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# ASIA M&A RANKINGS 2022

THE BEST FIRMS FOR DEAL WORK IN THE REGION



**Korea  
managing partner  
roundtable**

**Thailand's  
M&A growth  
to continue**

**The reality of  
virtual banks  
in Asia**



# ALB Asia Debt & Debt Restructuring Forum 2022

23 NOVEMBER - SINGAPORE

We are pleased to launch our **2022 ALB Asia Debt & Debt Restructuring Forum** which will be held on **23 November 2022**. This unique forum sets out to find compelling solutions to meet the changing dimensions of restructuring and insolvency cases. The conference brings a wide range of solutions from lawyers, accountants, creditors to ultimately achieve successful debt restructuring, recovery, and turnaround for both creditors and debtors.

## FORUM AGENDA-AT-A-GLANCE

\*Agenda is subject to change

- **Credit and Restructuring Landscape 2022** and Beyond
- **Never Split the Difference: Protecting Creditor's Debt Positions** During Uncertain Situations
- **Fraud Warning Signs and Safeguards for Creditors:** Spotting the Red Flags
- **Protecting offshore creditor's interest in onshore insolvency**
- **The outlook of the debt market**, and debt restructuring opportunities in 2022
- **Successful debt restructuring strategies:** experience and lessons learned
- **Taking extra precautions: private lenders** during rescue financing and asset recovery

## WHO SHOULD ATTEND

- **Restructuring and Insolvency Lawyers**
- **Creditors / Insolvency Practitioners**
  - ✦ Special assets or "workout" department / Loan Management / Lending Services
  - ✦ Credit Risk
  - ✦ Fixed Income
  - ✦ Credit Strategy
  - ✦ Corporate Recovery / Turnaround
  - ✦ Corporate Bonds
  - ✦ Liquidator
  - ✦ Lenders / Bondholders
- **Accounting Firms / Advisory Firms / Auditing Firms**
  - ✦ Debt Restructuring
  - ✦ Debt Advisory
- **Capital Providers/Investors**
  - ✦ Rescue Financing
  - ✦ Distressed Investors / Special-situation Investors / Activist Funds / High-yield Investors
- **Debtors/Distressed Firms**
- **M&A Professionals**
- **In-House Counsel / Chief Legal Officer**
- **Industries that are vulnerable to financial distress**

**FOR MORE EVENT DETAILS OR REGISTER FOR THE EVENT, PLEASE VISIT OUR WEBSITE**

[www.legalbusinessonline.com/ASIA-Debt-Restructuring-2022](http://www.legalbusinessonline.com/ASIA-Debt-Restructuring-2022)

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**Facing a flight of talent, Indian law firms consider reforms**

SFIO CRACHO/Shutterstock.com

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ALB picks the leading law firms for M&A work in the region. Ranked law firms stand out in their respective jurisdictions for the quality of work, and size and profile of deals, as well as clients.

*Rankings and text by Asian Legal Business*

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### **Full steam ahead**

Neither the pandemic nor the combined impact of rising interest rates, inflation and

regulations have been able to derail the growth trajectory of Thailand's M&A scene, with a strong 2021 set to be followed by an even better 2022. Lawyers say despite some further regulatory changes on the horizon, this growth is set to continue.

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### **Hope and opportunities**

A new administration and policies, the end of a pandemic, and fast-changing global trends all mean that law firms in Korea have their hands full when it comes to assisting clients in a dynamic

environment. Leaders of three firms weigh in on their priorities going forward, and how they are adapting to keep up with the change.

**32**

### **Asia embraces virtual banks**

In August, Singapore saw the launch of its first digital bank in the form of GXS Bank, a joint venture between ride-hailing firm Grab Holdings and telco SingTel. But it's not alone in the region: Hong Kong and Japan have already seen digital banks being established, while Malaysia and Thailand have rolled out rules for the same. We look at the regulatory state

of play in different markets.

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### **Regional Report: Northwestern China**

Gansu Province, Qinghai Province, and Ningxia Hui Autonomous Region in northwestern China have a long history and rich resources. They are China's "green barriers" and bases for agricultural and energy reserves. With infrastructure construction, new energy and new materials, digital economy, new agriculture and other sectors booming, this region will advance its future development that promises to be green, digitalisation and

open, bringing more opportunities for the legal sector.

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- *CIETAC*



## It's been a difficult year economically, but the Asia-Pacific region has shown it is nothing if not resilient.

According to an analysis by EY Asia-Pacific (APAC) M&A activity in H1 2022 has been robust, with 648 deals with a total value of \$403 billion. The firm says that while M&A in H1 2022 may have seen a drop compared to this time last year (down 14 percent by value and 16 percent by volume), activity is significantly up compared to H1 2020 (up 85 percent by value and 29 percent by volume) and remains in line with the average of the last M&A cycle (up 6 percent and 3 percent respectively).

The nature of cross-border deals is changing to reflect geopolitical tensions on the world stage, according to an analysis done by EY. The share of outbound deals from APAC in H1 has fallen significantly (13 percent in 2022 vs. an average of 23 percent over 2015–19), whereas for domestic deals, the share has increased (77 percent in 2022 compared to an average of 71 percent over 2015–19). With 492 deals with a total value of \$312 billion, domestic deals in APAC were up 15 percent in 2022 against the pre-pandemic average (2015–19).

China, with \$144 billion, topped the table as most active M&A market in APAC, said EY. As for sector performance, cross-sector deals comprise 68 percent of total deal volume and 55 percent of the total deal value for APAC in H1 2022. Technology was the most sought-after sector, with technology-targeted deals accounting for 21 percent of cross-sector deals. H1 2022 also saw an increase in Technology companies investing in the mobility sector (\$4.4 billion, up 159 percent against the average of the last deal cycle, EY said.

ALB's annual M&A rankings spotlights the firms and lawyers that are assisting in this economic recovery by providing critical support during this rapidly evolving time. Law firms such as Weerawong Chinnavat & Partners in Thailand, and East & Concord in China, are standing out for their high-quality advice, deep understanding of market conditions and commitment to client service.



**RANAJIT DAM**  
Managing Editor, Asian Legal Business, Thomson Reuters

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# BRIEFS



THE BRIEFING: YOUR MONTHLY NEED-TO-KNOW

## IN THE NEWS



Clifford Chance has created a new career support programme for aspiring lawyers from lower socio-economic backgrounds in Singapore. The six-month scheme, dubbed ELEVATE, will provide law students with professional development opportunities.

## QUOTE UNQUOTE

**'I'm not going to pay your bill. I'm going to give you something more valuable... I have a stallion. It's worth \$5m.'**

In a book on Donald Trump's dealing with law firms, author David Enrich recounts how Trump tried to settle accounts by giving his lawyer the deed to a racehorse.

## IN THE NEWS



U.S. arbitration organisation FedArb and the Singapore International Arbitration Center have announced a new strategic partnership that combines their panel lists for intellectual property matters.

## EY PLANS TO SPIN OFF AUDIT, CONSULTING UNITS TO EASE REGULATORY CONCERNS

**(Reuters)** Ernst & Young (EY) has said it was planning to split its audit and consulting units into two companies, as the professional services firm looks to ease regulatory concerns over potential conflicts of interest. The Big Four accounting firms, comprising EY, Deloitte, KPMG and PricewaterhouseCoopers, have been under regulatory scanner for years over concerns that the companies' advisory services could undermine their ability to conduct independent reviews. London-based EY, which in June had denied reports on its restructuring plans, said it would provide its 13,000 partners with more information before voting on the split starts on a country-by-country basis from late 2022. It is likely to conclude in early 2023. If ratified by the partners, the company's split would mark the biggest shake-up in the sector since the 2002 collapse of Arthur Andersen, the auditor that was mired in the Enron scandal and whose downfall reduced the "Big Five" to "Big Four." UK auditing and accounting regulator, the Financial Reporting Council, had asked the Big Four firms in 2020 to separate auditing as a standalone business in Britain by June 2024, partly spurred by corporate failures at builder Carillion and retailer BHS.

