority of FLP entities which are standalone licensed FLPs or QFLPs (~87% of all FLP entities in Singapore).

1 Based on information from SingStat Table Builder as at 7 August 2025.
2 As at 31 December 2024, based on data processed by the Legal Services Regulatory Authority.
3 *Ibid.*
4 Report of Legal Services Review Committee, May 1999, at [1].
5 As at 7 August 2025.

Enhancements to Provide Flexibility for Collaboration

7. In 2006, the Committee to Develop the Singapore Legal Sector was established to undertake a comprehensive review of the legal services sector, to ensure that Singapore retained its competitiveness as an international provider of legal services.

8. The Government accepted the Committee's recommendations in its 2007 Report[6] to enhance the JLV scheme. These included, among others, allowing SLs to concurrently hold partnerships and directorships in the SLP and constituent FLP.

9. In 2012,[7] in the face of a more globalised and competitive legal services market, the Government liberalised the sector to allow concurrent partnerships (for both SLs and FLs) for FLAs, as well as collaborations between an SLP and an overseas FLP (including through concurrent partnerships and direct profit and equity sharing in the SLP by the overseas FLP). FLs in JLV arrangements were also permitted to take on concurrent partnerships in the constituent SLP. FLPs could also enter into equity- or profit-sharing arrangements with SLPs.

Introduction of QFLPs

10. The Government also accepted the Committee's recommendations in its 2007 Report[8] regarding the liberalisation of the legal services sector, to introduce what is now known as the QFLP scheme. This scheme allows a small pool of FLPs that have a demonstrated commitment to Singapore to practise Singapore law in commercial areas through Singapore-qualified lawyers employed by them, without having to be part of a JLV with an SLP. Such QFLPs add greater diversity, competitiveness, and vibrancy to the legal market and increase the volume and quality of transactional work coming through Singapore. They play a role in attracting and retaining high-quality international legal talent and local talent as well, as SLs would have the benefit of exposure to high-end transactional work in Singapore, while retaining their PCs.

11. From 2012,[9] QFLPs were also permitted to enter into FLAs or JLVs, while retaining their QFLP licence.

12. There are presently nine licensed QFLPs operating in Singapore, two of which are also in an FLA. No QFLP has entered into a JLV.

Expansion of Scope of Practice by Licensed FLPs in International Commercial Arbitration

13. In 2008, the Government also implemented the recommendations in the 2007 Report[10] to widen the scope of work that FLP entities may carry out in international commercial arbitration involving Singapore law. In addition to participating in international commercial arbitration after a notice of arbitration was issued, licensed FLPs were also allowed (subject to conditions being met) to practise Singapore law prior to the issuance of the notice of arbitration; for example, in the vetting and drafting of Singapore law agreements incorporating arbitration clauses, and advising parties on their legal rights and liabilities in such agreements both before and after the dispute materialises.

14. The policy was geared towards enhancing Singapore's prospects as a leading arbitration seat and promoting the use of Singapore law for international commercial agreements.

6 Report of the Committee to Develop the Singapore Legal Sector, September 2007.

7 MinLaw announcement "Allowing Singapore Law Practices more flexibility to grow and enhance international competitiveness" (14 February 2012).

8 Report of the Committee to Develop the Singapore Legal Sector, September 2007.

9 See fn. 7 above.

10 *Ibid.*

B. Committee's Terms of Reference

15. As part of such regular review of Singapore's strategic legal needs and the regulatory framework of the legal services sector, the Ministry of Law considered it an appropriate juncture to conduct a further review, and established the present Committee with the following terms of reference:

    (a) Review the extent to which the current regulatory framework for law practices in Singapore and collaborations among them has met its original objectives; and

    (b) Recommend any changes to the regulatory framework, taking into account developments and trends in legal services and the future needs of Singapore.

16. In this connection, the Committee considered the following issues:

    (a) Criteria to enter into collaboration arrangements;

    (b) Foreign interests in SLPs;

    (c) Lawyer composition in FLP entities; and

    (d) Permitted areas of legal practice for licensed FLPs.

III. CRITERIA TO ENTER INTO COLLABORATION ARRANGEMENTS

A. Current Framework

17. Under the Legal Profession Act ("**LPA**"), FLP entities (including QFLPs) and SLPs can collaborate in numerous ways, including:

    (a) JLVs (under LPA Section 169, read with LPER Rules 51-52);

    (b) FLAs (under Section 170, read with LPER Rules 54-55); and

    (c) Allowing an FLP or an FL to hold equity interest and/or voting rights in an SLP, and/or shares in the SLP's profits (under Section 176 of the LPA, read with LPER Rules 70-73). This can take place within or independent of a JLV or an FLA collaboration.

