

FT ASIA-PACIFIC INNOVATIVE LAWYERS 2014





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Asia-Pacific Innovative Lawyers 2014

Creative people for new frontiers

I am delighted to introduce the first Financial Times Asia-Pacific Innovative Lawyers Report. This series of special reports, incorporating our unique rankings of law firms that have brought original thinking and practices to business issues, is already well established in Europe and the US. Now we are bringing it to what is the most dynamic, and sometimes most challenging, business and legal environment in the world.

Nowhere else is the role of lawyers changing so fast. In countries as diverse as India, Japan, Singapore and China, lawyers are becoming more central to the way business is done. Legal frameworks are radically different across the Asia-Pacific region. Many law firms, however, are seeking to develop regional practices capable of working across jurisdictions. They are also matching the shifting business and regional architecture as groupings such as the Association of South East Asian Nations (Asean) take on a more coherent form.

As the region's business environment changes by leaps and bounds, it is

constantly opening up new frontiers. That requires law firms to do the same, developing new solutions to match business opportunities that are often brand new.

Outbound mergers and acquisitions from the Asia-Pacific region, whether from China, Japan, South Korea or elsewhere, are also creating fresh opportunities. As regional companies seek acquisitions outside their home territory, Asian law firms are increasingly loathe to let that business go to international legal companies. That rivalry between "local" and international law firms is ripe ground for innovation and the development of new value-added practices.

The FT Innovative Lawyers report, in partnership with RSG Consulting, prides itself on the thoroughness of its research and the robust methodology it brings to these rankings. We trust that this, our initial report for this region, will shed fresh light on this fascinating, but often neglected, corner of the Asian Century.

David Pilling,
Asia managing editor,
Financial Times

Methodology Ranking on innovation

The FT and its research partner RSG Consulting have devised a unique methodology to rank lawyers on innovation for the **FT Innovative Lawyers Reports** in Europe, the US and the Asia-Pacific region. 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 FT report without a robust client or independent reference. Market experts are consulted on selected submissions.

For the FT Asia-Pacific Innovative Lawyers Report 2014, more than 300 submissions and nominations were received and more than 450 interviews were conducted with senior lawyers and executives to arrive at the final rankings.

Submissions were received from 61 law firms and an additional 33 in-house teams were researched to create the Asia-Pacific rankings this year. The research was conducted by a team of RSG researchers between January and May 2014. Additional information on mergers and acquisition deals and advisers was drawn from Mergermarket's league tables and deals database.

Law firm categories were divided into sections for Asia-Pacific and international law firms, for law firms with headquarters within or outside the region respectively.

Each law firm entry is scored out of 10 points each on originality, rationale and impact for the score – thus the score in the tables in this report is out of a maximum 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. The scores in the table are, in this category, out of a maximum of 40.

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 law firms and international law firms headquartered outside the region.

Innovative Individual Lawyers
The 10 Innovative Individuals are selected from nominations and submissions to all categories of the report. The top 10 individuals are selected on the basis of particularly strong client reviews, interviews, additional written responses and a history of professional achievement. The winner was chosen by a panel of FT and RSG judges.

Research partner RSG Consulting
The RSG Consulting research team has more than 20 years' experience analysing the legal profession. It has a track record of devising ranking methodologies for professional services firms. Chief executive Reena SenGupta helped to launch the FT's Law & Business page in 2001 and has been a regular writer on the legal profession for the FT for the past 13 years.

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Rapid change sees firms rise to fresh challenges across jurisdictions

Competition, compliance and commercial firsts put lawyers centre stage in the region, seeing them take on rivals in the UK and US, writes *Reena SenGupta*

Are lawyers in the Asia-Pacific region more innovative than their peers in the US or Europe? The first FT report into legal innovation in the region indicates that, in many ways, they are. But this is in a context where the roles of lawyer and legal frameworks are changing rapidly.

Attempting to survey innovative lawyers in a report that covers multiple Asia-Pacific jurisdictions was always going to be a challenge. The region contains a number of legal markets at different stages of development. Australia, for example, is advanced and is host to the first law firm in the world to float, whereas Japan is only now beginning to broaden the role of lawyers working within companies.

However, this FT report does reveal some common features between the jurisdictions. It shows how important lawyers are to business and economic development in the region and the rapid maturing of many of the markets in which they operate.

The role of lawyers in India, Singapore, China and Malaysia has changed over the past 10 years. No longer seen as commercial scribes, their status has grown in business. In India, for example, the law used to be an underpaid profession of small, family-dominated firms. Over the past decade, Indian firms have developed a more institutional approach and the inclusion of six of them in the top 25 firms with headquarters in the Asia-Pacific region shows their commitment to modernising.

Similarly in Singapore, the law used to be a low-status profession. Now Singapore is crowded with modern business lawyers. It is host to more than 100 foreign law firms, including the four largest Japanese firms plus sophisticated local law firms such as

WongPartnership, Drew & Napier, Allen & Gledhill and Rajah & Tann, all of which feature in the FT Law 25 ranking for Asia Pacific-headquartered firms. Singaporean lawyers now jostle for regional market share as much as their international counterparts. In Myanmar they are in competition with the Japanese law firms over which will write the country's new laws.

The thinking of regional Asia-Pacific lawyers is sometimes ahead of the international firms. Chew Seng-Kok, the managing partner of Zicolaw, created a network across members of the Association of South East Asian Nations (Asean) in just eight years and has now created a multidisciplinary professional practice that includes law, trusts and sharia advice. In many ways, he has achieved what the 2008 Legal Services Act of the UK – widely seen as the most groundbreaking piece of legislation in international legal services – is just beginning to engender.

The top Chinese law firms are also increasingly outward-looking. They are no longer happy to lose the international segment of their country-originated deals to UK or US firms. The merger of one of the largest, King & Wood, with Australian lawyers Malleons is not only affecting the region but also Europe via its 2013 merger with SJ Berwin, the London firm.

Although the combined firm dominates the FT Law 25 for Asia Pacific-headquartered firms this year, its first-mover advantage will not remain indefinitely. Two of the top Chinese law firms, Zhong Lun and Jun He, are reported to be in merger talks.

The tough nature of competition in the region is nowhere more clearly revealed than in South Korea, where in the past two years more than 20 international law firms have opened shop. The question is whether the South Korean market has enough legal



instruction to service the lawyers' investment

Marc Harvey, the new managing partner of Linklaters, is acutely aware of the rivalry with other international and indigenous firms: "Most law firms are on an even playing field for the same deal in Asia."

A litigator, Mr Harvey is bucking the trend where international firms appoint "deal" lawyers as managing partners. His appointment reflects another regional trend – the development of regulation, compliance and the threat of prosecution as burning issues in corporate boardrooms.

Asia-Pacific jurisdictions provide a bonanza for legal innovation. The FT rankings are full of legal firsts or novel

● FT LAW 25 ASIA-PACIFIC HEADQUARTERED FIRMS						
HQ country	Rank	Law firm	Corporate	Finance	Strategy	Total score for ranked submissions
Australia/China	1	King & Wood Mallesons	60	25	44	129
India	2	Nishith Desai Associates	41	45	23	109
Australia	3	Gilbert + Tobin	65	42	0	107
Japan	4	Mori Hamada & Matsumoto	40	41	17	98
India	5	Amarchand & Mangaldas & Suresh A. Shroff & Co.	23	47	18	88
Singapore	6	WongPartnership	21	39	21	81
South Korea	7	Kim & Chang	21	24	20	65
India	8	AZB & Partners	24	23	0	47
Singapore	9	Allen & Gledhill	0	41	0	41
Singapore	10	ZICOlaw	0	0	25	25
South Korea	11	Bae, Kim & Lee	24	0	0	24
Malaysia	12	Adnan Sundra & Low	0	23	0	23
India	12	Khaitan & Co.	0	23	0	23
China	12	Zhong Lun	0	0	23	23
Australia	15	AdventBalance	0	0	22	22
Australia	15	Corrs Chambers Westgarth	0	0	22	22
Japan	15	Nishimura & Asahi	0	22	0	22
Singapore	18	Drew & Napier	21	0	0	21
Singapore	18	Rajah & Tann	21	0	0	21
India	20	HSA Advocates	20	0	0	20
India	20	Luthra & Luthra	20	0	0	20
Australia	20	Minter Ellison	0	0	20	20
Malaysia	20	Rahmat Lim & Partners	0	20	0	20
Malaysia	20	Shook Lin & Bok	20	0	0	20
Malaysia	25	Wong & Partners	0	19	0	19
Malaysia	25	Zul Rafique & Partners	19	0	0	19