# 8,040

Lateral associate hires by the 100 largest firms in the U.S. in 2021, according to legal industry analytics company Firm Prospects. Kirkland & Ellis led with nearly 450 lateral hires.

## U.S. LAW FIRM PROFITS SAG AMID RISING COSTS AND SLOWING DEMAND

**(Reuters)** Law firms aggressively built up their attorney ranks in 2021 amid a boom in corporate work. But softening client demand means those hires may not have enough work to keep them busy through the remainder of 2022, according to new data on the first half of this year from Wells Fargo's Legal Specialty Group. Lawyer headcount increased more than 5 percent year-over-year among the 120 large, mid-sized and regional firms surveyed by Wells Fargo, primarily to handle an increase in transactional work in 2021. But as deal work has slowed, lawyer productivity — which refers to hours worked — declined nearly 5 percent compared to a year ago, Wells Fargo found. Lawyer underutilization could become more pronounced as this year's large classes of new associates join their firms in the coming months, according to the survey.

# NEW DEALS, NEW SKILLS

As emerging technologies like Web3 become a significant part of Asia's M&A landscape, law firms are under pressure to upgrade their capabilities and offerings to cater to the same. Leaders say that in order to do this, not only do lawyers need to track existing laws and regulations, but also understand the technologies that underpin them.



HOW IS YOUR FIRM EXPANDING ITS OFFERING TO SHOWCASE ITS EXPERTISE IN EMERGING TECHNOLOGIES SUCH AS BLOCKCHAIN, DEFI AND WEB3 THAT ARE TRANSFORMING THE M&A MARKET?



Charoonchitsathian

**CHARUWAN CHAROONCHITSATHIAN,**  
partner, Tilleke & Gibbins

In the era of Web3 technologies, such as decentralised finance (DeFi), non-fungible tokens (NFTs), blockchain, decentralised autonomous organisations (DAOs) and the metaverse, adoption of these technologies by individuals, companies, and government organisations will play a significant role in the coming decade. It is inevitable that every industry, including legal practice, will need to adapt if they don't want to get left behind.

Since there are a variety of laws and regulations related to Web3 technologies, and these are constantly changing and developing with the technology, it is important for lawyers to understand how the law is likely to change, as well as how to apply existing laws and regulations to the specific Web3 technologies within each M&A transaction.

Lawyers also need to understand the technologies themselves in order to identify the possible legal issues and risks that can arise, such as licensing and joint ownership of digital assets. It is also important for M&A lawyers to be able to distinguish the difference between traditional M&A transactions and Web3 M&A transactions. Preparation of M&A documents involving Web3 technologies requires attention to the use of new definitions in drafting terms and conditions, and expertise in the mechanics of execution and closing transactions that involve them.

Only law firms that can adapt, understand, and leverage this new way of doing business through Web3 technologies will be able to tap the potential for tremendous growth that they present.

We have a dedicated technology practice group which brings together commercial, IP, and disputes lawyers who each have extensive knowledge and expertise in these emerging business areas. Our experts provide regulatory advice and analysis on how the governments in our jurisdictions will regulate Web3 technologies - not just how they are doing so now, but how they are likely to do so in future - to help future-proof transactions with a substantial technology element. We handle key issues and developments shaping the technology sector today, including emerging and swiftly evolving areas such as artificial intelligence, blockchain, crowdfunding, cybersecurity, data privacy and protection, DeFi, digital currencies, embedded technologies, FinTech, IT infrastructure, the internet of things, NFTs, OTT services, software-as-a-service, and more.

Our experts understand the business operations of clients in this sector, have a deep understanding of the technologies that form the core of their businesses, and can provide practical, forward-thinking solutions for Web3 M&A transactions. We help our clients to strategically position, protect, and commercialise valuable innovations, going well beyond mere compliance with the local laws and regulations appli-

cable to innovative tech space offerings to act as a true strategic partner.

**KENNETH OH, senior partner and co-head of the fintech/blockchain practice, Dentons Rodyk**

Dentons Rodyk has been actively engaged in legal advisory for blockchain, DeFi and Web3 sectors since 2017 - supporting numerous initiatives in these sectors on their cross-border roll out including in areas of legal risk management, compliance, tax, data privacy and intellectual property protection.

With M&A activity in blockchain, DeFi and Web3 on the increase, we have drawn on this extensive cross-border experience as well as our familiarity with technical implementations and token economies or other value propositions of blockchain, DeFi and Web3 initiatives, to refine our M&A playbook, documentation and due diligence processes.

Such refinement has included having documentation accommodate settlement and smart contract escrow of digital assets-denominated purchase consideration; provide for digital assets-specific warranties relating to non-encumbrance, taxation and anti-money laundering and protocol-specific warranties relating to protocol integrity and audit; detail completion mechanics for effective transfer of control of smart contracts or onchain treasury and implementation of post-completion wallet signing matrix and controls, as well as having due diligence processes refined for focus on areas such as wallet ownership and security.

With blockchain, DeFi and Web3 invariably cross-border, we have also resourced multi-jurisdiction legal expertise from within Dentons global law firm to provide cross-border M&A support particularly in compliance and taxation.

Our lawyers understand and stay updated on developments in blockchain, DeFi and Web3 so that we have minimal learning curve and are well-positioned to provide practical M&A legal advice that take into account the nuances of, and evolving regulatory landscape for, blockchain, DeFi and Web3.

**RISHI ANAND, partner, DSK Legal**

The emergence of business structures involving blockchain and Web3 has considerably evolved the market. To keep pace with the emerging trends in the tech sector, a deeper understanding of the relevant technology is required by the relevant stakeholders. Regulations are not truly able to keep up with the ever-evolving technologies, and existing regulations continue to be applied to regulate and govern the transactions involving an interplay of M&A and the technologies involved.

In such a dynamic market, we assist our clients in exploiting opportunities and managing risks. May it be standardising documents, using automated tools for legal research, or using AI for diligence, we create value for our clients by bringing to the table access to the appropriate knowledge and resources from a range of legal disciplines including transactional, technology and IP.

**MACHIUANNA CHU, partner, Deacons**

While M&As in traditional industries sectors have yet to pick up steam as the pandemic brought restrictions on people movement in the region, investment in the blockchain sector seems to have immunity from the economic woes and supply chain disruptions on the world stage. Interest in blockchain, FinTech, cryptocurrencies and metaverse surges especially for companies that have found ground-breaking decentralised web3 concepts. There is a continued rise of interest in this space from enthusiastic institutional investors, industry players and family offices. An increasing number of institutional investors established teams specialising in blockchain investments.

NFTs have emerged as a widely accepted form for transfer of value, especially in the art scene, and they seem to have stood out from the general scepticism about cryptos in the region. The market sees vigorous exploration of the wider adoption of NFTs in blockchain infrastructures for conferring of on-chain or off-chain rights and assets.

It is, however, yet to be seen how NFTs and blockchain developments effectively persuade investors with ESG priorities due to the energy-intensive nature of network validation. Given blockchain investment is still in its nascent stage, blockchain governance, legal and regulatory compliance, transparency, and reliability are invariably some of the major focuses in investors' due diligence.

**STEFANIE YUEN THIO, joint managing partner, TSMP**

TSMP has had a front-row seat to these developments as they impact the M&A and legal market. We acted for a blockchain company in its structuring and early fundraising and represented an Australian fund manager in the listing of its digital asset-based platform in Singapore. At the cutting edge of these developments is what happens when things go wrong.

TSMP's joint managing partner and head of disputes, Thio Shen Yi, SC, acts for crypto exchanges, crypto funds, blockchain and DeFi enterprises as well as crypto entrepreneurs. The firm also admitted US-qualified Mark Jacobsen as a partner, who brings expertise in financial institutions compliance and online payments. 



Oh



Anand



Chu



Thio



# RECENT MILITARY BUILDUP DOES LITTLE TO DETER INVESTMENT IN TAIWAN



A man watches a CCTV news broadcast about joint military operations near Taiwan by the Chinese People's Liberation Army's (PLA) Eastern Theatre Command, at a shopping center in Beijing, China, August 3, 2022. REUTERS/Thomas Peter

■ An uptick in military drills around Taiwan and bans on a handful of imports imposed by Beijing are not likely to have a significant impact on foreign investment and trade in and out of Taiwan, although some companies may be looking to diversify their supply chains.

