



FT ASIA-PACIFIC INNOVATIVE LAWYERS 2016

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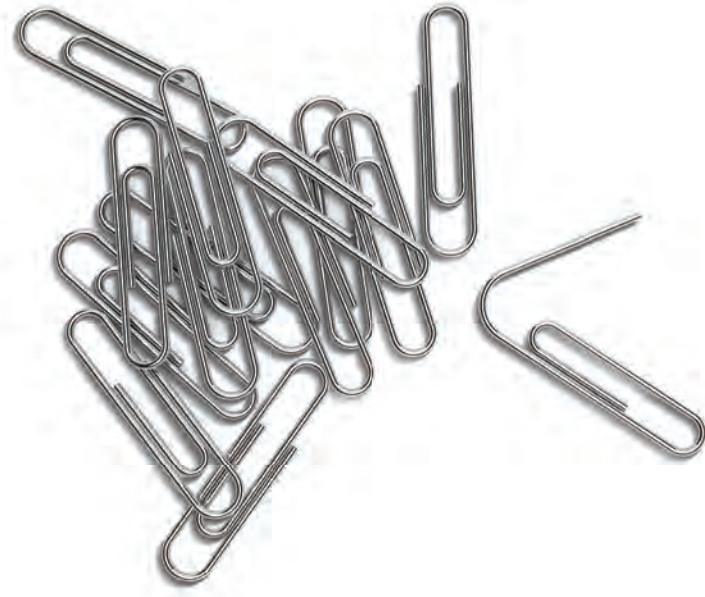
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Disruption churns hopes and fears

The Financial Times Asia-Pacific Innovative Lawyers report – now in its third year – is quickly becoming an essential measure of progress and success for the legal profession in a highly diverse and complex region.

This report has long been a fixture in North America and Europe but now, with Asia-Pacific expected to become the world's second largest regional legal market by 2018, the report's expansion is perfectly timed for practitioners and clients alike.

The aim of the report is to showcase the international and Asia-headquartered law

firms that have developed exceptionally innovative practices to meet their clients' needs in a fast-changing environment.

One striking feature of the report is the significant number of standout firms from the region itself. The rise of homegrown law firms highlights the boom in demand for legal services in a region that has traditionally been dominated by large global firms headquartered in Europe and the US.

Of course, with a region incorporating countries at such different stages of development – from affluent Japan to emerging

Myanmar, where 70 per cent of the population has no reliable access to electricity – challenges remain.

In many countries, legal frameworks are in their infancy and enforcement is weak. Companies and clients still do not see the value in paying for legal services and collecting payment can be problematic.

Technology is also disrupting the legal profession. A report from Deloitte earlier this year estimated around 114,000 jobs in the UK's legal sector are at risk of disappearing because of technological advances.

That same technology provides big opportunities for law firms and the skilled lawyers who can never be replaced by algorithms and automation.

Despite the challenges, this is a moment of optimism for the industry in Asia. Surging cross-border investment and acquisitions originating in Asia, and particularly from China, means demand for top quality, innovative legal advice in the region has never been greater.

Jamil Anderlini, Asia editor



Green spaces A photo essay on the parks of Tokyo

For the first FT Innovative Lawyers report of 2016, we decided to take a new approach to illustrating the stories. As creative as the lawyers featured in this report are, it can be hard to find an evocative picture of a delisting followed by a relisting aided by the application of an artificial intelligence system and some client-facing web portals, for example.

That is why we have decided instead to focus on the world in which the lawyers, their clients and their clients' customers live. We therefore commissioned a photo essay from Toshiki Senoue, a Tokyo-based photographer who studied at the Missouri School of Journalism, in which he examines the large parks of Tokyo from day to night. They offer, the photographer notes, a hint of wilderness to contrast with the order for which lawyers strive.

As Mr Senoue says, "Unlike haphazardly erected skyscrapers and the chaotically spreading city, parks in Tokyo are surprisingly orderly, quiet and spotlessly clean.

"Parks, of course, are man-made. Pathways are made, trees are trimmed, flowers are planted, and creeks and ponds are made to make the park more aesthetically pleasing. However, in this kind of controlled environment, many parks still have a hint of what they used to be, the atmosphere of old days when humans did not yet inhabit them.

"Instead of trying to get everything under control, Japanese people let nature be and twist it the minimal amount necessary. It probably comes from people's idea of coexisting with nature, and appreciation of and respect for it." **Josh Spero**

Inside Innovative Lawyers

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Don't legislate: arbitrate! Singapore is becoming a world leader in dispute resolution outside the courtroom **Page 26**

Asia-Pacific Innovative Lawyers

Overview Inward-looking and retrospective firms will not prosper, writes *Reena SenGupta*

Success comes from turning orthodoxies on their heads

Law firms as professional service providers are not normally noted for their inventiveness. Unlike the Big Four accounting firms or top management consultancies, they tend to organise themselves around the specialisations of their own practice rather than their clients' needs. In addition, because the law is based on precedent, lawyers are trained to look backwards. This inward, retrospective focus is not conducive to new thinking. Yet this year's Asia-Pacific Innovative Lawyers report shows many indigenous firms are turning orthodoxies on their heads.

King & Wood Mallesons has taken the radical step in its China offices of organising itself along industry lines rather than by its legal expertise. In a move that shows its reorganisation is more than marketing, KWM will now report profit and loss by industry sector, one of very few law firms to do so globally.

While this has been a trend in the UK for the past 15 years, few law firms have gone so far as to reflect an industry focus in their financial accounting. The initiative was devised by a lawyer, Shao Zili, who had spent five years outside the legal profession.

Mr Shao, previously chairman and chief executive of JPMorgan China and now co-chairman at KWM, says: "In banking I saw that industry focus is the most important thing. You are not a general banker, you are a healthcare or real estate-focused banker, for example. Clients don't really care about what we do legally, they care about what we know about their industry."

Another firm that is ahead of the curve is Nishith Desai Associates, an Indian law firm. It adopted its industry focus, or "vertical" approach to sectors, in the mid-1990s, well before many UK firms. With only 75 professionals, NDA tops the FT's ranking of firms

headquartered in the Asia-Pacific region this year. One reason it punches above its weight is because it invests half its annual profits in research and development. Their competitors tend to use their profit pools to pay partners.

More radically for a law firm, NDA's business model is based on predicting the future and staying ahead of new trends such as cryptocurrencies. When he founded the firm in 1990, Mr Desai realised he could not compete with other Indian law firms that had 100-year-old brands. Instead, he says, he looked at technological, political and social developments that could throw up new legal and tax problems and positioned his firm to advise on them.

The demand for lawyers to look forward and to advise not only across practice areas – such as contract law and dispute resolution – but also across industries is becoming more common in Asia. Even established law firms such as Kim & Chang, one of the largest in South Korea, are stepping out of the traditional legal role.

'Clients don't really care about what we do legally, they care about what we know about their industry'

When the South Korean government announced plans last year to grant the first two internet-only banking licences, Kim & Chang was involved in the bidding process. The government had not issued a banking licence for 23 years, which meant the new banks had to be created out of a tangle of pre-internet regulations.

To complicate the lawyers' task, Kim & Chang's client, telecoms company KT Corporation, was the leader of a 21-member consortium, which included Alipay, the Chinese online

payment platform, and many non-financial companies. Kim & Chang had to field more than 30 lawyers who could work across different specialisations, foster convergence within the consortium and work with the regulators to create K Bank, the new company.

This convergence of industries and technology to create new types of business propels legal innovation worldwide and underpins many examples showcased in this year's report. The other important driver of law firm innovation, particularly among the international firms in the region, is competition.

As the indigenous law firms modernise and branch out, international firms find they are now competing with them on an equal footing. The Asia-Pacific region is the one area of the world where UK and US-originated firms jostle equally for position. This is reflected in the FT's rankings of international firms over the past three years. Unlike in the ranking of firms headquartered in Asia Pacific, the firms that occupy the top 10 positions in the international ranking changed a great deal over the period.

This year, Herbert Smith Freehills occupies the top slot, a jump from 17th last year. Neither the UK's Herbert Smith nor Australia's Freehills, which merged in 2012, was then known for innovation. But four years on, the merged firm's performance in this report shows it has grown its Asia-Pacific presence. Its work includes BHP Billiton's demerger from South32, the largest in Australian corporate history, and CGN's purchase of Edra Global Energy Berhad for \$2.3bn last year, the largest M&A deal in Malaysia.

More revealing is a recent announcement on strategy. Cultivating innovation is listed as one of the five ways in which it wants to become a new type of law firm for 2020. This underscores how finding paths to inventiveness has become a priority for many firms.



Asia-Pacific Innovative Lawyers

FT 25 (Asia-Pacific headquartered)

HQ Country	Rank	Law Firm	Business of Law	Business of Law – Technology	Corporate & Commercial	Finance	Total Score
India	1	Nishith Desai Associates	68		62	70	200
Australia/China	2	King & Wood Mallesons	27		68	66	161
Australia	3	Gilbert + Tobin		47	46	42	135
South Korea	4	Yulchon	67		22	42	131
South Korea	5	Kim & Chang			40	70	110
Australia	6	Corrs Chambers Westgarth	23	24	42		89
South Korea	7	Shin & Kim			21	43	64
India	8	AZB & Partners			19	38	57
China	9	Fangda Partners			48		48
Japan	10	Mori Hamada & Matsumoto			26	19	45
China	10	Zhong Lun Law Firm			24	21	45
Japan	12	Atsumi & Sakai	44				44
New Zealand	12	Simpson Grieson	44				44
India	14	Anand and Anand	21	22			43
South Korea	14	Bae, Kim & Lee			22	21	43
Singapore	14	Rajah & Tann Singapore	43				43
SE Asia	17	DFDL				42	42
Singapore	17	WongPartnership			23	19	42
Vietnam	19	LNT & Partners			25		25
Australia	19	Salvos Legal	25				25
Singapore	21	ZICO Law	24				24
Australia	22	AdventBalance	23				23
China	22	Dacheng Law Offices (Dentons)			23		23
China	24	Beijing East IP	22				22
India	25	Khaitan & Co				21	21

FT 25 (International)

HQ Country	Rank	Law firm or organisation	Business of Law	Business of Law – Technology	Corporate & Commercial	Finance	Total Score
UK/Australia	1	Herbert Smith Freehills	68		41	42	151
UK	2	Linklaters	40		64	46	150
UK	3	Norton Rose Fulbright	24	44	42	18	128
UK/US	4	Hogan Lovells	41	20		44	105
US	5	Shearman & Sterling			40	62	102
UK	6	Slaughter and May		21	44	25	90
US	7	Kirkland & Ellis	20		42	22	84
US	8	Skadden, Arps	22		46		68
UK	9	Pinsent Masons	24			43	67
UK	10	Ashurst	20			43	63
UK/US	10	DLA Piper	20	24		19	63
US	12	Latham & Watkins			41	20	61
US	12	Ropes & Gray	20		23	18	61
US	14	White & Case	21		20	18	59
UK	15	Allen & Overy			25	26	51
UK/US	16	Baker & McKenzie	26			20	46
US	17	Sullivan & Cromwell			24	20	44
US	18	Sidley Austin			21	21	42
US	19	Morrison & Foerster	20		21		41
US	20	Mayer Brown JSM	26				26
UK	21	CMS	23				23
US	22	Cadwalader				22	22
US	22	Paul Hastings			22		22
US	24	Weil, Gotshal & Manges			21		21
UK	25	Bird & Bird	20				20

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Mainland manoeuvres threaten Hong Kong

Finance The territory has long been the gateway to China, but direct access to the mainland is undermining its status, says *Mark Wembridge*

For a tiny territory on the edge of a vast country, Hong Kong has played a disproportionately large role in China's development. Over more than 150 years, most of which was spent as a British imperial entrepot, the mercantile port has acted as a conduit for the west into the Middle Kingdom — and a harbour for the exchange of goods, services and ideas.