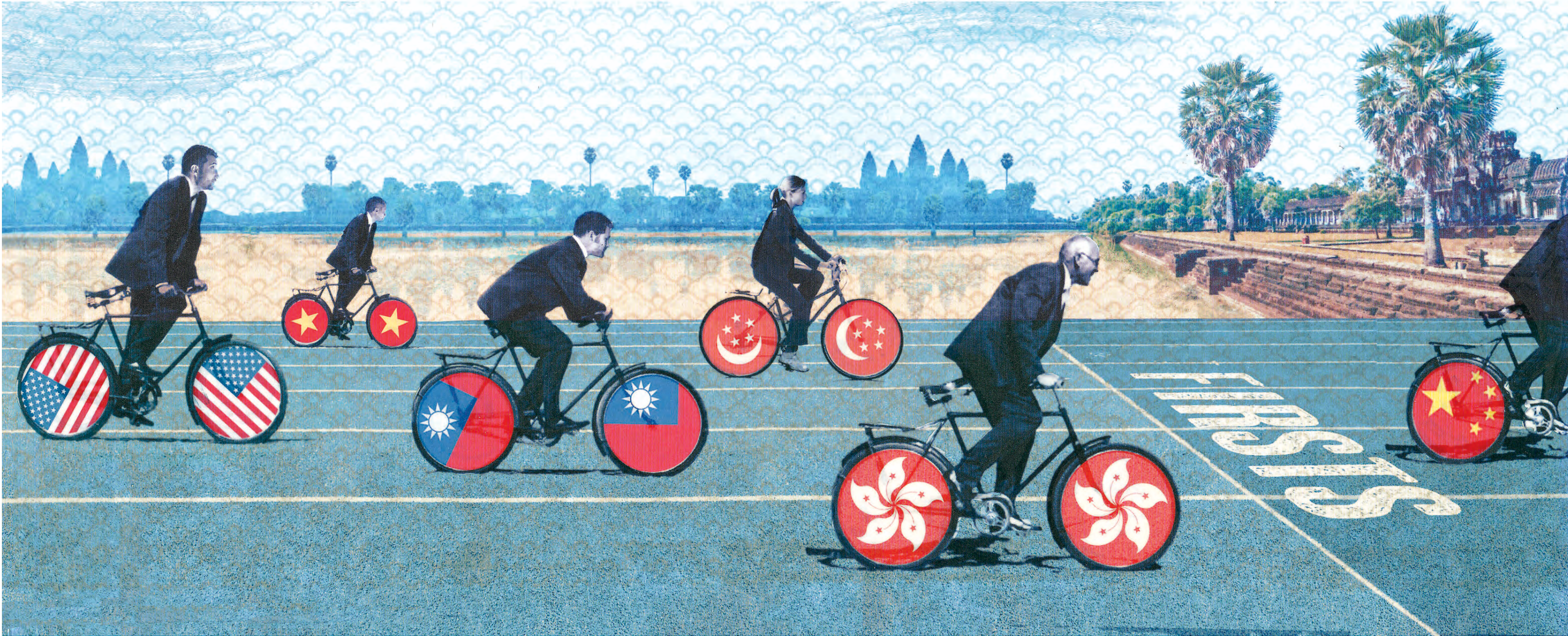
● FT LAW 25 INTERNATIONALLY HEADQUARTERED FIRMS						
HQ country	Rank	Law firm	Corporate	Finance	Strategy	Total score for ranked submissions
UK	1	Freshfields Bruckhaus Deringer	42	64	20	126
UK	2	Allen & Overy	22	69	24	115
UK	3	Linklaters	23	71	19	113
US	4	Davis Polk & Wardwell	43	46	23	112
US	5	Latham & Watkins	22	65	22	109
US	6	Skadden, Arps, Slate, Meagher & Flom	20	47	21	88
US	6	Sullivan & Cromwell	44	44	0	88
US	8	Ropes & Gray	42	21	22	85
UK	9	Ashurst	23	44	0	67
US	9	White & Case	0	47	20	67
UK/AUST.	11	Herbert Smith Freehills	21	22	20	63
UK/US	11	Hogan Lovells	43	0	20	63
US	13	Paul Hastings	0	41	21	62
UK	14	Slaughter and May	46	0	0	46
US	15	Weil, Gotshal & Manges	45	0	0	45
US	16	Mayer Brown JSM	0	23	20	43
UK	17	Eversheds	23	0	19	42
US	17	Morrison & Foerster	0	21	21	42
US	17	Orrick Herrington & Sutcliffe	22	20	0	42
UK	20	Norton Rose Fulbright	20	0	21	41
UK	21	Bird & Bird	20	0	19	39
US	22	Jones Day	0	24	0	24
US/UK	23	DLA Piper	0	22	0	22
UK	24	CMS Cameron McKenna	0	0	21	21
US	24	Shearman & Sterling	0	21	0	21
US/UK	24	Squire Sanders	0	0	21	21

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Cross-border work pays dividends

Juggling the needs of international and domestic law has earned Linklaters plaudits, says *Josh Noble*

The past year has seen a number of firsts in Asia’s financial markets, across different asset classes and geographies. As these markets grow and develop, there is an increasing amount of cross-border work, something the region’s lawyers have been wrestling with as they seek to navigate and balance regulations in multiple jurisdictions – even when working on a single deal.

UK-headquartered Linklaters has earned prominence for its work on Asian bond issues, particularly in helping mainland Chinese companies tap investors in new markets, or with new products.

One was the launch of renminbi-denominated bonds in Taiwan by Chinese issuers. Linklaters had a role in the first four such sales. Combined, they raised \$1bn for four of the mainland’s biggest banks – Agricultural Bank of China, Bank of China, Bank of Communications, and China Construction Bank. The establishment of a renminbi bond market in Taiwan followed

FINANCE – INITIAL PUBLIC OFFERINGS INTERNATIONALLY HEADQUARTERED FIRMS			
Law Firm	Description		Total
Standout	Davis Polk & Wardwell	Pioneered the use of calculated value reports to write the IPO prospectus for the Chinese state-owned bad-loan company Cinda during its \$2.5bn listing on the Hong Kong Stock Exchange.	25
	Freshfields Bruckhaus Deringer	Developed the Hong Kong business trust listings market by advising the underwriters on HK Electric Investments’ \$3.1bn IPO, the largest listing by a Hong Kong business trust to date.	24
Highly commended	Sullivan & Cromwell	Advised the selling shareholders in Japan Airlines’ \$8.5bn Tokyo listing, helping the company to emerge from bankruptcy with the second largest IPO of 2013.	23
	Latham & Watkins	Acted for New Century on its real estate investment trust IPO on the Hong Kong Stock Exchange, the first Chinese hotel REIT.	22
Commented	Davis Polk & Wardwell	Advised the Chinese search-based travel platform Qunar, a Baidu portfolio company, on a Securities and Exchange Commission registered listing in the US.	21
	Paul Hastings	Advised the sponsor and manager on the Singapore listing of Mapletree Greater China Commercial Trust Management Ltd, the largest REIT IPO in Singapore and the first to use a grandfather structure for a China-based real estate asset.	21
	Sullivan & Cromwell	Served as international counsel to Mighty River Power, one of New Zealand’s largest electricity generators and retailers, on its partial IPO to help complete the largest-ever offering in New Zealand.	21

regulatory changes on the island in late 2013. Since then, renminbi deposits have risen fast to reach about Rmb250bn (\$40bn) this year, making it one the biggest offshore centres for the Chinese currency outside Hong Kong.

The additional demand for renminbi assets from investors with long-term liabilities – namely Taiwan’s large insurance funds – has also helped develop the market globally by enabling companies to borrow in the Chinese currency for longer.

Another landmark deal for Linklaters was the first Basel III-compliant dollar bond from a Chinese bank, a \$500m issue from ICBC (Asia), an offshore arm of the world’s biggest lender by assets. Banks globally are seeking to improve their capital ratios to meet regulatory requirements but, for Chinese banks, access to dollar bond markets offers a valuable new avenue to achieve those goals because of restrictions on rights issues at home.

Linklaters also helped create an offshore bond structure for property developer Gemdale, a template that has since been used

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FINANCE & CAPITAL MARKETS INTERNATIONALLY HEADQUARTERED FIRMS			
Law firm	Description		Score
Standout	Linklaters	Developed the RMB-denominated “dim sum” offshore bond market with a series of new bonds, including the first Basel III-compliant dollar bond and the first RMB securities offering by a mainland Chinese issuer in Taiwan.	26
	Skadden, Arps, Slate, Meagher & Flom	Acted for Japanese-based Fast Retailing, owner of the Uniqlo label and the largest clothing retailer in Asia Pacific, on its listing of Hong Kong depositary receipts on the Hong Kong Stock Exchange.	26
	Allen & Overy	Represented the sponsors on the Ichthys liquefied natural gas project, a \$34bn offshore development that represents the world’s largest ever project financing.	25
Highly commended	Jones Day	Advised the arrangers and swap providers for the securitisation of auto loans and leases originated in Korea by BMW Financial Services.	24
	Linklaters	Provided structuring advice to the Hong Kong Stock Exchange in relation to OTC Clear’s clearing platform to create the first derivatives clearing house in Hong Kong.	24
	White & Case	Worked with the Asian Development Bank to create a hybrid finance structure for a clean-water project in China, helping to bring new private investments into Chinese public-private partnerships.	24
	Allen & Overy	Acted for the steering committee of lenders to help restructure the debts of Vietnamese shipping company Vinashin, applying an English scheme of arrangement for the first time in an Asian restructuring with no UK assets involved.	23
	Ashurst	Devised the first greenfield project bond in Asia, helping to finance a \$3bn development for the Studio City themed entertainment resort in Macau.	23
	Mayer Brown JSM	Led the Vietnamese shipbuilding company Vinashin through its restructuring to help reach a politically and economically important settlement with lender groups.	23
	White & Case	Helped to facilitate the first-ever Asian-asset backed financing to utilise debt raised on the US term loan B (TLB) market as part of the refinanced leveraged buyout for MMI International.	23
	DLA Piper	Advised Indian-based IT services provider Rolta on its \$200m offering, the first Rule 144A/Regulation S bond offering from an Indian company.	22
	Herbert Smith Freehills	Helped structure Wesfarmers’ and Bunnings’ securitised lease deal, a first of its kind transaction in the Australian market.	22
	Latham & Watkins	Advised Goldman Sachs as underwriters to the issuance of the first payment-in-kind (PIK) toggle notes by an Asian company.	22
	Allen & Overy	Worked with the Asian Development Bank’s Credit Guarantee & Investment Facility (CGIF) trust fund to create a new local currency bond for the ASEAN+3 market.	21
	Ashurst	Helped Bain Capital acquire a complex, multi-jurisdictional leveraged portfolio from Lloyds Banking Group in Australia.	21
Commented	Latham & Watkins	Acted as counsel to the lenders on the Xe-Pian Xe-Namnoy Hydroelectric Power Plant Project, a \$1bn development project between Laos and Thailand.	21
	Linklaters	Helped structure the fund investment for BTS’ acquisition of the net fare-box revenue of the Sky Train system in Bangkok.	21
	Morrison & Foerster	Helped launch a \$3bn fund to develop logistics and warehouse properties in the Chinese e-commerce market.	21
	Ropes & Gray	Acted on behalf of the buyer consortium to oversee Chinese IT company Pactera’s take-private, using the first leveraged buyout of a US-style bridge-loan-to-bond financing.	21
	Shearman & Sterling	Represented Thai-listed oil concern PTTEP on its \$3bn share offering, the largest follow-on offer from a Thai company to date.	21
	Skadden, Arps, Slate, Meagher & Flom	Worked with Credit Suisse to help Australian company Fortescue Metals Group tap into the US debt market to secure a fully underwritten \$5bn covenant-lite senior secured loan, helping to transform the company’s fortunes.	21
	Akin Gump Strauss Hauer & Feld	Acted for the administrative agent to Village Roadshow Entertainment Group in connection with the company’s \$275m financing.	20
	Freshfields Bruckhaus Deringer	Advised Chinese e-commerce company Alibaba on its concurrent Yahoo repurchase and privatisation financings.	20
	Freshfields Bruckhaus Deringer	Advised ILM on the \$2bn sukuk programme, the first short-term Islamic financing instrument aimed at the international market and denominated in US dollars.	20
	Orrick, Herrington & Sutcliffe	Assisted the Vietnamese Ministry of Industry and Trade with the management and financing arrangement for the \$1.76bn Binh Thuan coal-fired power project, the largest foreign investment from China into Vietnam.	20
	Paul Hastings	Advised China International Marine Containers Group (CIMC) on a first-of-its-kind listing of H-shares converted from B-shares, encouraging liquidity in the listing market.	20

