NewsBytes: Singapore

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News

Rajah & Tann Rajah & Tann Wins Five Top Benchmark Litigation Awards Including Singapore Firm of the Year, Asia-Pacific Insolvency Firm of the Year

Rajah & Tann Singapore has bagged five top wins at the Benchmark Litigation Asia-Pacific Awards 2022 including Singapore Firm of the Year for the third consecutive year, Asia-Pacific Insolvency Firm of the Year, and three Impact Case awards.

The annual awards recognise excellence in litigation and disputes practices across the region, and were announced on 26 May 2022 by the leading New York-based magazine on the world's leading litigation firms and lawyers.

Assegaf Hamzah & Partners, part of the Rajah & Tann Asia ("**RTA**") network, won Indonesia Firm of the Year for the third consecutive year as well as two Impact Case awards, while R&T Asia (Thailand) Limited came in third in the Thailand Firm of the Year category.

Patrick Ang, Managing Partner at Rajah & Tann Singapore and Vice-Chairman of RTA, said: "We are truly humbled to be recognised by Benchmark Litigation as top firms in multiple jurisdictions. These awards are a testament to our dedication to excellence in all that we do for our clients."

Click here to read our Press Release.

Rajah & Tann Singapore Named SE Asia Law Firm of the Year for the Third Time, Clinches ESG and Sustainability Law Firm of the Year and Woman Lawyer of the Year Awards at Asian Legal Business Awards 2022

Rajah & Tann Singapore has won three top awards at the Asian Legal Business ("**ALB**") SE Asia Law Awards 2022. The firm clinched the coveted SE Asia Law Firm of the Year award for the third time and has also bagged the inaugural award for ESG and Sustainability Law Firm of the Year.

Veteran lawyer Rebecca Chew, who is Co-Head of the China-Related Investment Dispute Resolution practice, the Head of the Medical Law practice, and the Chairperson of the firm's philanthropic arm, Rajah & Tann Foundation, was named Woman Lawyer of the Year (Law Firm).

Assegaf Hamzah & Partners, part of the Rajah & Tann Asia network, also won two Deal of the Year (Premium) Awards, one for Indonesia's triple tranche *sukuk* offering, and another for the merger of two Indonesian unicorns, the multi-service platform Gojek and e-commerce company Tokopedia.

Organised annually by ALB, the subsidiary firm of Thomson Reuters, the prestigious awards recognise the exceptional performance of private practitioners and in-house counsels in Southeast Asia.

Click here to read our Press Release.

Rajah & Tann Ranked Most Innovative Southeast Asian Law Firm at FT's Asia Pacific Awards

Rajah & Tann Singapore has come in top among Southeast Asian law firms and is the second-highest ranked Asian firm at the FT Innovative Lawyers Awards Asia Pacific 2022.

Notably, Rajah & Tann Singapore has placed 11th on the list of the most innovative law firms, up 10 spots from last year on this prestigious list. This is the ninth consecutive year that the firm has been recognised among FT's topmost innovative law firms in Asia Pacific, since its inaugural report on Asia Pacific in 2014.

The firm was also shortlisted for Innovation in the Business of Law: New Solutions, for hosting the Asia-Pacific branch of the Future of Privacy Forum (FPF) – a think-tank in Singapore – providing the organisation with operational resource support, such as IT infrastructure.

The firm was also one of seven finalists in the category of Innovation in People and Skills, for partnering with the National University of Singapore's (NUS) School of Computing to train lawyers in areas such as design thinking, financial technology, robotic process automation and blockchain.

Adding to the accolades received, Partner Kala Anandarajah was among the top 10 individuals featured for having looked beyond their specialisms to solve client demands, and for taking ideas across different disciplines to deal with clients' increasingly fast-changing challenges.

The awards celebrate legal innovation and showcase how lawyers, law firms and in-house legal teams are adapting to the increasing importance of sustainability, the unpredictability caused by COVID-19 and the accelerating digital transformation of business.

Managing Partner Patrick Ang said: "We are honoured to be ranked top amongst our Southeast Asian peers by the Financial Times and 11th on the list of most innovative law firms in the Asia Pacific region. Innovation is part of our DNA and will continue to play a crucial role in our long-term growth strategy."

The FT Innovative Lawyers Asia Pacific is an annual ranking, report and awards scheme for lawyers based in the region by London-based Financial Times and its research partner RSG Consulting.

Click here to read our Press Release.

Rajah & Tann Marks 45th Anniversary with S$450,000 Donation to Two Charities, Unveils Book on Firm's History

- The Straits Times School Pocket Money Fund and Dementia Singapore each receive S$225,000 at celebratory dinner
- "Duty of Care+" traces Rajah & Tann's growth from two-man entity to Southeast Asian legal powerhouse

Rajah & Tann Singapore ("**R&T**") celebrated its 45th anniversary on 5 May 2022 with a S$450,000 donation to two charities – The Straits Times School Pocket Money Fund and Dementia Singapore – as well as a commemorative

book that traces the firm's growth from a two-man partnership to Southeast Asia's legal powerhouse.

The two charities each received S$225,000 from Managing Partner Patrick Ang and Chairperson of Rajah & Tann Foundation Rebecca Chew at a celebratory dinner held at the Ritz-Carlton Hotel this evening.

Patrick said: "The spirit of caring and giving back to society is part of R&T's DNA which we inherited from our founders T T Rajah and Tann Wee Tiong. We are delighted to support The Straits Times School Pocket Money Fund and Dementia Singapore, which have helped thousands of people over the years.

On the book that the firm launched, he said: ""Duty of Care+" traces the improbable beginnings of Rajah & Tann and how it has survived the vicissitudes of time to chart a unique path to regional leadership.

"The R&T story is essentially about how a group of talented lawyers came together to build a top-rated indigenous Singapore law firm while holding fast to the principle of excellence with heart in the way they practised law and cared for others."

Please click here to read our Press Release.

LegisBytes

Capital Markets

Further Suspension of Entry into Issuers' Watch-List Until 1 June 2023

On 26 May 2022, the Singapore Exchange Regulation ("**SGX RegCo**") (in consultation with the Monetary Authority of Singapore (MAS)) announced that it will continue to suspend its half-yearly review to place issuers listed on the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Mainboard ("**issuers**") on the Financial Watch-List ("**Watch-List**") until 1 June 2023.

By way of background, SGX RegCo typically reviews issuers for their compliance with the Watch-List requirements on a half-yearly basis, on the first market days of June and December. SGX will place an issuer on the Watch-List if the issuer records pre-tax losses for the three most recently completed consecutive financial years (based on audited full year consolidated accounts) and an average daily market capitalisation of less than S$40 million over the last six months.

Earlier in April 2020, SGX RegCo provisionally suspended the half-yearly Watch-List reviews in June 2020 and December 2020 ("**Suspension**") to help issuers focus on dealing with the adverse effects of the COVID-19 pandemic. Then, in May 2021, SGX RegCo announced it would continue to suspend the half-yearly Watch-List reviews in June 2021 and December 2021.

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The most recent 26 May 2022 announcement further extends the Suspension until 1 June 2023. This is because SGX RegCo recognises that the economy is only starting to stabilise this year from the effects of the pandemic; therefore, SGX RegCO will give issuers a full financial year to operate under normal business conditions and recover from the challenges presented by the COVID-19 pandemic. SGX RegCo will re-commence the half-yearly Watch-List review from 1 June 2023.

The Suspension will not affect the exit of issuers which meet the exit criteria under the SGX-ST Mainboard Listing Rules from the Watch-List.

Click on the following links for more information (available on the SGX website at www.sgx.gov.sg):

- SGX Media Release titled "SGX RegCo to further extend suspension of entry into issuers' watch-list"
- SGX Media Release titled "SGX RegCo announces measures to support issuers amid challenging COVID-19 business climate"
- SGX Media Release titled "SGX RegCo to continue to suspend entry into issuers' watch-list"
- Financial Watch-List

SGX RegCo's Expectations on Issuers to Ensure Effective Shareholders' Engagement at General Meetings

On 23 May 2022, the Singapore Exchange Regulation ("**SGX RegCo**") issued a Regulator's Column setting out its expectations relating to the conduct of general meetings ("**GMs**") of issuers listed on the Singapore Exchange Securities Trading Limited ("**SGX-ST**") to ensure that issuers engage shareholders effectively at the GMs. SGX RegCo also updated the "FAQs on The Holding of General Meetings" (23 May 2022) ("**FAQs**") to clarify its expectations set out in the earlier "Guidance on the Conduct of General Meetings Amid Evolving COVID-19 Situation". The FAQs apply to all SGX-ST listed issuers ("**Listed Issuers**"), including business trusts (BTs) and real estate investment trusts (REITs).

Many Listed Issuers have conducted their GMs virtually in the past two years during the COVID-19 pandemic, following legislation that was enacted to enable and facilitate that. Now, Listed Issuers may resume conducting their GMs physically with the relaxation of safe measurement measures. SGX RegCo states that Listed Issuers continue to have the option to hold GMs virtually or in a hybrid format.

SGX RegCo expects Listed Issuers to ensure that shareholders are provided with their full rights to participate at a GM. This is regardless of the format the GM is conducted – physical, virtual or hybrid (i.e. physical and virtual). Such rights include the right of the shareholder to: (i) attend the GMs; (ii) raise questions and provide his/her views; and (iii) appoint proxies or to vote at GMs.

(a) **Physical-only GMs**. Where a Listed Issuer organises a GM with physical attendance which provides shareholders with the right to participate fully at the GM, it is not necessary for the Listed Issuer to

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provide the shareholders with the option to participate in the GM via electronic means.

(b) **Virtual-only GMs**. Listed Issuers must use real-time (i) electronic voting and (ii) electronic communication at their GMs. For real-time remote electronic voting, Listed Issuers are required to put in place necessary safeguards to validate the votes submitted by shareholders.