An uptick in military drills and activity around Taiwan, including live fire drills, in the wake of U.S. House of Representatives Speaker Nancy Pelosi's visit on Aug. 2, is unlikely to have a significant adverse impact on production, exports, travel and investment in Taiwan, say legal experts.

"So far, we haven't seen any effect upon our clients, although there may be efforts for companies to get more geographic diversity with regards to semiconductor chips," John Eastwood, a partner at Eiger Law, a law firm based in Taiwan, told ALB.

Pelosi's rare visit sparked furious responses from the PRC government and led to a series of military drills and exercises in the area on Aug. 4, drills, and exercises of unprecedented size. Beijing

also banned trade of bread, fruits, and packaged tea.

The trade bans are not likely to have a significant impact on Taiwan's trade, given that agricultural products accounted for only 0.6 percent of total exports in 2021, according to DBS Group.

In the near term, the growth impact of new trade restrictions should be less than 0.1 percent of Taiwan's GDP, Goldman Sachs Group economist including Gooheon Kwon stated in a note. The note also said, however, that a wider disruption could be "highly damaging" to Taiwan's economy.

This would be the case if similar bans were to be imposed on more critical products, such as semiconductor chips.

"The concentration of tech exports in cross-strait trade, Taiwan's dominance in the foundry business and its prevalence in processing trade, suggests that any broad disruptions in cross-strait trade would be highly disruptive to global tech supply chains," the economists wrote.

Indeed, the bigger concern for companies is whether Beijing will expand

the ban to other products, such as semiconductor chips, or whether shipments will be disrupted by military exercises around the island.

"What needs to be watched is whether Beijing will broaden the trade bans into the manufacturing sector, particularly semiconductors/electronics going forward," said Ma Tieying, senior economist at DBS corporations.

However, for the time being, companies are staying put. Eastwood of Eiger notes that "none of our clients are getting out of Taiwan, and we are wrapping up a series of due diligence for companies that are coming into Taiwan. I am not seeing any companies changing their plans."

Still, some companies may shift some of their operations as part of diversification strategies.

"Taiwan-based companies with manufacturing facilities in China may accelerate the trend of recent years to move manufacturing to other countries in the region that have sufficient infrastructure and lower worker wages," Eastwood says.

The value of foreign direct investment (FDI) in Taiwan reached \$9 billion in the first half of 2022, 275 percent more than a year earlier, according to Taiwan's Ministry of Economic Affairs (MOEA).

The green energy industry, which includes semiconductors and products used in wind power, were the two major attractors of FDI to Taiwan in 2021. Taiwan is the source of about 65% of the world's high-end semiconductors and the economies of Taiwan and mainland China are closely intertwined, with the electronics industries "highly dependent on each other."

Mainland China depends to a large extent on Taiwanese semiconductors, which accounted for about a third of mainland China's semiconductor imports in 2020.

The mainland's comprehensive shift towards information technology and digitalisation along with the rapid development of emerging technologies such as 5G, smart cars, artificial intelligence and the Internet of Things have also driven demand for more semiconductor chips.



Mainland China imported 635.48 billion chips in 2021, an increase of 16.9 percent year-on-year, and the import value reached nearly \$432.6 billion, up 23.6 percent year-on-year.

The COVID-19 pandemic likely had a greater impact on the profits of multinational corporate and the confidence of global investors, especially in traditional energy, heavy industry and construction, says the MOEA. On the other hand, FDI in pharmaceuticals, information tech-

nology, renewable energy and electric vehicles increased.

The MOEA says geopolitics, pandemic-related disruptions to supply chains and demand for higher Environmental, Social, and Governance (ESG) standards, are among the main factors likely to affect FDI.

For example, ongoing COVID-19 outbreaks have disrupted supply chains for the semiconductor industry.

Another consideration is the ongoing

global tax regime reform, which may prompt multinational companies to rethink their choices, the local labour force, supply chains, infrastructure and tariff conditions for exports to Europe and the U.S.

On the other hand, joining the Comprehensive and Progressive Agreement for Trans-Pacific Partnership and the Regional Comprehensive Economic Partnership Agreement could significantly reduce regional or bilateral trade and investment barriers. <sup>ALB</sup>

## DEALS

**\$4.4** BLN

**Honda Motor's U.S. lithium-ion battery factory joint venture with LG Energy Solution**

**Deal Type:** JV

**Firm:** Nishimura & Asahi

**Jurisdictions:** Japan, Korea, U.S.

**\$2.1** BLN

**China Tourism Group Duty Free Corporation listing in Hong Kong**

**Deal Type:** ECM

**Firms:** Freshfields Bruckhaus Deringer; Haiwen & Partners; Jia Yuan Law Offices; Linklaters

**Jurisdictions:** China, Hong Kong

**\$1.5** BLN

**Collier Capital and Hahn & Company's investment in Ssan-gyong C&E**

**Deal Type:** M&A

**Firms:** Gibson Dunn & Crutcher; Ropes & Gray

**Jurisdictions:** South Korea, U.S.

**\$1.28** BLN

**Globe's sale of mobile towers to FTAP and Miescor**

**Deal Type:** M&A

**Firms:** Gibson Dunn & Crutcher; Herbert Smith Freehills; Skadden Arps Slate Meagher & Flom

**Jurisdiction:** Philippines

**\$1.1** BLN

**Carlyle Group and Advent International's agreement to acquire stake in Yes Bank**

**Deal Type:** M&A

**Firm:** AZB & Partners

**Jurisdictions:** India, U.S.

**\$720** MLN

**PAG's purchase of theme park Huis Ten Bosch from HIS**

**Deal Type:** M&A

**Firms:** Midosuji Attorneys; Nagashima Ohno & Tsunematsu

**Jurisdictions:** Hong Kong, Japan

**\$392** MLN

**Adani Enterprises' agreement to acquire Macquarie Asia Infrastructure Fund's India toll road**

**Deal Type:** M&A

**Firms:** Allen & Overy; Cyril Amarchand Mangaldas; Shardul Amarchand Mangaldas & Co.; White & Case

**Jurisdictions:** Australia, India

**\$392** MLN

**Uber's sale of stake in Indian food delivery company Zomato**

**Deal Type:** M&A

**Firm:** AZB & Partners

**Jurisdictions:** India, U.S.

# FACING A FLIGHT OF TALENT, INDIAN LAW FIRMS CONSIDER REFORMS

With COVID-19 changing the face of work across all sectors, Indian law firms may face the loss of an unexpected number of legal professionals across all experience levels due to persistent challenges in the industry such as long hours and packages that are becoming less attractive, according to legal recruitment and consulting firm Vahura.

According to Vahura's Best Law Firms to Work Study, 2022, around half of 1,450 survey respondents from more than 300 law firms across India said they are not considering long-term positions with their current firms.

One of the most important drivers of this attrition of talent may be unsustainable working hours

"Around 44 percent of professionals stated that they worked over 10 hours per day on average. Within this segment, around 45 percent of professionals who reported working between 10-12 hours a day, reported that they routinely felt stressed and tense during a workday," says Balanand Menon, partner and head of consulting at Vahura, tells Asian Legal Business.

According to Menon the number of professionals who reported feeling routinely stressed and tense during a workday jumped to 70 percent among those who worked more than 12 hours a day. The longer hours professionals worked, the more stress they felt.

And in a profession that already demands prolonged working hours, the days have gotten even longer throughout the COVID-19 pandemic, when legal professionals took to working remotely and were expected to reply to clients promptly.

This year's survey ran from March 4 to May 8, a period during which law firms that had adopted remote working were beginning the transition back to the office. The transition out of the office and then back gave many professionals a better understanding of different working modes.

"The attrition rate is definitely higher after the COVID-19 onset. A worrying

number of law firm professionals report being stressed and anxious during this period," says Menon.