But that status as the bridge into China is threatened. Local businesses can now raise funds in China itself, and foreign investors find it easier than before to invest directly in the mainland, albeit in a slower, riskier and more restrictive fashion than in much of the west. China's free trade zones in Shanghai and Shenzhen present opportunities for foreign investment; the use of the renminbi as a trading currency is growing; and the recently implemented Shanghai-Hong Kong Stock Connect are all bolstering ties between China and the rest of the world, both directly and through Hong Kong.

These shifts raise questions about Hong Kong's future role as a financial intermediary between China and the rest of the world, while rival cities in the region such as Singapore also pose a challenge.

But David Webb, a Hong Kong-based investor and governance activist, insists the territory still enjoys key advantages. "Part of what distinguishes Hong Kong from its competitors is that it is part of China," he says. "It has a large contingent of lawyers fluent in Mandarin and who are familiar with mainland business practices."

Any lessening of Hong Kong's dominance

would require China to improve its legal disclosure rules and accounting practices and expand its professional legal industry, experts say. "Hong Kong is a hub of experience — a critical mass of deal and product expertise, and diverse viewpoints and vital insight. You don't get that unique mix in many other places," says Hwang Hwa Sim, a capital markets partner in Hong Kong for law firm Linklaters. "Almost all of the knowledge sits with people. They understand what is possible. The legal profession needs to be aware of what makes Hong Kong unique."

However, a sign that China is starting to rely less on Hong Kong as an intermediary was the South Korean government's issuance last December of Rmb3bn (\$460m) in "panda bonds" — renminbi-denominated debt sold by foreigners into China's bond markets.

The deal created the first non-Chinese sovereign bonds issued in the renminbi in China's onshore market — sneaking in ahead of a similarly sized issuance by the Canadian province of British Columbia.

Several law firms were involved. Bae, Kim & Lee, based in South Korea, advised the national government, as did King & Wood Mallesons; Allen & Overy worked on behalf of the issuers, HSBC and Bank of China (Hong Kong). A&O diplomatically refers to the "considerable differences in practice and procedure for bond offerings in the international and China inter-bank bond market".

"There was no established precedent in this matter. This was a very adventurous task," says Eui Jong Chung, BKL's lead partner on the deal. "There were also troubles relating to timing issues. There were three languages involved — Chinese, Korean and communications in English — so getting the translations approved in time was challenging." Mr Chung thinks the deal sets a precedent for South Korean banks.

Another sign of China's lessening dependence on Hong Kong came with the formation of the China Europe International Exchange (Ceinex) — a Frankfurt-based exchange that trades

several renminbi-denominated financial instruments. The exchange was set up by the Shanghai Stock Exchange, advised by King & Wood Mallesons; German exchange operator Deutsche Börse; and China Financial Futures Exchange, advised by Dacheng Law Offices.

The exchange's opening last October — attended by Germany's chancellor Angela Merkel and China's premier Li Keqiang — was the latest move by Europe to court Beijing for its significant business. Dacheng calls Ceinex "a crucial overseas extension and supplement for China's capital market" and says it will have "a significant influence" on China's economy, capital markets and currency.

Christian Cornett, a partner at KWM, says the ambition behind Ceinex is that a range of financial products relating to Chinese markets should be tradable in the west. "The main challenge was it had not been done before [so we had] to find a common denominator where the converging interests could agree, where both interests are equally well promoted," he says.

Norton Rose Fulbright in November 2014 advised Hong Kong-listed Renhe Commercial Holdings — the Chinese developer known for turning China's disused underground bomb shelters into shopping malls — on its \$436m rights issue. The deal was the first by an eligible Hong Kong Stock Exchange issuer since the launch of the Shanghai-Hong Kong Stock Connect. The Stock Connect is a cross-border trading programme that has given overseas funds free access to mainland-listed companies for the first time.

Previously, global investors needed approval to invest if they wanted to hold domestic shares. Stock Connect also gave many Chinese investors access to Hong Kong stocks for the first time. The local exchange of the southern Chinese city of Shenzhen was last year due to launch a trading link with Hong Kong, although this has been delayed.

As well as the rights issue, Norton Rose Fulbright advised Renhe on bank financing and



Rival cities in the region such as Singapore are also posing a challenge

tender offers that were combined into a triple-layered financing arrangement, which had not been done before, says Rachel Chan, senior counsel at the law firm. "Normally these parts could have been separate, but because of the innovative structure we were able to make it one," she says.

Even though international investors gained direct access to China, Hong Kong's capital markets remain an important financial conduit. Last December, Linklaters advised the underwriters for Baosteel Group's \$500m issuance of a China Construction Bank Corporation bond that was exchangeable into so-called H shares, which are listed on the Hong Kong stock exchange. There are more than 200 Chinese companies with such H shares, and the agreement has paved the way for future equity-linked deals.

The transaction achieved several firsts, including creating the first international bond changeable into H shares and the first equity-linked deal with underlying shares in a Chinese bank. "The deal itself was only possible because of a combination of technologies. It was basically introducing a new product to a new class of investors. It opened up a whole new market," says Mr Sim.

Slaughter and May's work with China Re's insurance IPO was also notable for its inventive-

ness. "This was a groundbreaking transaction for us. It was also the first reinsurance group listed in Hong Kong, the first Chinese reinsurance company listed anywhere," says John Moore, partner at Slaughter and May.

Despite the competitive threats from the mainland, Singapore and other emerging cities, Hong Kong still holds substantial legal advantages over its rivals. "Hong Kong seems to have developed a dynamic of its own in so many areas," says Mr Moore.

"Hong Kong has an incredible amount of talent that is bilingual, and they have been brought up within the system. I have no doubt that Hong Kong will continue to play an important role in the future."

Mr Webb, the governance activist, says: "Hong Kong does have appeal as a trustworthy legal jurisdiction, but do keep in mind that we have only 31 years until the promises of the Basic Law [the territory's mini constitution], expire. By 2047, we may have a new highest court in the land — potentially in mainland China. That could undermine the confidence of long-term investors."

Mr Sim of Linklaters adds: "[The Baosteel transaction] couldn't have been done by a group outside of a vibrant hub such as Hong Kong. We knew what our investors were willing to accept, and also what was possible. Unless Hong Kong loses its ability to remain as a catalyst for ideas, it will stay a hub for deals."

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Asia-Pacific Innovative Lawyers

How to breach the Great Firewall

Corporate & commercial China's tech sector is hard for foreign companies to crack, says *Jennifer Thompson*

China's surging technology sector has nurtured behemoths such as online marketplace Alibaba, with its \$195bn market capitalisation, and search engine Baidu, which reached 663m users in March. They owe much of their success to a vast and increasingly affluent population, growing internet use and the need to supply IT services to the public and private sectors.

It is not easy for foreign rivals to gain a share of this market, in part because Beijing has several concerns over the sector beyond the narrow self-interest of economic protectionism. These anxieties cover cyber security risks, increased freedom of speech for internet users and the threat of international espionage.

Revelations by Edward Snowden, the contractor turned whistleblower, over the US internet spying programme Prism have fuelled government concerns about foreign entities operating within China even as homegrown champions such as Huawei and ZTE emerge globally.

Those anxieties are evident in a tighter regulatory environment. It was widely reported last year that the authorities were even planning to station police officers inside large internet companies. A draft cyber security law unveiled last summer would have required companies to store user data in China, although Beijing dropped this provision after US protests. A requirement that made it into the final law was that companies must assist China in decrypting any information relating to terrorism incidents.

"The Chinese government and western governments or western firms have a fundamentally different perspective on how to use the internet," says William Glass, an analyst at cyber security firm FireEye. "In the west it's a common platform where you can post whatever you want. In China it's viewed as almost a little bit of a liability."

Beijing's unease runs against its desire to develop a sophisticated domestic technology industry and lessen its reliance on foreign expertise as part of a strategy first outlined in 2006 and known as "indigenous innovation". The process is best understood as "not so much a hard and fast legal rule but a procurement approach", says one dealmaker.

There has been a varied response among foreign companies – and their lawyers – as they seek a compromise while retaining access to the lucrative market. Microsoft, for instance, began sharing its source code with governments around the world, including China, in 2002.

Others have taken more ambitious approaches. Two years ago, Hewlett-Packard – now split into two entities, Hewlett Packard Enterprise and HP Inc – began exploring options for restructuring part of its operations in the country. Its aim was to secure a Chinese partner to navigate the market.

Under the terms of a deal announced in May 2015, HP sold a majority stake in a new company comprising H3C Technologies, its network business, and its China-based server division to Unisplendour Corporation for \$2.3bn.

Unisplendour is a subsidiary of Tsinghua Holdings, the asset management arm of Tsinghua University in Beijing.

'China is only going to permit what it wants to permit'



Being one of China's leading institutions – it is the alma mater of President Xi Jinping – "made Tsinghua a very attractive partner" for HP, one person with knowledge of the deal says. HP will still own other businesses in China outright, including various software divisions, but the new entity, headquartered in Hangzhou and Beijing, is the main plank of its operations. It strikes a careful balance between HP's identity as one of the world's biggest tech companies and also makes it clear it is prepared to adapt to thrive in China. The deal closed in May.

In its submission, Allen & Overy, which advised HP, said its innovation came in the deal's "structuring to create an indigenous profile", which meant HP could retain "strong operational control" even as its ownership was 51 per cent Chinese. The firm talked of its "ground-breaking" regulatory work, given "complicated PRC [People's Republic of China] listing rules" and market turmoil.