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Adaptation is the name of the game

Catering to international tastes has proved both problematic and rewarding in Asia, writes *Peter Wells*

Asia-based financial lawyers find themselves in an interesting push-pull situation with the rest of the world.

For some, advising clients is about making local tastes palatable to deep-pocketed and sophisticated investors beyond a country's borders. For others it is a matter of adapting international preferences in a domestic setting.

Educating overseas bankers and lawyers is one of the challenges when taking Asia to the rest of the world, says Prashant Gupta, a partner at Amarchand & Mangaldas & Suresh A Shroff in New Delhi. His firm handled the \$90m initial public offering in 2012 of rice trader Amira Nature Foods on the New York Stock Exchange and its simultaneous listing on the Indian share market.

Amira was the first consumer-focused Indian company to undertake this dual listing, and had been family-owned and operated for more than a century.

In contrast, the handful of tech companies that undertook offshore listings tended to be venture-capital-backed, and their business structures and marketing strategies felt more familiar to foreign advisers and investors. "Basmati rice is not the easiest sector to sell to international investors and get them to understand things of that nature," Mr Gupta says.

In November 2013, India's ministry of finance simplified matters by permitting companies to list abroad without a domestic listing requirement.

But companies still need to undergo a restructuring process that takes about 15 months to bring them into compliance with overseas exchanges.

Advisers in Australia found themselves in the opposite position, trying to adapt international preferences to a domestic setting.

In the wake of the 2008 financial crisis, G20 leaders in 2009 committed to reform and tighter regulation of the global over-the-counter derivatives market, and ultimately the mandatory clearing of these securities. But that directive has been interpreted differently by US and European regulators.

In the case of the Australian Securities Exchange, picking one system over another was not going to lead to an optimal solution for the company, market participants and regulators.

Australia had a "unique starting point", explains Scott Farrell, a Sydney-based

● FINANCE & CAPITAL MARKETS ASIA-PACIFIC HEADQUARTERED FIRMS		
Law firm	Description	Score
Standout	King & Wood Mallesons Acted for the Australian Securities Exchange to establish the first Australian clearing house for over-the-counter derivatives.	25
	Amarchand & Mangaldas & Suresh A. Shroff Lead Indian counsel to Amira Nature Foods on its New York Stock Exchange initial public offering, the first involving the simultaneous listing of an offshore parent and Indian operating company.	24
	Kim & Chang Korean counsel to the joint lead managers on the Korea Housing Finance Corporation's dual tranche covered bond issue denominated in US dollars and South Korean won.	24
Highly commended	Adnan Sundra & Low Worked with Malaysian Airlines to develop the world's first sharia-compliant perpetual sukuk.	23
	Amarchand & Mangaldas & Suresh A. Shroff Acted as Indian counsel for the investors in Avantha Holdings to develop a private placement of non-convertible debentures.	23
	AZB & Partners Developed an Indian legal structure capable of protecting KKR's rights as lender during Avantha Holdings' restructuring.	23
	Khaitan & Co Advised PEL and IndiaReit, units of the Primal Group, on the formation of a debt fund platform that will extend Indian rupee debt financing to residential projects across India.	23
	Nishith Desai Associates Devised an efficient tax structure for General Atlantic Partners' and Oak Hill Capital Partners' sale of a 30 per cent stake in Genpact, the largest transaction under new indirect transfer tax provisions in India.	23
	Allen & Gledhill Singapore counsel on Sabana Real Estate Investment Management's issuance of the first convertible sukuk to be issued in Singapore.	22
	Nishimura & Asahi Advised Aozora Bank, one of the big three Japanese banks, on its restructuring and subsequent global offering of shares.	22
	Nishith Desai Associates Advised Godrej Properties on the creation of a residential development platform worth approximately \$140m.	22
	Gilbert + Tobin Advised Centerbridge Partners and Oaktree Capital Management on the recapitalisation of Billabong International, setting a precedent for anti-competition rulings.	21
	Gilbert + Tobin Advised Credit Suisse on Fortescue's leveraged, covenant-light secured term loan B financing.	21
Commended	Mori Hamada & Matsumoto Acted for SKY Perfect JSAT Corporation as part of a joint venture to launch and operate Japan's X-band satellite communications system, the largest private finance initiative in Japan to date.	21
	Mori Hamada & Matsumoto Advised Hoshino Resort on the establishment of a Japanese real estate investment trust covering traditional ryokan wooden structures.	20
	Rahmat Lim & Partners Negotiated with land offices and regulators in Malaysia to overcome land title transfer for IGBs Real Estate Investment Trust.	20
	WongPartnership Advised Ascendas Hospitality Trust on its IPO on the Singaporean stock exchange.	20
	Allen & Gledhill Lead counsel to IHH Healthcare Berhad in the first simultaneous dual public offering in Malaysia and Singapore, a S\$2bn IPO that paves the way for greater cooperation between regional stock exchanges in the Asia-Pacific region.	19
	Wong & Partners Advised Maybank on a first-of-its-kind medium term note programme for CapitalMalls Malaysia Trust.	19
	WongPartnership Advised the underwriters on IHH Healthcare Berhad's S\$2bn initial public offering, the first dual concurrent listing in Malaysia and Singapore.	19

partner at King & Wood Mallesons (KWM), which acted for the ASX as it set up the first domestic clearing house for OTC derivatives.

Unusually for its size, Australia's market participants are very sophisticated: the large pension funds and banks are well informed about overseas regulation and which aspects of the different US and European systems they prefer.

"The ASX actually had to tailor their offering to meet all of the commercial requirements of all the Australian participants, rather than simply build something they wanted it to be," Mr Farrell says.

The eventual solution for the ASX blended market participants' favourite elements of the US and European systems into the Australian framework.

This result required changes to Australian legislation, which in turn meant cross-checking interactions with other laws. Regulators and bankers from the US, Europe and Asia have been very interested in what Mr Farrell and his team at KWM have accomplished for the ASX.

Although situations like this are often reactions and responses to decisions in western markets, the unique local solutions can be attractive and familiar to overseas investors.

Dominic Emmett, a partner at Australia-based Gilbert + Tobin, thinks advisers round the region need to be able to cater to international tastes.

In 2013 his restructuring team advised US-based hedge funds Centerbridge Partners and Oaktree Capital Management when they were unexpectedly gazumped in a debt-for-equity recapitalisation play for financially troubled surfwear maker Billabong International.

Centerbridge and Oaktree had already bought hundreds of millions of dollars worth of existing senior-secured debt when, in mid-July, Billabong's board announced it would accept a A\$395m rescue package from rival US funds Altamont Capital Partners and GSO Capital. The offer included some rather demanding terms, notably a very high break fee representing 20 per cent of the A\$325m bridging facility.

These features made the deal anti-competitive and coercive, Centerbridge and Oaktree argued. They took their complaint to the Takeovers Panel and were ultimately successful.

"Innovation is how we give these US funds what they get elsewhere in the world – such as in the US, UK and Europe – in the Australian market," Mr Emmett says.

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Fight for a bigger slice of the legal pie pays off

Championing diversity, investing in a wider skills base and using technology better are helping to create world-class legal teams, says *Reena SenGupta*

Brent Irvin, at 41 years of age, is young for his role as general counsel at Tencent. But his experience is an example of the opportunity many international lawyers can find in the Asia Pacific region when working in-house.

Previously an associate at Wilson Son-sini, a Palo Alto law firm, Mr Irvin joined Tencent in 2010 to build a legal team that now has 128 lawyers on its strength. The company, China’s largest internet portal, has grown from its incorporation in Shen-zhen in 1998 to a \$9.9bn revenue giant. Mr Irvin has been a crucial part of that growth.

The story of lawyers helping to accelerate growth and facilitate Asian businesses is a theme running through the inaugural FT in-house ranking in the Asia-Pacific region. Besides being catalysts for change within their own organisations, some of the most innovative occupy leadership roles, helping to change legislation, regulation and the business environment.