18. The relevant statutory manpower, ownership and control requirements that the FLP entity and the SLP must satisfy to qualify for the arrangements referred to at paragraph 17 above are tabulated at **ANNEX B.**

B. Committee's Observations

19. The Committee was of the view that the overall regulatory framework governing collaborations between SLPs and FLPs should be underpinned by the following policy objectives:

    (a) Maintaining an open and international legal market in Singapore, to enhance Singapore's status as an international legal services and dispute resolution hub;

    (b) Ensuring true collaborations between firms (i) of sufficient experience and (ii) which are and will continue to be equal partners in the collaboration; and

    (c) Maintaining the independence of SLPs and preserving a strong "Singapore core" of the profession. SLPs and SLs have played and will continue to play an important role in supporting Singapore's key domestic industries, through their practice of Singapore law that is enhanced by their unique understanding of Singapore's economic and social contexts.

20. The Committee also expressed that the previous reviews of the legal industry had been calibrated to support collaborations between firms on equal footing, and did not favour a model of effective mergers between FLPs and SLPs. Such mergers could damage the strength of the "Singapore core" of the profession, a policy consideration that remains relevant today.

21. Members of the Committee shared informal market feedback that the LPA's current overall regulatory framework for collaborations (per paragraph 17 to 18 above) was too complicated and prescriptive:

    (a) The different types of licence, registration and/or approval frameworks for different types of collaboration models and arrangements, with separate prescribed sets of conditions and requirements for each, had caused confusion for both the SLPs and the FLPs considering entering the Singapore legal market. The resulting added regulatory burden on the firms potentially disincentivised collaborations that might otherwise benefit Singapore's legal market.

    (b) As the legal market matured, the degree of collaboration and integration of an FLP and an SLP in a collaborative arrangement varied increasingly across the spectrum, depending on the different business objectives of the firms. Ideally, the regulatory framework should be flexible enough to accommodate such variance seamlessly.

22. The Committee further observed that while the present regulatory framework was generally sound and appropriate to these objectives, various requirements could be strengthened. On balance, the Committee was minded towards adopting additional safeguards to maintain the independence of SLPs and the integrity of any collaborative arrangement, with a view to ensuring the sustainability of the collaborations in today's market and in the future.

C. Recommendations

23. Taking into account the above, the Committee recommends the following.

24. **Recommendation 1: Streamlining the application framework for SLP-FLP collaborations:** The current framework of separate licence, registration and/or approval application frameworks for the different collaborative models and arrangements should be streamlined into a general licence for all forms of collaborations. This licence will be flexible to accommodate different models for collaborations (which firms may wish to customise for their respective needs), subject to meeting stipulated requirements, namely:

    (a) Both law practices must fulfil the statutory prerequisites to be eligible to apply for a collaboration licence (including the requirements referred to at paragraphs 25 and 26 below). Additionally, in assessing the application for a collaboration licence, the DLS should be empowered to take into account the law practices' adherence to any further regulatory requirements and/or guidance issued by the LSRA.

    (b) All applications will be subject to the approval of the DLS, and every collaboration licence will be subject to any terms and conditions as may be prescribed and/or as the DLS may think fit to impose in a particular case.

25. **Recommendation 2: New qualitative requirement on SLPs to demonstrate independent and substantive practice**: To promote equal, *bona fide* collaborations between SLPs and FLPs, a new qualitative requirement should be introduced requiring the SLP applicant for a collaboration licence to demonstrate that it is an independent and substantive law practice. This should be an ongoing requirement (i.e. satisfied throughout the duration that the collaboration licence is in force).

    (a) In prescribing this new requirement, the Government should endeavour to elucidate the principles or considerations clearly and transparently, so that law practices can better ensure their compliance.

    (b) Whether an SLP satisfies this requirement should be assessed holistically by the DLS. Relevant principles or considerations that should form part of this assessment could include, for example, the financial health and long-term viability of the SLP.

26. **Recommendation 3: Enhanced quantitative requirements on SLPs**: In tandem with the new *qualitative* requirement at paragraph 25, the existing *quantitative* requirements on SLPs to enter into an FLA/JLV should be enhanced and expanded to apply to all applications for a collaboration licence, as follows:

    (a) Retain the existing requirement that an SLP must have a minimum of five SLs;

    (b) Introduce a new minimum three-year period of establishment on the SLP; this means that an SLP must have been established and have provided legal services through the law practice for a minimum period of three years immediately prior to the collaboration licence application being submitted;

(c) Increase the required number of equity partners or equity-holding SL directors in the SLP from two[11] to three; and

(d) The equity partners or equity-holding directors of the SLP referred to at paragraph 26(c) must have held their equity partnership or equity-holding directorship for a minimum period of three years immediately prior to the collaboration licence application being submitted.