Even worse, "there is little that their firms are doing to ensure that they can strike a reasonable balance between their personal and professional lives."

Menon says that among professionals who reported working between 10-12 hours a day, only 39 percent said their firms encouraged them to strike a balance between their personal and professional commitments.

The lack of work-life balance is particularly striking for those who reported working more than 12 hours a day. Only 18 percent of such professionals reported that their firms encouraged them to maintain work-life balance and only 44 percent of such professionals reported that their firm allows them to take time off work whenever necessary.

A lack of adequate compensation for the significant amount of effort professionals put into their work could make things worse. As it is, less than half of lawyers working in smaller firms are satisfied with their packages.

"Less than 50 percent of survey participants working in firms with less than 250 professionals, believe that they are adequately compensated for the work they do and have reported being dissatisfied with the performance-driven variable pay that they receive," Menon shares.

The survey classifies law firms by the number of staff, namely firms with 10-50 professionals, 51-250 professionals and 250+.

Another issue is poor management.

A separate 2021 Vahura study on operational challenges within law firms found that poor management of a wide range of work and the lack of processes to ascertain staffing requirements result in professionals being assigned to matters despite their inability to reasonably take on more work.

"This is a challenge that most law firm professionals continue to face on a

routine basis with little to no respite in sight. As a result, law firm professionals feel tremendous pressure and have high burnout and turnover rates."

For the lawyers who are considering leaving, the survey showed a wide range of options up for consideration.

For those who still want to stay in this profession with their current practice, the survey showed that they might consider moving to a different firm within the same practice area, such as an international firm that might have a different working culture.


Legal professionals might also consider moving to an in-house legal team for an Indian or multinational company. Moving to a shared services legal department of companies involved in finance or manufacturing is another potentially appealing option.

Looking for more flexible work, legal professionals, might freelance or seek secondment opportunities. Some might want to set up their own practices.

Leaving the profession is another option. Some survey participants considered switching to areas such as journalism, management, think tanks or taking the entrepreneurial plunge, says Menon. Other wants to leave their firms to upskill or pursue higher education.

Even as more legal professionals consider making a change, Menon says there are measures law firms could take to limit talent attrition. Firms could put in place partner-led committees in association with HR teams to act as custodians of firm culture and overall well-being.

And, when it comes to long hours, Menon thinks law firms should actively recognise and prioritise mental health to address the pervasive stress and burnout. Law firms could also consider moving to a hybrid work model.

Equally important, law firms should reframe their compensation strategies from a total rewards perspective and not just a uni-dimensional compensation approach. 

## RCEP and ASEAN International Arbitration Summit Successfully Held

On August 16, 2022, the Regional Comprehensive Economic Partnership (RCEP) and Association of Southeast Asian Nations (ASEAN) International Arbitration Summit was successfully held in Nanning, Guangxi.

Ke Liangdong, Vice Chairman of China Council for the Promotion of International Trade (CCPIT); Qian Xueming, Vice Chairman of the Guangxi Political Consultative Conference; and Chen Hong, Member of the Standing Committee of the CPC Nanning Municipal Committee and Executive Vice Mayor of Nanning, attended the summit and delivered speeches on site. Wang Chengjie, Vice Chairman and Secretary General of China International Economic and Trade Arbitration Commission (CIETAC), hosted the opening ceremony.



*(Ke Liangdong, Vice Chairman of CCPIT delivering his speech.)*

Ke Liangdong said that since the RCEP came into force, it has continued to release beneficial policies and provided new impetus for China and ASEAN to deepen economic and trade cooperation. As the earliest foreign-related arbitration institution established in China, CIETAC has played an important role in handling commercial disputes, optimizing the international business environment and promoting the rule of law. Taking the establishment of the ASEAN Trial Center as an opportunity to strengthen collaboration, deepen communication and promote mutual trust with the arbitration legal community of RCEP and ASEAN members, CIETAC should transform the consensus on the rule of law into more practical cooperation achievements.

In order to fully serve the RCEP and promote high level of openness, CIETAC set up the ASEAN Trial Center in Nanning, Guangxi. It held an unveiling ceremony for the nameplate of ASEAN Trial Center of CIETAC on the same day of the summit. The leaders attended the ceremony and unveiled the plaque.



*(The leaders in attendance unveiling the nameplate of the ASEAN Trial Center of CIETAC.)*

Nearly 10 overseas dispute resolution institutions sent congratulatory videos for the establishment of the ASEAN Trial Center of CIETAC, including Arbitration Association Brunei Darussalam (AABD), BANI Arbitration Center, Hong Kong International Arbitration Center (HKIAC), Korean Commercial Arbitration Board International (KCAB International), Indonesian Academy of Independent Mediators and Arbitrators (MedArbld), National Commercial Arbitration Centre of Cambodia (NCAC), Singapore International Arbitration Centre (SIAC), Singapore International Mediation Centre (SIMC), Vietnam International Arbitration Center (VIAC), etc.

They look forward to strengthening exchanges and cooperation with CIETAC in the future, and jointly contributing to the establishment of the China-ASEAN Commercial Dispute Resolution Community. The Consul Generals of Consulate General of Cambodia, Thailand, Myanmar and Vietnam in Nanning attended the opening ceremony and relevant activities.

With the theme of "Sharing Opportunity and Creating Prosperity - Innovation and Development of International Arbitration under the Background of RCEP", more than 10 Chinese and foreign experts delivered keynote speeches and engaged in fruitful dialogues on the topics of "Opportunities and Challenges for Dispute Resolution in the light of RCEP" and "Cooperation in Dispute Resolution in the light of RCEP".

At the end, Wang Chengjie, Vice Chairman and Secretary General of CIETAC, stated in his closing speech that continuously improving the level of China-ASEAN commercial law cooperation in the context of RCEP will effectively prevent legal risks and promote the sustainable, stable and healthy development of China-ASEAN economic and trade cooperation. CIETAC will take the establishment of ASEAN Trial Center as an opportunity to promote cooperation in dispute resolution among countries to a new level; strengthen theoretical research to facilitate the development of dispute resolution in cross-border e-commerce, supply chain finance, digital trade, scientific and technology innovation and other emerging areas involving ASEAN and the RCEP region, and cultivate more talents to provide a strong force for building a closer China-ASEAN community with a shared future.



More than 200 people attended the summit on site, including representatives from the Supreme People's Court, the Guangxi Political Consultative Conference and the Nanning Municipal Government, arbitrators, lawyers and experts in different industries. Over 2 million people watched the livestream online.





People walk in front of Casino Lisboa in Macau, China December 21, 2019. REUTERS/Jason Lee

## EXPLAINER

# WILL THE OVERHAUL OF MACAU'S GAMING LAW SCUPPER ITS GLOBAL AMBITIONS?

Casino and junket operators in Macau are gearing up for the impact of the territory's recently overhauled gaming law, the biggest such reform in two decades for the former Portuguese colony. The latest amendments to the gaming law further standardise the size and development of the industry while meting out punishment for a number of offences, ranging from underperforming revenue to jeopardising national security. While these tighter regulations could put Macau's pandemic-battered economy under more pressure, there are also new opportunities.

### ▶ WHAT IMPACT IS THE AMENDED GAMING LAW EXPECTED TO HAVE?

Macau's Legislative Assembly approved the new gaming law (Law 07/2022) in June, over 20 years after the enactment of Law 16/2001, which effectively ended the city's gaming monopoly system. The latest amendment has been hailed as the biggest reform for the world's largest gambling hub in the past two decades.

Rui Pinto Proença, a partner at MdME, says the new law reflects the different scale and maturity of Macau's gaming industry as well as the city's economic and societal development. "Significantly, the key economic policy objective of the 2001 Law - to use gaming as an engine for the development of tourism, economic growth, and social stability - has been replaced by the objective to leverage the gaming sector to promote economic diversification and sustainable development of Macau." The new law also factors in national priorities by addressing national security and cross-border capital outflows.