(c) **Virtual-only or Hybrid GMs**. Listed Issuers continue to have the option to hold a GM entirely virtually or in a hybrid form. They must ensure that they comply with SGX RegCo's expectations and/or requirements if they do so. If the Listed Issuer conducts the GM virtually, they should not impose any charges on the shareholders.

(d) **Requirements for GMs (all formats)**. SGX RegCo has also made clear its expectations on various aspects to effectively engage shareholders at GMs, including: (i) publication of notice and documents relating to GM; (ii) opportunity for shareholders to ask questions; (iii) option to appoint the Chairman as proxy (but this cannot be mandatory); (iv) submission of proxy forms; (v) virtual information session (VIS) for certain corporate actions are not necessary where shareholders are able to fully participate at a GM; and (vi) publication of minutes.

Listed Issuers holding their annual general meetings for financial years ending 30 June 2022 or after must conform with these expectations. Listed Issuers holding any other GMs on or after 1 October 2022 to seek shareholder approval for corporate transactions must also take into account these expectations. Listed Issuers are advised to carefully review SGX RegCo's expectations and put in place the necessary arrangements.

For more information, click here to read our Legal Update.

SGX RegCo Elaborates on Directors' Duties under the SGX-ST Listing Rules

On 5 May 2022, the Singapore Exchange Regulation ("**SGX RegCo**") issued a Regulator's Column elaborating upon its expectations on the duties of directors of issuers listed on the Singapore Exchange Securities Trading Limited ("**Listed Issuers**").

Under Singapore law, directors' duties and responsibilities can be found at common law as well as in legislation, such as the Companies Act 1967. Directors of Listed Issuers must note the interaction of their statutory duties with their obligations under the SGX-ST Listing Rules (Mainboard) and SGX-ST Listing Rules (Catalist) (collectively, "**Listing Rules**").

SGX RegCo's expectations of directors of Listed Issuers under the Listing Rules are aligned with what is expected of directors under Singapore law, namely the duties to: (i) act in good faith and in the best interests of the company; (ii) avoid conflicts of interest; and (iii) exercise due care, skill and diligence. We outline below certain key aspects of these duties highlighted in the Regulator's Column.

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Duty to act in good faith and in best interests of the company

A director is required to, among other things:

(a) Act in interests of shareholders as a whole;
(b) Possess necessary character and integrity;
(c) Make commercial judgements in good faith and rationally; and
(d) Ensure the sustainability of the company's business and operations.

Duty to avoid conflicts of interest.

Among other things, a director:

(a) Is subject to a duty of undivided loyalty to the company; and
(b) Must be familiar with and ensure compliance with Chapter 9 of the Listing Rules, which sets out the duty to address conflicts of interest and prescribes certain rules for entry into interested persons transactions.

Duty to exercise due care, skill and diligence

The test for the standard of care, skill and diligence is objective: has the director exercised the same degree of care, skill and diligence as a reasonable director in his/her position? Among other things, a director must:

(a) Comply with the Listing Rules and continuing listing obligations. A director's act or omission that causes the company to breach the Listing Rules is also deemed to contravene the Listing Rules;
(b) Exercise individual judgement and evaluation in making business decisions; and
(c) Comply with disclosure obligations. Where appropriate, a director must disclose and explain the process, rationale and considerations in his/her decision-making, especially for interested person transactions and contentious or complex corporate actions or transactions.

Consequences for Breach of Directors' Duties under Listing Rules

Where a breach of directors' duties under the Listing Rules is found, SGX RegCo may take action. Under the Companies Act 1967, breaches of directors' duties may result in criminal prosecution and civil action against the errant director found in breach of his/her duties. In appropriate cases, SGX RegCo stated it may refer such breaches to the relevant authorities. Also, since 1 August 2021, SGX RegCo has a wider range of enforcement and administrative powers under the enhanced enforcement framework, such as having the power to require a director or executive officer to resign from an existing position with a Listed Issuer.

For more information, click here to read our Legal Update.

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Competition & Antitrust

New Initiatives Introduced to Combat E-Commerce Scams

In May 2022, the Inter-Ministry Committee on Scams (IMCS) launched the "E-commerce Marketplace Transaction Safety Ratings" ("**TSR**") which apply to e-commerce marketplaces operating in Singapore. Under the TSR, e-commerce marketplaces are given an overall safety rating based on the extent to which they have implemented certain safety measures that are identified as critical in combating e-commerce scams.

At the same time, the Technical Reference 76 on Guidelines for Electronic Commerce Transactions ("**TR 76**") was updated to include additional guidelines on measures which e-commerce marketplaces and e-retailers may implement to secure different areas of e-commerce transactions (namely, pre-purchase, purchase and post-purchase activities) from scams, customer support and merchant verification. The best practices recommended in TR 76 include anti-scam measures that would enable e-commerce marketplaces to score better on the TSR.

E-Commerce Marketplace Transaction Safety Ratings (TSR)

With the launch of the TSR, a consumer may assess whether he/she should engage in e-commerce transactions on an e-commerce marketplace based on its TSR rating.

Major e-commerce marketplaces in Singapore, namely Amazon, Lazada, Qoo10, Shopee, Carousell and Facebook Marketplace, have been evaluated and assigned an overall rating under the TSR based on the extent of the following anti-scam measures implemented by them:

(a) User authenticity;
(b) Transaction safety;
(c) Loss remediation experience for consumers; and
(d) Effectiveness of anti-scam efforts.

Anti-Scam Guidelines in TR 76

By way of background, TR 76 is intended to serve as a practical reference for e-retailers and e-commerce marketplaces to develop e-commerce processes and policies, and to convey clear and comprehensive information to consumers. E-commerce marketplaces may adopt the best practices set out in TR 76 to facilitate transactions for products and/or services between sellers and customers, and e-retailers may take reference from TR 76 when selling products and/or services online.

TR 76 was also recently revised, amongst other changes, to include additional guidelines to help e-commerce marketplaces and e-retailers put in place anti-scam measures for the following purposes:

(a) Improve transaction security;
(b) Enable merchant authenticity;
(c) Provide customer support; and
(d) Aid enforcement against e-commerce scams.

For more information on the TSR and the anti-scam guidelines set out in TR 76, click here to read our Legal Update.

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CCCS' Guide to Contractors on Fair Trading Practices for Renovation Industry

On 5 May 2022, the Competition and Consumer Commission of Singapore ("**CCCS**") published a Guide on Fair Trading Practices for the Renovation Industry ("**Guide**") with the intention of improving business practices in the renovation industry and reducing "unfair practices" by suppliers of interior design or renovation services ("**Contractors**").

The Guide comes in response to a high rate of complaints received by the Consumers Association of Singapore ("**CASE**") against Contractors in 2021 and Q1 2022. The majority of the complaints related to Contractors' unsatisfactory service and failure to honour contractual obligations. These include poor workmanship, poor quality of material used for renovation, slow progress or failure to complete renovation works on time.

Contractors should review the Guide carefully and adopt the recommended practices to avoid the types of conduct that may constitute "unfair practices" under the Consumer Protection (Fair Trading) Act 2003 ("**CPFTA**"). CASE will refer errant merchants to CCCS for investigation under the CPFTA for engaging in unfair practices and have been proven to do so.

We outline in brief below five key areas that are highlighted in the Guide on fair trading practices.

(a) **Renovation timeline must be mutually agreed**. Before making commitments, Contractors should assess their ability to undertake and complete the works in a timely manner. Contractors and consumers should agree on a work schedule with clear deadlines, including the projected start date and completion date.

(b) **Transparent Pricing – no hidden costs**. In quoting their prices, Contractors should ensure that the quotes are transparent, accurate, clear and itemised. Contractors should clearly spell out all mandatory charges for the works in the quotation/contract at the onset, as well as any additional/optional charges.

(c) **Accurately describe goods and services**. Contractors should clearly provide in the renovation contract a reasonably detailed breakdown and description of the goods and services to be supplied for the works involved.

(d) **Policies for exchange, repair and refund must be clear**. Contractors must inform consumers on their rights and remedies, such as exchanges, repairs and refunds. These rights and remedies must be provided clearly and accurately in the contract.

(e) **Consumer must consent to the supply of goods or services**. Once the renovation contract is entered into, Contractors should adhere to it and supply the goods and services that the consumer has consented to. Any revisions to the contract or work order variations must have the consumer's express agreement.

For more information, click here to read our Legal Update where we also provide a checklist of certain key items that Contactors should set out in their renovation contracts, as well as some practical comments.

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Corporate Commercial

ACRA Consults on Proposed Legislative Amendments to Regulatory Regime for Singapore Corporate Service Providers

On 30 May 2022, the Accounting and Corporate Regulatory Authority ("**ACRA**") issued a public consultation paper seeking feedback on proposed legislative amendments to enhance the regulatory regime for Singapore corporate service providers through a new Corporate Service Providers Bill ("**CSP Bill**"), as well as amendments to the Companies Act 1967 and the Accounting and Corporate Regulatory Authority Act 2004. The consultation exercise will end on 19 July 2022.