27. The Committee also considered the existing criteria on FLPs to enter into JLVs or FLAs with SLPs (see **ANNEX B**) and concluded that no changes or additions to the substantive requirements were necessary. Under the Committee's recommended streamlined licence framework for collaborations, these requirements for FLPs should similarly apply to all collaborative arrangements that are licensable under the LPA.

[11] See LPER Rules 51(2)(e); 54(1)(e).

IV. FOREIGN INTERESTS IN SINGAPORE LAW PRACTICES

A. Current Framework

28. As referred to above, the present regulatory framework provides various modalities for FLP entities[12] and FLs to take an interest in SLPs, including the following:

    (a) An FL may be a partner, director and/or shareholder in, and/or share in the profits of, an SLP;[13]

    (b) An FL referred to in sub-paragraph (a) may also concurrently be a partner, director and/or shareholder in an FLP entity, either in the context of a JLV or FLA arrangement, or outside of one;[14]

    (c) An FL referred to in sub-paragraph (a) may, arising from such appointment, hold equity interests and/or voting rights in the SLP, either in his/her personal capacity or as a nominee for an FLP entity (see sub-paragraph (d)); and

    (d) An FLP entity may hold shares in an SLP and/or share in the SLP's profits.[15]

29. The arrangements at paragraph 28 above are subject to the approval of the DLS. In assessing such arrangements, the DLS takes into account the financial, operational and management impact of the same, and applies the following statutory requirements:

    (a) The SLP must satisfy all "general threshold requirements"[16] at the time of application and throughout the duration for which the DLS' approval is in force;[17]

    (b) The SLP must satisfy all "profit threshold requirements"[18] throughout the duration for which the DLS' approval is in force; and

    (c) Where the FL holds concurrent appointments in an FLP entity and the SLP, the DLS must be satisfied that there is not, or will not be, any actual or potential conflict of interest.

30. In addition, the LPA expressly provides for SLs in a JLV or an FLA arrangement to concurrently be a partner or director in the FLP entity and the SLP,[19] subject to *inter alia* the relevant statutory requirements being fulfilled.[20]

31. A summary of the types of concurrent appointments and required approvals is tabulated in **ANNEX C.**

12 Including a JLV entity, in the context of a JLV arrangement.

13 See, for example, LPER Rule 52(12) for FLs in the context of a JLV arrangement, and LPA Section 176(1) read with LPER Rules 70-71 for FLs in an FLA arrangement and all other collaborative arrangements, including collaborations arrangements involving overseas-based FLPs.

14 *Ibid.*

15 Section 176(9) of the LPA read with LPER Rules 72-73.

16 As set out in LPER Rule 3(1) read with Rules 3(3)-(4) and reiterated under the relevant definition in LPRIR Rule 2(1).

17 LPER Rules 52(13)-(15); 70(2); 71(3); 72(2), (6).

18 As set out in LPER Rule 3(2) read with Rules 3(3)-(4) and reiterated under the relevant definition in LPRIR Rule 2(1).

19 LPER Rules 52(11) and 55(3).

20 These include requirements similar to those set out in paragraph 28, relating to the SLP's compliance with the prescribed general and profit threshold requirements and to conflict of interest. See LPER Rules 52(13)-(15) and 55(4)-(6).

B. Committee's Observations

32. The Committee noted that the modalities in paragraph 28 continue to be useful to provide firms with more options and flexibility to structure their collaborations, and provide greater pathways for the development of FLs and SLs in these collaborations. These may thus be retained in the new streamlined licensing framework for collaborations (referred to at paragraph 24 above).

33. However, the Committee underscored that it was important to continue to balance facilitating collaborations between SLPs and FLPs on the one hand, with ensuring the continued financial, managerial and operational independence of the SLPs (and the SLs therein) on the other. Such independence is a distinct consideration from the current requirements regarding conflicts of interest (in the context of concurrent appointments). For example:

    (a) An SLP in which an FLP and/or the FLP's FL(s) hold shares or equity interests in, should still be managed and operate as a law practice that is independent of the FLP, as opposed to effectively merging with the FLP and becoming the FLP's "Singapore office".

    (b) Lawyers who hold concurrent appointments in the SLP and the FLP should be remunerated by each law practice separately and independently, instead of being paid on a "sliding scale" where the remuneration from one firm may be offset by the other.

