

South Asia Desk

# Strengthening Collaborative Opportunities Between Singapore and Pakistan

## Introduction

Singapore and Pakistan affirmed their longstanding and friendly relations during Minister of Foreign Affairs of the Islamic Republic of Pakistan Bilawal Bhutto Zardari's official visit to Singapore on 9 December 2022. The Pakistan Minister of Foreign Affairs met with Singapore's President Halimah Yacob, and had a breakfast meeting with Singapore's Minister for Foreign Affairs Dr Vivian Balakrishnan.

Apart from cementing friendly bilateral relations, Singapore and Pakistan will also explore strengthening closer collaborative ties and business opportunities between the two countries.

This Update highlights certain key areas of collaborative opportunities between Singapore and Pakistan as highlighted in the recent visit by the Pakistan's Minister of Foreign Affairs, and provides a brief overview of the Pakistan legal system for businesses interested in engaging in business activities in the country.

## Key Areas of Potential Collaboration

Singapore and Pakistan will look at increasing and/or enhancing cooperation in several key areas.

- **Food and agricultural:** Having reviewed the growth in trade between the two countries, the Ministers from both countries indicated that they "looked forward" to increasing exports in food and agricultural products.
- **Digital:** Singapore and Pakistan agreed to cooperate more closely in various areas, including trade facilitation, digital economy and digital finance. Pakistan is reported to have a growing e-commerce market in recent years.
- **Human resource:** Singapore and Pakistan will also work on enhancing people-to-people exchanges and Singapore will extend its support in capacity building under the Singapore Cooperation Programme ("**SCP**"). The SCP was established in 1992 and provides technical assistance programmes to help other developing countries build and develop their human resource. You may read more about the SCP [here](#).

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## Brief Overview of Pakistan's Legal System

The legal system in Pakistan is derived from English common law. Many substantive and procedural statutes date back to the pre-independence era. Pakistan is an Islamic country with a federal system of government. The Constitution of Pakistan, 1973 mandates that no law shall be enacted and enforced if it is against the injunctions of Islam.

### Dispute Resolution

#### *Court System*

The Supreme Court and the High Courts in each of the four provinces and the Islamabad Capital Territory ("ICT") are established under the Constitution of Pakistan, 1973 and exercise constitutional, appellate and revisional jurisdiction in civil matters. The Civil Courts in Pakistan are established under the Civil Courts Ordinance 1962 which has been adopted, subject to certain modifications, in each of the four provinces and the ICT. The Civil Courts (in descending order of hierarchy) are:

- Court of the district judge and additional district judges;
- Court of senior civil judge; and
- Court of the civil judge.

Matters of civil procedure and evidence are governed by the Code of Civil Procedure, 1908 ("**Civil Procedure Code**") and the Qanun-e-Shahadat Order, 1984 (The Law of Evidence). The Civil Procedure Code consists of two parts: (1) the substantive part which relates to the substantive aspects of jurisdiction and powers of civil courts and higher courts; and (2) the procedural part which contains rules setting the procedure prescribed for the exercise of substantive jurisdiction and powers. The procedural rules may be amended by the High Courts and have been adopted by each High Court with certain modifications.

#### *Arbitration*

The Arbitration Act, 1940 ("**Arbitration Act**") governs arbitration proceedings in Pakistan. The Arbitration Act provides the principles governing the discretionary stay of suits in favour of arbitration, institution of arbitration with and without the intervention of courts, arbitration in civil suits, appointment, challenge, removal and replacement of arbitrators, powers of the tribunal and the courts and the recognition and challenge of arbitral awards.

To implement the New York Convention on Recognition and Enforcement of Foreign Arbitral Awards, 1958 the Pakistani Parliament enacted the Recognition and Enforcement (Arbitration Agreements and Foreign Arbitral Awards) Act, 2011 ("**2011 Act**"), which came into force on 15 July 2011 and applies to all arbitration agreements made before, on and after the commencement of 2011 Act. In relation to foreign arbitral awards, the 2011 Act applies to the awards rendered on and after 14 July 2005. Similarly,

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Parliament enacted the Arbitration (International Investment Disputes) Act, 2011 to give effect to the Convention on Settlement of Investment Disputes between States and Nationals of other States, 1965.

#### Contract Law

The Contract Act, 1872 ("**Contract Act**") defines and amends certain parts of the law relating to contracts and is not a complete code on contract law. The Contract Act generally applies to all contracts executed in Pakistan and those that are governed under the laws of Pakistan. The Contract Act does not affect any usage or custom of trade, or any incident of any contract which is not inconsistent with its provisions.

#### E-commerce

The Electronic Transactions Ordinance, 2002 ("**ETO 2002**") recognises and facilitates the use of documents, records, information, communications, and transactions in the electronic form. The ETO 2002 provides that the requirements under any law for affixation of signatures shall be deemed to have been satisfied where electronic signatures or advanced electronic signatures are applied.