One of the most notable provisions is the limitations on the number of gaming tables and slots in casinos. In an unprecedented move, the government sets a limit of 6 thousand tables and 12 thousand machines at a time when casino operators are vying for new concession contracts. Minimum annual gross income

from each gaming table is set at 7 million patacas (\$866,122) while the figure for each gaming machine is 300 thousand patacas (\$37,120).

The 2001 law granted a maximum of three gaming concessions which went to SJM Holdings, Wynn Macau, and Galaxy Entertainment. The trio subsequently set up sub-concession contracts with MGM China, Melco Resorts, and Sands China. The amendment has outlawed future sub-concessions while capping the number of concessionaires at six.

Proença envisions the spate of new measures, which also include mandatory junket exclusivity to one concessionaire and the prohibition of revenue share with third parties, to lead to a cleaner, albeit smaller, gaming sector safeguarded by codified social responsibility obligations. "It will likely be an industry with minimal junket activity and thus less vulnerable to unwanted influences and more focused on attracting premium and mass market players," he says.

### ▶ WHAT CHALLENGES LIE AHEAD FOR CASINO OPERATORS?

With Macau's stringent Covid policies and tight border controls hammering its gaming revenue, Proença fears that halving the term of concession contracts to 10 years will further encroach on the gambling hub's financial viability and resilience.

"The amendment increases the direct financial contributions of the concessionaires and introduces a new set of obligations that will carry a considerable cost," Proença explains. "At the same time, the concessionaires are expected to commit significant capital to Macau throughout the next 10 years, both by reinvesting in, and in some cases expanding, their existing casino-resorts, and in promoting changes to their business model to create a more leisure-oriented offer that



is also appealing to overseas tourists.”


Proença feels that operators are facing a herculean task to balance continued reinvestment in Macau with the need to provide a reasonable return to their shareholders – all while within a relatively limited timeframe stipulated by the new law.

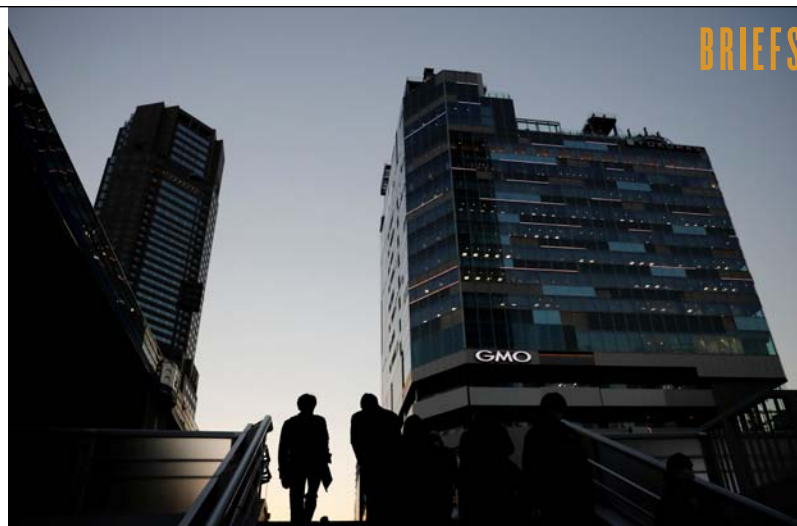
#### ▶ IN WHAT WAYS CAN MACAU'S GAMING REGIME BE FURTHER DEVELOPED?

Looking ahead, Proença stresses that a strategic direction driven by the pursuit of prosperity while in strict compliance with the laws of the People's Republic of China is what Macau's gaming industry needs to sustain healthy long-term growth. The key, he believes, is an open dialogue and collaboration among casino operators, the government, and other stakeholders.

“One possible direction is a more flexible approach to the use of new gaming technologies aimed to bring a new generation of leisure travellers to Macau. Those include digital payments, on-premises mobile gaming and the offer of different types of games and digital experiences that are not currently allowed,” Proença says.

He is confident that these technologies can deliver a better experience to players while “allowing more thorough compliance with the operators' obligations in terms of anti-money laundering, anti-corruption, and even responsible gaming.”

Ultimately, Proença hopes that by deploying new gaming technologies and perfecting relevant regulations, Macau can be elevated as an attractive destination for a new class of fun-seeking tourists from across Asia. “In the future, it could perhaps help provide the regulatory and compliance comfort that is also needed for a relaxation of visas and capital controls that apply to Chinese travellers.” 



Pedestrians make their way at a business district in Tokyo, Japan, December 7, 2020. REUTERS/Kim Kyung-Hoon

## JAPAN REGULATOR TO ENHANCE BANK SURVEILLANCE AS FOREIGN INTEREST RATES RISE

**(Reuters)** Japan will step up surveillance of banks' risk control as interest rises abroad create latent losses in their foreign bond holdings, reflecting concerns about the impact of U.S. monetary tightening on the country's financial system.

The Financial Services Agency “will hold dialogues with the banks about control of market risk” because global interest rate rises had caused unrealised losses on their holdings of foreign bonds, the regulator said in its annual policy guidelines.

Looking for higher returns than have been available locally, major Japanese banks have invested heavily in foreign bonds, mainly U.S. Treasuries. But when yields rise, as they have in response to monetary tightening by the U.S. Federal Reserve and other central banks, the value of bonds falls.

The current round of aggressive foreign interest rate rises has caught major Japanese banks off guard.


Combined valuation losses on overseas bond holdings at Mitsubishi UFJ Financial Group and two other top banking groups stood at 2.656 trillion yen (\$19.12 billion) at the end of June, an increase of more than 50% from the end of March.

The Bank of Japan has not joined the global cycle of interest rate rises, because Japan's inflation is still moderate and its economy fragile.

The financial regulator also said it would encourage major lenders to beef up management of risk relating to foreign-currency liquidity, particularly because Japanese banks' market-based currency procurement was vulnerable to sudden market fluctuations.

The regulator added that it and the central bank would conduct stress tests on banks' risk exposures.

This year's policy guidelines mentioned a need to address potential issues related to leveraged buyout financing. Prolonged ultra-low interest rates at home are pushing major banks to look beyond traditional lending in search of yields.

Japan's Marelli Holdings Co, an auto parts supplier that KKR & Co bought with high leverage, entered a court-led restructuring process in June with more than 1 trillion yen of debt. That has caused massive losses at roughly two dozen creditors, including Mizuho Financial Group. 




## AMT OPENS FIRST EUROPEAN OFFICE IN LONDON

Japanese Big Four law firm Anderson Mori & Tomotsune has opened a new office in London, its first office in Europe and eighth overseas.

In a press release, the firm said it would the London office would enable us to provide timely Japanese law advice to UK- and Europe-based companies which expand their businesses globally regarding their investments in Japanese entities or real estate through M&A or joint venture transactions.

"We will also assist global companies with international disputes related to their businesses in Japan, and advise them on legal issues that may arise after their entry into the Japanese market, such as intra-group restructuring and labour issues," the release added. "In addition, we will provide prompt and sophisticated legal services to Japanese companies that have already entered or are considering entering the European market, in collaboration with local law firms."

The new office will be led by partner Atsutoshi Maeda. Maeda, who was the chief representative of AMT's Singapore office for eight years starting in 2013, advises on general corporate issues such as commercial laws, employment laws, compliance, disputes, M&A and restructuring. He is currently the only partner in London, but the firm plans to increase its partner strength.

Apart from three offices in Japan, AMT also has branches in Beijing, Shanghai, Hong Kong, Singapore, Ho Chi Minh City, Bangkok, and Jakarta. 