ACRA's proposed amendments aim to: (i) enhance Singapore's compliance with the Financial Action Task Force (FATF) recommendations particularly relating to anti-money laundering/countering financing of terrorism ("**AML/CFT**") requirements; (ii) tackle risks of misuse of nominee arrangements in the creation of shell companies to facilitate money laundering; and (iii) require individuals who act as nominee directors, by way of business, to be qualified persons. Key proposed amendments that ACRA seeks feedback on include:

(a) Registration of all entities or persons providing corporate secretarial services in and from Singapore (Corporate Service Providers or "**CSPs**") with ACRA under the new CSP Bill, regardless of whether they need to transact with ACRA.
(b) Increased maximum financial penalty for breaches by Registered Filing Agents ("**RFAs**") and Registered Qualified Individuals (RQIs) of the terms and conditions of their registration.
(c) Introduction of a financial penalty on directors, owners or partners of CSPs for the CSP's breaches of AML/CFT obligations, committed with the connivance of, or attributable to any neglect by these individuals.
(d) New/revised requirement for CSPs to conduct screening of their customers against prescribed sources of information, and conduct risk assessment on their customers.
(e) New requirement for CSPs to put in place a group-wide AML/CFT obligations covering their branches or subsidiaries in Singapore or elsewhere to mitigate the risks of money laundering/terrorism financing (ML/TF).
(f) New requirement for CSPs to provide ACRA with copies of Suspicious Transaction Reports that they file with the Suspicious Transaction Reporting Office.
(g) Removal of existing exemptions which provide that RFAs do not have to inquire on the existence of beneficial owners in relation to a customer which is a Singapore government entity or a foreign government entity.
(h) New requirement on CSPs to screen against financing the proliferation of weapons of mass destruction as part of AML/CFT obligations. CSPs are also not allowed to conduct business with individuals or entities from countries which have been sanctioned.
(i) Requirements relating to the appointment of nominee directors by CSPs.
(j) New requirement for nominee directors and shareholders to disclose their nominee status and the identity of their nominator to ACRA. The nominee status of the directors and shareholder will be made publicly available after such information is disclosed to ACRA.

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Click here to view the ACRA consultation paper. Details of the proposed amendments are set out at Annex A.

Corporate Governance

Public Consultation on Revised Regime for Charitable Fund-raising Appeals

On 5 May 2022, the Office of the Commissioner of Charities ("**COC**") issued a public consultation to seek comments on a revised regulatory regime for fund-raising appeals conducted in Singapore. The consultation has closed on 26 May 2022.

By way of background, all fund-raising appeals for charitable, benevolent or philanthropic purposes are regulated by COC. The Charities (Fund-raising Appeals for Local and Foreign Charitable Purposes) Regulations 2012 ("**Regulations**") set out the obligations of fund-raisers such as the duty to provide clear and accurate information to donors, manage and use donation moneys responsibly, and keep records of donations received and disbursed. Depending on the nature of the fund-raising appeal, a fund-raiser is also required to:

(a) obtain a House to House and Street Collections licence from the Police (or a fund-raising permit from the National Council of Social Service ("**NCSS**") if the collection is by an NCSS member) if the collection is done by means of visits from house to house, soliciting in the streets or other places, or both such means;

(b) apply for a Fund-Raising for Foreign Charitable Purposes ("**FRFCP**") permit from COC if the fund-raising appeal is for a foreign charitable purpose (be it where funds are raised privately or publicly).

Key proposed amendments

The revised regime will exempt collections for (i) registered and exempt charities under the Charities Act 1994 ("**CA**"); and (ii) foreign charitable purposes approved by the COC (collectively termed as "**Charitable Collections**") from the House to House and Street Collections Act 1947 ("**HHSCA**").

This will eliminate dual regulation under both the HHSCA and the CA, reduce administrative burden on charities and fund-raisers, and make it easier for fund-raisers to raise public donations. Licences will no longer be required from the Police (or NCSS) for Charitable Collections, but fund-raising appeals for foreign charitable purposes will still require a permit from COC.

Disclosure requirements

In lieu of the above, an enhanced disclosure programme will be put in place for all public fund-raising appeals (i.e. by means of visits from house to house or by soliciting in the streets or other places, or by both such means) conducted by or for registered charities, exempt charities and FRFCP permit holders.

Charities and FRFCP permit holders will have to disclose on the Charity Portal (and if they wish, on their own websites) information which will be

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made publicly available at least one month before the appeal commences, such as (i) the purpose of the fund-raising appeal; (ii) the duration of the fund-raising appeal; (iii) the mode of collection (i.e. street collection or house to house visits); (iv) the location(s) of the fund-raising appeal; (v) the name of the third-party fund-raiser conducting the appeal (if any); and (vi) the contact number or email address the charity/FRFCP permit holder can be reached at should the public require any clarifications on the appeal.

Where a third-party fund-raiser is involved, charities and FRFCP permit holders must also: (i) disclose the percentage of the total gross receipts from the fund-raising appeal that is expected as payment for the expenses incurred for the appeal; and (ii) submit a declaration that:

- a written agreement has been established with the fund-raiser as required under the Regulations; and
- it has conducted its due diligence and ascertained that the third-party fund-raiser is fit and proper.

Members of the public will be able to view the disclosures when they search for fund-raising activities (e.g. by the name of the charity) on the Portal. This acts as a means for the public to verify these public appeals.

To further promote the transparency and facilitate informed giving practices, the COC's Office intends to simplify public access to the annual reports and financial statements submitted by charities to the COC by removing the Singpass log in requirement.

Third-Party Fund-raisers

Where third-party fund-raisers are involved, charities and FRFCP permit holders shall conduct due diligence to ascertain that these third-party fund-raisers are fit and proper. The onus will be on the charity/FRFCP permit holders to provide evidence of their due diligence and/or process as and when the COC requests it.

Legislative Changes

The COC's Office will amend the Regulations accordingly to empower the COC to take appropriate regulatory actions against the charities and/or FRFCP permit holders should they fail to comply with the requirements or for wilfully providing inaccurate disclosures. This could include penalties for those who do not comply.

The proposed requirements as mentioned above will be implemented in Q4 of 2022.

Public Consultation on Simplification of Code of Governance for Charities and Institutions of a Public Character

On 17 May 2022, the Charity Council issued a public consultation to seek feedback on the proposed simplified Code of Governance for Charities and Institutions of a Public Character ("**IPCs**").

By way of background, the Code of Governance for Charities and IPCs ("**Code**"), introduced in 2007, was updated in 2011 and 2017. In 2021, the Charity Council sought to simplify the Code to introduce best practices for

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good governance to keep it relevant to charities and help charities apply the Code more effectively. The streamlined and simplified Code is targeted to be launched in early 2023.

The key proposed changes are as follows:

(a) Revised tiering of Charities

The simplified Code guidelines are applicable depending on the IPC status and size of the charity. Instead of the previous four Tiers, it has been streamlined into two tiers:

Tier 1	Tier 2
Small and Medium Non-IPC Charities (with gross annual receipts or total expenditure from S$50,000 to less than S$10 million)	**All IPCs** **Large Non-IPC Charities** (with gross annual receipts or total expenditure of S$10 million or more)

The reporting requirements of this Code will be applicable for the charities'/IPCs' financial years beginning on or after 1 January 2024.

The tables below illustrate the shift in tiers of charities, from the current Basic, Intermediate, Enhanced and Advanced Tiers to the new Tier 1 and 2. Charities would determine the new tier that they would be under the simplified Code based on their IPC status and charity size.

Charity Size	Tiered Guidelines to Comply (Before)	What Changes (New)
Charities with gross annual receipts or total expenditure from S$50,000 to less than S$500,000	Basic	Tier 1
Charities with gross annual receipts or total expenditure from S$500,000 to less than S$10 million	Intermediate	Tier 1
Large Charities with gross annual receipts or total expenditure of S$10 million or more	Enhanced	Tier 2

IPC Size	Tiered Guidelines to Comply (Before)	What Changes (New)
IPCs with gross annual receipts or total expenditure of less than S$500,000	Intermediate	Tier 2
IPCs with gross annual receipts or total expenditure from S$500,000 to less than S$10 million	Enhanced	Tier 2
Large IPCs with gross annual receipts or total expenditure of S$10 million or more	Advanced	Tier 2

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(b) Six instead of nine principles

The nine principles from the current Code are proposed to be simplified to the below six principles. The corresponding number of total guidelines in the Code will decrease for most charities.

Principle 1: The charity serves its mission and achieves its objectives.
Principle 2: The charity has an effective board and management.
Principle 3: The charity acts responsibly, fairly and with integrity.
Principle 4: The charity is well-managed and future-focused.
Principle 5: The charity is accountable and transparent.
Principle 6: The charity communicates actively to instil public confidence.

For more details on the principles and guidelines, please refer to Annex B in the Consultation Paper.

(c) Governance Evaluation Checklist compliance and scoring

The Code will continue to operate on the principle of "comply or explain". Charities and IPCs should follow these disclosure guidelines:

- All charities are required to submit a Governance Evaluation Checklist ("**GEC**") on the Charity Portal (www.charities.gov.sg).
- Explanation why it cannot comply or partially comply with certain Code guidelines.
- Indication of the steps it plans to take to comply, or explain why if it decides not to comply.
- Disclosure of this checklist is made available for public viewing on the Charity Portal for their information.
- For IPCs, their respective Sector Administrators would consider the IPC's extent of Code compliance, and the reasons for partial compliance and/or non-compliance, when assessing an IPC's application to renew its IPC status, as well as the length of IPC renewal.

Submission of GEC is a legislative requirement. Should there be non-submission:

- For non-IPCs: the Office of Commissioner of Charities ("**COC**") may take enforcement actions and reject the non-IPCs' application of Charities Capability Fund ("**CCF**").
- For IPCs: In addition to the above for treatment for non-IPCs, the Office of COC may reject the IPC application and extension or shorten the IPC period.

Late submission of GEC will delay the processing of IPC applications and CCF applications.

The draft simplified Code and GEC aim to encourage charities and IPCs to undertake a more thorough review of their governance standards. Rajah & Tann will continue to monitor developments and duly update on the final version of the draft simplified Code and GEC after the public consultation ends on 16 June 2022.