Law firm Bird & Bird required similarly creative structuring when it acted on behalf of SinoCloud, a Singapore-listed IT service provider. SinoCloud wanted to buy a controlling stake in Guiyang Zhongdian, a Chinese internet data centre company, but Chinese takeover rules made this harder. A recalcitrant minority shareholder added a layer of complication.

To comply with China's rules, Bird & Bird had to use a variable interest entity, which allows a company to take a controlling interest without holding most of the shares, similar to HP's "strong operational control". But because of the minority shareholder, a new company had to be established above the target with which SinoCloud could deal. This entity was a limited liability company, rare in China, the law firm says. The deal was completed in October 2015.

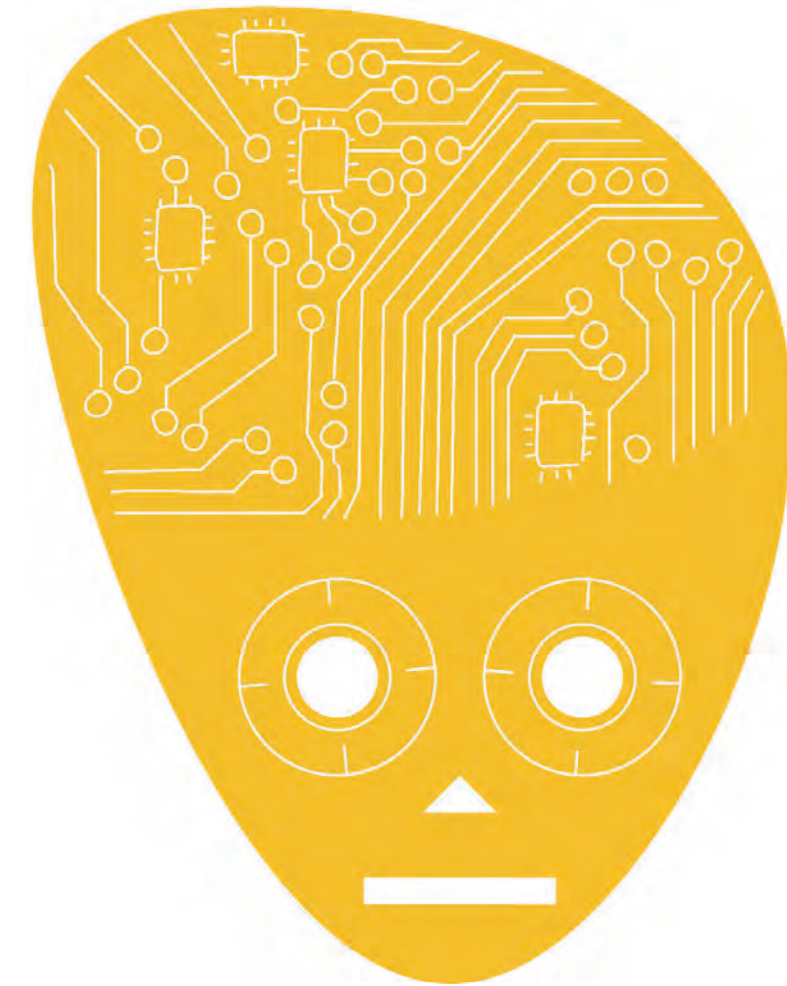
One of the most striking trends among homegrown tech companies operating in China is the number of ventures that are delisting in the US. Seventy-three US-listed Chinese companies have been taken private since 2009, according to data from Dealogic, nine of them in 2016 alone. Lawyers expect many to relist on the mainland.

Their path may be determined by the novel approach adopted by Qihoo 360, an antivirus company, which abandoned its US listing after receiving a \$9.3bn management-led buyout offer last year. Having several partners in the buyout consortium who were not Chinese meant "it would be difficult to restructure the company to permit a Chinese domestic A-share listing in the future," said Kirkland & Ellis, the law firm that advised the consortium. The deal was innovatively structured to facilitate a Chinese listing with all funds raised onshore and in renminbi.

The investor consortium included Sequoia Capital China and Ping An Insurance but totalled 30 parties in all. To add to the difficulty of the deal, discussions were taking place against the backdrop of China's fluctuating stock market last summer when the benchmark Shanghai Composite fell 30 per cent between the beginning of June and the end of August. "On a particular day you could almost feel the enthusiasm going up and down among the various investors, but most took the long view," says one person close to the deal, adding that it "highlights the need to really carefully plan", given the increased regulatory scrutiny and opacity.

Though the Qihoo 360 deal was signed only recently, lawyers say more delistings and joint venture restructurings will almost certainly follow. Despite the challenges, Asia's biggest economy remains the prize for many foreign enterprises in the technology sector. Companies that began life outside China are signalling that beefing up their profile in the country, even given the expense and the wait, is worth it.

China has more than 700m people connected to the internet, says FireEye's Mr Glass. "That's something that can't be ignored." But he warns: "The Chinese government is cognisant of this and is able to use their market power to extract concessions. China's only going to permit what it wants to permit."



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Corporate & Commercial (Asia-Pacific headquartered)				
Firm	Originality	Rationale	Impact	Total Innovation score
Standout				
Fangda Partners When Focus Media decided to move its listing from the US to the People's Republic of China, it turned to Fangda & Partners to structure and execute a backdoor listing, which enabled it to merge with a firm that was already listed on the Shenzhen Stock Exchange. Commended: Jonathan Zhou.	9	9	9	27
Mori Hamada & Matsumoto Drafted critical disclosure documentation for a concurrent triple public offering of Japan Post Holdings and its subsidiaries, Japan Post Bank and Japan Post Insurance. Commended: Katsumasa Suzuki.	9	9	8	26
King & Wood Mallesons Bridged Chinese and UAE policies on currency and foreign exchange to design one of the first offshore sovereign investment funds, jointly established by CDB Capital, the State Administration of Foreign Exchange and Mubadala Development Company of Abu Dhabi.	8	9	8	25
LNT & Partners Protected Coca-Cola's trademark by tackling parallel exports in Vietnam. Commended: Net Le.	9	8	8	25
Highly Commended				
Gilbert + Tobin The firm helped to design new risk frameworks, governance and pricing models for Rio Tinto's strategic partnership with Accenture to manage its core enterprise IT systems as a service through the cloud. Commended: Bernadette Jew.	8	8	8	24
Nishith Desai Associates Devised a unique structure for Providence Equity Partners to retain its existing equity stake in a publicly listed Indian company in spite of regulations that required the fund to exit. Commended: Vaibhav Parikh, Rajesh Simhan and Simone Reis.	9	8	7	24
Zhong Lun Law Firm Set reorganisation standards for Chinese companies listed in Hong Kong. Commended: Shengfeng Xu.	8	8	8	24
Dacheng Law Offices (Dentons) Helped establish the regulatory precedents that enabled the formation of the China Europe International Exchange (CEINEX).	7	8	8	23
King & Wood Mallesons Advised on the legal framework underpinning the agreement with Deutsche Börse AG and China Financial Futures Exchange to jointly establish the China Europe International Exchange (CEINEX).	7	8	8	23
WongPartnership Represented JTC Corporation (a Singaporean state-owned company) in its merger with four operating subsidiaries of Temasek Holdings, which constituted the first major restructuring of Singapore government-linked companies. Commended: Wai King Ng and Sing Yee Chan.	8	8	7	23
Commended				
Bae, Kim & Lee Provided crucial strategic advice and support to Tesco in the sale of Homeplus, its Korean retail business, including conducting due diligence on behalf of all potential buyers.	7	8	7	22
Corrs Chambers Westgarth Developed a strategy involving a unique asset sale and buy-back structure and a case with the Australian takeover panel to help Affinity Education foil a hostile takeover bid by G8 Education.	7	8	7	22
Gilbert + Tobin Created the structure to enable Crescent Capital's rare successful proportional hostile takeover of Cardno, an Australian infrastructure and environmental services company.	7	8	7	22
Yulchon Created a streamlined tax-efficient corporate structure for the consortium of buyers in the acquisition of Homeplus.	7	8	7	22
Fangda Partners Helped to formulate the new business model behind online retailer Alibaba Group's cross-investment transaction with Suning Commerce, the retail electronics company.	7	7	7	21
Kim & Chang Acted as strategic advisers to CSM Holdings on rare simultaneous Japanese and Korean tender offers for SBI Mortgages.	7	7	7	21
Shin & Kim Provided structuring, contractual and operating model input into Korea Asset In Trust's project to build low-cost rental properties in Korea.	8	6	7	21
Corrs Chambers Westgarth Negotiated the terms that governed Zijin Mining's strategic partnership with Barrick Gold and the acquisition of a 50 per cent stake in Barrick's gold mine in Papua New Guinea.	6	7	7	20
King & Wood Mallesons Helped formulate Australia's "Simple Corporate Bond" regime and advised Australian Unity on its test issuance.	7	7	6	20
Luthra & Luthra Law Offices Helped Tata Advanced Systems set up a joint venture with Boeing immediately following the liberalisation of India's foreign direct investment rules.	7	7	6	20
Yoon & Yang Provided key strategic advice to Korean investors for a greenfield investment in a Canadian healthcare project.	7	7	6	20
AZB & Partners Advised Bharti Airtel on the sale and leaseback of its passive infrastructure while preserving its core telecommunications service across 13 countries.	6	6	7	19
Kim & Chang Protected Samsung C&T Corporation against shareholder activism in its public merger with Cheil Industries.	7	6	6	19
Nishith Desai Associates Devised a unique tax-efficient structure for a Mauritius-based real estate fund to attract new US investors.	6	7	6	19