The key laws governing online payment systems include:

- The Payment Systems and Electronic Fund Transfers Act, 2007 which provides for the establishment and operation of Payment System Operators (PSOs) and Payment System Providers (PSPs) in Pakistan
- The Pakistan Electronic Crimes Act, 2016 which defines electronic crimes and prescribes corresponding punishments.

In addition, there are various regulations of the State Bank of Pakistan (SBP) concerning payment cards, internet banking security framework(s), cyber-security controls, non-banking electronic money institutions and branchless banking framework(s).

#### Cross-Border Trade

The Federal Government controls cross-border trade through import and export policy orders issued under the Imports and Exports (Control) Act, 1950. The Import Policy Order, 2022 and Export Policy Order, 2022 regulate the import and export of goods in Pakistan respectively. Custom duties are collected under the Customs Act, 1969. Remission and receipt of payments is controlled by the State Bank of Pakistan through various regulations relating to local and cross-border payment mechanisms.

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## How We Can Help

Our [South Asia Desk](#) comprises lawyers with substantial experience in India, Sri Lanka and Bangladesh – including practitioners in arbitration, corporate, shipping and construction. Through years of extensive exposure to the South Asian markets, our team is able to combine commercial and legal experience with local knowledge of the region's businesses, languages and cultures. This distinctive combination of skills enables our team to offer a complete solution, as well as provide area-specific and value-added support to meet the requirements of our clients.

If you have any queries on the above development, please feel free to contact our team members below who would be happy to assist.

## Further Information

The official press release on "Official Visit of Minister of Foreign Affairs of the Islamic Republic of Pakistan Bilawal Bhutto Zardari, 9 December 2022" is available [here](#) on the Singapore Ministry of Foreign Affairs website ([www.mfa.gov.sg](http://www.mfa.gov.sg)).

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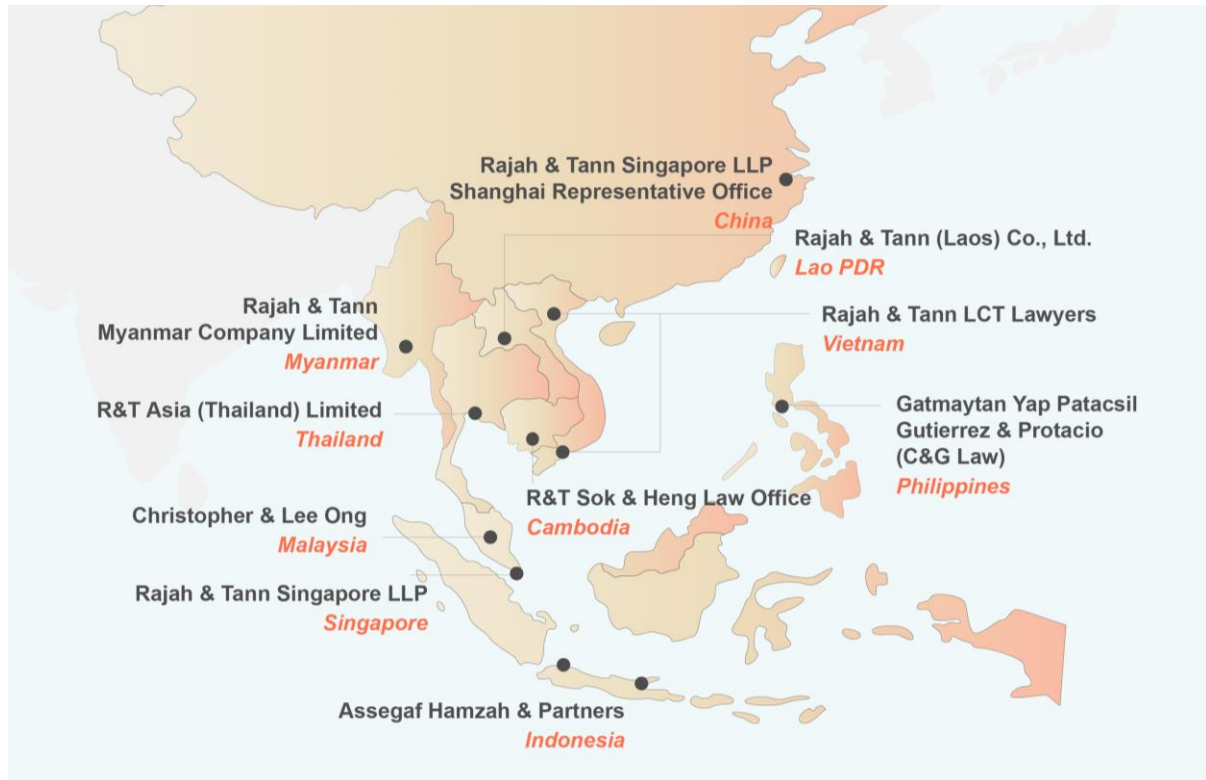
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Rajah & Tann Singapore LLP is part of Rajah & Tann Asia, a network of local law firms in Cambodia, China, Indonesia, Lao PDR, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Vietnam. Our Asian network also includes regional desks focused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

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