## APPOINTMENTS



### JOEL COCKERELL

**LEAVING**  
HFW

**JOINING**  
Squire Patton Boggs

**PRACTICE**  
Shipping

**LOCATION**  
Singapore



### EDWARD LIU

**LEAVING**  
Hill Dickinson

**JOINING**  
Haiwen & Partners

**PRACTICE**  
Shipping Disputes

**LOCATION**  
Hong Kong



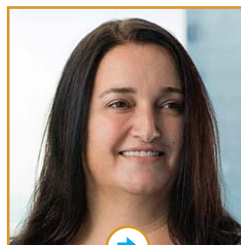
### ELLEN MAO

**LEAVING**  
Paul Weiss Rifkind Wharton & Garrison

**JOINING**  
Herbert Smith Freehills

**PRACTICE**  
Banking & Finance

**LOCATION**  
Singapore



### SUMMER MONTAGUE

**LEAVING**  
RPC

**JOINING**  
DAC Beachcroft

**PRACTICE**  
Insurance

**LOCATION**  
Singapore



### NARENDRA NADIYASA

**LEAVING**  
Hiswara Bunjamin & Tandjung

**JOINING**  
Widyawan & Partners

**PRACTICE**  
Disputes

**LOCATION**  
Jakarta



### NIAB PAIBOON

**LEAVING**  
Allen & Overy

**JOINING**  
Herbert Smith Freehills

**PRACTICE**  
M&A

**LOCATION**  
Bangkok



### ANDREW ROBINSON

**LEAVING**  
DLA Piper

**JOINING**  
DAC Beachcroft

**PRACTICE**  
Insurance

**LOCATION**  
Singapore



### MATTHEW TOWNSEND

**LEAVING**  
Fangda Partners

**JOINING**  
Reed Smith

**PRACTICE**  
Arbitration

**LOCATION**  
Hong Kong



### JANIE WONG

**LEAVING**  
Addleshaw Goddard

**JOINING**  
Howse Williams

**PRACTICE**  
Arbitration

**LOCATION**  
Hong Kong

# INDIA SEEKS SAY IN GLOBAL M&A WITH ANTITRUST RULES

India recently announced that it is considering tightening scrutiny of mergers and acquisitions by amending its competition law, including requiring global technology companies to seek the country's antitrust approval for many overseas M&A deals.

Although some of the changes that the draft law aims to introduce have been hailed as pro-business, some concerns have arisen about the burdens it will impose on smaller firms while dampening appetite for high-value deals.

Nisha Kaur Uberoi, head of the national competition law practice at Trilegal, says that the Competition (Amendment) Bill 2022 brings some "welcome changes," including the introduction of settlements and commitments for vertical agreements and abuse of dominance. "Leniency plus is also being introduced in line with international best practices which will give a further fillip to the leniency regime. The long-awaited penalty guidelines will also provide certainty to industry," she notes.

However, one area of concern is the "transaction value" threshold. The government is set to introduce a minimum threshold "transaction value" of 20 billion rupees (\$250 million) for any deal as a



REUTERS/Adnan Abidi

criterion for notification to the anti-trust regulator if the entity being acquired has substantial operations in India.

However, many high-value deals between technology firms that have a big presence in India have escaped scrutiny because the companies involved have had few assets and low turnover there, reported Reuters. Facebook's acquisition of WhatsApp in 2014 for \$19 billion, for example, required no CCI clearance, even as WhatsApp counted India as a major market, it added.

"This could potentially impact the digital economy sector in particular regarding acquisitions of small companies which are typically target-exempt on account of low revenues if the CCI were to adopt metrics similar to Austria

and Germany in terms of number of monthly active users," Uberoi says. She points out that the CCI will lay out the process to determine whether an entity has "substantial business operations" in India.

Moreover, the government intends to reduce litigations by establishing a settlement. But a proposed 25 percent penalty deposit for appeals, compared to the current 10 percent, draws unease. Uberoi fears that the penalty "will have unintended consequences of impacting access to justice for small and medium size companies, who will now have to pay a higher deposit."

Overall, Uberoi stresses that the government should maintain a balanced approach when regulating M&A transactions, and the role of CCI in framing regulations is crucial. "Otherwise, the CCI will unnecessarily receive merger filings which do not have local nexus to India," Uberoi says. "Given that the devil lies in the details, for the law to be effective without posing an unnecessary burden on industry, the regulations should be put out for public consultation and feedback, and the regulations and proposed amendments in the law should come into effect in tandem." ALB

## HONG KONG AUDIT WATCHDOG EXPANDS PROBE INTO EVERGRANDE'S UNIT

**(Reuters)** Hong Kong's audit regulator said it has initiated an enquiry into the financial statements of China Evergrande Group's property services unit and its former auditor after questions were raised following the developer's probe into seized deposits worth \$2 billion of the unit.

The Financial Reporting Council (FRC) said in a statement it was investigating the 2020 and first half of 2021 financial statements of Evergrande Property Services that, as well as the audit carried out by PwC on its 2020 annual accounts.

"The FRC identified questions about the classification of restricted bank deposits and other loans, the measurement of pledge guarantees given and the disclosure of related party

transactions in the accounts, and related questions about the audits," it said.

Evergrande Property Services and PwC did not immediately respond to requests for comment.

Evergrande said on July 22 an internal probe had found that \$2 billion of funds held by Evergrande Property Services had been pledged to guarantee financing by the group for debt repayment. In the end, banks seized the money, cleaning out much of the unit's cash.

The audit watchdog first announced in October last year it was investigating Evergrande's accounts and their audit by PwC because it had concerns. ALB

# SONY-ZEE \$10 BLN MEDIA PLAY MAY FACE CHANGES, DELAYS IN INDIA ANTITRUST REVIEW

**(Reuters)** A full-scale antitrust review of plans to create a \$10 billion media powerhouse in India by Japan's Sony and Zee Entertainment could force concessions and prolong the process by months at a critical moment for the Indian company.

An initial Competition Commission of India (CCI) review has flagged concerns, Reuters reported, arguing the group would have "unparalleled bargaining power" with 92 channels coupled with Sony's \$86 billion in global revenues.

The CCI has called for further investigation, highlighting the impact on competition due to the "strong" market position the merged entity would have over advertising and channel pricing, particularly in the popular Hindi language segment.

Zee did not respond to questions for this article, but has said it was continuing to take all required legal steps to complete the CCI approval. Sony did not respond to Reuters requests for comment.

Ashok Chawla, a former CCI chairman, told Reuters that such a review could lead to a detailed merger analysis involving an examination of different broadcast offerings, delaying approval.

Four antitrust lawyers told Reuters such a notice signalled deep CCI worries and was likely to force Sony and Zee to rethink their proposed structure, although none said it was likely to lead to a collapse of the deal.

Any potential delay, however, comes at a bad time for Zee, a household TV

name in India set up in 1992 by Subhash Chandra, dubbed the "Father of Indian Television".

Zee's founders had to dilute their stake in the Indian company to tackle their debt levels in 2019 and the Sony deal was struck amid a 2021 boardroom conflict with an overseas shareholder.

For Sony, the merger will further its ambitions to tap more digital, TV and regional language audiences in the fast-growing Indian market of 1.4 billion people.

The lawyers said Sony and Zee may have to offer a "structural" remedy, which could involve selling some channels, and "behavioural" remedies such as giving commitments that they will not raise prices for advertisers for a certain period.

"They may have to let go of some channels by selling ... to third parties. This is CCI's preferred remedy to reduce threat to competition," said Shweta Dubey, a partner at Indian law firm SD Partners and a former official in the CCI's M&A division.

"The whole approval process will be delayed significantly now, and will depend on how palatable proposed changes are to the CCI and how companies negotiate."

The proposed remedies were likely to be "substantial", one source with direct knowledge of the antitrust

concerns over the merger plan said, without elaborating.


In CCI's 13-year history, 22 deals had to be modified to gain approval. In 2015, for example, when Indian multiplex giant PVR Ltd sought to acquire a smaller rival's business, the watchdog raised concerns, forcing it to commit to selling some theatres and give assurances not to expand in some regions.

Analysts said the combined entity would reshape India's media and entertainment landscape, heating up competition with Netflix, Amazon, and Walt Disney and with Indian billionaire Mukesh Ambani's Viacom18 joint venture with Paramount Global.

Media companies are not just betting big on TV channels, but also their video streaming platforms and sports rights.

Zee recently made another big move, entering into a licensing deal with Disney to purchase some cricket TV rights, which IIFL Securities estimates to be worth \$1.5 billion.