Where Mr Irvin has been fighting for better intellectual property laws and protections in China, William Hay, the general counsel at Baring Private Equity, has been helping to raise standards in emerging markets through participation in World Bank forums.

Other legal teams such as those at Morgan Stanley and Telstra have

been championing diversity within their organisations, the region and in their legal service suppliers.

The ability of innovative general counsel to influence and lead the companies in which they work transcends the narrow interpretation of what it means to be a lawyer – someone more comfortable with advising on the law than using their analytical legal skills to give commercial advice.

Mr Irvin has made sure that Tencent has never lost an intellectual property protection case in China and, in turn, has been adept at educating the courts and regulators about the importance of protecting intellectual property. He established in 2012 the Tencent Cyber Law Research Centre, which has become an important forum in China to share best practices. Mr Irvin also promoted modern legal functions orientated around both product and legal practice areas – a structure that is relatively unusual for businesses indigenous to the region. When faced with a dearth of technology suitable for his law department, Mr Irvin used engineers in Tencent to write bespoke software for the team to share legal knowledge.

Internet companies do appear to foster legal departments more inclined to innovation than more traditional businesses. For example, Alibaba, the Chinese e-commerce group, also features in the ranking for its world-class legal unit. And the FT’s US

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in-house ranking of 2013 puts Google in the top position.

However, the Asia-Pacific ranking does feature other types of business. Being able to get in on ground level has enabled many incoming lawyers in the region to craft their own legal functions without constraint and carve out broader and more interesting roles than many of their peers working in Europe.

Amanda Yu, general counsel at AS Watson, is a case in point. Since joining the health and beauty retail company as its first retail lawyer in 1994, she has built the team to 40 lawyers working across 33 markets. “Working in-house here has been a thrilling way of being involved in the growth of the business over the past 20 years,” she says. Ms Yu has managed to create her own legal footprint within the company. Part of her remit is corporate development, where she plays a leading role in acquisitions and negotiating deals. She also has direct business responsibilities in running the company’s specialist retail wine business, Watson Wine.

While many teams in the FT ranking struggled to put a numeric value on their contributions (similar to western jurisdictions, the measurement of value is a thorny issue for in-house counsel) their commercial referees were unequivocal about the advantage a superior in-house function can deliver, particularly in emerging markets.

Sophia P K Yap joined CBRE, the global real estate company, in 2008. Since then, she has built a legal and compliance function that covers 16 countries and more than 9,000 employees. As CBRE operates in many high-risk jurisdictions, Ms Yap’s brief was to ensure a best-in-class compliance function. However, she has avoided a silo-approach to corporate governance and used risk-mitigation approaches to complement the company’s growth. Through recruiting legal and compliance professionals she calls “change agents”, the legal department sees itself as much more than a cost-centre.

One of its innovations has been to use “six-sigma” methodologies” to create tools that simplify risk assessments in the deal process. Using these methodologies has been resisted by lawyers worldwide who say the law cannot be streamlined into a process. However, the few that have used six-sigma methods have done so to great effect. Ms Yap sees the change as fundamental: “We have changed the traditional view of legal and compliance from deal-blockers to being viewed as deal enablers.”

● IN-HOUSE LEGAL TEAMS					
	Organisation	Legal team headquarters	Total score	Size of legal team (Asia-Pacific)	Description of innovation
Standout	Tencent	China	33	128 lawyers	Tencent lawyers are helping to shape the legal landscape in China by encouraging the enforcement and protection of intellectual property rights in Chinese courts. They created their own knowledge management platform in the absence of relevant market offerings.
	Westpac	Australia	32	132 lawyers	A high-performance legal team where innovation is ingrained across all areas of the function. It has used metrics to quantify the value of legal.
	Baring Private Equity Asia	China (Hong Kong)	31	5 lawyers	The legal team facilitates business growth through adaptability, creativity and a business-minded approach.
	CBRE	China (Hong Kong)	31	18 lawyers	Lawyers have created effective risk-assessment calculators that will be rolled out across the global legal team and help generate revenue for the business.
Highly commended	AS Watson	China (Hong Kong)	30	23 lawyers	The legal team plays a central role in all business activities, recently leading the negotiations for a potential initial public offering.
	Santos	Australia	30	31 lawyers	A focused approach to partnering with the business has allowed lawyers to give the company a competitive advantage in transactions. External legal spend was cut by 49 per cent in a year.
	Alibaba	China	29	115 legal staff	A rapidly evolving legal team that has been instrumental in establishing and growing the company's small-loan business through innovative work with regulators.
	Morgan Stanley	China (Hong Kong)	29	41 lawyers	The legal team has developed diversity and inclusion initiatives for the industry and the legal profession, many of them unusual for the region.
	Telstra	Australia	29	180 lawyers	The lawyers add significant value to the bottom line and often move into commercial roles, while creating a flexible working environment.
	Shell Malaysia	Malaysia	28	19 lawyers	The legal team created an action plan and training programme to prepare the company's workers for compliance investigations.
Commended	Fosun Group	China	27	90 lawyers	The team guides the business through complex regulation, and encourages lawyers to improve both legal and commercial skills.
	Mahindra & Mahindra	India	27	20 lawyers	One of the more sophisticated legal teams in India has reduced legal spend and standardised processes.
	Olam International	Singapore	27	3 lawyers	In two years, the new legal department has delivered security, cost-savings and revenue preservation.
	Yahoo!	China (Hong Kong)	27	26 lawyers	Computerised contract management processes and closer working relationships with the business colleagues effectively manage risk.
	Ramsay Health Care	Australia	26	6 lawyers	The general counsel also holds the role of chief risk officer, setting strategy and coordinating responses to employee and patient risk across the healthcare business.
	Wynn Macau	China (Macau)	26	4 lawyers	A developing legal team has coordinated unique regulatory needs within the casino industry across multiple jurisdictions.
	3M Legal Affairs	China	25	23 lawyers	Created a knowledge-sharing platform and alert system with Baker & McKenzie to stay up-to-date with changing employment and labour laws.
	GDF Suez - Asia	Thailand	25	5 lawyers	The legal team was instrumental in saving a power project deal through combining their legal and commercial knowledge of India.
	INPEX Corporation	Japan/ Australia	25	5 in Japan, 12 in Australia	Recruited transactional expertise in-house to advise on Ichthys, overseeing day-to-day management of the liquefied natural gas project.
	Citibank (global loans)	China (Hong Kong)	24	3 lawyers	The legal loans team was commended for its commercial, solution-oriented work on some of the largest deals of the past two years.



Orchestrating Innovation for Law Firms and Corporate Legal Departments

The practice and business of law faces unprecedented challenges, especially the need to reduce legal spend while meeting the demands of an increasingly globalised economy. Law firms and legal departments everywhere are now tasked with doing more for less.

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The deft art of linking the parts

Michael Skapinker finds lawyers connecting Asia-Pacific economies to each other and the world

This is FT Innovative Lawyers’ first foray into the Asia-Pacific region – and it was gratifying to see how strong the shortlist was for the most Innovative Individual award. Gratifying, but unsurprising. The region boasts some of the world’s most important economies and, given the range of judicial and political systems, some of the most complicated legal problems.

In particular, lawyers and business people have to grapple with how to connect China with investors based in financial centres such as New York, London, Hong Kong and Singapore whose systems are based on English common law.

That dilemma made William Liu, a partner with Linklaters, a compelling winner in the innovative individual category. Since 2009, he has wrestled with the twin problems of how to enable non-Chinese companies to tap Chinese investors and how to allow companies in China to borrow outside the country. In doing so, he has prepared a route for others to follow. As he said in his submission: “I have been fortunate enough to ride on China’s initiative to

internationalise its currency ... I would love to think that we are a ‘bridge’ that connects many Chinese issuers with the international investor community.”

There were other strong candidates for the award. Nishith Desai, founder of Nishith Desai Associates, which has offices in India, Singapore, the US and Germany, has a “happiness billing programme” that lets clients pay their bills in full, in part or not at all, depending on how satisfied they are with the service. The firm’s lawyers also have to attend daily continuing education sessions.

The need to connect Asia-Pacific economies to each other and to the rest of the world made Stuart Fuller, global managing partner at King & Wood Mallesons, another strong award contender. The firm is the result of a merger between the leading Chinese and Australian practices, making it a genuinely pan-Asian outfit. The firm, which has now combined with London-based SJ Berwin, says that unlike foreign practices that have entered the region, it is truly of it. It has also defied the predictions of those who said that ambitious Australian firms would have little option but to be absorbed into one of the UK “magic circle” or Wall Street firms.



Sarah Bower
Principal, chief legal counsel, transactions & restructuring services
KPMG China

Sarah Bower has worked in-house at Asian financial institutions for more than 13 years and before that was a partner at an Australian law firm. Since 2009, she has supervised all legal transactions and settlements for the Hong Kong Lehman Brothers and MF Global estates for KPMG. Ms Bower already had detailed knowledge of the Lehman assets, having spent eight years at Lehman Brothers in Asia before moving over to Nomura when the Lehman assets were acquired by the Japanese bank.

She was initially brought on board for Lehman, but KPMG saw the value in having an internal legal adviser to complement the firm’s transactions and restructurings services. Ms Bower’s attention has since been turned to developing a new kind of legal consultancy service for clients of KPMG China’s Transaction & Restructuring division. Her team advises on large-scale transactions and commercial disputes and is a business developer and revenue generator for the firm.

Ms Bower has advised a number of Hong Kong’s business leaders via KPMG’s Independent Non-Executive Directors Forum.

Ms Bower’s team advises on large-scale transactions and commercial disputes



Chew Seng Kok
Regional Managing Partner
ZICOlaw

Chew Seng Kok, described as a maverick and entrepreneur in his market, has helped to develop a small Malaysian law firm into the largest in the country, built a network across the Association of South East Asian Nations (Asean) and created a business model that offers integrated legal and advisory services.

