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Brexit: minimum impact likely for Singapore

Brexit has dominated the world's attention and street vocabulary. The British referendum on 23 June triggered a chain of events and reality that the "Stay" and "Leave" camps had not, and probably could not have, foreseen. Watching the turmoil that Brexit breathed into European and world events was like peeling a new layer daily to see what the British vote really meant.

In Singapore, the immediate mood was one of wide-eyed wonder, but staying calm and watching developments unfold – from the tumbling pound to the sombre reception then British PM David Cameron received at his final working meeting in Brussels after the vote. Following Cameron's resignation, new leader Theresa May has kept mum about the specifics of negotiating Britain out of the EU as everyone faces the reality of an EU without the UK, or rather a UK without the EU.

What does Brexit hold for Singapore businesses? The widespread prognosis is one of uncertainty. On the one hand, the geographical distance does not entirely insulate us from the structure and workings of an intertwined global economy. On the other hand, it has been a few months since the UK referendum, but commerce in Asia is business as usual.

Singapore has witnessed minimal economic repercussions arising from the Brexit vote. This is at least the sentiment of the senior management at the author's firm. Singapore law practices have been watching developments in Europe, but by and large

they remain confident that they would be shielded from any fallout. This firm's clients have not said anything about slowing down their business or their legal work in Singapore. The Republic has a reputation as a robust financial hub, and investor confidence at the time of writing is still with Asia, and particularly Singapore.

Surprisingly, there may be a trigger effect of more funds flowing into Singapore, moving investment-related legal work into higher gear, and more interest from enquiries into Asian markets, and particularly into Singapore since Brexit, is gradually being noted. It would appear that Singapore might inadvertently benefit from the calamity that had originally characterised the Brexit vote. External funds have been coming in to scout new inventions, technologies and the "next big thing" to invest in, representing a boost to the start-up ecosystem that the Singapore government has been nurturing for years.

These generally upbeat views have been borne out of confidence in our tiny island state in Southeast Asia from funds searching for ideal alternatives to park themselves. It all stems from a government that respects the rule of law, and from removing any hint of corruption. When you have that, investor confidence at the very basic level is obvious.

The UK alliance partner of Central Chambers, DAC Beachcroft, is similarly pragmatic on the impact of Brexit on its global offices from Europe to Latin America. Practising in Singapore since 2011, DAC Beachcroft anticipates the

short-to-long-term impact on its Singapore office to be minimal. The firm's priority on building its legal business in Asia remains largely unaffected and it expects to expand its regional presence by establishing more law alliances in Singapore and Malaysia. DAC Beachcroft's vote of confidence is still for Singapore to weather any headwinds flowing from Brexit.

Likewise, business associations and manufacturing associations in Singapore have taken stock of the Brexit vote. The overall sentiment is one of expected confidence in that some impact will be felt, but would not be severe. Business will be as normal in Asia, but with heightened interest in burgeoning economies like Myanmar and Vietnam; this development complements Singapore law practices that have formed alliances with foreign counterparts to meet the legal demands of emerging markets in the region.

It is safe to say at this point that there will not be any sudden changes to the Singapore legal industry. It remains very much aligned with English law, having its roots as a former British colony. However, while UK and European firms will have to contend with untangling contractual obligations governed by the law of the EU, agreements formed in Singapore and parts of Southeast Asia will present fewer such realities for Singapore law practices to address.

Singapore has for two decades embarked on the shaping of its own laws and legal system, with considerable progress. On the employment front, Singapore law practices are no longer likely to be confined to luring foreign-trained lawyers versed in EU law. For these graduates, the subject is likely to recede into the background as a study into the history of the EU.

The days ahead will probably see the UK's triggering of article 50 of the Lisbon Treaty, terms which may dominate the world's attention for some time as the UK braces for life outside the EU. For Singapore, it will be a time to watch the events again.

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