Corporate & Commercial (International)				
Firm	Originality	Rationale	Impact	Total Innovation score
Standout				
Skadden, Arps, Slate, Meagher & Flom Acting for Chinese biopharmaceutical company 3SBio, the firm crafted a unique prospectus, ensured shareholder rights and helped the founders retain their stakes in the first company taken private in the US to relist in Hong Kong without significant restructuring. Commended: Christopher Betts and Peter Wang.	9	8	9	26
Allen & Overy Acted as a strategic partner, tactical adviser and relationship builder behind Hewlett Packard's technology-sharing joint venture agreement with Tsinghua Unisplendour Corporation, addressing new regulatory requirements related to cyber security. Commended: Victor Ho.	8	9	8	25
Linklaters Lead deal counsel on the merger of CSR Corporation and China CNR Corporation, two state-owned rail companies in China, achieving deal certainty for the first merger between companies with dual listings in Shanghai and Hong Kong.	8	7	9	24
Sullivan & Cromwell International counsel to Japan Post and its two subsidiaries on the concurrent triple initial public offering. The firm overcame shareholder concerns through extensive disclosure to complete the transactions on the same day. Commended: Izumi Akai and Ken Kiyota.	8	7	9	24
Highly Commended				
Kirkland & Ellis One of the primary architects of the deal structure for Chinese internet company Qihoo 360's take-private transaction whose equity financing was provided entirely by a domestic Chinese investor group.	9	8	6	23
Norton Rose Fulbright Lead on three transactions for Renhe Commercial Holdings Company, culminating in the first rights issue under Shanghai-Hong Kong Stock Connect. Commended: Psyche Tai.	8	7	8	23
Ropes & Gray Co-originated multiple transactions to achieve COSCO Pacific's successful bid with consortium members China Merchant Holdings and CIC for the acquisition of the Turkish Kumport Container Terminal. Commended: Lisa Chung and Roger Cheng.	8	8	7	23
Slaughter and May Co-originated multiple transactions to achieve COSCO Pacific's successful bid with consortium members China Merchant Holdings and CIC for the acquisition of the Turkish Kumport Container Terminal. Commended: Lisa Chung and Roger Cheng.	7	8	8	23
Latham & Watkins Helped to design a successful alternative financing structure for Nord Anglia Education's acquisition of six schools, co-ordinating the transaction across multiple jurisdictions with 75 lawyers.	7	8	7	22
Paul Hastings Created a flexible offshore investment platform enabling China Orient Summit Capital and KKR to co-invest in credit and distressed assets in China. Commended: Vivian Lam.	8	7	7	22
Commended				
Herbert Smith Freehills Advised BHP Billiton on the demerger of South32, the largest in Australian corporate history, managing shareholder rights and disaggregating operations in five different countries.	7	7	7	21
Linklaters Advised the underwriters on the first international exchangeable bond issued by a Chinese incorporated company on the Hong Kong Stock Exchange.	8	7	6	21
Morrison & Foerster Represented China CNR Corporation on the merger with CSR Corporation, two state-owned rail companies in China, in the first merger between two companies with dual listings in Shanghai and Hong Kong.	7	7	7	21
Shearman & Sterling Advised the underwriters on the Tata Motors global rights offering in India and the US, aligning the regulatory requirements of both jurisdictions.	7	8	6	21
Sidley Austin Represented Aboltz Equity Ventures on its joint venture with CRH to acquire LafargeHolcim's Philippines cement and aggregates operations, managing uncertainty during a change of the Philippines Competition Act.	6	8	7	21
Slaughter and May Advised China Re on its initial public offering on the Hong Kong Stock Exchange, the first by a reinsurance company in China.	7	7	7	21
Weil Gotshal & Manges Played a critical role in gaining regulatory approval for Suez Environment's strategic alliance with Chongqing Water Asset Management to invest in waste and water treatment projects for the city.	7	7	7	21
Herbert Smith Freehills Helped to craft the deal structure and overcome foreign ownership restrictions for China General Nuclear Power Corporation's acquisition of Edra's energy assets in Malaysia's largest M&A transaction of 2015.	6	7	7	20
Skadden, Arps, Slate, Meagher & Flom Helped to tell Modern Dental's growth story to gain regulatory approval for its initial public offering in Hong Kong, providing clarity on its full financial profile.	7	7	6	20
White & Case In a four-year case, the firm proved that Toys R Us had not abused its superior bargaining position with vendors, as alleged by the Japan Fair Trade Commission.	6	8	6	20
Kirkland & Ellis Managed one of the largest syndicates in the history of the Hong Kong Stock Exchange, ensuring compliance with new, stricter regulations and achieving deal certainty.	6	7	6	19
Latham & Watkins Navigated multiple restrictions on foreign content entering China in the strategic partnership between Tencent and the NBA, leveraging social media and online gaming platforms to the benefit of both companies.	6	7	6	19
Linklaters Achieved a key waiver from Hong Kong regulators to remove a restrictive foreign holding company discount in the merger of Cheung Kong and Hutchison Whampoa.	6	7	6	19
Norton Rose Fulbright Successfully negotiated a higher price for the sale of Edra's energy assets and helped to overcome foreign ownership restrictions in Malaysia's largest M&A transaction of 2015.	6	6	7	19
Shearman & Sterling Gained regulatory approval for IMAX China's initial public offering in Hong Kong by creating a unique escrow arrangement to ensure access to technology and prove its operational independence from the parent.	7	6	6	19

Legal briefs

Mori Hamada & Matsumoto and Sullivan & Cromwell: post haste



When the privatisation of Japan Post Holdings, the national postal company, was announced, a television campaign urged the Japanese public to buy shares in the largest sale of a state-owned company since 1987. For the international law firm Mori Hamada & Matsumoto and New York-based Sullivan & Cromwell, the privatisation presented unique challenges. Japan Post Holdings has two subsidiaries, the country's largest bank by deposits and its biggest insurer by assets. The government mandate was that a stake in both subsidiaries had to be sold off on the same day as the holding company. To add to the complexity, Japan Post Holdings intended to use the sale of its subsidiaries to repurchase its common stock from the ministry of finance. Therefore, the

subsidiaries' value would affect the offer price of Japan Post Holdings. The lawyers' role became fundamental to the success of the concurrent offerings. Their innovations lay in the drafting of the investor prospectus for all three companies and the staggered pricing structure for the offerings. The pricing of the bank and insurance company took place a few hours before the process of recording investor demand for Japan Post Holdings began. It allowed the company a narrow window to buy its shares back, before its prospectus was quickly amended to include a "pro forma" balance sheet and earnings statement. While this was far from the preferred structure, lawyers say it could be replicated for diversified groups wanting to go public or sovereign issuers.

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LATHAM & WATKINS LLP

Skadden, Arps, Slate, Meagher & Flom: waive goodbye

With many Chinese companies now choosing to delist in the US (see page 10), the relisting of 3SBio, the Chinese biopharmaceutical business, on the Hong Kong stock exchange last year could be a useful example for companies looking to reverse their take-private transactions. Corporations that relist often do so with a merger vehicle to demonstrate inward investment and justify a higher relisting price.

The lawyers advising 3SBio managed to relist the company without going down that route by applying for several novel waivers from the Hong Kong stock exchange. Chris Betts, the Skadden partner on the deal, says: "The waivers did raise eyebrows." The crucial waiver was in regard to Hong Kong listing rule 9.09(b), which allowed the private equity investors to swap their interest in a holding company to the listing vehicle immediately before the IPO. Without this waiver, the transaction might have been derailed.



LNT & Partners: the real thing

Coca-Cola Beverages Vietnam wanted to prevent its products being exported to other regions where they could undercut sales of locally produced Coke. LNT & Partners came up with a solution to this challenge that is replicable worldwide. Net Le, a partner at LNT, thought the way out of the impasse was to prove that the Coca-Cola Company's trademark would be violated through the export of Vietnamese Coke to

other countries. He saw that the licence between Coca-Cola and the local bottling company constituted a lease agreement for Coke's trademark, and registered it at the National Office of Intellectual Property. This enabled Mr Le to argue that since Coke's trademark was protected in Vietnam, the government had a responsibility to stop illegal use of its goods, which includes their export to other countries.

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Asia-Pacific Innovative Lawyers

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And this year's winners are . . .

OVERALL WINNER

Wang Junfeng
Principal founding partner and global chairman
King & Wood Mallesons

In 1993, amid social and political upheaval, Wang Junfeng founded King & Wood, the first Chinese law firm based on a western model. He faced considerable limitations at a time when there were fewer than 20,000 lawyers in China and when only four state-owned firms were permitted to work on matters of foreign investment.

Under Mr Wang's leadership, King & Wood set up a partnership model that was similar to many western law firms, but unusual in China. Partners received equitable remuneration, which created a distinctive culture. Mr Wang was one of the first lawyers licensed to practise securities law in China and has advised numerous private and state-owned enterprises on restructuring and IPO transactions, as well as groundbreaking infrastructure projects. After his firm merged with Australian-based Mallesons in 2012, a deal recognised as a significant development in the legal industry, King & Wood Mallesons became the first global law firm with headquarters in Asia.

Mr Wang is president of the All China Lawyers Association and has helped promote legal reform across the country. He has held several other positions, including roles as vice-chairman of the China International Economic and Trade Arbitration Commission, executive member of the council of the China Law Society and legal counsel of the standing committee of the Beijing Municipal People's Congress.

While developing the firm's technology platform, Mr Wang continues to cultivate a culture of dedication, teamwork, public-interest advocacy and practical solutions. His efforts over the past 20 years have helped to achieve KWM's goal of creating a unique east-west organisation that, in his words, "connects Asia to the world and the world to Asia".



Justin D'Agostino
Global head of practice, dispute resolution and joint regional managing partner, Asia and Australia
Herbert Smith Freehills

Justin D'Agostino has been the force behind many of his firm's diversity and inclusion initiatives. He founded the first LGBT network at a London City law firm 10 years ago and continues to play a highly visible role promoting greater LGBT inclusion in the profession and the community. Over the past few years, he has led initiatives to build a pipeline of Asian talent to create a more multicultural law firm that reflects its clients and markets in Asia.

Six years ago Mr D'Agostino took a risk, leaving a thriving practice in London to move to Asia and build up the firm's arbitration capability in China from scratch. Within three years he had created the market-leading practice; he has also grown the arbitration practice globally to become the third busiest in the world. At 44, he sits on the boards of arbitration centres in Hong Kong, Stockholm and Australia.

Mr D'Agostino has shown how a global practice can be developed and led from Asia. Working to join up the firm's capability across offices, he has cemented its reputation as a global powerhouse for disputes.



Luke Geary
Managing partner
Salvos Legal

Access to justice for some has never been easy, but Luke Geary has found a new way to meet the challenge.

From a start giving legal advice in a courtyard in Auburn, a suburb of Sydney, he founded Salvos Legal, a non-profit commercial law firm that exists purely to fund the work of its sister non-profit firm, Salvos Legal Humanitarian. In its five years, the latter has given pro bono advice and representation in more than 15,000 cases.

With a client roster including several Australian Stock Exchange companies and revenue growth of 20 per cent a year, Mr Geary has proved that a non-profit law firm can be made to work, and has created a career path for commercial lawyers to practise law with a social impact, using their professional skills for the public benefit.

Mr Geary sits on several social enterprise boards in Australia, is active in civic justice reform and recently drove the launch of the firm's "indirect impact" strategy, which uses an incubation model to help establish similar entities, with the goal of providing legal aid in more than a million pro bono cases annually.



Amanda Harkness
Group general counsel and company secretary
Australian Securities Exchange

By consistently staying ahead of the regulators, the competition and, often, the business, Amanda Harkness has become a highly trusted and influential member of the management committee of the Australian Securities Exchange (ASX). The interim responsibilities of the chief executive were delegated to Ms Harkness, along with a colleague, when the last chief executive left. She has broken down divisions within the legal team and made it more influential within the business.