Mr Chew left a career with Baker & McKenzie in Singapore to join the local Malaysian law firm Zaid Ibrahim & Co (ZICO) in 1991. He started an infrastructure and privatisation projects practice that year and over the next decade capitalised on the wave of privatisations in Malaysia. In the process, he helped the firm grow from nine partners to the largest in the country.

His most important contributions have come in the past 12 years as managing partner. In 2003, ZICO was the first Malaysian law firm to expand outside the country and it now counts 16 offices across nine countries under the ZICOlaw network. Mr Chew has built a pan-Asean presence in anticipation of a wave of regional expansion by local businesses when the single Asean economic region is implemented in 2015.

Mr Chew says he has been willing “to take risks in pursuing my vision for a different model for legal services”. The multidisciplinary model combines legal, consulting and sharia and other advisory services under an umbrella entity that separates management and legal practice.



Mitsuru Claire Chino
Executive director and general counsel
Itochu Corporation

Mitsuru Claire Chino is credited with changing the image of the in-house lawyer in Japan. Since joining Itochu, the trading and investment company, in 2003 she has personally negotiated deals totalling \$1bn. In 2013 she became the first female executive officer of a leading trading company in Japan – a notable achievement in the male-dominated world of Japanese business. The country ranks 105th out of 136 countries in the World Economic Forum’s Global Gender Gap Report.

Ms Chino began her

Ms Chino helped create a more open and democratic culture within the legal department

career at the San Francisco law firm Graham & James, and was seconded to Itochu in Tokyo for more than a year. She returned to San Francisco and became a partner of the firm in 1998, but missed working closely with business and soon made her way back to a permanent in-house legal role at Itochu in Japan.

She has brought private practice work standards to the in-house team at Itochu. She led initiatives to create a more open and democratic culture within the legal department and to change its role in the business from a defensive to a proactive one. In-house lawyers are now frequently involved in client-facing activities.



Nishith Desai
Founder and managing partner
Nishith Desai Associates

Nishith Desai, the son of Indian fighters for freedom from colonial rule and a self-proclaimed “constructive contrarian”, created his law firm in 1990 using a model and approach radically different from that of most international premium law firms. Instead of the traditional partner-associate structure where leverage is small (usually one partner to three associates), Mr Desai created a legal advisory business based on an intensive research operation, industry-sector focus and big leverage (one to nine). The model was ahead of its time, particularly in Mr Desai’s decision to focus on specific areas such as funds and technology.

Nearly 25 years later, his model has both profitability and quality ratings in legal rankings.

Mr Desai is a leading tax lawyer but, like many top Indian lawyers, is a generalist. He is both a litigator and a corporate transactional lawyer.

Unlike many current leading Indian lawyers, he is the first lawyer in his family and built his firm from scratch. Before deciding on his firm’s model, which combines research, academics and thought leadership, he spent four years studying professional service firms. “We don’t believe in ‘headcount’, we believe in ‘brain count’,” he says.

His latest step has been to let clients pay him on their “happiness” quotient. If they are not satisfied with the firm’s service, they do not have to pay.



Stuart Fuller
Global managing partner
King & Wood Mallesons

The merger of one of the largest law firms in China with one of the largest in Australia in March 2012 caught the attention of the global legal market. As managing partner for Mallesons, Stuart Fuller was a key driver behind the merger. It was a bold and unusual move at a time when the accepted wisdom was that UK or US law firms were the only merger partners for Australian firms.

While the creation of a regional giant that crossed different geographical markets was significant, the subsequent merger

It is now the first and only global law firm with origins or headquarters in Asia-Pacific

with UK firm SJ Berwin in 2013 moved the firm into a new, super league. It is now the first and only global law firm with origins or headquarters in Asia-Pacific.

Mr Fuller is responsible for integrating the firm and aligning its global strategy, management and operations. He has introduced an international governance and management structure and is promoting greater mobility among lawyers. With the firm’s global chairman, Wang Junfeng, Mr Fuller is leading the “100 Lawyer Plan”. It aims to have 100 partners and lawyers from each region of the firm working in different parts of the firm at any one time.



William Hay
General counsel
Baring Private Equity Asia

William Hay has been the general counsel at Baring Private Equity Asia since 2010, building the first in-house legal team for the firm. Business colleagues say that Mr Hay and his legal team have been essential to their growth.

After almost 40 years of doing business in Asia, Mr Hay has strong legal and business reputations in the market. He received a record number of spontaneous market nominations for any individual lawyer in all 12 FT Innovative Lawyers Reports published over the past eight years. His unusually eclectic career has seen him occupy a variety of roles across Asia and the US. No stranger to in-house, he served at GE Capital Asia and Colony Capital, and built legal teams versed in international and local laws and commerce. He has worked as a private equity partner, a private practice partner, general counsel and entrepreneur, founding his own hotel investment company along the way.

As a lawyer, he has been described as having “that elusive combination of legal, business and real world knowhow”. He is able to understand issues from a legal and commercial perspective and can translate this into practical and workable solutions.

Mr Hay, a fluent mandarin speaker, works across multiple Asian jurisdictions, from India to China to Japan. His knowledge of dealmaking and his boardroom experience have helped him build a deal-enabling legal team.



Peter Leonard
Partner
Gilbert & Tobin

Peter Leonard is widely regarded as one of the Asia Pacific region’s leading communications and content lawyers. He has been at the heart of three successive market evolutions in the communications industry in Australia, beginning in 1985 with the deregulation of the telecommunications industry and continuing today with the big data revolution. His work on “big data” analysis of customer transactional data with Quantum and Woolworths is ranked in the corporate category of this report.

Mr Leonard has played an influential role in the development of telecoms laws and regulatory instruments in Australia. With no precedents to follow, working through the new regulatory environment required innovation and flexibility. The impact of these changes has been felt in neighbouring countries where Australia’s regulatory frameworks have been used as a model.

Mr Leonard led the internet privacy and data protection debate in Australia, and he continues to innovate and develop his skills in new markets representing clients in complex technology, corporate, and media deals in the Asia-Pacific region.

Working through new regulatory environments requires innovation and flexibility



Simon Makinson
Partner, chairman Asean
Allen & Overy

Simon Makinson set out from London for a month-long holiday in Hong Kong in the late 1980s – and never returned. He spent several years in Hong Kong and Thailand, and eventually opened his own law firm in Bangkok in 1995. However, he continued his relationship with his old employer, Allen & Overy in London, and in 1998 merged his Bangkok practice with the global firm.

He serves as managing partner of Allen & Overy’s Bangkok office, and is chair of the firm’s Association of South East Asian Nations (Asean) practice. The firm has recently opened offices in Vietnam and Myanmar. It has 23 partners and 142 lawyers across six Asean offices, and is able to offer both local and international advice.

Myanmar, when sanctions were lifted in 2011, looked to restore its legal system and reintroduce rule of law. Mr Makinson was quick to see the opportunity both to build the firm’s presence and to offer its experience and resources to help the development process. He engaged with Myanmar’s government and, in collaboration with the attorney-general’s office and Oxford university, led the design of a course in international financial and corporate law for government and regulatory officials and members of the local legal profession.

This approach has borne fruit for the firm. In this report, Allen & Overy is ranked for its work in helping Telenor secure one of two telecommunications licences in Myanmar.



Michelle Taylor
Partner
Jones Day

The position of associate at a top, “magic circle” firm is enough to satisfy the ambitions of many young lawyers. But Michelle Taylor decided she needed more of a challenge when, in 1997, she left Clifford Chance to help set up the securitisation practice at the London offices of US firm Brown & Wood (now Sidley Austin). Working as the junior partner in a two-person team, Ms Taylor was given a crash course in the European securitisations market just as it was starting to take off.

A year later she moved to Hong Kong to help develop Brown & Wood’s structured finance and securitisations practice. She has been a leading figure in the Asian securitisations market ever since.

In 2007 she moved to set up her own securitisations practice at Orrick and was appointed as the firm’s China office leader and Asia managing partner in 2010. In July 2013 she moved her team to Jones Day, where she has continued in the field of consumer credit receivables securitisations.

Ms Taylor has led cross-border securitisations out of a number of Asian countries, including China, South Korea, Malaysia and Indonesia. Her deals are regularly market firsts in their jurisdictions and, often, the first of their kind in the Asian region.

Winner William Liu, partner, Linklaters

Linklaters capital markets partner William Liu has played a key role in developing the renminbi-denominated “dim sum” bond market. Since 2010, he has led on several novel bond issues and has aided China’s drive to internationalise its currency. His deals include the first RMB bond to be offered by a foreign corporate outside China, the first RMB bond to be offered by an industrial multinational, and the first RMB bonds to be issued from a number of international financial centres (Taiwan, London, Singapore, Frankfurt, Luxembourg and Sydney). More recently he helped to develop the first Basel III-compliant capital instruments for Chinese banks and structured the first RMB securities offering by a Chinese issuer based in Taiwan.

While Mr Liu is always keen to emphasise the contribution of his team in these bond issues, his leadership initiative takes many forms – he recently encouraged his group to bungee-jump off the Macau Tower as part of a team-building exercise. Mr Liu and his team have developed a range of innovative RMB bonds for a broad range of clients, including the



government in Beijing, development agencies, international banks, and large international companies.

In all these deals, Mr Liu has sought to open China’s capital markets to foreign investors by establishing documentation standards, clearing and settlement procedures, and remittance guidelines for RMB bonds. His innovative structures have helped Chinese companies tap into new sources of capital, giving them a degree of freedom that was previously impossible. At the same time, by bringing Chinese issuers into line with international practices, he has brought Chinese credits to a wider community of international investors.

