

When should an arbitral award be set aside or refused enforcement on the grounds that it was time-barred? South of England Protection and Indemnity Association (Bermuda) Ltd (in liquidation) v Pacmar Shipping Pte Ltd¹

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1. Under the Singapore Limitation Act, an award must be enforced within 6 years. Does this mean that if the award is registered before the 6 years expires, it can be enforced later, or must the award be registered and enforced within the 6 years. This issue was addressed by the Singapore High Court in this recent decision.

The Arbitration

2. The Applicant, SEPIA, prior to undergoing liquidation, was a Bermuda-incorporated company which provided protection and indemnity ("P&I") coverage for third-party liabilities arising from shipping operations of its members.
3. The Defendant, Pacmar, is a Singapore-incorporated company whose principal business is acting as a shipping agent for vessels calling in Singapore.
4. The Applicant and the Defendant entered into various insurance contracts from 2008 to 2009 where, *inter alia*, the Defendant as a member to the P&I club, was liable for all initial premium contribution calls and supplementary calls. These insurance contracts were governed by an arbitration clause declaring London to be the seat for arbitration. In 2017, when the Defendant failed to meet the insurance and supplementary calls, the Applicant commenced arbitration against the Defendant by serving a Notice of Arbitration to them and appointing a sole arbitrator. The Defendant did not appoint any arbitrator or participate in the arbitration.
5. During the Arbitration, the Applicant's initial claimed sum of US\$207,544.01 was revised down to US\$82,332.40 upon concurrence with the Arbitrator that some of their claims were time-barred. When the Applicant served its Statement of Claim, the Defendant failed to serve its Statement of Defence or any Counterclaim. The Arbitration then proceeded solely on the Applicant's submissions.
6. On 17 July 2019, the Arbitrator issued an award of US\$82,332.40 in favour of the Applicant plus costs and interests, ordering that the Defendant pay the Applicant the amounts claimed in respect of the unpaid calls plus accrued interest, and ordered costs against the Defendant. This was less than the initial claimed sum of US\$207,544.01 as the Applicant concurred that some of the sums claimed were time barred.

The Defendant's Submissions at High Court

7. To resist the Recognition Order, the Defendant canvassed *inter alia* the following arguments: -
 - a. The enforcement of the award was statutorily time-barred by s 6(1)(c) of the Limitation Act; and
 - b. The common law doctrine of laches precludes the Applicant from enforcing its award;

The Decision

8. Enforcement of Arbitral Award. The Court first noted the statutory basis for the Defendant's submission, where s 6(1)(c) of the Limitation Act provides as follows:-

"Limitation of actions of contract and tort and certain other actions

6.—(1) Subject to this Act, the following actions shall not be brought after the expiration of 6 years from the date on which the cause of action accrued:

...

(c) actions to enforce an award;"

¹ [2026] SGHC 8

9. The High Court at [22] to [25] dismissed the Defendant's submission that the Recognition Order was time-barred by s 6(1)(c) of the Limitation Act. In affirming previous case precedents², the learned Sushil Nair JC drew a crucial distinction between (a) a substantive right to sue for and obtain a judgment; and (b) the procedural mechanism for enforcing the judgement already obtained, thereafter holding that the statutory limitation period only applied to former.
- a. Purpose: The court observed that the purpose undergirding limitation periods was to shield potential defendants from an indefinite uncertainty of legal exposure and averting the injustice that arises as evidentiary integrity erodes across the passage of time.
 - b. Rule: Therefore, the High Court clarified that the statutory time-bar under s 6(1)(c) of the Limitations Act attaches only in circumstances where an applicant seeks to register and enforce an arbitral award as a judgment of the Singapore court. It does not operate where the applicant is enforcing or executing a court judgment already obtained pursuant to that award.
 - c. Factual Application: On the facts, the High Court found that the statutory time-bar under s 6(1)(c) of the Limitations Act ceased to apply once the Applicant had registered the award. The arbitral award was issued on 17 July 2019, while the order registering it was made on 16 July 2025, which meant that the Applicant had successfully registered the award on the last day before the time-bar.
10. Doctrine of Laches. The High Court also rejected the Defendant's claim that the doctrine of laches applied to preclude the Applicant from enforcing their arbitral award almost 6 years after it was issued. The court reasoned that the remedy of laches was equitable in nature, and thus inapplicable to a statutory procedural mechanism, pursuant to ss 19 and 29 of the International Arbitration Act for parties to recognise and enforce arbitral awards. The court considered the Singapore Court of Appeal's seemingly open position in *Esben Finance Ltd v Wong Hou-Lianq Neil*³ as to whether the doctrine of laches extended beyond equitable relief claims and decided that *Esben Finance* prescribed those exceptions to only apply to common law claims where no limitation period applied. Indeed, the contemplated potential unfairness and prejudice in 'no limitation period' claims were inapplicable in this case since s 6(1)(c) of the Limitation Act imposed a 6-year time bar for the enforcement of arbitral awards.

Final Thoughts

11. The High Court decision is consistent with the position in other jurisdictions such as United Kingdom⁴ and Hong Kong⁵. Once the award is registered, the applicable time-bar is that for judgements, which in the case of Singapore, is 12 years from the date of the judgement.

² The High Court affirmed *Tan Kim Seng v Ibrahim Victor Adam* [2004] 1 SLR(R) 181 at [27] to [29]; *Teh Siew Hua v Tan Kim Chiong* [2010] 4 SLR 123 at [12] to [34]; and *Desert Palace Inc v Poh Soon Kiat* [2009] 1 SLR(R) 71 at [59] to [68].

³ [2022] 1 SLR 136 at [113] ("*Esben Finance*").

⁴ *Agromet Motoimport v Maulden Engineering Company (Beds.) Ltd* [1985] 1 WLR 762, *Strategic Technologies Pte Ltd v Procurement Bureau of the Republic of China Ministry of National Defence* [2023] EWHC 754 (KB)

⁵ 深圳市深超科技投资有限公司 v 世紀晶源科技有限公司 And Another, CACV263/2020

For further information contact:

S Suressh

Partner & Head, International Arbitration
Suressh@harryelias.com
+65 6361 9883



Andy Lem

Partner & Co-Head, Civil and Commercial Litigation
AndyLem@harryelias.com
+65 6361 9340



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