Corporate Real Estate

Additional Conveyance Duties to be Imposed on Transfers of Equity Interests in Property Holding Entities into Living Trusts

On 9 May 2022, the Stamp Duties (Amendment) Bill 2022 ("**Bill**") was introduced in Parliament. The Bill seeks to effect two main changes:

(a) Introduce the Additional Conveyance Duties for Trust ("**ACD (Trust)**"), which will be payable on transfers of equity interests in property-holding entities ("**PHEs**") into a living trust, provided the significant ownership threshold has been reached; and
(b) Set out the stamp duty payable on the renunciation of an interest in a residential property held on bare trust.

Under the current ACD regime, ACD applies to transfers of equity interests in PHEs into living trusts with identifiable beneficial owners who are or become significant owners of the PHEs. However, if there is no identifiable beneficial owner at the time of transfer, ACD may not apply.

The introduction of ACD (Trust) aims to address and close this gap. ACD (Trust) will be payable on transfers of equity interests in PHEs into **all** living trusts where the significant ownership threshold has been reached, even if there is no identifiable beneficial owner of the equity interests at the time of transfer. This will apply to transfers executed on or after 10 May 2022.

The Bill also sets out the stamp duty treatment where interest in a residential property held in a bare trust is renounced by the beneficial owner. The renunciation by the beneficiary results in a change in beneficial owner of the trust residential property, as the beneficial ownership of the trust residential property is transferred back to the settlor.

This provision will apply in cases where: (i) a residential property is transferred into a living trust on or after 10 May 2022; (ii) all the beneficial owners of the residential property are identified at the time of transfer; and (iii) beneficial owner of that property renounces his interest in the property on or after 10 May 2022.

The beneficial owner who renounces his interest must, within the prescribed period after the date of the disclaimer or renunciation, notify the settlor and the Commissioner of Stamp Duties in the prescribed manner. The settlor will have to pay, within a specified period, the applicable buyer's stamp duty and additional buyer's stamp duty. The original beneficiary may also have to pay seller's stamp duty ("**SSD**") if the renunciation is made within the SSD holding period.

For more information, click here to read our Legal Update.

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Additional Buyer's Stamp Duty (ABSD) Imposed on All Transfers of Residential Property into Living Trusts

On 8 May 2022, the Singapore government announced changes to the additional buyer's stamp duty ("**ABSD**") regime by imposing ABSD at the rate of 35% for **all** conveyance, assignments or transfers on sale and purchase of residential property(ies) into a living trust that occur on or after 9 May 2022 ("**ABSD (Trust)**").

Previous treatment

Previously, where a living trust was structured such that there was no identifiable beneficial owner at the time when the residential property was transferred into the trust, ABSD did not apply. A living trust refers generally to a trust created by an individual (i.e. the settlor) when he/she is still alive. The settlor transfers his/her property and assets to the trustee who will be responsible for managing them for the benefit of the beneficiaries of the trust who may or may not have been identified when the living trust was created.

Key changes to ABSD (Trust)

Under the new treatment, ABSD (Trust) is imposed at the rate of 35% for all conveyance, assignments or transfers on sale and purchase of residential property(ies) into a living trust that occur on or after 9 May 2022 (regardless of whether there are identifiable beneficial owners of the residential property). ABSD (Trust) is to be paid upfront when the residential property(ies) is transferred into the living trust, but is subject to remission if certain conditions (as set out below) are met.

The trustee may make a claim to the Commissioner of Stamp Duties ("**Commissioner**") for the remission of ABSD (Trust) via a refund if the following conditions set out in the Stamp Duties (Trusts for Identifiable Individual Beneficiary) (Remission of ABSD) Rules 2022 are met:

(a) the residential property is held on trust for "identifiable individual beneficiaries" only;
(b) ABSD (Trust) on the instrument has been paid; and
(c) the claim is made within six months after the date of execution of the instrument or such longer period as the Commissioner may allow in a particular case.

The new ABSD (Trust) does not apply to residential properties that are held on trust before 9 May 2022.

For more information, click here to read our Legal Update.

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Dispute Resolution

Framework for Conditional Fee Agreements in Singapore Comes into Operation

Conditional fee agreements ("**CFAs**"), which were previously prohibited under Singapore law, are now allowed for specific contentious proceedings. On 4 May 2022, the framework for CFAs in Singapore came into operation, opening the door for lawyers and clients to enter into a wider range of permitted fee arrangements.

This development has been keenly anticipated in the legal industry, serving to enhance litigation funding in Singapore and support the dispute resolution needs of businesses and individuals. The costs of traversing a commercial dispute can be potentially prohibitive. With the introduction of CFAs, disputants with strong claims will have greater access to justice, being able to pursue their claims without being hindered by cash flow issues.

What is a CFA? – Traditionally, in lawyer-client fee agreements for dispute resolution, lawyers were prohibited from having fees contingent on the outcome of a contentious matter. The new CFA framework allows for lawyers and clients to enter into CFAs, in which lawyers may receive payment of all or part of their legal fees only in specified circumstances (for example, where the claim is successful).

In what situations are CFAs allowed? – The CFA framework applies to Singapore lawyers and law practices, as well as certain registered foreign lawyers and foreign law practices. CFAs are only applicable to certain disputes, including international and domestic arbitration proceedings and proceedings in the Singapore International Commercial Court, as well as related proceedings.

What are the requirements of a CFA? – The CFA framework sets out certain requirements for a valid CFA. This includes requirements on the form of the CFA, the information that must be provided to the client, and the inclusion of certain prescribed terms.

For more information, click here to read our Legal Update.

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Employment & Benefits

MOM Aims to Publish Code of Practice for Duties of Company Directors under Workplace Safety and Health Act 2006 in Early 2023

Since the start of 2022, there has been a spate of fatal workplace accidents, with some incidents due to a lack of control measures and safe work procedures on site such as a failure to wear seatbelts or fall arrest equipment.

In response, the Ministry of Manpower ("**MOM**") has ramped up enforcement operations, as well as education and outreach. However, Senior Minister of State Mr Zaqy Mohamad noted that these efforts needed to be reinforced by company processes and culture, which are shaped by the Chief Executive Officer ("**CEO**") and Board of Directors ("**Board**").

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Consequently, the Minister announced that MOM would begin developing a new Approved Code of Practice ("**ACOP**") For Company Directors' WSH (workplace safety and health) duties under the Workplace Safety and Health Act ("**WSH Act**").

Broadly, the ACOP aims to provide clarity and enhance ownership of the WSH roles of chief executives and a company's Board, enabling them to better understand their WSH roles and responsibilities, as well as the WSH expectations incumbent on them. The ACOP will introduce measures that are effective, practical, and easy to implement. For instance, this could include having WSH as a regular item on the Board agenda and emphasising the importance of upholding WSH to employees. Finally, in the event of a WSH Act offence, compliance with the ACOP can evidence that reasonably practicable measures had been taken by company leaders, while non-compliance may be considered by the courts when deciding judgments and penalties.

The ACOP is targeted to be published by early 2023, and will be prepared with reference to engagement sessions with company leaders and workers. A public consultation is expected to be held as part of the process.

Click on the following link for more information:

- MOM Speech by Senior Minister of State Mr Zaqy Mohamad titled "Opening Address at National Workplace Safety and Health Campaign 2022" (available on the MOM website at www.mom.gov.sg)

MOH Conducts Public Consultation on Preliminary Mental Health and Well-being Recommendations

On 30 May 2022, the Ministry of Health ("**MOH**") announced that the Interagency Taskforce on Mental Health and Well-being will conduct a public consultation to seek views on its 12 preliminary recommendations to enhance the mental health and well-being of Singaporeans.

The 12 recommendations are to address gaps identified across three focus areas, which we summarise below:

Focus Area	Recommendations
Improving accessibility, coordination and quality of mental health services	1. Implement a care model that provides a tiered system of services to cater to individuals with varying levels of mental health needs. 2. Designate a few first-stop touchpoints to provide individuals with easy access to mental health support and advice. 3. Strengthen coordination between social and healthcare service providers, such as a common suite of assessment tools and a common IT platform for information sharing.

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	4. Ensure frontline workers, peer supports, and mental health professionals are equipped with the relevant skills and knowledge to better identify and serve their clients' mental health needs.
Strengthening services and support for youth mental well-being	5. Leverage the care model for mental health and well-being services (see Recommendation 1 above) to enhance accessibility and increase the range of quality mental health services for youth. 6. Develop a parents' toolbox to equip parents with knowledge and skills regarding youth mental health and cyber-wellness. 7. Promote positive and healthy use of technology and social media.
Improving workplace well-being measures and employment support	8. Improve mental well-being support systems and work-life harmony strategies for employees in general, including persons with mental health conditions ("**PMHCs**"). 9. Standardise assessment and referral frameworks for employment support agencies to customise employment support services, especially for PMHCs. 10. Improve PMHCs' access to training. 11. Increase the number and variety of job opportunities available for PMHCs. 12. Equip employers, human resource (HR) practitioners, and staff on supporting PMHCs and creating inclusive workplaces.

The consultation will run from 30 May 2022 to 7 August 2022, and can be accessed here. Apart from the online consultation, over 30 small group engagements will be held with key stakeholders such as youths, parents, PMHCs, service providers, and employers.

Click on the following links for more information (available at the MOH website at www.moh.gov.sg):

- MOH News Highlight titled "Public Consultation on Preliminary Recommendations to Enhance Mental Health and Well-being"
- Annex A – details of the preliminary recommendations

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Financial Institutions

New Collaborative Initiative Between MAS and Industry to Pilot Use Cases in Digital Assets

The Monetary Authority of Singapore ("**MAS**") has embarked on a new collaboration with the financial industry to study the potential and test the application of tokenisation of financial assets. This new initiative known as Project Guardian was launched on 31 May 2022 at the Asia Tech X Singapore Summit. Tokenisation refers to "the process of digitally representing assets or items of value through a smart contract on a blockchain". Smart contracts can be used in the financial service industry to enable Decentralised Finance ("**DeFi**") where financial transactions can be done autonomously without intermediaries.