When the ASX faced stringent and costly certification requirements from the US Commodity Futures Trading Commission to allow over-the-counter swaps, Ms Harkness set out single-handedly to change the mind of the regulators. She flew to Washington and worked with the CFTC to create a faster and lower-cost approval pathway. This solution has become the global standard for exchanges outside the US.

Ms Harkness has worked in the interests not only of the ASX, but also of financial markets and investors. She has developed new regulatory capital structures to help the ASX compete with global exchanges.



Asia-Pacific Innovative Lawyers

Jane Jiang
Partner
Allen & Overy

Jane Jiang has closely followed the internationalisation of the renminbi and ensured her firm built expertise across a range of relevant practice areas. It ensured Ms Jiang was the go-to expert on two panda bond issues in 2015 (see page 6) and Allen & Overy was the only international firm involved in regulatory discussions with the People's Bank of China.

UK-trained, Ms Jiang's combination of expertise and foresight has helped set her practice apart in a competitive market.

Working closely with the Asian Development Bank, Ms Jiang helped persuade Chinese regulators of the benefits of close-out netting. This derivatives concept reduces a counterparty's credit exposure and has become an essential tool in modern financial markets. Its greater acceptance and use in China moves the country in the direction of market reform in line with international standards.

In many law firms, a financial regulatory advisory practice plays a support role to transactional teams. Ms Jiang has worked to make hers a freestanding and profitable practice in its own right.



Carmen Kan
General manager, legal and compliance and operational risk management department
Bank of China (Hong Kong)

Under Carmen Kan's leadership, the legal team helped Bank of China (Hong Kong) launch some of the first renminbi-denominated panda bonds issued by commercial banks in September 2015, opening up a new avenue for companies around the world to raise funds in China. She has worked to ensure the bank maintains its position as the sole renminbi clearing bank in Hong Kong.

As the bank's general counsel, Ms Kan rapidly demonstrated her ability to play a broader leadership role. Joining in 2010 during the Lehman Brothers minibonds claims in Hong Kong, she negotiated with the regulator and creditors to reach a deal and compensation package while facing intense media and public scrutiny.

In October 2015, Ms Kan took on broader responsibility for legal, compliance and operational risk functions, bringing teams together and creating a single, consistent approach to risk. She is seen as an essential problem-solver within the business, able to find solutions, explain complex situations and connect people.



Wai King Ng
Managing partner
WongPartnership

After five years with an international law firm, Wai King Ng concluded he could serve clients better in a Singaporean firm able to provide the full range of legal services. Since returning to his home country, he has had a role in many of Singapore's largest and most complex deals, and built the M&A profile of WongPartnership. He became a managing partner in 2013.

In 2013 Mr Ng worked on the largest M&A transaction in Singapore's history, heading the team advising TCC Assets and Thai Beverage on their acquisition of the food and drinks group Fraser and Neave. The 2015 Innovative Lawyers report featured his work for US buyout group KKR in the largest private equity buyout of a Singaporean company, the bulk container manufacturer Goodpack. Last year Mr Ng advised JTC Corporation in its complicated merger with Temasek, the Singaporean sovereign investment company.

Clients describe Mr Ng as a market leader, able to handle the most difficult deals and negotiations. He is a valued sounding board and strategic adviser when it comes to creating new deal structures.



Christopher Stephens
General counsel
Asian Development Bank

The Asian Development Bank wanted to merge with the Asian Development Fund, but after four years trying to do so, the previous general counsel and numerous advisers decided it was impossible under the bank's charter. When Mr Stephens joined, he saw a solution. By suspending the fund's operation, the bank was able to complete a merger and gain access to \$30bn tied up in the fund. The merger tripled the bank's capital and ability to invest in the development of the poorest countries in the region. The World Bank and other development banks will be able to use this solution to unlock billions of dollars tied up in similar funds.

Between 2013 and 2015, Mr Stephens and his legal team created an eight-step diversity programme to attract, retain and promote more women.

A partner at Coudert Brothers in 2005, he was instrumental in merging the firm's office in China with Orrick, Herrington & Sutcliffe when the decision to terminate Coudert's operations threatened the jobs of more than 200 people.



Katsumasa Suzuki
Partner
Mori Hamada & Matsumoto

The Japanese are often reluctant to fight their disputes in courts. Meanwhile, the legal profession itself is not attuned to demands from international clients for lawyers to be commercial, proactive and strategic.

Katsumasa Suzuki, a capital markets partner, has broken with the classic Japanese approach to lawyering. With more spontaneous nominations than any of the other lawyers in this list, he appears in the Asia-Pacific report for his work on the triple international initial public offering of Japan Post Holdings and its two subsidiaries, Japan Post Bank and Japan Post Insurance.

Japanese capital markets have developed without deep involvement of lawyers and in many cases Japanese companies complete their IPOs without lawyers.

However, Mr Suzuki has been involved in nearly all of Japan's global IPOs and unlike many lawyers in Japan, he actively advises his clients on how they can best structure their transactions to achieve their goals. This approach has seen him instructed on some of the major IPOs of the past two years such as at Japan Display, Sumco and Rakuten.



David Watkins
Partner
Slaughter and May

At a recent dinner in New York for the chairmen of law firms, hosted by the Financial Times, one American lawyer described his experience of using the Asian offices of Slaughter and May as "transcendent". The success of the firm's Asia practice is in no small part down to the efforts of its partner David Watkins.

Mr Watkins's work has been ranked in the FT's Asia-Pacific Innovative Lawyers report since it was first published in 2014. He is well versed in overcoming what at first can appear to be impossible hurdles for his clients.

For example, in 2014 he advised on the first non-financial takeover of a financial institution in Hong Kong, acting for Liu Chong Hing Investment and its subsidiary Chong Hing Bank on a partial offer made by the Chinese state-owned Yue Xiu Enterprises. The optimum structure for the deal was not originally possible under the Hong Kong takeover code, but Mr Watkins's arguments helped convince the regulator that the rules needed to be set aside for the purposes of the deal. Clients comment that he has few peers in Hong Kong.



Asia-Pacific Innovative Lawyers



Firms use guile to defy obstacles

Business of law Strategic partnerships are helping international practices access Southeast Asia's lucrative market, writes **Jack Hewson**

Over the past five decades, East Asia's growth has been aided by a range of factors — key among them reductions in trade barriers and strengthening of the rule of law. Through what the World Bank called “the East Asian miracle” between 1965 and 1990 and beyond, many of the region's economies succeeded in attracting foreign investment, reduced tariffs and took other measures to boost capital flows.

But while most areas of business have opened up, one notable exception is legal services. Lawyers facilitating cross-border deals have not been subject to the same level

of local deregulation as their clients.

This has not stopped many lawyers prospering. Alan Hodgart, a London-based professional services consultant, predicts Asia Pacific will become the world's second largest regional legal market behind North America by 2018 — increasing from \$109bn revenues in 2012 to \$215bn. This runs alongside the World Bank's prediction that GDP growth in East Asia will continue at more than 6 per cent a year to 2018.

There will be much demand for lawyers to preside over international deals, mergers and arbitration — but they will have to innovate around regional strictures.

One of the chief problems for overseas law firms is gaining a presence in multiple, lucrative markets. The status of lawyers as “officers of the court” is a factor in this, says Tony Grundy, senior counsel at Japanese law firm Mori Hamada & Matsumoto. “Upholding the legal standards of a jurisdiction is part of national sovereignty, and the idea of all those firms being foreign-controlled makes people a bit nervous,” he says.

Despite long histories of legal services protectionism in the EU and Japan, those regions are now largely liberalised. By contrast, most countries in Asia Pacific still bar foreign lawyers from

practising local law. In mainland China, foreign lawyers are not permitted to work with Chinese law, and local lawyers cannot work for international firms. Foreign firms face discriminatory tax treatment and limitations on opening offices. They are also restricted in their meetings with Chinese government agencies.

Among the 10 members of the Association of Southeast Asian Nations, various degrees of protectionism persist despite the recent creation of the Asean Economic Community, which seeks to promote the freer flow of goods, services, capital and labour. Particularly stringent regulations are imposed in Indonesia, Malaysia and the Philippines. While Myanmar, Laos and Cambodia have unregulated legal markets, this is not expected to last for long.

“I think it is likely we will see more restrictions, with the local bar associations in these frontier countries feeling that the foreigners coming in are eating their lunch,” says Mr Grundy.

One way around this protectionism is the creation of strategic partnerships between international and local firms. To gain access to the Chinese market, Mayer Brown JSM partnered with Jingtian & Gongcheng by basing

their association in the relatively liberalised enclave of Hong Kong. The firms will operate as separate entities but with joint legal teams and shared office space.

According to Elaine Lo, Asia chair and senior partner at Mayer Brown JSM, the association is more than a “best friends” arrangement. But it stops short of a merger, which is considered impractical because of the firms' management structures, profit pools and the different business models between western and Chinese firms.

Such partnerships are relatively rare in China, in part because of regulatory hurdles, but also thanks to the strategic interests of elite Chinese law firms. “Some of the leading firms will work with a range of US and UK firms,” says Tony Williams at London-based legal management consultancy Jomati, “so they won't necessarily want to go exclusive because they don't want to rule out working with everybody else.”

Consequently, elite Chinese firms are likely to enter into partnerships with only the very largest international suitors that will be able to connect them to a global pool of clients. Baker & McKenzie and FenXun last year formed the first joint operation between an international and

Asia-Pacific Innovative Lawyers

Chinese firm based on the mainland. This was made possible by the Shanghai free-trade zone initiative of 2013.

Across the Asean bloc, strategic partnerships are being formed. To help its Japanese clients trying to expand into Indonesia, Mori Hamada & Matsumoto has seconded its lawyers to Jakarta firm Akset to create what it calls a “virtual desk”. In accordance with Indonesian bar rules, MHM's lawyers may provide “assistance” to clients there, as an assurance of quality, but responsibility for the Indonesian legal advice rests with the local host.

While many international firms are targeting specific countries, two regional firms — Singapore's Rajah & Tann and Malaysia-based Zico Law — are establishing a pan-Asean presence.

Rajah & Tann, which was founded in the 1950s, began its expansion across Asean in 2010 and now has more than 500 lawyers working in the region. But rather than posting its lawyers into foreign jurisdictions, the firm has established its network through a series of partnerships with local independent firms.

Most of Rajah & Tann's eight member firms remain legally independent entities, but they bear the Rajah & Tann brand in jurisdictions that allow it, such as Myanmar, Cambodia and Vietnam. As managing partner Lee Eng Beng says: “We wanted to become a Southeast Asia law firm in identity and in composition.”

