

Upholding the Seat — Anti-suit injunctions and Considering Sovereign Immunity

Introduction

On 25 June 2025, the Singapore International Commercial Court (“SICC”) in **Cooperativa Muratori and Cementisti — CMC di Ravenna, Italy v Department of Water Supply & Sewerage Management, Kathmandu** [2025] SGHC(I)16 granted an anti-suit injunction to restrain the respondent from pursuing proceedings in Nepal to set aside a decision of a Singaporean arbitral tribunal stating that the seat of an arbitration was Singapore, thereby reinforcing party autonomy in an arbitration. The SICC also assessed when a party could invoke sovereign immunity to prevent injunctive relief being ordered by the Singaporean Courts.

Brief facts

In 2013, the Claimant (“CMC”), an Italian construction company, entered into a contract with the Respondent (“MB”), an implementing agency formed by the Government of Nepal, to develop water supply infrastructure in the Kathmandu Valley to alleviate the chronic water shortage (“Contract”).

The Contract provided for any dispute to be settled by way of an arbitration with the place of arbitration in Singapore pursuant to the Rules of the Singapore International Arbitration Centre.

CMC commenced an arbitration in Singapore against MB. Subsequent to the commencement, a dispute arose as to the seat of arbitration, with MB asserting Nepal and CMC maintaining Singapore. In August 2024, the tribunal issued a Seat Decision confirming Singapore as the seat of the arbitration (“Seat Decision”).

Thereafter, MB initiated annulment proceedings in Nepal to set aside the Seat Decision (“Annulment Application”).

In response, CMC applied to the SICC for an anti-suit injunction to restrain MB from pursuing the Annulment Application, with the main reason being that it constituted a clear breach of the

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Contract as there was an express agreement between the parties for the arbitration to be seated in Singapore.

CMC further argued that by choosing Singapore as the seat, the parties conferred *in personam* jurisdiction on the Singaporean courts over MB and exclusive authority to the Singaporean courts to hear challenges to the Seat Decision.

The anti-suit injunction

The SICC granted the anti-suit injunction based on the following key findings:

1. The SICC held that by agreeing to Singapore as the “*place of arbitration*,” MB had submitted to the jurisdiction of the Singaporean Courts.
2. MB’s only arguable basis for claiming Nepal as the seat was the Contract’s governing law being Nepalese law. However, this was insufficient to override the clear choice of Singapore as the “*place of arbitration*”.
3. MB’s Annulment Application was a clear breach of the Contract as challenges to an arbitral award or tribunal decision must be brought only before the Courts of the seat.
4. CMC acted promptly in filing for the injunction. MB chose not to participate, and later continued its involvement in the Nepalese case even after the interim injunction was granted (notwithstanding that it was aware of the injunction).

Sovereign immunity

As MB was an agency formed by the Government of Nepal, the SICC considered whether MB would enjoy sovereign immunity from the jurisdiction of the Singaporean Courts pursuant to s.3(2) of the State Immunity Act 1979. s.3(2) states that a court is to give effect to immunity even if the State does not file and serve a notice of intention to contest the proceedings in question.

The SICC held as follows:

1. If MB enjoyed sovereign immunity, no anti-suit injunction may be issued against MB as there was no consent for an anti-suit injunction to be enforceable against it.
2. However, MB is a separate entity from the state of Nepal and therefore would only enjoy sovereign immunity if the proceedings related to acts done by MB in the exercise of its sovereign authority.
3. The Contract was a commercial transaction, and MB was therefore not entitled to sovereign immunity.

Key takeaway

The designation of a “*place of arbitration*” is equivalent to selecting the seat, and shows submission by the parties to the curial jurisdiction of that forum. It is evident that courts will grant anti-suit injunctions to uphold arbitration agreements unless strong reasons dictate otherwise.

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