Apart from testing the feasibility of use cases in asset tokenisation and DeFi, Project Guardian also aims to manage the risks of these applications to financial stability and integrity. The four key areas of interest which MAS intends to develop and test pilot use cases are:

(a) **Building open, interoperable networks** so that digital assets can be traded across platforms and liquidity pools, as well as mitigate against "the formation of walled gardens in digital exchanges and fragmented private markets". The project will study how to develop open, interoperable networks (that are among other things, interoperable with existing financial infrastructure) using public blockchains.

(b) **Creating independent trust anchors** so that participants trade only with verified counterparties, issuers and protocol developers. One of the aims of the project is to create a reliable environment to execute DeFi protocols through a common trust layer of independent trust anchors. Trust anchors refer to "regulated financial institutions that screen, verify and issue verifiable credentials to entities that wish to participate in DeFi protocols".

(c) **Asset tokenisation**. The project will study representing securities in the form of digital bearer assets and using tokenised deposits issued by deposit-taking institutions on public blockchains. In this regard, the project intends to leverage existing token standards, integrate trust anchor credentials and allow asset-backed tokens to be interoperable with other digital assets used in DeFi protocols on the open networks.

(d) **Guarding against risks through institutional grade DeFi protocols**. To guard against market manipulation and operational risk, the project will examine introducing regulatory safeguards and controls into DeFi protocols. It will also look into detecting code vulnerabilities through the use of smart contract auditing capabilities.

DBS Bank Ltd., JP Morgan and Marketnode will lead the first industry pilot on applying DeFi in the wholesale funding markets with a view to enabling secured borrowing and lending using DeFi on a public blockchain-based network. Among other things, the pilot aims to create a permissioned liquidity pool covering tokenised bonds and deposits.

Click on the following links for more information (available on the MAS website at www.mas.gov.sg):

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- MAS Media Release titled "MAS Partners the Industry to Pilot Use Cases in Digital Assets"
- Speech by Mr Heng Swee Keat, Deputy Prime Minister and Coordinating Minister for Economic Policies at the Asia Tech X Singapore Summit on 31 May 2022

Intellectual Property

IPOS Updates SG IP FAST Programme and Revised Enhanced Mediation Promotion Scheme

On 4 May 2022, the Intellectual Property Office of Singapore ("**IPOS**") announced that it has refreshed its SG IP FAST Programme and Enhanced Mediation Promotion Scheme. IPOS aims to help businesses accelerate their ideas to market and resolve their IP disputes, against the backdrop of Singapore reopening its economy and strengthening its role as a global innovation and IP hub.

SG IP FAST Programme

The SG IP FAST programme (previously named "SG Patent Fast Track programme") will be extended to April 2024 with a doubled annual cap of 120 patent applications, while the 12 Months File-to-Grant programme will cease. SG IP FAST will enable more enterprises to receive their patent in as fast as six or nine months. The period to request acceleration for related trade mark and/or registered design applications under SG IP FAST has also been extended from one to 12 months.

Revised Enhanced Mediation Promotion Scheme

IPOS also aims to provide more support to businesses seeking to resolve IP disputes in Singapore through the Revised Enhanced Mediation Promotion Scheme ("**REMPS**"). The REMPS will support enterprises with an increased funding quantum for disputes involving both Singapore and foreign IP rights.

The REMPS provides an increased funding quantum of about 17% (up to S$14,000 for dispute cases involving Singapore and foreign IP rights). For disputes involving only Singapore IP rights, parties will receive up to S$10,000. From the aforementioned funding, parties can claim up to 80% of mediation-related lawyer/agent fees and disbursements. In cases where only one party to the dispute wishes to apply for funding, that party can claim up to S$3,000 per mediation case.

Click on the following link for more information:

- IPOS Press Release titled "IPOS Updates Two Existing Programmes Amid Singapore's Post Covid-Recovery to Help More Enterprises Protect Their IP" (available on the IPOS website at www.ipos.gov.sg)

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Sustainability

MAS Publishes Information Papers on Environmental Risk Management for Banks, Insurers and Asset Managers

On 31 May 2022, the Monetary Authority of Singapore ("**MAS**") published three sets of Information Papers on Environmental Risk Management for banks, insurers and asset managers respectively. Earlier in December 2020, MAS issued three sets of Guidelines on Environmental Risk Management (collectively, "**ENRM Guidelines**") which take effect in June 2022 for: (i) banks, merchant banks and finance companies (collectively, "**Banks**"); (ii) insurers (including reinsurers) (collectively, "**Insurers**"); and (iii) fund management companies and real estate investment trust managers (collectively, "**Asset Managers**"). The ENRM Guidelines set out MAS' supervisory expectations on these financial institutions ("**FIs**") to assess, monitor, mitigate and disclose environmental risk.

To assist FIs with implementation of the ENRM Guidelines, the Green Finance Industry Taskforce (GFIT) issued a handbook to complement the ENRM Guidelines titled "Handbook on Implementing Environmental Risk Management" ("**Handbook**"). The Handbook provides FIs with practical implementation guidance and good practices on environmental risk management. For details on the ENRM Guidelines and the Handbook, please refer to our earlier Legal Updates here and as well as here.

The Information Papers are based on MAS' thematic review of selected FIs in 2021 to assess the FIs' progress in implementing the ENRM Guidelines as well as to benchmark practices. The Information Papers set out, among other things, the emerging and/or good practices by these selected FIs and the areas where FIs should put in more work. Some of the main areas of review include:

(a) governance and strategy to ensure, among other things, board accountability and oversight;
(b) proper risk management to entrench environmental and climate-related financial risk in FIs' risk management and decision-making processes; and
(c) effective environmental and climate-related financial disclosures to help stakeholders understand the potential business and risk implications.

The Information Papers also cover sector-specific and business-specific matters for Banks, Insurers and Asset Managers. For instance, the Information Paper for Insurers also cover underwriting and investments, and the Information Paper for Asset Managers also cover research and portfolio construction, portfolio risk management and stewardship.

Among other things, MAS observed that FIs are at different stages of integrating environmental risk considerations in their risk management framework and processes. In addition, MAS emphasised that FIs must be aware of the impact of their practices on business strategies and risks, the financial system at large as well as the transition to a sustainable economy. By way of an example, MAS stated that indiscriminate credit withdrawal by Banks from sectors that are regarded to be of higher climate-related risks

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will affect companies with credible transition plans. This will result in an increased risk of stranded assets and a disorderly transition.

MAS exhorted FIs to set tangible targets to address environmental risks with "urgency and ambition". FIs should use the Information Papers as reference to improve their practices to strengthen resilience to environmental risk, taking into account their size, nature of activities and risk profile.

The full text of the Information Papers is available at the links set out below (available on the MAS website at www.mas.gov.sg):

- Information Paper on Environmental Risk Management (Banks)
- Information Paper on Environmental Risk Management (Asset Managers)
- Information Paper on Environmental Risk Management (Insurers)

Singapore Implements Various Initiatives in Decarbonising Economy

Singapore has actively pursued its goal to achieving net zero emissions by or around 2050. Synergistic collaborations and facilitating sustainable financing would be key to decarbonising our economy.

The Monetary Authority of Singapore ("**MAS**") has been instrumental in steering sustainable financing in the financial sector. For instance, MAS Project Greenprint focuses on leveraging technology and data solutions to grow Singapore's environmental, social and governance ("**ESG**") ecosystem in order to facilitate sustainable financing. In this regard, MAS is partnering with the industry to consolidate new and existing sustainability data across multiple sectoral platforms and industry players and allow sharing of data across different stakeholders by piloting four digital utility platforms:

(a) An ESG registry that will record and maintain the provenance of verified data and ESG certifications;
(b) A common disclosure portal for financial institutions and corporates to make reliable ESG disclosures;
(c) A data orchestrator which aggregates sustainability data from multiple data sources; and
(d) Greenprint Marketplace which connects green technology providers with investors, financial institutions and companies.

To read more about MAS Project Greenprint, please click here.

On 18 May 2022, a new ESG registry housed under the MAS Greenprint Project was launched to improve the quality of ESG data and provide a reliable platform that can verify ESG data and certifications across different sectors. The platform called ESGpedia, developed by Hashstacs Pte Ltd ("**STACS**") and runs on blockchain technology, will power the ESG registry. Its capabilities include consolidating, recording and keeping a record in a single registry, the source of holistic and forward-looking ESG certifications and data of companies in different sectors as well as global verified sources. ESGpedia serves financial institutions (such as banks, asset managers and insurers) as well as non-financial institutions (such as service providers and verifiers). For more information on ESGpedia, please refer to the media release by STACS on "ESGpedia officially launches, aggregating verified ESG data and certifications across various sectors to enable more effective Green Finance".

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Outside of the financial sector, Singapore has also made headway in decarbonising the economy through promoting public-private collaboration to develop and scale low-carbon technologies.

For instance, in the maritime sector, the Global Centre for Maritime Decarbonisation was established to test and use low-carbon technologies and fuels in the maritime sector. Singapore is also ramping up research and development capabilities to evaluate decarbonisation technologies, for instance, public research institutes have partnered Energy & Chemicals companies for a Carbon Capture and Utilisation Translational Testbed.

Singapore has further cemented these efforts by joining the First Movers Coalition ("**FMC**") as a Government Partner. The FMC is a *global initiative to "decarbonise seven 'hard to abate' industrial sectors that currently account for 30% of global emissions"*. These seven sectors are: Aluminium, Aviation, Chemicals, Concrete, Shipping, Steel, and Trucking. By harnessing the purchasing power of companies and supply chains, FMC helps create early markets for innovative clean energy technologies to address the climate crisis.