In a research note, the brokerage said these payments should have been made partly by the fresh funds Sony planned to infuse into the merged entity and flagged concerns over any antitrust delay.

"The biggest risk ... is the merger not going through and Zee being saddled with high content costs," IIFL said. 



REUTERS/Dado Ruvic/Illustration





## Q &amp; A

## 'HONG KONG HAS A GREAT POSITION, NOT ONLY WITH RESPECT TO CHINA BUT ALSO TO APAC'

**Mariel Dimsey**, most recently a partner and co-head of the international arbitration group at CMS, was recently named as the new secretary-general of the Hong Kong International Arbitration Centre. In this interview with ALB, she talks about what she brings to the role, as well as her plans to change the perception of arbitration in Hong Kong.

**ALB:** Can you tell us a bit about your career so far, and how your experiences will shape your approach to the role?

**MARIEL DIMSEY:** Primarily, I'm coming into this from a private-practice perspective. I was a user of HKIAC arbitration until very recently. I've seen how the rules operate in practice, and I think that's a very important aspect that I bring, because you've got the context to the rules.

Also, my perspective as an arbitrator, having worked with many people at the Secretariat in that role and seeing the rules in operation from a slightly different perspective, as well as being counsel in private practice, I think these will help me use that experience and expertise to shape my role.

**ALB:** How do you plan to leverage your international commercial and investment arbitration expertise to take HKIAC forward?

**DIMSEY:** My experience itself has spanned several jurisdictions, including

Australia, Switzerland, and Germany. The network that I have gained through years of private practice in those jurisdictions can be very beneficial for this role. My old contacts can ask me questions about HKIAC; we can have an in-depth, frank, discussion about what's going on here. I hope, with that, to attract new users to HKIAC arbitration, which – particularly in the European jurisdictions – could be better utilised and used in more contracts.

**ALB:** In what way do you expect to build on the work of your predecessor, Sarah Grimmer, and what are some of the new ideas or initiatives you will look to spearhead?

**DIMSEY:** Sarah has set a very solid foundation over the last six years for me to build on. When I came into the Secretariat, I found that everything was so well-organised and modern, which is



**MARIEL DIMSEY**


not the case for most arbitral institutions in terms of tech. My first aim in terms of keeping our users happy is to ensure that that continues.

I would also like to reaffirm the messaging about Hong Kong. In the last few years, for obvious reasons both here and in the rest of the world, everyone kind of had to take a moment. It is very important that Hong Kong is not perceived as the jurisdiction where everyone is dialling in from rather than being there in person.

Next year, we are going to revise our rules. We will be setting up a similar structure to the 2018 rules revision, where we will have a committee that will supervise that and seek input from the community. Moreover, the user base of HKIAC has evolved in the last few years and will continue to evolve. It's important to listen and make sure that we're up to date with who our users are, and that we're addressing their needs.

**ALB:** What can HKIAC do to highlight Hong Kong's strengths and attractiveness as an international arbitration hub?

**DIMSEY:** Hong Kong is a fabulous place to do arbitration. The seat itself has an incredible number of advantages. Not only is it arbitration-friendly, but we also have an advanced statutory law that supports arbitration based on the UNCITRAL model or international best practice. We have the Hong Kong–Mainland China Interim Measures Arrangement, which offers true onshore support in the PRC for arbitrations seated in Hong Kong and administered by approved arbitration institutions, including HKIAC. We have true expertise in China-related disputes that I think even other regional institutions probably do not have. And we have a very robust, pro-arbitration judiciary.

Apart from that, Hong Kong has a great position, not only with respect to China but also to APAC. That can be capitalised on now that everyone's kind of getting back to normal. 

## NORTH ASIA AND SOUTHEAST ASIA/SOUTH ASIA LEAGUE TABLES

## North Asia Announced M&amp;A Legal Rankings

Rank	Legal Advisor	Value (\$MLN)	Deals	Market Share
1	<b>Mori Hamada &amp; Matsumoto</b>	<b>23,970.4</b>	<b>89</b>	<b>5.5</b>
2	Nishimura & Asahi	20,610.0	104	4.7
3	Simpson Thacher & Bartlett	19,855.4	13	4.5
4	Zhong Lun Law Firm	18,586.7	12	4.3
5	Kirkland & Ellis	16,078.6	29	3.7
6	Kim & Chang	14,430.9	89	3.3
7	Jingtian & Gongcheng	12,959.9	13	3.0
8	Fangda Partners	12,655.6	65	2.9
9	Nagashima Ohno & Tsunematsu	12,470.4	55	2.9
10	Jia Yuan Law Offices	12,005.5	24	2.8

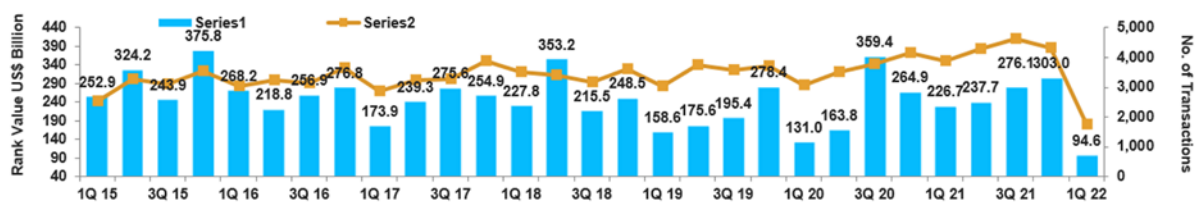
(\*tie) Based on Rank Value including Net Debt of announced M&amp;A deals (excluding withdrawn M&amp;A)

## North Asia Announced M&amp;A Financial Rankings

Rank	Legal Advisor	Value (\$MLN)	Deals	Market Share
1	<b>Morgan Stanley</b>	<b>45,445.4</b>	<b>46</b>	<b>10.4</b>
2	CITIC	32,072.5	48	7.3
3	China International Capital Co	29,731.2	66	6.8
4	Goldman Sachs & Co	29,071.8	30	6.7
5	UBS	20,712.5	15	4.7
6	Huatai Securities Co Ltd	16,737.2	12	3.8
7	Sumitomo Mitsui Finl Grp Inc	16,478.4	73	3.8
8	JP Morgan	15,128.7	16	3.5
9	Nomura	15,021.4	67	3.4
10	China Securities Co Ltd	15,015.4	10	3.4

(\*tie) Based on Rank Value including Net Debt of announced M&amp;A deals (excluding withdrawn M&amp;A)

## Any North Asia Involvement Announced M&amp;A Activity - Quarterly Trend\*



## Southeast Asia / South Asia Announced M&amp;A Legal Rankings

Rank	Legal Advisor	Value (\$MLN)	Deals	Market Share
1	<b>AZB &amp; Partners</b>	<b>103,269.0</b>	<b>129</b>	<b>42.7</b>
2	Freshfields Bruckhaus Deringer	79,175.9	13	32.7
3	Sullivan & Cromwell	73,290.6	7	30.3
4	S&R Associates	71,223.1	12	29.4
5	Cravath, Swaine & Moore	63,725.1	3	26.3
6*	Argus Partners	60,390.1	1	25.0
6*	M.M. Singhi & Company	60,390.1	1	25.0
6*	Wadia Ghandy & Co	60,390.1	1	25.0
9	Cyril Amarchand Mangaldas	26,930.3	90	11.1
10	Shardul Amarchand Mangaldas & Co	18,366.1	80	7.6

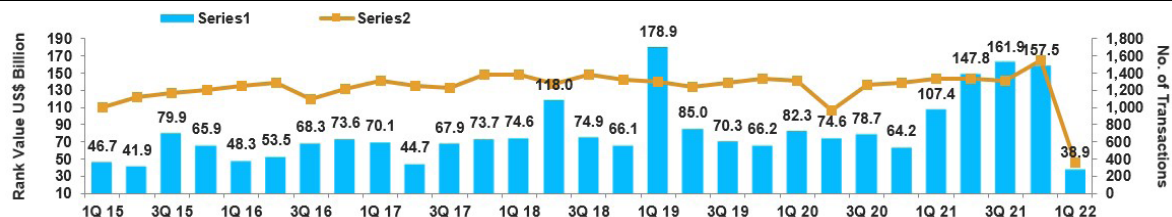
(\*tie) Based on Rank Value including Net Debt of announced M&amp;A deals (excluding withdrawn M&amp;A)