34. As a separate point, the Committee also observed that there may be a degree of variance in the SLPs' understanding and application of the "profit threshold requirements" in practice. For example, because "profits" is not defined in the legislation, some SLPs may record all their payments to FLs and/or FLPs as expenses rather than profit distributions, thereby undermining the intent and spirit of the legislation. SLPs structured as law corporations (i.e. as private limited companies) also may mistakenly interpret the "profit threshold requirements" as not being applicable to them, since they do not distribute profits akin to a partnership, but dividends based on shares.

C. Recommendations

35. Taking into account the above, the Committee recommends the following.

36. **Recommendation 4: New qualitative requirement of independence**: The Committee recommends that, in addition to requirements referred to at paragraphs 29 and 30 above, there should also be a further express qualitative requirement of continued independence of the SLP applied by the DLS in assessing any application to hold interest in an SLP by an FLP entity or an FL. Such independence should be assessed holistically, taking into account all relevant factors, for example, the source of remuneration of any lawyers who hold concurrent appointments, whether there is any formal or informal agreement or practice between the SLP and the FLP entity where the FLP entity would be in a position to influence matters concerning the management of the SLP (e.g. an arrangement whereby the FLP entity's approval is required before an individual is appointed as a partner/director of the SLP). This should be an ongoing requirement (i.e. satisfied throughout the duration that the collaboration licence is in force).

37. **Recommendation 5: Standardised requirement for DLS' approval for all concurrent appointments**: The Committee noted that if the recommendation for a new streamlined licensing framework for collaborations (referred to at paragraph 24 above) was taken up, then consequential amendments would need to be made to the approval framework at ANNEX C. In this regard, taking into account the imperative of ensuring that collaborative arrangements and concurrent appointments do not undermine the independence of SLPs, the Committee recommends that all applications for concurrent appointments, whether by SLs or FLs, should uniformly be subject to the DLS' approval.

38. **Recommendation 6: Providing clarity on the application of the "profit threshold requirement"**: The Committee assesses that the "profit threshold requirement" remains a valid requirement that is closely aligned with the new requirement of independence in Recommendation 4. However, the industry will benefit from the issuance of further guidance by the DLS on the types of payments or transactions that will or will not be counted towards the "profit threshold requirement". This would enable law practices in collaborations to better understand the requirement and strengthen compliance with the letter and spirit of the requirement across all types of firm structures. In general, the label of the type of payment (e.g. payments of salary/dividend/equity to equity partners/directors, inter-firm re-charges for IT, administrative or other support services, consultancy/subscription/technical support fees) alone should not be determinative; the payment should not result in the SLP effectively subsidising the FLP.

V. LAWYER COMPOSITION IN FLP ENTITIES

A. Current Framework

39. As a starting point, the Committee noted that FLPs are generally not subject to caps on the total number of SLs. They are also not subject to manpower, training and development, or revenue targets.

40. In contrast, QFLPs are more closely regulated to ensure that the scheme continues to meet the desired objectives (as set out at paragraph 10 above). Specifically:

    (a) The LPA imposes a cap of 80% on the total number of S36E SLs practising in the QFLP, as a proportion of the total number of S36E SLs and FLs in the QFLP;[21] and

    (b) As part of the negotiated terms and conditions of each QFLP's licence, the LSRA requires that the QFLP:[22]

        (i) Meets specific agreed targets for manpower, training and development, and revenue generated from offshore work done by the QFLP; and

        (ii) Submits annual reports on the QFLP's performance with respect to the relevant terms and conditions.

B. Committee's Observations

41. The Committee noted that Singapore continues to face challenges in ensuring a pipeline of talent to support our legal services market. Lawyers – especially the younger ones – increasingly have different career priorities and trajectories, and are motivated to seek exposure to international work, whether through working overseas in international firms or by obtaining qualifications in more than one jurisdiction. It is therefore imperative that there continues to be a diversity of law firms and service offerings in Singapore to maintain Singapore's competitiveness as a legal hub, and to also ensure that Singapore can continue to better attract the best legal talent to, and retain said legal talent on, our shores. Ideally:

    (a) There should be a multitude of pathways to practise law in Singapore, whether in foreign law or in Singapore law, and whether in SLPs or FLP entities, to cater to the aspirations of young lawyers today.

    (b) As these young lawyers select their career pathways, they should be encouraged to develop a strong foundation in the practice of Singapore law, the second most widely adopted governing law in cross-border transactions in Asia.[23] Having a sound Singapore-law background would increase the marketability of young lawyers in the regional (and even global) marketplace, especially if their skillsets are augmented with additional capabilities to practise foreign law. This will ensure their longevity as successful legal practitioners within and outside Singapore.