The Singapore government will engage companies and encourage them to participate in the FMC to gain access to low-carbon technologies and strengthen collaborations with international and regional partners. For more information, please refer to the press release titled "Singapore Joins First Movers Coalition to Decarbonise Emissions-Intensive Sectors".

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Technology, Media & Telecommunications

IMDA and PDPC Launch World's First AI Testing Framework and Toolkit, A.I. Verify

The Infocomm Media Development Authority ("**IMDA**") and the Personal Data Protection Commission ("**PDPC**") recently launched A.I. Verify, the world's first artificial intelligence ("**AI**") Governance Testing Framework and Toolkit to enable companies to demonstrate responsible AI in an objective and verifiable way. Given that more companies are increasingly adopting AI in their products and services, fostering public trust in AI technologies is important to ensure their continued use and further improvement.

Having provided detailed and practical guidance to the industry on implementing responsible AI through the launch of the Model AI Governance Framework (second edition) in 2020 and the announcement of Singapore's National AI Strategy in 2019, A.I. Verify is Singapore's next step in assisting companies to be more transparent about their AI products and services.

A.I. Verify is currently a Minimum Viable Product ("**MVP**"), a product with just enough features for early adopters to test and provide feedback for product development. With this, Singapore aims to:

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(a) **Enable businesses to build trust with their stakeholders**. The MVP allows companies to set their own benchmarks and demonstrate the claimed performance of their AI systems to their stakeholders. This will result in enhanced trust in the AI systems on the part of the stakeholders.

(b) **Facilitate interoperability of AI governance frameworks**. The MVP deals with common principles on trustworthiness in AI. It can also potentially aid businesses to integrate different AI governance frameworks, an aspect that is particularly relevant to businesses that offer AI-enabled products and services in multiple markets. In this regard, IMDA is working with regulators and standards organisations to align the MVP with established AI frameworks.

(c) **Contribute to the development of international standards on AI**. Being a member of ISO/IEC JTC1/SC 42, the international standards committee responsible for standardisation in the area of AI, Singapore intends to work with AI system owners/developers globally to help develop international standards on AI governance.

Framework based on internationally accepted AI ethics principles

A.I. Verify allows developers and owners to verify the claimed performance of their AI systems against a set of principles through standardised tests. The testing framework of A.I. Verify is based on internationally accepted ethics principles such as those from the European Union (EU) and Organisation for Economic Co-operation and Development (OECD) countries. It covers areas such as:

(a) **Transparency on the use of AI** so that individuals can make informed decisions.
(b) **Safety and resilience of an AI system** to ensure that the AI system is reliable and will perform according to the intended purpose, even in instances where unexpected input is encountered.
(c) **Fairness** to ensure that the use of AI does not unintentionally discriminate.
(d) **Accountability and oversight of AI system** to ensure that there is human accountability and control in the development and/or deployment of AI systems.

Invitation to participate in pilot

IMDA is inviting interested organisations to participate in piloting the MVP. There are ten companies that have tested the MVP and provided feedback so far. These companies include AWS, DBS Bank, Google, Meta, Microsoft, Singapore Airlines, NCS (Part of Singtel Group)/Land Transport Authority, and Standard Chartered Bank.

To find out more about the invitation to pilot the MVP, please click here.

Click on the following links for more information:

- PDPC Announcement titled "Launch of AI Verify - An AI Governance Testing Framework and Toolkit" (available on the PDPC website at www.pdpc.gov.sg)
- IMDA Media Release titled "Singapore launches world's first AI testing framework and toolkit to promote transparency; Invites

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companies to pilot and contribute to international standards development" (available on the IMDA website at www.imda.gov.sg)
- A.I. Verify Primer

Guidelines for Infrastructure Owners to Identify and Reduce Cybersecurity Risks for 5G Uses

On 29 April 2022, the Cyber Security Agency of Singapore ("**CSA**") published the Guidelines for CII Owners to Enhance Cyber Security for 5G Use Cases ("**Guidelines**"). The Guidelines suggest measures to help Critical Information Infrastructure Owners ("**CIIOs**") identify threats that can be introduced into systems connected to 5G services. It also provides recommendations to CIIOs to mitigate the risks of such threats.

Identifying Threats

The Guidelines provide that CIIOs should adopt the principle of zero trust when designing their security policies, as well as a defence-in-depth approach to comprehensively defend their systems. CIIOs should also continuously build up their cybersecurity capabilities and remain vigilant in securing their systems against threats. In this regard, the use of a threat model will provide a structured approach to categorise identified threats to their systems.

The Guidelines cover some possible threats that can be introduced when systems are connected to 5G services, using Microsoft's STRIDE threat model, which is a mnemonic for security threats in the following categories:

(a) Spoofing;
(b) Tampering;
(c) Repudiation;
(d) Information Disclosure;
(e) Denial of Service; and
(f) Elevation of Privilege.

5G Security Recommendations

The Guidelines recommend that security-by-design and defence-in-depth approaches should be adopted to ensure security is considered across the systems lifecycle to allow CIIOs to tackle cybersecurity risks comprehensively. It provides recommendations to CIIOs intending to use 5G in their operational environment, focusing on (i) the development & implementation, and (ii) the operations & maintenance stages at which CIIOs could apply them. The Guidelines also provide a checklist to guide the CIIOs' security teams through the two stages at which the recommendations may be applied.

The recommendations cover the following areas:

(a) Assurance of user equipment;
(b) Segregation of traffic;
(c) Data protection;
(d) System hardening;
(e) Physical security;
(f) Business continuity planning;
(g) Awareness of 5G threats;
(h) Support requirements from 5G service providers;

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(i) Configuration management;
(j) Access control;
(k) Asset management;
(l) Overload controls;
(m) Resilience against downgrade attack; and
(n) Monitoring of devices over the 5G network.

Click on the following link for more information:

- CSA Publication titled "Guidelines for CII Owners to Enhance Cyber Security for 5G Use Cases" (available on the CSA websites at www.csa.gov.sg)

Guide on the Responsible Use of Biometric Data in Security Applications

The Personal Data Protection Commission of Singapore ("**PDPC**") has, on 17 May 2022, published a new Guide on the Responsible Use of Biometric Data in Security Applications ("**Guide**") to help organisations such as Management Corporation Strata Title ("**MCSTs**"), building/premise owners and security services companies to ensure the responsible use of security cameras and biometric recognition systems to safeguard individuals' biometric data where it is collected, used or disclosed.

As technology advances, more sensors that collect biometric data are being used and deployed in commercial security applications. This includes Closed-Circuit Television Cameras (CCTV) for security monitoring and facial/fingerprint recognition systems for entering and leaving premises. The Guide is targeted primarily at such security applications that use biometric data, and covers the following areas.

(a) **Key considerations and best practices**. The Guide sets out the following key considerations in implementing security cameras and biometric recognition systems, and industry best practices for data protection:

- addressing risks unique to biometric recognition technology, such as identity spoofing, errors in identification, and systemic risks to biometric templates; and
- Measures to govern and protect biometric data across its life cycle.

(b) **Personal Data Protection Act**. The Guide addresses how the Personal Data Protection Act obligations may apply specifically for biometric data in security applications in the following areas:

- Collection, use, and disclosure of biometric data, including controlling access to a service or a premise, maintaining a safe working environment, security monitoring of a premise and investigations, and enhancing security operational efficiency for a premise;
- Securing biometric data;
- Disposal of biometric data;
- Access to and correction of biometric data; and
- Accountability and internal governance.

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(c) **Practical guidance**. The Guide provides practical guidance on security cameras for security monitoring and biometric recognition for access control, including:

- Practical guide for deploying security cameras;
- Practical guide for deploying access control systems to buildings or applications; and
- Sample template for adaptation by organisations for surveillance/security use case.

Click on the following links for more information (available on the PDPC website as www.pdpc.gov.sg):

- PDPC Press Release titled "Guide on the Responsible Use of Biometric Data in Security Applications Now Available"
- PDPC Guide titled "Guide on the Responsible Use of Biometric Data in Security Applications"

Building Green Data Centres – Singapore Lifts Moratorium on New Data Centres, Introduces Environmental Sustainability Standards

Data centres are important enablers of the digital economy, facilitating the transmission, storage and processing of data. However, in order to function, they are intense consumers of water and electricity, and are responsible for significant carbon emissions.

In Singapore, the Government had sought to manage the growth of data centres by imposing a moratorium on new data centre projects since 2019. However, there have been indications from the relevant Government Ministries that this moratorium is set to be lifted soon, albeit subject to certain prescribed environmental standards and restrictions. In doing so, Singapore seeks not only to balance digitalisations and decarbonisation, but to harmonise its efforts on both fronts.

On 4 March 2022, Dr Janil Puthucheary, Senior Minister of State for Communications and Information, announced the intended lifting of the moratorium, stating that the Infocomm Media Development Authority and the Economic Development Board would pilot a Call for Application ("**CFA**") to facilitate the calibrated growth of data centres. He indicated that the CFA would be launched by the second quarter of 2022.

The lifting of the moratorium is not without restrictions. Dr Putchucheary further indicated in his speech that the CFA would seek data centres "that possess the best-in-class techniques, technologies and practices for energy efficiency and decarbonisation". Minister for Trade and Industry Mr Gan Kim Yong had also earlier indicated in a Written Reply to Parliamentary Question on Data Centres that the Government would be selective of data centres, and that it would seek those that are "best in class in terms of resource efficiency, which can contribute towards Singapore's economic and strategic objectives".

In this regard, market information indicates that the CFA for new data centres is likely to include certain standards and criteria. This may include:

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(a) **Data centre capacity**. 60MW of capacity would be allocated between a maximum of three companies, with each having between 10MW and 30MW of capacity.