The structures Mr Liu has developed in the RMB bond market are an important part of China’s financial reforms, helping to lay the foundations for a new global currency. However, it is his work helping to develop a new generation of Chinese-speaking lawyers that

Mr Liu is most proud of. He hopes that these lawyers will, like the new RMB bonds, meet the standards of international commerce while ensuring Asia’s continued rise.

Helping define the rules for corporate engagement

Language, culture and local regulations can be challenging, says *Naomi Rovnick*

For corporate lawyers in the Asia-Pacific region, life is about much more than merely executing technical legal work after companies and their bankers have wrapped up a deal.

Emerging countries in the region present the opportunity for lawyers to write the rules of corporate engagement. They must also bridge different regulations and cultures, combining innovative structuring skills with the cultural sensitivity of a diplomat.

The region is also far from homogeneous. New markets are constantly opening. Myanmar, for example, is welcoming foreign investment after decades of isolation. For Chinese deals, the “one country, two systems” arrangement between the

mainland and Hong Kong requires constant innovation from lawyers. Businesses in the two Chinese societies want to work together. But sometimes regulations do not adequately capture this trend. This was the challenge faced by Slaughter and May partner David Watkins when



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Asia-Pacific Innovative Lawyers 2014

CORPORATE & COMMERCIAL INTERNATIONALLY HEADQUARTERED FIRMS		
Law firm	Description	Score
Standout	Slaughter and May	Counsel to Liu Chong Hing Investment and its subsidiary Chong Hing Bank on a partial offer made by Yue Xiu Enterprises, the first big takeover of a financial institution in Hong Kong by a non-financial body. 25
	Sullivan & Cromwell	Developed a capped cash sweep and used a standby letter of credit for the debt financing to take-private Focus Media, a digital media company in China. 24
	Weil, Gotshal & Manges	Advised GE on its transmission and distribution share swap with XD Electric, a Chinese electronics manufacturer, creating a global partnership. 24
Highly commended	Ashurst	Guided Peak Reinsurance Company Limited, the first dedicated reinsurer to be established in Hong Kong, through all aspects of its formation, capitalisation and licensing. 23
	Davis Polk & Wardwell	Created an inventive merger structure that allowed Baidu, a web services company, to acquire 91 Wireless Websoft. 23
	Eversheds	Worked with a leading investment bank to develop a hybrid outsourcing-utility contract for data storage and other areas of essential information technology systems. 23
	Linklaters	Advised UBS on its pre-IPO investment into Cinda, the first Chinese state-owned asset management company to allow inward foreign investment. 23
	Allen & Overy	Assisted Telenor, a Norwegian telecommunications company, to gain one of the first two telecommunication licences in Myanmar. 22
	Freshfields Bruckhaus Deringer	Helped Mizuho Corporate Bank of Japan to purchase a strategic stake in Vietcombank for \$567m, boosting confidence in Vietnam's privatisation plan. 22
	Hogan Lovells	Advised the committee of bondholders on the \$1.8bn restructuring of Sino-Forest Corporation, the first under Canada's Companies Creditors Arrangement Act, potentially setting precedent for future restructuring of Chinese companies. 22
	Latham & Watkins	Advised Hong Kong Television Network on its sale of Hong Kong Broadband Network and telecom business to CVC for \$630m, requiring complex regulatory approvals and unique restructuring work. 22
	Orrick, Herrington & Sutcliffe	Coordinated the cross-border legal work for Japanese manufacturer U-Shin's acquisition of the access mechanisms arm of Valeo, a French automotive parts manufacturer. 22
	Herbert Smith Freehills	Advised China National Petroleum Corporation (CNPC) on its \$4.2bn acquisition of a stake in Eni East Africa, indirectly giving it a share in a Mozambique gas field. 21
	Hogan Lovells	Acted as counsel to Prudential for the £13bn cross-border reorganisation of its Hong Kong life and general insurance businesses, navigating close regulatory scrutiny. 21
	Ropes & Gray	Supported Bain Capital when creating a joint venture agreement with Sumitomo Corp., a first-of-its-kind between a global private equity firm and a Japanese trading company. 21
Commented	Ropes & Gray	Counselled MedImmune, a subsidiary of AstraZeneca, on its joint venture agreement with WuXi AppTec, China's largest clinical research organisation, creating the first novel biologics joint venture in China. 21
	Slaughter and May	Enabled PTT Exploration and Production, the Thai national petroleum company, to successfully acquire Cove Energy, an East African-focused oil and gas explorer, for \$2.2bn. 21
	Weil, Gotshal & Manges	Advised Lenovo Group, a Chinese technology company, on the \$2.9bn acquisition of Motorola Mobility Group from Google. 21
	Bird & Bird	Devised an innovative strategy to help protect intellectual property surrounding 3Doodle, a Kickstarter funded 3D printing pen. 20
	Davis Polk & Wardwell	Advised CNOOC, the Chinese energy company, on its acquisition of Nexen, a Canadian oil and gas company, for \$15.1bn, requiring numerous intricate regulatory approvals. 20
	Freshfields Bruckhaus Deringer	Negotiated a commercial agreement between Nippon Asahan, a major Japanese aluminium producer, and the Indonesian government, allowing both sides to avoid lengthy ICSID arbitration proceedings. 20
	Norton Rose Fulbright	Created a merger competition clearance dashboard, which outlines potential clearance issues across multiple jurisdictions, allowing clients to make business decisions more quickly but with sound legal analysis. 20
	Skadden, Arps, Slate, Meagher & Flom	Advised Marubeni, a Japanese trading company, on its acquisition of US grain handler, Gavilon Group, and concurrent part sale to Japan Bank for International Cooperation. 20
Commented	Sullivan & Cromwell	Helped the Chinese dairy operator Mengniu to negotiate a divergent set of shareholder interests during its acquisition of Yashili, an infant formula producer. 20

Battles are won in the war room

Identifying problems before they occur is key when advising on complex M&A deals, writes *Jeremy Grant*

There can be few law firms that would enthusiastically take on the job of advising on one of the biggest corporate mergers in a country's history, knowing that one of the two companies involved was facing multiple court actions following a fraud scandal that made headlines around the world.

But that is what Indian law firm AZB & Partners set about doing when it agreed to undertake the advisory work for a tie-up between Mahindra Satyam and Tech Mahindra, the information technology arm of Mahindra & Mahindra.

In 2009 Satyam Computer Services, then one of India's largest IT groups, shot to prominence after its founder-chairman B Ramalinga Raju wrote to the board confessing to having manipulated the company's accounts over several years in a fraud worth more than \$1bn. The company was subsequently taken over by Mahindra Group and renamed Mahindra Satyam.

Three years later Tech Mahindra and

Mahindra Satyam announced a merger, which was completed in about 14 months – but not without the deal being challenged on multiple occasions, including by creditors to Satyam, and minority shareholders.

Abhijit Joshi, the lead partner on the deal and chief executive of AZB & Partners, explains that while most mergers in India come under scrutiny in court, this one was “a potentially dynamite situation”, given that Satyam faced so many legal proceedings against it.

To deal with this, the firm created a “war room” where lawyers were tasked with projecting and working through every scenario they could come up with.

“The trick was to anticipate,” says Mr Joshi, adding that company directors were regularly kept abreast of possible developments. “It's like preparing passengers for turbulent weather if you are a pilot,” he says.

At one point the deal was almost put into suspended animation after the High Court in Andhra Pradesh ordered fresh scrutiny of Saytam's accounts by an independent

auditor. Once that report had been filed, 37 entities filed a petition questioning its validity, resulting in a legal battle that went all the way to the Supreme Court.

The merger was eventually cleared by the courts without a single judgment against it, which Mr Joshi calls “a thumping victory on all counts”.

Anticipation was an approach that also helped two law firms in Singapore as they worked on what was the largest, and certainly the most complex, mergers and acquisition deal in recent southeast Asian history – and one that illustrates the international-class work being done by Asia-Pacific firms

The battle was for Fraser & Neave, a drinks, property and printing conglomerate that traces its roots to Asia's first carbonated water business, founded by two Scots in Singapore in the 19th century.

What had started in 2012 as a bid by Charoen Sirivadhanabhakdi, a Thai billionaire and son of a Bangkok street vendor, for Asia Pacific Breweries, the Singapore-based maker of Tiger beer, had six months

later become a highly complex M&A battle involving the Riady family in Indonesia.

Although his opponent in the bid for APB, Dutch brewer Heineken, eventually won control in an auction, Mr Charoen then made an audacious S\$8.88-a-share bid for the whole of F&N – a sum notable for the choice of numbers, which is considered lucky in Chinese culture. The move transformed M&A-watchers in Singapore.

Mr Charoen used numerous different vehicles in a multi-pronged approach that at times was hard to follow, not helped by late-night announcements by the protagonists.

Ng Wai King, joint managing partner at WongPartnership, which acted for Mr Charoen, says he had not seen a transaction like it.

“The most difficult thing was the time pressure to react to the different changes around us,” he says.