[21] LPER Rule 57(5).

[22] Such terms and conditions are confidential as part of the conditions of the licence.

[23] "Singapore law is the second-most adopted governing law in cross-border transactions in Asia", Singapore Academy of Law News Release, 17 April 2019 <available at: sal.sg/Newsroom/News-Releases/NewsDetails/id/1102>.

42. SLPs are therefore well-positioned to develop Singapore's next generation of legal practitioners who are equipped to handle Singapore law matters, and together they form the vital "Singapore core" of the legal profession here. Maintaining and strengthening this core should continue to be a key policy objective. Therefore, as the legal market continues to globalise and evolve as described at paragraph 41 above, SLPs should continue to adapt and be responsive to these dynamics in the labour market, in order to better compete for legal talent amongst the different potential employers in the market.

43. The Committee also noted that QFLPs and licensed FLPs in Singapore play a key role in Singapore's legal services market by bringing their foreign law expertise to Singapore, thereby adding to the diversity of the types of outfits in which SLs can practise, and also to the range of service offerings to clients in Singapore and the region. It is of fundamental importance to Singapore's status as an international legal services hub that these entities continue to develop and entrench their foreign law expertise in Singapore. In the Committee's view, it would be critical for the QFLPs and licensed FLPs to continue to grow their stable of foreign-qualified lawyers in a manner that reflects this priority, and to strengthen their value proposition in the Singapore legal market.

44. Current data on the market practice shows that:

    (a) None of the QFLPs presently licensed to operate in Singapore has reached the existing prescribed 80% cap on the proportion of S36E SLs practising in the QFLP. On average, QFLPs are composed of around 43.7% of S36E SLs out of their total number of lawyers. This reflects the consensus that while QFLPs can engage in the practice of Singapore law in prescribed circumstances,[24] QFLPs' key focus continues to be to draw and anchor offshore work in Singapore. This also accords with the objectives of the QFLP scheme.

    (b) Likewise, licensed FLPs are composed of around 23.8% of S36E SLs out of their total number of lawyers.

45. However, the Committee also observed that during the COVID-19 pandemic, QFLPs and licensed FLPs faced challenges anchoring their FLs in Singapore and tapped on SLs to continue business as usual. Between 2017 and 2024, there was a 50.3% percentage increase in the number of S36E SLs practising in QFLPs, but only a 9% increase in the number of practising FLs in the QFLPs.

C. Recommendations

46. In light of the observations and considerations at paragraphs 41 to 45 above, the Committee was of the view that there was merit in finetuning the regulatory requirements to create an ecosystem that:

    (a) Allows SLs to have the best available opportunities, both in SLPs and QFLPs/licensed FLPs, to hone their craft in practising Singapore law and foreign law in which they have qualified;

    (b) Encourages investment in the career progression of SLs in QFLPs; and

    (c) Reinforces the value proposition of QFLPs and licensed FLPs in the Singapore legal market in driving the growth of foreign law expertise in Singapore.

[24] LPER Rule 50.

47. The Committee therefore recommends the following.

48. **Recommendation 7: New requirement on QFLPs to meet a minimum percentage of revenue generated from offshore work**: The Committee understands that while QFLPs are subject to agreed targets for revenue generated from offshore work in their QFLP licence conditions, there is presently no requirement on QFLPs to ensure that a minimum percentage of their total revenue be generated from offshore work. In furtherance of the objective for QFLPs to increase the volume and quality of offshore work coming through Singapore, the Committee recommends that the DLS consider imposing, in the appropriate circumstances, such a requirement as an additional condition in the QFLP licences. The Committee further recommends that the minimum percentage imposed on any QFLP should be at least 65% or higher, taking into account that QFLP's business strategy and practice areas.

49. **Recommendation 8: Revising the cap on the proportion of SLs in QFLPs**: To achieve the goals in paragraph 46 holistically, the Committee also proposes to revise the prescribed cap on the proportion of SLs that may be hired by QFLPs, to 50%, subject to the following:

    (a) In addition to the overall 50% cap, the number of 36E SLs in a QFLP who are *not* dual-qualified[25] cannot exceed more than 35% of the total number of lawyers in that QFLP. This recommendation seeks to balance the policy objective for QFLPs to increase the volume and quality of offshore work coming through Singapore, and the fact that a dual-qualified 36E SL will be able to contribute to the practice of foreign law in said offshore work.

    (b) As a transitional arrangement, when the cap is revised, QFLPs with more than 50% of S36E SLs, and/or with more than 35% of 36E SLs who are *not* dual-qualified, should not be required to retrench their pre-existing S36E SLs to bring themselves within the new lower cap. However, these QFLPs should not be permitted to further hire more SLs until they are within the new cap being introduced.