(b) **Power Usage Effectiveness**. Data centres would have to target a Power Usage Effectiveness of 1.3 or less. Power Usage Effectiveness is a globally accepted metric that illustrates the total energy used by a data centre divided by the energy used by IT equipment in that data centre.

(c) **Lease term**. The proposed lease term is 10 years.

(d) **Rating requirement**. A Platinum rating under the Green Mark Scheme for new data centres would be required.

It should be noted that these proposed standards are tentative and may be subject to change.

For more information, click here to read our Legal Update.

CaseBytes

Can a Dispute be Split between Arbitration and Litigation?

When parties to a longstanding relationship enter into a series of contracts with different dispute resolution and/or arbitration clauses, how should the Court allow a claim arising from these contracts to proceed to be adjudicated? Can the dispute be split and determined partly in Court and partly by an arbitral tribunal?

This issue came up for determination before the Singapore Court of Appeal in *CSY v CSZ* [2022] SGCA 43, where the Court had to consider whether a Court action should be stayed in favour of an intended domestic arbitration. In that case, the respondent audited the appellant's financial statements and issued opinions for each of the financial years from FY2014 to FY2019. The terms of the respondent's engagement were set out in separate engagement letters, with an engagement letter signed to confirm the respondent's appointment to conduct the audit work for each corresponding financial year. These engagement letters contained different dispute resolution clauses.

The appellant commenced an action in the Singapore Court claiming that the respondent had failed to detect material misstatements in its audited financial statements for FY2014 to FY2019 and that the respondent was in breach of its contractual and tortious duties.

The respondent sought an order to stay the dispute concerning the audits for FY2018 and FY2019 in favour of arbitration, and an order that the dispute concerning the audits for FY2014 to FY2017 be stayed on case management grounds pending the determination in the aforesaid arbitration. At first instance, the High Court Judge agreed with the respondent and granted the orders sought. On appeal, the Court of Appeal overturned the Judge's decision. In this regard, the Court of Appeal found that a stay of the FY2018 and FY2019 Dispute in favour of arbitration was not in the interests of justice.

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Central to the Court's decision was the finding that there was significant overlap between the factual issues in dispute, which gave rise to a real prospect of inconsistent findings between the Court proceedings and the putative arbitration. In addition, the Court of Appeal reasoned that if the dispute was determined by two forums, there would be a real possibility of satellite litigation on issues relating to issue estoppel or *res judicata*. It would also be inconvenient as the factual witnesses would have to testify before two different fora on the same issues. The Court of Appeal also highlighted that there was a risk that the resolution of the dispute may be unduly delayed by the parties' right to appeal against the Court's decision.

The Court of Appeal expressly considered the parties' intentions to not be determinative as there was nothing to specifically suggest that the arbitration clause found in the engagement letter for FY2019 was intended to cover disputes which spanned multiple years before 2019. This highlights the importance for parties to clearly state in the arbitration clause the intended scope of the agreement to arbitrate and whether it is intended to "overwrite" any earlier jurisdiction clauses which the parties may have previously agreed to.

CSY v CSZ [2022] SGCA 43 has shown that the Singapore Courts are prepared to take a robust approach and assume jurisdiction over a dispute which parties have agreed to resolve by way of a domestic arbitration. While it remains to be seen if a similar approach will be taken in a case involving international parties, there are signs in the decision which suggests that the approach might be different for international arbitrations (where the Singapore Courts have hitherto taken a pro-arbitration stance).

When Does an Arbitral Tribunal Exceed its Jurisdiction?

In *CJA v CIZ* [2022] SGCA 41, the Singapore Court of Appeal reversed the decision of the High Court Judge to set aside part of an arbitral award on the basis of an excess of jurisdiction. In reaching its decision, the Court of Appeal provided guidance on how it would approach the question of whether an arbitral tribunal had exceeded its jurisdiction – the Court would look at the arbitration in the round to determine whether issues in question were live issues in the arbitration. In doing so, it would not apply an unduly narrow view of what the issues were, but would instead have regard to the totality of what was presented to the tribunal whether by way of evidence, submissions or pleadings.

Before the High Court, the Judge found that the appellant had run its entire case in the arbitration on the premise that there was a subsisting agreement and therefore no issue of expiry of the original agreement arose. It was thus an excess of jurisdiction for the Tribunal to have found that there was no subsisting agreement, but that the original agreement could be interpreted in a manner which allowed the appellant's claim.

The Court of Appeal disagreed. It first clarified the test to determine if an award should be set aside for excess of jurisdiction involved a two-stage inquiry. First, the Court would determine what matters were within the scope of the parties' submission to arbitration by reference to five sources: (i) the parties' pleadings, (ii) the lists of issues, (iii) opening statements, (iv) evidence adduced, and (v) closing submissions at the arbitration. Second, the Court would determine whether the arbitral award involved such matters, or whether it involved a new difference outside the scope of the submission to arbitration.

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Applying this test, the Court of Appeal held that the findings of the Tribunal did not involve a new difference outside the scope of parties' submission to arbitration. The Tribunal had prompted the parties to consider its eventual interpretation of the original agreement, and the fundamental point upon which the Tribunal eventually found for the appellant was present in the appellant's submissions in the arbitration, and indeed even responded to by the respondent in its submissions in the arbitration. The Tribunal thus did not exceed its jurisdiction, and the Court of Appeal declined to set aside the award.

Deals

Sale of Tuaspring's Power Plant to YTL Power International

Rajah & Tann Singapore successfully concluded the sale of the Tuaspring Power Plant to a subsidiary of YTL Power International. In 2015, the Hyflux group completed a project consisting of a desalination plant which would draw electricity from a power plant on site. The well-publicised financial difficulties of Hyflux and the Singapore government exercising its rights to de-couple the two plants ultimately led to the project's financiers looking to the sale of the power plant for recovery on their exposure. Receivers from Baker Tilly, working with a team from Rajah & Tann Singapore, were appointed to effect a sale process.

The conclusion of the sale is a highlight for the firm as the team was faced with many challenges, including complexities posed by the de-coupling of what had been constructed as a single integrated desalination and power plant project. The power plant was sold for S$270 million in cash.

Tan Chuan Thye, SC and Shemane Chan from the Appeals & Issues Practice and the Construction & Projects Practice led the case; and Sandy Foo, Benjamin ST Tay, Wilson Zhu, Loh Yong Hui and Kimberly Tho from the Mergers & Acquisitions Practice, the Corporate Real Estate Practice, the Restructuring & Insolvency Practice and the Construction & Projects Practice, were involved.

Acquisition of a 60% Stake in KTG & Boustead Joint Stock Company, a Proposed Investment Company in Vietnam

Danny Lim, Brian Ng and Loh Chun Kiat from the Mergers & Acquisitions Practice; and Nha Nguyen and Thuy Huynh from Rajah & Tann LCT Lawyers acted for BP-Vietnam Development Pte. Ltd., a wholly-owned subsidiary of Boustead Projects Limited, in its acquisition of a 60% stake in KTG & Boustead Joint Stock Company, a property investment company in Vietnam.

Trusting Social Group's US$65 Million Series C Fund Raising Round

Tracy Ang from the Mergers & Acquisitions Practice acted for the Trusting Social Group in its US$65 million Series C fund raising round from The Sherpa Company Limited, a subsidiary of Masan Group Corporation.

Pre-Series A Fund-raising Exercise with Heliconia Capital Management

Brian Ng and Loh Chun Kiat from the Mergers & Acquisitions Practice acted for Crown Technologies Holding Pte. Ltd. in its pre-Series A fund-raising exercise with Heliconia Capital Management.

Authored Publications

"The Rise of Arbitration in the Asia-Pacific" – Rajah & Tann Contributes to Global Arbitration Review

Rajah & Tann Singapore has contributed a chapter titled "*The rise of arbitration in the Asia-Pacific*" to "The Asia-Pacific Arbitration Review 2023" ("**Review**") as published by the Global Arbitration Review ("**GAR**"), a leading resource on international arbitration news.

Arbitral hubs and institutions in Asia have reached new heights in growth and popularity, augmented by the generally pro-arbitration stance taken by the countries in the region. Authored by Rajah & Tann Singapore partners Kelvin Poon (Deputy Managing Partner and Head, International Arbitration), Avinash Pradhan (Deputy Head, International Arbitration), and Andre Yeap SC (Senior Partner, International Arbitration), the chapter examines recent developments in Singapore and other parts of Asia, including the growing profile of arbitral seats and institutions, and steps taken by institutions to update their rules to remain competitive with international arbitral institutions.

The Review contains insight and thought leadership on recent events, with contributions from 53 pre-eminent practitioners across the nine jurisdictions of Australia, China, Hong Kong, India, Japan, Malaysia, Singapore, Sri Lanka and Vietnam. To read the review in full, please click here.

To read more about our International Arbitration Practice, please click here.

Visit our *Arbitration Asia* website for insights from our thought leaders across Asia concerning arbitration and other alternative dispute resolution mechanisms, ranging from legal and case law developments to market updates and many more.

Insolvency and Arbitration: Clash of Cultures? – Rajah & Tann Singapore Contributes to Collaborative Article in *South Square Digest*

Rajah & Tann Singapore has contributed to an article in a special edition of the *South Square Digest*. Issued by South Square Chambers, this edition features articles collaborative articles between members of South Square and members of INSOL International.

The article titled "Insolvency and Arbitration: Clash of Cultures?" compares the relationship between arbitration and insolvency in England and Singapore. It addresses the issue of transactions entered into at an undervalue by a debtor, whether such disputes may fall within the scope of an arbitration clause, and whether it is arbitrable in the first place.