“But you work off the regulatory framework and you say, ‘Here are the possible options available to you,’ and you work out what happens if you do it this way or

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'It's like preparing passengers for turbulence if you're a pilot'

Abhijit Joshi, AZB & Partners

CORPORATE & COMMERCIAL ASIA-PACIFIC HEADQUARTERED FIRMS			
Law firm	Description	Score	
Standout	AZB & Partners Advised both sides on the landmark merger of Satyam with Tech Mahindra, overcoming opposition from minority shareholders and navigating multifaceted regulatory and compliance issues.	24	
	Bae, Kim & Lee Completed analysis for Hana Financial Group that allowed the company to acquire Korea Exchange Bank privately from Lone Star, under the close scrutiny of the Korean Supreme Court.	24	
	Amarchand & Mangaldas & Suresh A. Shroff & Co Strategically advised Fresenius Kabi (Singapore) on compliance with new regulation on levels of public shareholder ownership in companies. The Supreme Court of India recognised the delisting approach after it had been disputed.	23	
	Gilbert + Tobin Advised Westpac on its acquisition of Lloyds Banking Group's Australian asset finance business and corporate loan portfolio, gaining expedited clearance from the Australian Competition and Consumer Commission.	23	
Highly commended	Gilbert + Tobin Advised Pacific Equity Partners on the acquisition of Spotless Group, making effective use of pre-bid arrangements before announcing an official offer.	22	
	Nishith Desai Associates Developed a tax-efficient welfare trust structure for Educomp Solutions and some shareholders in their sale of a majority stake of EuroKids International.	22	
	Drew & Napier Represented Overseas Union Enterprise and OUE Baytown in a bid for Singaporean conglomerate Fraser & Neave, structuring a pre-agreed asset divestment to be effected upon completion.	21	
	Kim & Chang Represented MBK Partners during its acquisition of ING Life Insurance (Korea), the first purchase of an insurance company in South Korea by a private equity fund with primarily foreign limited partners.	21	
	Mori Hamada & Matsumoto Guided US company Micon Technology through unfamiliar Japanese legal and business practices when it acquired Dram manufacturer Elpida Memory.	21	
	Rajah & Tann Obtained the first public commitment decision issued by the Competition Commission of Singapore in relation to an abuse of dominance investigation, affecting future anticompetitive investigations.	21	
Commended	WongPartnership Advised ThaiBev on the successful S\$13.8bn takeover of Fraser & Neave, helping to establish the first auction process for a takeover in Singapore.	21	
	Gilbert + Tobin Assisted data analytics company Quantum in navigating privacy and compliance challenges arising from its joint venture with Australian retailer Woolworths.	20	
	HSA Advocates Legal adviser on the acquisition of an equity stake in DANS Energy by Equis Asia Fund (Singapore), the largest foreign investment into hydropower in India to date.	20	
	King Wood & Mallesons Acted for BlueScope Steel (Australia) in a highly complex, multi-jurisdictional joint venture with Nippon Steel and Sumitomo Metal Corporation (Japan).	20	
	King Wood & Mallesons Advised Weichai Power on its 25 per cent acquisition of German forklift truck manufacturer Kion Group, part of the largest ever direct investment by China in Europe.	20	
	King Wood & Mallesons Advised Dexus Property Group and Canada Pension Plan Investment Board on a A\$3bn off-market acquisition of Commonwealth Property Office Fund, the largest real estate investment trust takeover in Australia in a decade.	20	
	Luthra & Luthra Advised on structuring, regulatory and commercial issues as Indian counsel for Mylan's acquisition of Agila Specialties Private and Agila Specialties Asia.	20	
	Shook Lin & Bok Utilised the scheme of arrangement under the Malaysian Companies Act (1965) to gain court approval for the transfer of MBFC's credit cards business to AmBank.	20	
	Mori Hamada & Matsumoto Helped LIXIL develop an unusual financing plan to acquire a majority stake in the Germany's Grohe Group along with a Japanese co-investor.	19	
	Nishith Desai Associates Established an offshore delivery model to oversee a multi-jurisdiction restructuring of EXL Services.	19	
	Zul Rafique & Partners Advised Kurnia Asia Berhad on the sale of Kurnia Insurans Berhad, the first reinsurance contract negotiated as part of a sale and purchase agreement in the Malaysian insurance industry.	19	

the offer, handing the lawyers yet more complexity.

Ralph Lim, co-head of M&A at Drew & Napier, which acted for OUE, says there were a number of innovative elements in the Kirin set-up, including the “off-take” arrangements between OUE Baytown and Kirin in connection with the possible acceptance by Kirin of OUE Baytown's offer over that of Mr Charoen's.

“This was the first time such a structure has been seen in a public takeover in Singapore,” he says. “[It] was complex in its structuring given the takeover timelines to be adhered to and the various regulatory approvals required.”

another way, and what the outcomes would be.”

Mr Charoen's bid for F&N ultimately triggered a counterbid from Overseas Union Enterprise, controlled by Stephen Riady, in effect pitting two of southeast Asia's business tycoons against each other for control of one of Singapore's best-known corporate names. F&N was attractive to OUE because its property businesses – ranging from serviced apartments in London's South Kensington to the Centrepont shopping malls in Singapore – appeared undervalued.

As part of its bid, OUE joined forces with Japan's Kirin drinks group in a deal under which OUE would support an offer by Kirin for F&N's soft drinks business, which includes the Fruit Tree and Seasons brands in Malaysia and Singapore. However, Kirin's ability to secure F&N's soft drinks business was ultimately complicated by a “fairness opinion” published by JPMorgan, acting as independent adviser to F&N.

In that it said Kirin's planned offer was “fair but not reasonable”. That removed an obligation on the part of OUE to support

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Asia-Pacific Innovative Lawyers 2014

Partnerships aid global investigations

One-upmanship among local regulators has been replaced by co-ordination, reports *Caroline Binham*

First-mover advantage has long been recognised as being of paramount importance in legal markets across the Asia-Pacific region. This has historically benefited UK-headquartered firms. With the weight of history behind them, they have had a stronghold in financial markets such as Hong Kong. More recently, when it came to the great rush to tie up with Australian-headquartered law firms over the past few years – rationalised by those seeking closer links with China and lucrative instructions on natural-resources deals – it was no surprise that UK firms led the charge.

Change is afoot, however. It should be no surprise that the real drivers of innovation are firms that are having to challenge incumbents in the region. Our rankings are dominated by US-headquartered firms that perhaps do not have the long and illustrious history in the region enjoyed by their UK or Australian counterparts. There are exceptions. Allen & Overy (A&O), which has operated in the region for more than 25 years, has won its top billing because it understands that first-mover advantage still counts: its Myanmar office, which launched in early May, is the first from among the “magic circle”, the elite cadre of London-headquartered international firms. More importantly, the office ties into A&O’s strategy for its wider network across southeast Asia, including Thailand and Singapore: Singapore remains a nexus, with pipelines of work running up to Myanmar, then down to Indonesia. Proof, if any was needed, that having a strategy for the Asia-Pacific region means more than thinking about China and Japan. Not that managing partners can forget those markets. China in particular must play a key part in any international firm’s strategy as it takes an increasingly important role in clients’ global business decisions.

Take Pfizer’s recent unsuccessful £69.4bn bid for AstraZeneca. A key question for the deal’s advisers and the wider market was whether such a combination would pass muster with the antitrust authorities – and how long such approval might take. These days, it is regulators in Beijing as much as their counterparts in Brussels or Washington DC that are key concerns. Skadden, Arps, Slate Meagher & Flom, which incidentally advised Pfizer on the bid, is investing in its antitrust and regulatory team in China – part of the reason it is building up a successful corporate practice in the region. Unlike many firms, its balance of advice to domestic Chinese clients compared with advice to foreign clients investing in China is an even one. This will be critical for the future as those Chinese clients become even more influential on the world stage, and domestic Chinese law firms also become increasingly assertive internationally. Pfizer’s bid is by no means the only one



INTERNATIONAL STRATEGY

Law firm	Description	Score
Allen & Overy	Combining and developing local and international capability in the Asean region to win top mandates in emerging economies.	24
Davis Polk & Wardwell	Rapidly built a leading global enforcement capability in Asia, leveraging the firm’s strengths in the US.	23
Latham & Watkins	The New Silk Road programme fosters the development of capital markets and has developed the firm’s high-yield business in Asia.	22
Ropes & Gray	A one-stop transactional, intellectual property and regulatory practice for life sciences clients doing business in China.	22
CMS Cameron McKenna	Building a life sciences practice and focused network of firms to expand its presence in the Asia-Pacific region.	21
Morrison & Foerster	A full-service litigation team in Tokyo with specialist support staff and top litigators has set the firm apart from its rivals in Japan.	21
Norton Rose Fulbright	Building the firm’s insurance practice in Asia-Pacific from a greenfield start through networks of local firms, publications and think tanks.	21
Paul Hastings	A growth strategy focused on representing Asian clients and developing a strong local talent pool.	21
Skadden, Arps, Slate, Meagher & Flom	A tailored corporate practice for Greater China that combines with global capabilities in antitrust, regulatory and intellectual property advice.	21
Squire Sanders	Expanded rapidly through an Australian merger and new offices focused on existing strengths and sectors.	21
Freshfields Bruckhaus Deringer	Deployed its global investigations practice in Asia, handling some of the highest-profile government and internal investigations across the region.	20
Herbert Smith Freehills	A southeast Asia practice that focuses on Asia-based clients has seen success in new markets such as Indonesia and Myanmar.	20
Hogan Lovells	Building outbound work from Asia through connecting Asia to Africa and Latin America.	20
K&L Gates	A merger with 300-lawyer Australian law firm Middletons has made it the largest US-based law firm in the region.	20
Mayer Brown JSM	A combination between Mayer Brown and JSM created a new global player in the region.	20
White & Case	Combining China and Africa expertise in projects, sovereign debt, and the mining sector to capture outbound Chinese work.	20
Bird & Bird	A cooperation agreement with a top-10 South Korean firm, Hwang Mok Park, has won the firm outbound business within strategic sectors and practice areas.	19
Eversheds	The Asia Growth Client Programme, an international and integrated approach to managing client relationships.	19
Linklaters	An integrated alliance with Australian law firm Allens with joint ventures in Indonesia and for projects work.	19
Simmons & Simmons	Expanding its southeast Asian business from Singapore through a successful alliance with a Japanese firm.	19

in the sector of late. The link between China and life-sciences work is plain for some firms. CMS Cameron McKenna has taken its homegrown strength in the sector and transferred it to China, one of the reasons for a growth spurt across its China offices. The firm has recognised that big pharma has the Chinese market in its crosshairs as western drugs companies try to ride out a wave of patent expirations. Like A&O, however, it also recognises that intra-regional work is essential and has consolidated instructions between China and southeast Asian markets.