    (c) The DLS should continue to impose licence conditions on each QFLP with regard to the training and development of their 36E SLs, for example, to arrange for suitable 36E SLs to undergo relevant training and certification to be dual-qualified in a foreign jurisdiction that is relevant or meaningful to the QFLP's business strategy and practice areas, to attend training programmes organised by the QFLP's overseas parent office, etc. The Committee understands that the current QFLPs are already subject to such types of licence conditions.

50. **Recommendation 9: New requirement to cap the maximum proportion of SLs in licensed FLPs at one-third of the total number of lawyers**: The Committee recommends that a cap on the maximum proportion of SLs be similarly imposed on licensed FLPs:

    (a) The Committee proposes that the maximum percentage of S36E SLs in a licensed FLP be capped at one-third of the total number of lawyers. This mirrors the prescribed general threshold requirement for SLPs, that the total number of regulated FLs in an SLP should not exceed one-third of the total number of lawyers in the firm.

[25] A 36E SL is dual-qualified if s/he is qualified to practise Singapore law and the law of one or more foreign jurisdiction(s).

(b) The Committee observed that, as at 31 December 2024, the large majority of licensed FLPs in Singapore (~85%) had fewer than five S36E SLs, and proposes that this new measure should be extended only to licensed FLPs of a certain size, for example, those with 5 or more S36E SLs.

(c) Given the diverse nature and composition of FLPs, the DLS should also be empowered to permit deviations from the prescribed maximum percentage in the appropriate circumstances, taking into account all relevant factors such as the business needs of the FLP, its areas of practice, and its contribution to the Singapore legal landscape.

VI. PERMITTED AREAS OF LEGAL PRACTICE FOR LICENSED FLPS

A. Current Framework

51. As mentioned at paragraphs 13 to 14 above, the scope of practice of Singapore law in international arbitration by licensed FLPs was widened in 2008 to allow these firms to practise Singapore law in the context of international commercial arbitration, even prior to the issuance of the notice of arbitration. This policy is presently reflected in the LPER Rule 59(1)-(5), which is reproduced below:

> **"Privileges and conditions applicable to foreign law practice licence**
>
> **59.**— (1) Subject to paragraphs (6), (7), (8) and (10), a licensed foreign law practice —
>
> (a) may practise Singapore law only in relation to a relevant agreement; and
>
> (b) must not practise Singapore law except through a solicitor registered under section 36E of the Act, or a foreign lawyer registered under section 36B of the Act, who practises in the licensed foreign law practice.
>
> (2) Subject to paragraphs (6), (7), (8) and (10), a solicitor registered under section 36E of the Act to practise Singapore law in a licensed foreign law practice, or a foreign lawyer registered under section 36B of the Act who practises Singapore law in a licensed foreign law practice, may practise Singapore law in the licensed foreign law practice only in relation to a relevant agreement.
>
> (3) Paragraphs (1) and (2) only apply to practice of Singapore law which is necessitated by reason that it is proposed, under the relevant agreement, that Singapore will be the place of the arbitration or that Singapore law will apply.
>
> (4) Paragraphs (1) and (2) only apply —
>
> (a) in a case where it is proposed that Singapore will be the place of the arbitration under the relevant agreement, and the arbitration is international within the meaning of section 5(2) of the International Arbitration Act (Cap. 143A); or
>
> (b) in a case where it is proposed that Singapore law will apply under the relevant agreement, and any one or more of the following circumstances exist:
>
> (i) every party to the relevant agreement is incorporated, resident or has its place of business outside Singapore;
>
> (ii) the subject matter of the relevant agreement —
>
> (A) is most closely connected to a place located outside Singapore; or
>
> (B) has no physical connection to Singapore;
>
> (iii) the obligations under the relevant agreement are to be performed entirely outside Singapore.
>
> (5) The privileges conferred by paragraphs (1) and (2) —
>
> (a) apply in addition to anything permitted under section 35 of the Act; but
>
> (b) do not include any privilege to practise Singapore law in any area of legal practice that is excluded from the ambit of the definition of "permitted areas of legal practice" by rule 50."

52. LPER Rule 59 permits licensed FLPs to practise Singapore law in relation to a "relevant agreement" (defined as "*an arbitration agreement, or an agreement containing or incorporating an arbitration agreement*"[26]), where such practice of Singapore law is "necessitated" under two limbs:

    (a) Where Singapore is proposed to be the place of arbitration in the relevant agreement (see LPER Rule 59(4)(a)); or

    (b) Where Singapore law applies under the relevant agreement, and the case satisfies one or more of the prescribed international connecting factors (see Rule 59(4)(b)).