From a head office perspective, the ambition

is to tap the potential of the neighbouring markets where revenue growth has far outstripped that generated by the company's Singapore operation, the company says. For local partners in less developed jurisdictions, joining Rajah & Tann secures access to an Asean-wide network through which their clients can access markets in Myanmar, Laos, Cambodia and Vietnam.

Ahmad Fikri Assegaf, managing partner of Jakarta-based Assegaf Hamzah & Partners that joined the Rajah & Tann network in 2014, recently told *The Lawyer* magazine that more regional economic integration had created big opportunities for Indonesian businesses, particularly “second-tier corporates” that until now had been more focused on the domestic market.

Rajah & Tann has set up an online portal to serve the regional expansion plans of such smaller companies better. The portal offers cheap, accessible advice on how to navigate the legal and business practices across the Asean region.

Innovative, untried business structures are another method being adopted for pan-Asean expansion. In recent years, regulatory changes in Australia and the UK have permitted non-lawyers to own law firms under such structures, which also allow them to publicly list and trade. But in Asean countries, incorporating as an ABS is still prohibited.

In part because of these limitations, lawyers have traditionally formed partnerships, where

all the partners have a voice in the firm's decision-making process and profits are paid out in full at the end of every year. But a limitation to this business model is that, with no way to raise capital, law firms tend not to invest in their own expansion. There is also a tendency among lawyers to think of themselves differently than they would other business or service providers.

Challenging this orthodoxy is Zico Law. Like Rajah & Tann, it has developed an Asean-wide network of partner law firms to service international clients. But unlike Rajah & Tann, Zico has developed a corporate structure that in 2014

‘Upholding standards is part of national sovereignty; the idea of firms being foreign-controlled makes people nervous’

allowed it to raise \$14.4m for its own expansion through the listing of its parent company, Zico Holdings.

The parent company provides services — including IT, accountancy, training and secretarial services — to the separate law firms in the Zico Law network and does not function as a law firm, thus allowing it to list and trade. “The corporate support helps the law firm to grow and at the same time the law firm continues to practise law,” says Zico Holdings chair Chew Seng Kok.

“I had to resign from my position as regional management partner and become the non-executive chairman of the network. So, I provide direction but I cannot practise as a lawyer.”

The arrangement is innovative not only because Zico has managed to simulate how an ABS works to enable its expansion, but also because, globally, it is one of the first law firms to expand horizontally into the broader professional services market.

The move comes at a time of growing pressure on traditional law firms as accounting firms — particularly the Big Four — have begun offering cheaper legal services. PwC's legal arm is the world's tenth biggest practice, and all four networks' legal divisions are in the top 40. Since 2013, EY Legal has expanded from 23 countries to 69 and has merged with Chinese law firm Chen & Co.

Additionally, the greater use of technology to provide legal services — from online dispute mediation to open-access legal documents — is eating into the profit margins of traditional law firms that still charge heavily for minor tasks.

“It's no longer possible to ignore the pressure of having to cater to the service market in the way that the accountants have done,” Mr Chew says. “The accountants can [perform many legal tasks] for 30 or 40 per cent cheaper using IT.” But because of Zico Law's new model, leading what Mr Chew calls “the trend” in the region, he does not see them as a threat.



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Asia-Pacific Innovative Lawyers

Business of Law (Asia-Pacific headquartered)				
Firm	Originality	Rationale	Impact	Total innovation score
Standout				
King & Wood Mallesons A radical reorganisation of the firm in China, moving lawyers physically and financially into new industry and client groups. It aimed to bring lawyers closer to clients and make them more relevant.	9	9	9	27
Yulchon With new recruits from government, industry and academia working in internal research and development centres, the firm is able to anticipate industry changes and devise new solutions for clients.	9	9	8	26
Nishith Desai Associates Applied the full range of its legal resources, research capability and innovation expertise to develop the National Innovation Framework for the government of Mauritius, creating a new practice area.	7	9	9	25
Salvos Legal The new model social enterprise uses fees generated by commercial legal services to fund pro bono services for disadvantaged people in Australia through a sister firm, Salvos Legal Humanitarian.	9	8	8	25
Highly Commended				
Atsumi & Sakai A strategy to target businesses in fast-moving new industries and a multidisciplinary team to rebuild clients' business value following corporate crime incidents and scandals.	8	8	8	24
ZICO Law Following its public listing, ZICO Holdings is using its new capital to invest in knowledge management, training and technology, and to help firms across the ZICO Law Network to fund high-value lateral hires.	7	8	9	24
AdventBalance Building on its contract lawyer business with a managed service line and a merger with UK-headquartered Lawyers On Demand to create a global platform and brand.	7	8	8	23
Corrs Chambers Westgarth A broad and effective programme to make flexible work options a standard business practice available to all lawyers and staff at the firm.	8	8	7	23
Rajah & Tann Singapore Building the largest presence across Southeast Asia with offices in eight out of 10 countries and a combined legal and business consulting capability.	7	8	8	23
Simpson Grierson A new diversity and inclusion policy and Pride Network to support LGBTI staff and family members has had an impact on the firm's culture and the broader New Zealand legal profession.	6	9	8	23
Beijing East IP Helped to create IPHOUSE, a comprehensive and fully searchable database of Chinese IP Court decisions. An English language version is due to be released this year.	7	8	7	22
Nishith Desai Associates Conducted an analysis and called a press conference to demonstrate why Bitcoin should not be considered illegal in India, saving the industry there and establishing the firm as the leading adviser in the area.	7	8	7	22
Commended				
Anand and Anand Collected data and embraced analytics across all its practices and business functions to change behaviour and inform management decisions.	6	8	7	21
Nishith Desai Associates Took a focused approach to attracting and selecting talent who fit the firm's values and culture. New software assists initial screening and allows recruitment decisions to be made at the practice leader level.	6	8	7	21
Simpson Grierson The firm's new multidisciplinary health and safety consultancy arm provides advisory services including governance and assurance reviews, management systems, leadership development and training.	7	7	7	21
Yulchon Invested in social responsibility initiatives with long-lasting impact, including a programme to cultivate promising government officials and doctoral students from developing countries in Southeast Asia.	7	8	6	21
Atsumi & Sakai A flexible and supportive programme to engage female lawyers has attracted new talent and achieved almost 40 per cent female representation at the management level and 30 per cent across the firm.	6	7	7	20
Gadens The banking transaction management team comprises a central talent pool and uses document automation technologies to deliver repetitive work more efficiently.	6	7	7	20
Rajah & Tann Singapore R&T Asia Resources, a new contract lawyer service, provides clients with experienced lawyers on a short-term or project basis.	6	7	7	20
Yulchon A broad internal training programme builds lawyers' knowledge of law, technology, industry, management, psychology, government and language, and is helping to attract graduates.	6	7	7	20

Business of Law (International)				
Firm	Originality	Rationale	Impact	Total innovation score
Standout				
Baker & McKenzie Baker & McKenzie and Chinese law firm FenXun Partners formed the first joint operation in the Shanghai Free Trade Zone. It allows them to provide combined PRC and international legal advice and has won work from international and Chinese clients.	8	9	9	26
Mayer Brown JSM Mayer Brown JSM's exclusive association with Jingtian & Gongcheng is the first between a large US-headquartered and Chinese law firm. While remaining separate entities, the firms work together on client matters and marketing activities and share office space and staff.	8	9	9	26
Herbert Smith Freehills An expanded global legal project management team includes process improvement and data analytics expertise. Professional project managers now frequently work alongside lawyers providing advice to clients.	7	9	9	25
Highly Commended				
Norton Rose Fulbright An "Uber-style" digital platform enables law students to complete routine insurance work for the firm on a flexible basis. It provides a low-cost option for clients while offering valuable experience to prospective lawyers.	9	8	7	24
Pinsent Masons Developed a 10-day infrastructure academy training programme with engineering management consultancy Arcadis for a major Korean contractor. The paid-for service helps the firm to build closer client relationships.	8	9	7	24
CMS An industry-led strategy for the region has helped the firm grow in Asia-Pacific and expand its Lifesciences Asia-Pacific Network to include new law firms in Australia and Japan.	7	8	8	23
Herbert Smith Freehills Through a series of roundtable seminars, the firm is connecting Chinese infrastructure companies with new projects and the firm's experts in countries along the new Silk Road.	7	8	8	23
Skadden, Arps, Slate, Meagher & Flom Moving quickly to build a team of US-trained, Mandarin-speaking litigators in Hong Kong and Beijing has won the firm a market-leading share of US securities class-action cases against Chinese companies.	7	7	8	22
Commended				
Hogan Lovells Through the firm's Business and Social Enterprise programme, young lawyers in Asia have been given commercial training in workshops and have had hands-on experience advising social enterprises.	7	7	7	21
White & Case A new talent engagement approach attuned to millennial lawyers involves greater transparency, one-on-one coaching and partner mentoring, and gives associates a greater say in the development of their careers.	7	8	6	21
Ashurst Used key client relationships as the focal point through which to manage knowledge and build integrated teams across offices and practices.	6	7	7	20
Bird & Bird Focused on the firm's international industry expertise in technology and digital business to build a reputation and client base in Japan.	6	7	7	20
DLA Piper Created a roundtable and facilitated discussion programme for Australian clients to explore cyber security threats as depicted in a film produced by the firm.	6	7	7	20
Herbert Smith Freehills Diversity and inclusion initiatives are helping to engage women and LGBT lawyers and staff while developing the next generation of Asia-born talent to build a more multicultural firm.	6	7	7	20
Hogan Lovells Through its inaugural ASEAN Horizon summit, the firm engaged business leaders to discuss emerging industry and market trends, helping to build the firm's credentials in the region.	6	7	7	20
Kirkland & Ellis Since opening in Hong Kong 10 years ago with a narrow practice capability, the firm has achieved rapid growth through star lateral hires and adding a range of new practice groups.	6	7	7	20
Linklaters A business efficiency programme for Asia brings together the firm's alternative resourcing, project management and technology initiatives under a single umbrella.	6	7	7	20
Linklaters A global programme to make client experience front and centre of the firm's strategy and practice. Asian offices have led on developing new soft skills training for clients.	7	7	6	20
Morrison & Foerster A 10-week American style summer associate programme in Tokyo is helping to build a pipeline of US-trained talent for the firm's Japanese office.	6	7	7	20
Ropes & Gray A new pan-Asian special situations practice combines experts from relevant practice areas to offer a holistic bankruptcy and insolvency service.	6	7	7	20

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Asia-Pacific Innovative Lawyers

General counsel mix art and science

In-house officers Once purely legal, their role now encompasses strategic and creative responsibilities, writes *Yasmin Lambert*



In his 1970 book *Design Methods*, John Chris Jones wrote that design incorporated elements of art, science and mathematics, but while these disciplines concerned present reality, design was different because its subject was something that had to be foreseen and imagined.