If the drugs companies have China very much in their sights, the reverse is also true: Chinese authorities’ formal allegations in May of bribery levelled at GSK and its senior employees highlighted the importance of advice on regulatory matters and criminal investigations in the region. The UK-headquartered pharmaceutical company has previously disclosed that Ropes & Gray is preparing a report following an inquiry into the allegations. The US-headquartered law firm – which is a relative newcomer in the region since its Tokyo debut in 2007 – has scored a stand-out ranking for its work building a life-sciences practice that offers regulatory, intellectual property and transactional advice. Allegations of bribery are not just a concern of regional authorities, however. The extra-jurisdictional sweep of the US For-

Regulators in Beijing, as much as Brussels or Washington DC are key concerns

eign and Corrupt Practices Act – which was also the paradigm for the UK’s relatively recent Bribery Act – highlights just how long the arm of US justice really is. This is a point not lost on firms such as Davis Polk & Wardwell, which has made real strides in the region by exploiting its homegrown reputation for excellence in contentious regulatory matters and Department of Justice FCPA probes. Freshfields Bruckhaus Deringer has also recognised that its hefty investigations practice could be expanded and deployed in the region to great effect. More widely, general counsel throughout the region have noted co-ordination among local regulators, where once there was competition and one-upmanship. This will have a particular bearing on global investigations such as those into the alleged rigging of Libor, foreign exchange and other key financial market benchmarks. It is only natural that firms which are just as internationally aligned will dominate advice on such matters. As one regionally based general counsel at a bank says: “One of the things that has changed since Libor is for lawyers to really have a global co-ordination, which we really didn’t worry about before.”

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Local firms help their clients to think global

The ‘Asian economic engine’ has not produced the business some had hoped for, writes *Satish Cheney*

Asia-Pacific law firms are beginning to make life uncomfortable for the global giants headquartered in the UK and the US. Not only are they more culturally attuned to Asian clients, they are also a more cost-effective option than the Western law firms whose fee models do not translate easily into the Asian market.

Some Asia-Pacific firms, particularly in the competitive Australian market, have embraced innovation. Some have also stepped out of their regional role.

In its headline grabbing merger with UK firm SJ Berwin last year, King & Wood Mallesons has become the first global law firm headquartered in the Asia-Pacific region, espousing this overlap between regional and international.

The game-changing union combines the firm’s strong client bases with a global platform and capitalises on inbound and outbound investment in Asia.

“The best evidence is our rise in the regional and global mergers and acquisitions league tables for 2013 and the types of deals we are doing,” says Stuart Fuller, global managing partner at the firm.

“The clients are seeing us as global, awarding us with positions on global panels and then entrusting us with cross-border work for them.

“By merging firms across Australia, China, Hong Kong, Europe and the Middle East, we have created a firm that is headquartered in Asia, focused on connecting Asia to the world and the world to Asia.”

Bringing much needed intelligence on overseas entrepreneurial expansion is China Going Global (CGG), the country’s first think-tank on issues facing Chinese companies venturing overseas.

The aim of the think-tank, launched in March by four leading Chinese companies, CITIC Securities, ShineWing Certified Public Accountants, Zhong Lun Law Firm, and Blue-Focus Communication Group, is to bring together different services from different industries to help entrepreneurs in China go global.

“There is a lot of talk about convergence of the professions,” says Robert Lewis, international managing partner at Zhong Lun. “But this is innovative – an investment bank, accounting firm and law firm working together.”

Chinese outward foreign direct investment is expected to weigh in at \$150bn by 2015, but a substantial number of investments outside China fail because of inexperienced Chinese firms’ lack of understanding about foreign markets.

Mr Lewis says companies often do not go directly to international law firms if they do not have an office in the jurisdiction where the company wants to expand. High fees can also be a disincentive.

“There is one more element,” adds Mr Lewis. “ShineWing says that a lot of their clients have a preference to work with a Chinese organisation – a bit of patriotism, a bit of ‘trusted adviser’.”

Trusted adviser or not, clients are always looking at ways to cut their legal costs. And, as Mr Fuller points out: “Clients do not want to pay for advice about the law. They want the firm’s judgment, based on its experience, on what it means in business terms and what the client should do.”

To provide this, lawyers need specific skills. “[They] need to understand people and business and how to solve problems, and to have cultural fluency – an ability to deal with different types of people in a meaningful way and to bring a global perspective to local work,” Mr Fuller says.

Innovation in the Asia-Pacific region is not confined to international work, either.

Under Chew Seng Kok, regional managing partner, ZICOlaw has pursued a unique strategy to build a firm across the Association of South East Asian Nations (Asean) region, combining law with company secretarial, sharia advisory and other professional services.

“Each service is regulated,” says Mr Chew. “They are managed independently.”

But not all companies are benefiting from internationalisation fuelled by growth in Asia. “The harsher economic circumstances led many firms in the northern hemisphere to place hope in the Asian ‘economic engine’,” says John Denton, chief executive of Australian firm Corrs Chambers Westgarth. “But this has not brought the quantity or quality of new business they sought, for clients or for firms.

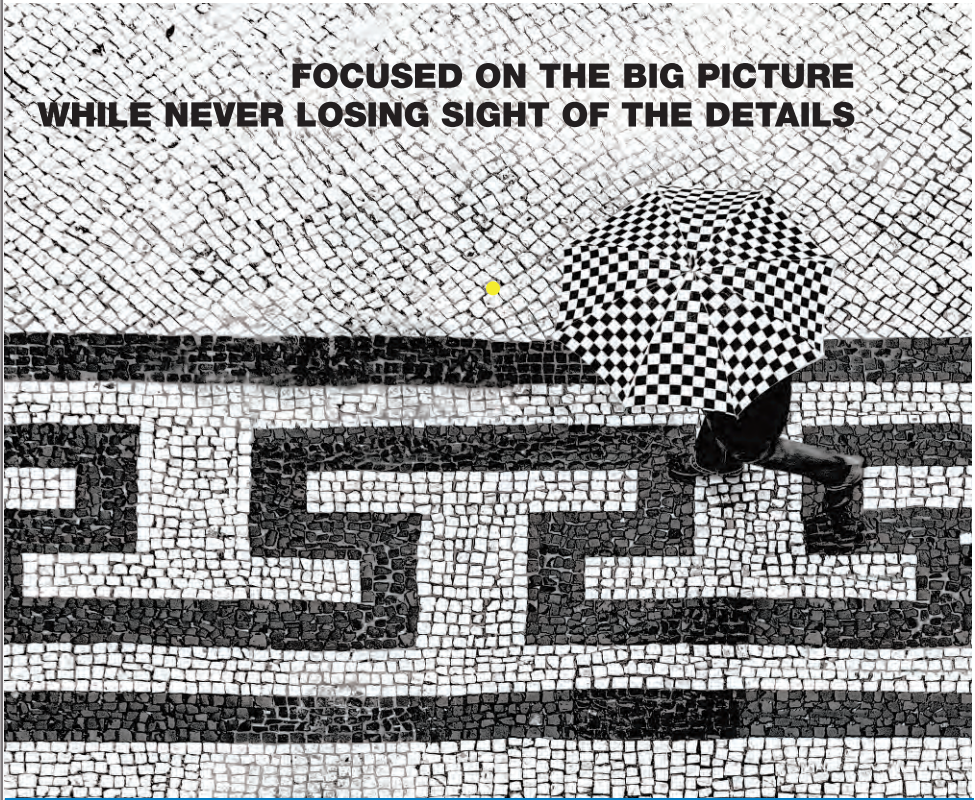

“This is not to say the Asian imperative is gone,” Mr Denton adds. “It is a very important aspect of the legal market, especially in this part of the world.”

The firm says its strategy includes striving to strengthen relationships with other firms around the world, and to build more.

Asia-Pacific Innovative Lawyers 2014

● CORPORATE STRATEGY ASIA-PACIFIC HEADQUARTERED FIRMS

Law firm	Description	Score
Standout	ZICOlaw A strategy to build a unique firm for the Association of South East Asian Nations region combining law with company secretary, sharia-advisory and other professional services.	25
	King & Wood Mallesons Continued a bold merger strategy in its combination with UK firm SJ Berwin to become the first global law firm headquartered in Asia.	24
	Nishith Desai Associates A different approach to management, training and sharing knowledge to build a different model of law firm in India.	23
	Zhong Lun Established the China Going Global think tank with accounting, financial and PR advisory firms to provide a comprehensive service for Chinese businesses looking to expand internationally.	23
Highly commended	AdventBalance A secondment-based legal business in Australia, Singapore and Hong Kong, focused on flexible and personalised talent development.	22
	Corrs Chambers Westgarth Adapted its strategy to build a world-class law firm without internationalising.	22
	WongPartnership A holistic approach to talent management, communication with clients, smart use of technology, and social responsibility.	21
	Kim & Chang A pioneer in its market, the firm has followed a strategic focus on clients, people and community.	20
Commended	King & Wood Mallesons Co-developed legal project management with a leading client, helping the in-house team manage a diverse range of legal service providers.	20
	Minter Ellison Developed BoardTRAC, a secure, intuitive, cost-effective, Australian-hosted online boardroom service.	20
	Amarchand & Mangaldas & Suresh A. Shroff Implemented service level agreements to manage processes and standards for partners and associates.	18
	JSA Combines a merit-driven practice with a culture of openness and inclusiveness.	18
	Mori Hamada & Matsumoto Developed a specialist capability in Tokyo and southeast Asia to serve clients more effectively in the Asean region.	17



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