Sheila Ng, Deputy Head of the firm's Restructuring & Insolvency Practice, in collaboration with Felicity Toube, QC, and Matthew Abraham of South Square, authored the above article.

The full edition of the South Square Digest can be read here.

Find out more about our Restructuring & Insolvency Practice here.

Rajah & Tann Contributes to *Chambers Global Practice Guide: Corporate M&A 2022* – Singapore Trends and Developments

Rajah & Tann Singapore shares our views on the mergers & acquisitions ("**M&A**") trends and developments in Singapore in our contribution to the *Chambers Global Practice Guide: Corporate M&A 2022* published by Chambers and Partners.

Exclusively authored by our leading M&A partners Sandy Foo, Lim Wee Hann, Lawrence Tan and Favian Tan, the article sets out an overview of the M&A landscape in Singapore, recounting the M&A activity in 2021 and providing the 2022 outlook. Our partners highlight some significant market trends and legal developments that may shape M&A activity moving forward. These include increased activities of special purpose acquisition companies ("**SPACs**") which are allowed to list on the Mainboard of the Singapore Exchange Securities Trading Limited ("**SGX-ST Mainboard**") from 3 September 2021, and greater emphasis on environmental, social and governance ("**ESG**") factors when making decisions relating to M&A.

The full Singapore chapter can be read here.

Find out more about our Mergers & Acquisitions Practice here.

Rajah & Tann Singapore Contributes to *International Succession (5th Edition)* – Singapore Chapter

Rajah & Tann Singapore has contributed to the Singapore chapter of Oxford University Press' *International Succession (5th Edition)*.

The publication provides a comprehensive survey of succession law utilising contributions from experts in over fifty jurisdictions. It enables quick and easy cross-referencing with a questionnaire format for each jurisdiction and answers questions about practical issues concerning inheritance across multiple jurisdictions. More information on the publication is available here.

Harish Kumar, Marissa Zhao and Low Weng Hong from the Commercial Litigation Practice have authored the Singapore chapter of the publication.

Find out more about our Commercial Litigation Practice here.

Rajah & Tann Provides Singapore Jurisdictional Insights to the Guide on the Treatment of Insolvent Micro and Small Enterprises in Asia

The Guide on the Treatment of Insolvent Micro and Small Enterprises in Asia ("**Guide**") has been jointly released by the Asian Business Law Institute and the International Insolvency Institute as part of their Asian Principles of

Business Restructuring Project. Rajah & Tann Singapore has assisted in this publication by providing Singapore jurisdictional insights.

The Guide identifies five key principles for more immediate adoption by jurisdictions as building blocks of a well-functioning micro and small enterprise insolvency framework, and six aspirational principles that should ideally be considered and adopted by jurisdictions over the longer term to provide micro and small enterprises with a more comprehensive legal and institutional environment to deal with financial distress. This tiered approach, unique among all current literature, is designed by considering the extreme diversity of institutional development of Asian jurisdictions and with the hope of assisting policymakers to better digest the recommendations made in this Guide.

The Guide was produced with input from experts from Australia, Brunei, Cambodia, China, Hong Kong Special Administrative Region of China, India, Indonesia, Japan, Malaysia, Singapore, South Korea, Thailand and Vietnam, and with the involvement of international organisations like INSOL International, the United Nations Commission on International Trade Law and the World Bank.

Sim Kwan Kiat, Head of the firm's Restructuring & Insolvency Practice, has provided input from the Singapore perspective for the Guide.

The full Guide can be read here.

Find out more about our Restructuring & Insolvency Practice here.

Events

Regional Perspectives: Ship Arrests in Corporate Insolvencies

On 24 May 2022, Rajah & Tann Asia organised a webinar titled "Regional Perspectives: Ship Arrests in Corporate Insolvencies".

A maritime claimant's ability to arrest a ship that is connected with its claims in any port where she may be found is a powerful tool for vindication of its rights. However, complications arise in the context of maritime insolvencies where the claimant's individual right to arrest clashes with insolvency law's focus on collective action for the benefit of all creditors.

Our speakers from Rajah & Tann Asia member firms in Indonesia, Malaysia, Myanmar, Singapore and Vietnam explored regional perspectives on these challenging issues in the intersection between maritime and insolvency law. They comprised Ting Yong Hong, Raelene Pereira and Yu Zheng (Rajah & Tann Singapore), John Mathew (Christopher & Lee Ong), Logan Leung (Rajah & Tann LCT Lawyers), Myo Thant Swe (Rajah & Tann Myanmar), and Wildan Lukman Nurmajid (Assegaf Hamzah & Partners).

Converged Competition Code for the Telco and Media Sector: What Does it Mean for the Industry?

On 18 May 2022, Rajah & Tann organised a webinar titled "Converged Competition Code for the Telco and Media Sector: What does it mean for the Industry?".

The Infocomm Media Development Authority (IMDA) has issued a converged competition code for the telecommunication and media markets ("**Converged Code**"), which took effect from 2 May 2022. The launch of the Converged Code follows a comprehensive review and two rounds of public consultation on competition regulation in the telecommunication and media sectors, which was previously covered by the Code of Practice for Competition in the Provision of Telecom Services 2012 ("**TCC**") and the Code of Practice for Market Conduct in the Provision of Media Services ("**MMCC**"), respectively. With advancements in digital and information technologies and the evolution of business models, and convergence between the telecommunication and media markets, the intent of the Converged Code is to align and harmonise the rules for licensees where relevant. This is to improve regulatory clarity, encourage market innovation, better protect consumers' interest and keep pace with the fast-changing digital landscape.

Kala Anandarajah, Head of the Competition & Antitrust and Trade Practice, and Tanya Tang, Chief Economic and Policy Advisor from the Competition & Anti-trust and Trade Practice, discussed what the above changes mean for licensees in the telecommunication and media markets. They also touched on the revised market share thresholds and administrative procedures that apply, as well as the additional consumer protection obligations that have been introduced. They discussed these issues at the webinar, focusing on the areas of divergence from the previous provisions contained in the TCC and MMCC.

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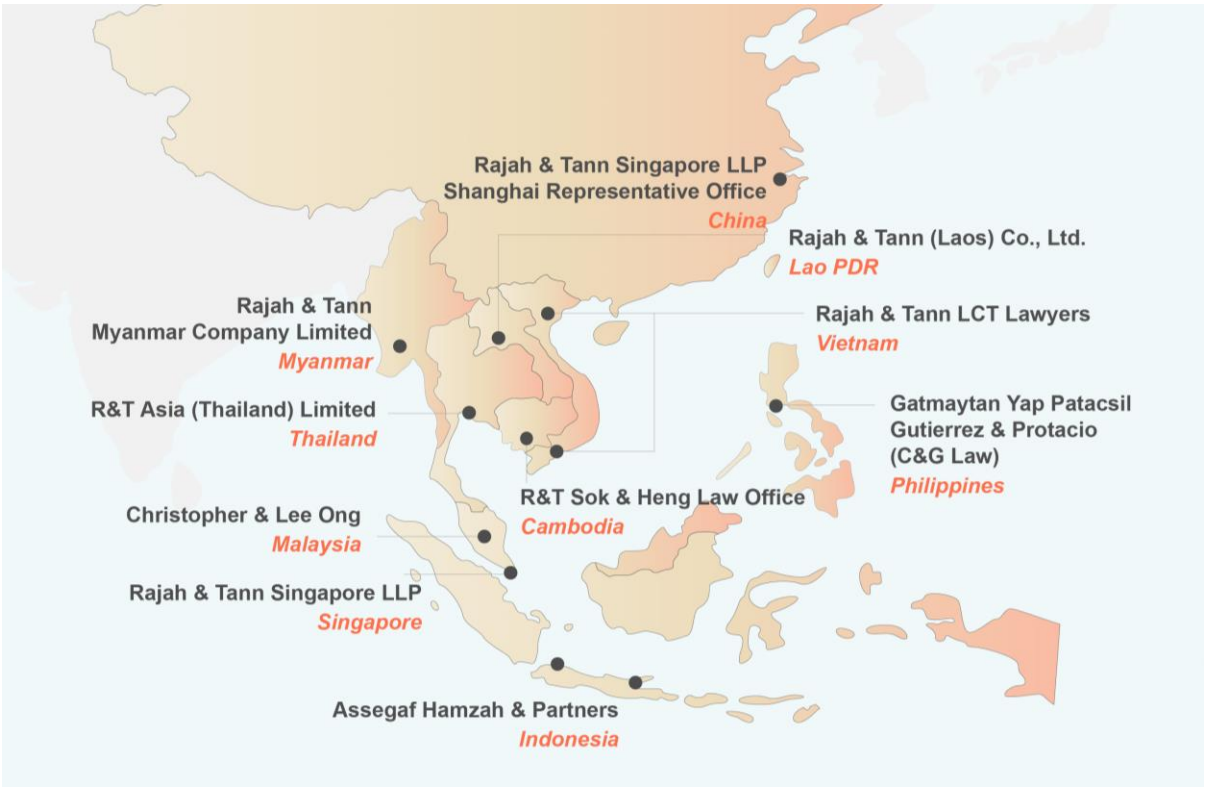

Rajah & Tann Singapore LLP is one of the largest full-service law firms in Singapore, providing high quality advice to an impressive list of clients. We place strong emphasis on promptness, accessibility and reliability in dealing with clients. At the same time, the firm strives towards a practical yet creative approach in dealing with business and commercial problems. As the Singapore member firm of the Lex Mundi Network, we are able to offer access to excellent legal expertise in more than 100 countries.

Rajah & Tann Singapore LLP is part of Rajah & Tann Asia, a network of local law firms in Cambodia, China, Indonesia, Lao PDR, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Vietnam. Our Asian network also includes regional desks focused on Brunei, Japan and South Asia.