In highly regulated and complex markets, general counsel must show a similar mix of abilities: they have to be masters of process, data and risk matrices while honing their judgment and forecasting skills.

In fact, “design thinking” is now playing a role in the work of general counsel by showing them that attention to process and creative thinking are not mutually exclusive. The legal team at Australian telecommunications company Telstra has adopted a range of project management techniques and design thinking, taught to them by academics from Harvard University. Telstra’s group general counsel, Carmel Mulhern, summarises it as “using a different methodology to solve problems and get to solutions quickly”.

Many of the tenets of design thinking – embracing risk and ambiguity, tolerating failure, moving quickly and taking leaps of faith – sit uncomfortably with traditional lawyers. But Telstra’s lawyers have started to think like designers through several initiatives.

Telstra’s “Licensed to Thrill” programme allows lawyers to take an innovative idea for an improvement in any business unit and implement it. Lawyers are given two to four weeks to work with the business team to make the changes envisaged.

The team also runs “sprints”, a concept popularised by GV, the venture capital investment arm of Google, to develop and test new products and solutions in short periods of time.

While the new solutions are improving efficiency, Ms Mulhern says “the biggest impact has been the empowerment of our lawyers to own their environment and make changes happen. It has allowed for an incredible harnessing of the energy of our lawyers.”

General counsel need such stimuli as their role grows in breadth and importance, becoming far more than just providers of legal advice. As risk managers, decision makers and business leaders, they now rely on processes and technology as much as interpersonal skills and finely tuned judgment based on experience.

Michelle Hung joined Cosco Pacific, the Hong Kong subsidiary of the eponymous Chinese shipping company, as general counsel 20 years ago. Her position has evolved as the company has grown to an \$800m revenue business. Initially, Ms Hung was primarily a legal adviser, focused on managing compliance and legal risk across the business’s divisions.

Now she does not just give opinions, but also makes business decisions. She has had to grow,

she says, “not just on the technical side, but also in how I deal with management and other departments, and with outside lawyers.” She says “a certain charisma” is necessary for co-operation too.

At Bank of China (Hong Kong), general counsel Carmen Kan’s role has expanded since she joined in 2010. In October 2015, the bank restructured its internal functions to combine legal, compliance and operational risk management into one department, led by Ms Kan. She says that the greater oversight helps her to manage risk better.

“Now that I look after these functions, I see the interconnectivity,” she says. “If you have a businessperson telling you about an operational incident, without knowing the law, the regulatory concerns, the codes and the guidelines, you can’t advise effectively.” However, Ms Kan points out that her effectiveness ultimately depends on the trust she engenders from the corporate officials around and above her.

The growing complexity of regulation in financial services makes it no accident that seven of the top 10 legal teams in this year’s Asia-Pacific in-house rankings are at financial

institutions. Managing and shaping regulatory change is a top priority for general counsel such as Amanda Harkness at the Australian Stock Exchange (ASX). “I see myself as a strategic adviser on how regulation drives our business economics and how we can proactively shape that to future-proof our business,” says Ms Harkness, who leads government relations and corporate affairs, in addition to legal and regulatory responsibilities.

Communication is a large part of her job and Ms Harkness encourages her team to “make the complex simple”. She says this allows them to be creative, courageous and collaborative, and – just as importantly – to have fun. Lawyers get to be mini-film producers, making 45-second videos in order to brief colleagues on legal or business topics.

The ASX in-house lawyers have also much in common with their colleagues who work in technology. Speaking to the business’s coders recently, Ms Harkness joked that “lawyers are just coders with better marketing”, adding: “We’re doing the same thing, breaking problems down into basic principles and following logical arguments.”

‘Lawyers are just coders with better marketing: breaking problems into basic principles and following logical arguments’

Asia-Pacific Innovative Lawyers

In-house			
Firm	Legal team headquarters	Number of lawyers	Total score
Standout			
Telstra Applied legal project management processes and techniques to a range of transactions and claims work. It has reduced duplication, improved reporting and saved significant time and money.	Australia	200+	36
Asian Development Bank Lawyers now sit in teams to develop specialist expertise. Recent work includes building capital markets in Cambodia, driving new gender equity laws in the Maldives and developing legal and judicial capability in Myanmar.	Philippines	58	35
Australian Securities Exchange (ASX) Creating new products and agreements with regulators to develop the Australian financial markets and help the exchange compete globally. They are a world leader in the use of distributive ledger technology.	Australia	30	34
Bank of China (Hong Kong) A combined legal, compliance and operational risk team has been behind the bank’s issuance of the first panda bonds and a series of deals to expand in Asia. Lawyers help the bank set and execute its strategy.	China - Hong Kong	14	34
Westpac Cross-industry secondments, an agile working environment and virtual teams of functional experts have allowed the team to keep pace with its fast-moving industry and regulatory environment.	Australia	125	34
Highly Commended			
Magellan Financial Group Created the legal framework for the world’s first actively managed exchange traded fund. Almost every stock broking firm in Australia has traded units in the Fund since its launch in 2015.	Australia	3	33
Mitsubishi UFJ Morgan Stanley Securities (transactions management team) Coordinated and managed three concurrent IPOs for the Japan Post Group in 2015. The team has helped the banks build a market-leading practice in Japan.	Japan	5	33
Blackstone Prominently push for greater risk management rigour, especially in anti-corruption compliance. Delivered greater oversight with a new internal database to manage approximately 1,000 legal entities in Asia.	China - Hong Kong	7	32
COSCO Pacific Over the past year, a lean but strategic and commercial legal team has advised on 34 transactions worth nearly \$5 billion. The company standardised compliance and operating processes.	China - Hong Kong	4	32
Dentsu Aegis An intellectual property campaign and policy have driven collaboration between creative and legal teams. Technology used to manage contract approvals process, evaluate risk and auto-populate templates.	Singapore	25	32
Commended			
Brisbane Airport Project categorisation and contract automation initiatives have saved time and money while a playbook for external advisers gives outside lawyers greater autonomy to act on behalf of the business.	Australia	5	31
ITOCHU Corporation Supporting the company’s rise to become a market leader in terms of net profit, the legal team has led a series of large acquisitions and cross-border projects.	Japan	80	31
Lufax Built from scratch four years ago, the legal team helps to develop both the business’s products and the supporting legal and regulatory framework for the emerging fintech industry in China.	China	8	31
Melco Crown Supported rapid business growth through initial public offerings, high yield bond deals, mergers and acquisitions and most recently a 60 per cent investment in Studio City.	China - Hong Kong	21	31
MTR The legal team worked closely with the Hong Kong legislative council and shareholders to find a solution to fund Project Connect, the high-speed rail link to the Chinese mainland.	China - Hong Kong	20	31
Baidu (international legal team) The international legal team created a parallel structure for a global investment in Uber alongside a strategic partnership with the company in China and advised on establishing an insurance business.	China	15	30
BT (Australian legal team) The small commercial team of three handles major global transactions from Australia, ensures the group’s global resources are leveraged in Australia and are called upon for commercial advice.	Australia	3	30
CITIC Capital Developed a strong in-house transactions capability. Found a solution to overcome a regulatory hurdle and allow the \$1.9 billion consortium acquisition of Omnivision.	China - Hong Kong	9	30
Equinix Enabled the successful acquisition of a large Japanese data-centre company. Led a global project from Singapore to review the sales contracting process and reduce time delays in the process.	Singapore	12	30
Haier Group Transformed their approach to purchasing legal service with a new categorisation of work types. Lawyers are providing essential training and risk assessment to business departments.	China	40	30
Kenon Holdings Leveraged technology to enable a legal team of two to manage compliance, corporate governance, and multiple transactions.	Singapore	2	30
Vodafone India The legal team have been an important driving force behind major strategic projects and moved from a manual to technology-driven process for litigation, compliance and governance issues.	India	70	30
Glenmark Pharmaceuticals Major litigation and arbitrations wins. The team plays a role communicating about drug safety to the market and has put in place a global compliance code and e-training programme.	India	10	29
Anbang Asset Management (Hong Kong) A diverse team brings different legal perspectives to help drive the company’s international strategy and has built valuable relationships and reputation within its industry.	Hong Kong	30	28
Medibank New process improvements and collaborations to outsource low value work have allowed in-house lawyers to focus on more strategic matters for the business.	Australia	15	28

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Methodology

Law firms and in-house legal teams are invited to submit their innovations. These are then fully researched through client, lawyer and expert interviews. No entry appears in the Financial Times report without thorough research and analysis. Market experts are also consulted on selected submissions.

For the FT Asia-Pacific Innovative Lawyers Report 2016, we received more than 460 submissions and nominations from 72 law firms and 82 in-house legal teams.

These were scrutinised by researchers from RSG Consulting between February and May 2016. We conducted interviews and received feedback from 326 clients, senior lawyers and executives to arrive at the final rankings.

Firms were divided into Asia-Pacific and international (headquartered within or outside the Asia-Pacific region, respectively). Each firm receives a score out of 10 on originality, rationale and impact, for a maximum score of 30. They are benchmarked against each other to arrive at the final rankings. Lawyers are ranked for delivering exceptional value to business.

The In-House Lawyers rankings are drawn

from nominations as well as submissions, but all entries require third-party validation and commendation.

FT Law 25

The FT Law 25 rankings are a pure aggregate of each law firm’s scores for ranked submissions across the private practice categories of the report. Separate rankings cover Asia-Pacific firms and international firms, headquartered outside the region.

Innovative Individuals

The 10 Innovative Individuals are selected from nominations and submissions to all categories of the report. They are selected on the basis of particularly strong client reviews, interviews, additional written responses and a history of professional achievement.

A panel of judges from the FT and RSG selects the winner from the shortlist of 10. This year, the judges were Michael Skapinker, associate editor, FT; Josh Spero, commissioning editor, Innovative Lawyers; and Reena SenGupta, chief executive, RSG Consulting.