53. Under LPER Rule 59(4)(a), a licensed FLP could advise on Singapore law in relation to the vetting and drafting of the arbitration agreement (i.e. first limb of the definition of "relevant agreement"). This encourages licensed FLPs to promote Singapore as an arbitration seat and attract arbitration case work in Singapore.

54. Further, under LPER Rule 59(4)(b), a licensed FLP could advise on Singapore law in relation to the substantive agreement containing or incorporating an arbitration agreement (i.e. the second limb of the definition of "relevant agreement"), provided that the prescribed international connecting factors were present. By allowing licensed FLPs to advise on Singapore law in relation to the substantive agreement of a transaction (apart from the arbitration agreement itself), this encourages licensed FLPs to promote the use of Singapore law and capture offshore work that would otherwise not have come through Singapore.

B. Committee's Observations

55. The Committee observed that the policy objectives at paragraphs 53 and 54 above remain relevant and applicable today, and should continue to be promoted.

56. Nevertheless, the Committee noted market feedback that some FLPs have been practising Singapore law beyond the permitted scope. For example, this can be done by advising on Singapore law with respect to the main substantive agreement (on the underlying transaction) and not just the arbitration agreement, simply on the basis that Singapore was proposed as the place of arbitration, but without satisfying the prescribed international connecting factors in LPER 59(4)(b). The Committee observed that such practice may be mistakenly premised on an incorrect and unduly broad interpretation of "relevant agreement" under LPER 59(4)(a). However, such an interpretation could not properly be characterised as a practice of Singapore law that was "necessitated" by a proposal for Singapore to be the place of arbitration.

57. The Committee was concerned that allowing such an interpretation and application of LPER 59(4)(a) was a "backdoor" for such FLPs to practise Singapore law in areas that they were otherwise not permitted to. This could negatively impact the quality of legal advice being given (as the lawyers working on such Singapore law agreements may not be appropriately qualified to do so). Further, permitting such a practice would also effectively erode the distinction between licensed FLPs and QFLPs.

[26] LPER Rule 59(14).

C. Recommendations

58. **Recommendation 10: Clarifying scope of practice**: The Committee recommends that practitioners would benefit from greater clarity on the interpretation of "relevant agreement" under LPER Rule 59(4). Such clarity could be achieved through various means, for example, via clarificatory guidelines to be issued by the DLS to reinforce and foster compliance with the letter and spirit of the legislation, or by amending the definition of "relevant agreement" under the LPER if clarificatory guidelines prove inadequate in correcting the behaviour referred to in paragraph 56.

VII. CONCLUDING REMARKS

59. In the face of increased competitiveness and globalisation of legal services in the Singapore market and beyond, Singapore's good standing as a legal services hub cannot be taken for granted. Regular reviews are vital to ensure that Singapore's market is dynamic, responsive to the needs of relevant industry stakeholders, and well-positioned to serve the growing international dispute resolution needs of Asia and beyond.

60. The Committee observed that the current policies and regulatory frameworks have supported the growth of Singapore's legal services sector, and continue to be fundamentally sound. While there is no necessity to undertake a root-and-branch reform of the present framework, the Committee's review has identified some desirable tweaks to ensure that the system remains fit for purpose. The Committee's recommendations in this report have been carefully calibrated to that end, with a view to striking a balance between maintaining an open and international market with a diversity of firm types and collaborative models, and ensuring that collaborative structures strengthen rather than compromise the independence and viability of SLPs here for the long-term stability of the "Singapore core" of the profession. This balanced approach would also go towards enhancing the attractiveness of Singapore's legal workforce, to retain both SLs and FLs in our market.

61. In its deliberations, the Committee took into account the needs of the different industry players. The Committee's composition incorporated representatives from different types of firms and firm structures to enable this.

62. The Committee respectfully submits that the recommendations herein, if accepted and implemented by the Government, should be reviewed and refined, as appropriate, in five years' time.

