

Our Ref: LS/4(Media)/2007/ST

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FROM THE PRESIDENT

4 July 2007

Mr Kong Soon Wah
Forum Editor
The Straits Times
Singapore Press Holdings
News Centre 1000 Toa Payoh North
Podium Level 2 Singapore 318994

Via Email and fax no 6319 8289

Dear Mr Kong,

STAKEHOLDING A VALUABLE SERVICE

I refer to recent letters to the forum concerning interest on stakeholders' monies. As a matter of law, if there is no agreement otherwise amongst buyer, seller and stakeholder, the interest earned on the stake belongs to the stakeholder. In collective sales, it is good practice for the lawyer to draw the issue of interest specifically to the attention of the sales committee at the time of entering into the collective sales agreement. Ultimately, it is a matter of contract. The lawyers' role as stakeholder is in fact a valuable additional service involving responsibilities to both seller and buyer and, notwithstanding the existence of alternatives, such as a bank guarantee, remains the most popular mechanism.

Yours sincerely



Philip Jeyaretnam, SC
President



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