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Asia-Pacific Innovative Lawyers



Is your company in legal trouble? There's an app for that

Technology Australian law firms are servicing their clients on smartphones and with hackathons, writes *Peter Wells*

There have long been dedicated smartphone apps to order pizza, book flights and identify songs. But managing corporate strategy in a crisis is an entirely new function. Devised by two partners at Australian law firm Clayton Utz, the Serious Accident, Fatality and Environmental Incident Response app was launched in April 2015. Known as "Safe" for short, it is designed to take users through the critical first 48 hours after an incident and minimise the risk of incorrect decisions being made under pressure. The information provided ranges from what needs to be reported after a workplace health and safety incident to what to include in an investigation into environmental contamination. Claire Smith, a Sydney-based partner who specialises in environment and planning, and Shae McCartney, a Brisbane-based partner in workplace relations, came up with the idea for the app to give a degree of comfort to their

clients at the moment when reputations can be destroyed or salvaged. Safe can work without internet access or mobile reception, which is especially useful for many of Clayton Utz's clients – such as miners and petroleum companies – which operate in remote locations around Australia. It is also being used by clients as far afield as Houston, Ulaanbaatar in Mongolia, and São Paulo. "We wanted to try to give people something they could hold on to and calm them down," Ms Smith says. Safe followed Clayton Utz's "Dawn Raid" app, which was thought up by colleagues in the firm's commercial law and tax divisions. It provides a guide for clients in the event that regulators or investigators turn up at their doorstep with a search warrant. "Often accidents and incidents happen at the weekend – at funny hours," according to Ms Smith. "Equally, sometimes clients just want to check something, so I think having access to that helps." Safe has arrived at a time when Australia is hoping technological innovation will help the economy cope with a reversal of its commodities-led boom of recent years. Prime Minister Malcolm Turnbull in December called for an "ideas boom" as he earmarked A\$1.1bn (£570m) to be spent over the next four years as part of the government's National Innovation and Science Agenda.

While law firms' adoption of new technologies coincides with that push, however, it is ultimately a response to competition in the domestic market. Over the past four years, several major Australian corporate law firms have merged or formed relationships with global rivals. That gives them better leverage and access to pooled resources. It has also stepped up the pressure on local peers to keep pace. In this context, technology is no longer an optional luxury and firms are forced to consider how to differentiate themselves from rivals and serve clients better. "It's a competitive market and we want to demonstrate why we're top tier," says Ms Smith. Even if technology reduces her firm's billable hours, she adds, "we'll be seen as the innovator or leader in that category". Firms big and large have already introduced technology such as customer relationship management and billing systems. Next, they are looking at how to automate the time-consuming administrative work carried out by junior lawyers, such as discovery or producing routine contracts. "The use of technology in law firms was mostly about innovating around the law," says Sam Nickless, the Sydney-based chief operating officer at Gilbert + Tobin. "It never got into doing the law. I think what has happened in the past few years is that innovation is now getting into the actual practice of law." Beyond that, the next area where technology

could be used is to do with judgment. Through big data analytics and machine learning, a computer can look for patterns and make calculated decisions and recommendations on, for example, the probability of winning a case. While allowing computers to make judgments is some way off, there are quick wins to be had around automation, such as having an IT programmer streamline rudimentary tasks. G+T has made an equity investment in a start-up law firm called LegalVision, which aims to provide cheap legal services for small and medium businesses. The two companies staged a 24-hour legal "hackathon" for one of G+T's clients – Westpac, the Australian bank. Programmers at LegalVision, working with G+T and Westpac's lawyers, worked on finding solutions to technical problems that Westpac's legal team faced. The hackathon was "non-hierarchical", the firm says, mixing lawyers and technologists. Among its outcomes was a self-service portal for legal help and an app for understanding delegated authorities. Coding went on overnight, giving instant results, rather than through a drawn-out process of commissioning. It is not just the function but the location of technology that is changing. Corrs Chambers Westgarth shifted its legal technology, analytics and document review platforms to Amazon Web Services' cloud platform in late 2015. The entire process from investigation,

Asia-Pacific Innovative Lawyers

Technology				
Firm	Originality	Rationale	Impact	Total innovation score
Standout				
Gilbert + Tobin Hosted a 24-hour "hackathon" with Westpac's legal and secretariat team. Lawyers, coders and technologists worked together to deliver working prototypes and tangible solutions to process issues.	9	9	7	25
Highly Commended				
Corrs Chambers Westgarth The firm has moved its legal technology, analytics and document review platforms to the cloud, enabling the firm to provide a significantly faster and cheaper service to clients.	8	8	8	24
DLA Piper The increased functionality of bid-management and contract automation tool Ascendant 2.0 allows clients to track responses from multiple bidders before contracts are awarded.	8	8	8	24
Norton Rose Fulbright A fully paperless solution to produce, sign and manage franchising documents, improving compliance and reducing costs.	7	8	8	23
Anand and Anand A digital learning programme has helped business services staff develop the skills to deliver digital communications and analytics for the firm.	7	8	7	22
Gilbert + Tobin A strategic partnership with start-up online legal services business LegalVision provides technological insights, process efficiencies and increased client referrals to the firm.	7	8	7	22
Commended				
Norton Rose Fulbright Created ContractorCheck to help organisations determine if a worker should properly be classified as an employee, contractor or unpaid worker within a matter of minutes.	8	7	6	21
Slaughter and May A new app and e-book provide clients with materials and guidance on the interpretation of the rules of the Hong Kong Takeover Code.	7	7	7	21
Clayton Utz The firm's CU Safe app helps clients respond quickly to safety and environmental incidents.	6	7	7	20
Hogan Lovells Lawyers and technologists worked together to restructure a major client's template documents and create a streamlined database to help the management of recurring lease agreements.	7	7	6	20

development and testing to migration took around three years. It has provided Corrs with greater speed and capacity compared to the local cloud services provider it used previously. "The reason it's an advantage is the effect it has on its clients. You're paying for computing power, not manpower, and that's a lot cheaper," says Michael do Rozario, lead lawyer in Corrs' legal technology solutions department. The firm says that one of its clients compared a Corrs estimate for document processing and storage with an industry-leading competitor's and found Corrs' was a 20th of the price. The costs of these technologies are now lower than they were years ago and are likely to fall further as competition grows. That means smaller legal outfits also have the opportunity to generate the efficiencies the major corporate firms are striving to achieve. Newer firms may find their lack of legacy structures makes them nimbler and readier to adopt new technologies and systems. But the downside of making things cheaper through technology is that it will displace jobs. A report from Deloitte this year estimated around 114,000 positions in the UK legal sector are at risk of being eliminated by 2020 because of technological advances. Yet the report concludes that highly skilled lawyers will be more likely to thrive. Stephen Giles, a Melbourne-based corporate and commercial partner at Norton Rose Fulbright, has a similar opinion. He specialises in franchising, which is document-intensive and susceptible to multiple delays because of the number of times contracts must go back and forth, awaiting signatures from various parties. Despite leading the development of a system that automates processes through electronic signatures and document management technologies, Mr Giles says he is busier now than ever before. "The one variable with technology is that you can get process and intelligence, if you like, but you can't have artificial experience," he says.

'You're paying for computing power, not manpower, and that's a lot cheaper'



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Asia-Pacific Innovative Lawyers



Bypassing the courtroom

Remedies Singapore has developed a growing menu of options for sorting disputes, writes *Jane Croft*

When a legal dispute first erupted over a joint venture in Myanmar in 2013, the case was closely watched by the wider business community. One side of the tussle was Singapore-based Fraser and Neave, owned by one of Thailand's richest men, Charoen Sirivadhanabhakdi. On the other was Myanmar Economic Holdings, a conglomerate with links to the military, which was at odds with its partner over the future of their Myanmar Brewery joint venture.

The legal tussle was seen as an important test for foreign investment in Myanmar as the country opened up after decades of dictatorship. But instead of rushing to the courts for a bitter, lengthy bout of litigation, the parties turned to arbitration, in a country fast becoming a global centre for it: Singapore.

Arbitration is the process of settling legal disputes privately and confidentially outside the public court system. The advantages are that parties can decide the location and the language used for the hearings as well as picking the arbitrators they prefer.

Arbitration is typically quicker and cheaper than traditional litigation, but because it has a court-like process, a rapid and low-cost conclusion is not guaranteed, and there are limited ways of appealing a ruling. The decisions are handed down privately by the arbitration panel and the awards are enforceable in 150 countries.

Singapore is challenging established centres for arbitration such as London, Paris and Stockholm. Case filings at the Singapore International

Arbitration Centre (SIAC) have increased by more than 300 per cent in the past 15 years. In 2000, Singapore handled 58 cases but numbers rose dramatically after the financial crisis. In 2015 there were 271 filings. This was a 22 per cent increase on 2014's total. By contrast, the London Court of Arbitration had 326 arbitrations referred to it in 2015, up 10 per cent on 2014. Singapore is fast catching up.

The secrecy of the arbitration process means that obtaining costs of a typical arbitration is difficult. The London Court of International Arbitration last year published figures showing the median duration of an LCIA arbitration is 16 months with median costs of \$99,000, although the cost of any individual case can vary considerably depending on its complexity.

Increasing numbers of clients from India are using Singapore for arbitration. China, South Korea, the US and British Virgin Islands are also among a Top 10 ranking of users. More than 40 per cent of the cases have no connection with Singapore, which shows the growing use of Singaporean law to underpin business contracts in Asia. Michael Davison, global head of litigation and arbitration at Hogan Lovells, says Singapore "attracts companies from India, China and Russia as Russian companies increasingly look eastward rather than towards the west".

"The trend was that multinational corporates would use English law but . . . increasingly Singaporean law rather than English law is being used by Indonesian and South Korean companies, for example," says Lakshanthi Fernando, director of Singapore law firm Holborn Law, which has a non-exclusive association with London-based law firm Olswang for

Singapore is challenging established arbitration locations such as London and Paris

Singaporean dispute resolution services. "English is widely spoken in Singapore. It along with Hong Kong and India are the only common law jurisdictions in Asia and that makes Singapore an attractive, international arbitration centre," says Professor Loukas Mistelis, director of the School of International Arbitration at Queen Mary University of London. A survey by Queen Mary and law firm White & Case in 2015 pinpoints Singapore as the most improved arbitral seat, followed by Hong Kong. The most widely used seats are London, Paris, Hong Kong, Singapore and Geneva.

If arbitration is too aggressive for a company, Singapore also offers mediation and conciliation services. The country's International Mediation Centre opened in November 2014 and has collaborated with the SIAC to offer a service known as Arbitration-Mediation-Arbitration (Arb-Med-Arb). This allows parties to attempt mediation after they start arbitration proceedings. If they settle their dispute, this is classed as a consent award, which can be enforced in more than 150 countries. If they cannot settle, the parties continue to arbitration. Three such Arb-Med-Arb cases were filed in 2015.

"The legal community in Singapore is seen as very smart as they have given users a menu of options to satisfy various needs," says Christopher Tahbaz, co-chair of Asian litigation at Debevoise & Plimpton, one of the biggest law firms in the world. "If parties don't want to jump to arbitration they can go to mediation." Mr Davison of Hogan Lovells says companies often opt for a less aggressive approach to resolving differences, particularly if they have complex relationships with the partner. "If there are multiple ongoing business relationships between two companies then parties are often reluctant to press the button on court action if it's just one glitch over one contract."

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