VIII. ANNEXES

Annex A – Members of the Committee and the Secretariat

Committee

Chairperson:

Mr Lucien Wong, SC	Attorney-General, Attorney-General's Chambers

Alternate Chairperson:

Mr Ang Cheng Hock, SC	Deputy Attorney-General, Attorney-General's Chambers [until 30 April 2025]; Judge of the High Court, Supreme Court of Singapore [from 1 May 2025]

Members:

Mr Chou Sean Yu	Managing Partner, WongPartnership LLP
Mr Luke Goh	Permanent Secretary, Ministry of Law
Mr Koh Keen Chuan Jerry	Managing Partner, Allen & Gledhill LLP
Mr Lee Eng Beng, SC	Senior Partner, Rajah & Tann Singapore LLP
Mr Sushil Sukumaran Nair	Deputy Chief Executive Officer, Drew & Napier LLC [until 31 March 2025]; Judicial Commissioner, Supreme Court of Singapore [from 1 April 2025]
Ms Lisa Sam	President, The Law Society of Singapore
Mr Kai-Niklas Anton Schneider	Partner, Clifford Chance Pte Ltd
Mr Yee Kee Shian Leon	Chairman, Duane Morris & Selvam LLP
Mr David Harris Zemans	Partner, Milbank LLP

Secretariat

Ministry of Law

Mr Calvin Phua	Deputy Secretary (Policy) [until 30 April 2025]
Ms Sarala Kumari Subramaniam	Director of Legal Services
Ms Jessie Tan	Director, Legal Industry Division
Ms Elsie Lee	Registrar (Regulatory Policy), Legal Services Regulatory Authority
Ms Eunice Tan	Deputy Director, Legal Industry Division
Ms Fu Qui Jun	Deputy Registrar, Legal Services Regulatory Authority [until 31 December 2024]
Ms Koay Xinyi	Assistant Director, Legal Industry Division [until 31 August 2024]
Ms Melody Chen	Assistant Director, Legal Industry Division [from 1 September 2024]

Annex B – Current Manpower, and Ownership and Control Requirements for Collaborative Arrangements

Collaborative Arrangement	Criteria for Arrangement	
	Criteria for SLPs	Criteria for FLPs
JLV	• Relevant legal expertise[27] • Minimum number of SLs: 5[28] - With minimum 5 years relevant legal expertise • Minimum number of SL partners or equity-holding directors: 2[29]	• Relevant legal expertise[30] • Minimum number of Singapore-resident FLs: 5[31] - With minimum 5 years relevant legal expertise • Minimum number of Singapore-resident FL partners or equity-holding directors: 2[32]
FLA	• Relevant legal expertise[33] • Minimum number of SLs: 5[34] - With minimum 5 years relevant legal expertise • Minimum number of SL partners or equity-holding directors: 2[35]	• Relevant legal expertise[36] • Minimum number of Singapore-resident FLs: 5[37] - With minimum 5 years relevant legal expertise • Minimum number of Singapore-resident FL partners or equity-holding directors: 2[38]
LPA Section 176(1): FL registered under Section 36B/C/D of the LPA, being a partner, director or shareholder in a SLP, and/or sharing in the SLP's profits	• Satisfy all general threshold requirements at time of application and for the duration that approval is in force[39] • Satisfy all profit threshold requirements for the duration that approval is in force[40]	
LPA Section 176(9): FLP being a shareholder in, or sharing in the profits of, a SLP	• Satisfy all general threshold requirements at time of application and for the duration that approval is in force[41] • Satisfy all profit threshold requirements for the duration that approval is in force[42]	

[27] LPER Rule 51(2)(a). [28] LPER Rule 51(2)(d). [29] LPER Rule 51(2)(e). [30] See fn 24 above. [31] LPER Rule 51(2)(b). [32] LPER Rule 51(2)(c). [33] LPER Rule 54(1)(a). [34] LPER Rule 54(1)(d). [35] LPER Rule 54(1))(e). [36] See fn 30 above. [37] LPER Rule 54(1)(b). [38] LPER Rule 54(1)(e). [39] LPER Rules 70(2)(a), 71(3). [40] LPER Rule 71(3). [41] LPER Rules 72(2). [42] LPER Rule 72(6).

Annex C – Type of Concurrent Appointments and Required Approvals

Appointment in SLP and ...	Lawyer Type	DLS' Approval Required?
JLV and/or constituent FLP	SL	No
	FL	Yes – if the FL is being appointed as a partner/ director/shareholder in the SLP
Member QFLP or licensed FLP in an FLA	SL	Yes
	FL	Yes – if the FL is being appointed as a partner/ director/shareholder in the SLP
Standalone QFLP or licensed FLP outside of a JLV or an FLA collaboration arrangement	SL	No – however, the SL will still require the DLS' approval to be registered to practise in the QFLP or licensed FLP
	FL	Yes – if the FL is being appointed as a partner/ director/shareholder in the SLP
LPA Section 176(9): FLP being a shareholder in, or sharing in the profits of, a SLP	SL	No
	FL	Yes – if the FL is being appointed as a partner/ director/shareholder in the SLP