## Southeast Asia / South Asia Announced M&amp;A Financial Rankings

Rank	Legal Advisor	Value (\$MLN)	Deals	Market Share
1	<b>Citi</b>	<b>83,444.6</b>	<b>15</b>	<b>34.5</b>
2	JP Morgan	82,765.0	19	34.2
3	Goldman Sachs & Co	79,586.2	14	32.9
4	Credit Suisse	73,572.4	12	30.4
5	Morgan Stanley	72,449.0	21	29.9
6	BNP Paribas SA	70,702.3	7	29.2
7	BofA Securities Inc	69,791.0	15	28.8
8	Axis Bank Ltd	65,025.2	9	26.9
9	HSBC Holdings PLC	64,948.8	8	26.8
10	Moelis & Co	62,578.5	9	25.9

(\*tie) Based on Rank Value including Net Debt of announced M&amp;A deals (excluding withdrawn M&amp;A)

## Any Southeast Asia / South Asia Involvement Announced M&amp;A Activity - Quarterly Trend\*



\*League tables, quarterly trends, and deal lists are based on the nation of either the target, acquirer, target ultimate parent, or acquirer ultimate parent at the time of the transaction. Announced M&A transactions excludes withdrawn deals. Deals with undisclosed dollar values are rank eligible but with no corresponding Rank Value. Non-US dollar denominated transactions are converted to the US dollar equivalent at the time of announcement of terms. NORTH ASIA: China, Hong Kong, Japan, South Korea, Taiwan; SOUTHEAST ASIA: Singapore, Malaysia, Philippines, Thailand, Vietnam, Brunei, Cambodia, Indonesia, Laos, Myanmar, Timor-Leste; SOUTH ASIA: India, Afghanistan, Bangladesh, Bhutan, Maldives, Nepal, Pakistan, Sri Lanka. Data accurate as of 10 September 2022.

ASIAN LEGAL BUSINESS



# LAW AWARDS 2022

# SAVE THE DATE

SE ASIA  
**25 MAY**  
SINGAPORE

JAPAN  
**2 JUN**  
TOKYO

INDIA  
**10 JUN**  
MUMBAI

CHINA  
**21 JULY**  
BEIJING

HONG KONG  
**9 SEP**  
HONG KONG

INDONESIA  
**6 OCT**  
JAKARTA

MIDDLE EAST  
**26 OCT**  
DUBAI

KOREA  
**10 NOV**  
SEOUL

WOMEN IN LAW  
**18 NOV**  
TBC

PHILIPPINES  
**25 NOV**  
TBC

*The date and format are accurate at time of publishing but may change closer to date as the COVID situation remains fluid.*

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# FULL STEAM AHEAD

Neither the pandemic nor the combined impact of rising interest rates, inflation and regulations have been able to derail the growth trajectory of Thailand's M&A scene, with a strong 2021 set to be followed by an even better 2022. Lawyers say despite some further regulatory changes on the horizon, this growth is set to continue.

BY SARAH WONG

■ The volume and value of Thailand's mergers and acquisitions in 2022 are poised to experience continued growth from the previous year, despite rising interest rate impact on financial costs as businesses and people began to adapt alongside the COVID-19 pandemic, according to a recent report from PwC.

The report noted that new technologies, emerging trends, environmental awareness, and more are set to shape the robust M&A scene in the coming year. "There's an upward trend in M&A deals this year for Thailand and the rest of the world, even with the outbreak of the Omicron variant, rising interest rate, inflation and regulations that may hinder reaching deals agreement," wrote Chantanuch Chotikapanich, deals lead partner at PwC Thailand. "This contentious situation, however, is actually accelerating M&A activity."

"As global trends become clearer, business leaders will continue to review

their business strategies and portfolio," she added. "Meanwhile, others will adjust their cost structure or acquire businesses they lack to maintain steady growth."

One key factor behind the boom has been proactive policymaking. The Thai government has been pulling out all the stops to revive the tourism-pillared economy. It is currently spearheading the Thailand 4.0 Economic Plan, a value-based, innovation-centric economic blueprint, that has positioned the country as a serious player in regional economic integration and global initiatives.

Already buoyed by this policy trend, law firms see the easing of COVID-related restrictions as playing a critical role in creating favourable conditions that empower M&A growth. Not only are some deals getting reactivated after being put on hold, but new opportunities are also mushrooming in corporate reorganisations and asset disposals.

This is particularly notable in the technology field, as companies, eager to take advantage of the post-pandemic normality, overhaul and recraft their operational strategies. "M&A activities in the technology sector has remained strong given the digital transformation across many industries," says Arkrapol Pichedvanichok, a senior partner at Chandler MHM. Arkrapol emphasises the development of e-commerce in terms of platforms as well as electronic payments.

Fintech and e-commerce companies in Southeast Asia are raking in hefty amounts of capital as global investors scout for new opportunities, reported Reuters. For instance, Southeast Asia's internet economy is forecast to triple to \$300 billion by 2025 from the end of 2020, according to a report cited by Reuters. Some analysts are bullish about Thailand's growth potential as with its large domestic population comes sizable digitalisation opportunities.

Meanwhile, in the telecommunication scene, Arkrapol highlights the amalgamation of state-owned telecommunication giants TOT and CAT last year, which his firm advises on, as a demonstration of the vigour of a deal-making sphere further pivoting to digitalisation. The merger of True Corporation and Total Access Communication (DTAC), although still pending clearance for pre-merger control approval, serves as another high point.

Arkrapol notes that venture capital investment is one of the main engines fuelling M&A transactions in Thailand, in technology and other sectors. "We have seen an increase in joint ventures between Japanese and Thai developers in relation to condominium developments. The industrial estate, automotive part manufacturers including EV-related business, healthcare and energy sectors remain strong," he says.

Dominating Chandler MHM's M&A practice this year is major internal corporate restructurings spanning a wide range of industries.

"For example, we advised Thai Oil Public Company Limited on the restructuring of its shareholding in its power

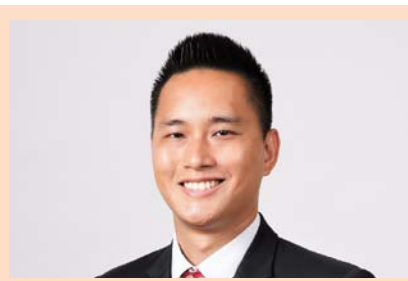


## Impact of Thai Antitrust law on M&A Transactions

M&A transactions in Thailand are similar to M&A transactions in other jurisdictions in respect of the need to conduct an initial antitrust review at the early stage of a transaction since the 2017 Trade Competition Act of Thailand (TCA) came into existence. There are two key aspects: (1) pre-merger approval filing and post-merger notification filing under merger control regime, and (2) cartel risks during and after the due diligence process. As TCA and its enforcement are relatively new, some operators might not yet have a full grasp of what TCA requires on these two fronts, particularly the cartel risks.

### Merger Filing

The TCA captures corporate amalgamation, share acquisition and business/asset acquisition. TCA prescribes three doors for a prospective merger to go through. If the merger would result in a creation or an enlargement of a dominant operator, the parties must file a pre-merger approval application with the Trade Competition Commission of Thailand (TCCT). If the merger would cause a material reduction of competition, the acquirer or resultant entity must file a post-merger notification report to the



**Pranat Laohapairoj**

Partner

E: [pranat.l@mhm-global.com](mailto:pranat.l@mhm-global.com)

### Chandler MHM

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Sathorn Square Office Tower  
98 North Sathorn Road, Silom,  
Bangrak, Bangkok 10500, Thailand  
W: [www.chandlermhm.com](http://www.chandlermhm.com)

TCCT. Each requirement has its own statutory timeline that may have a significant impact on the transaction timeframe and legal costs. If the merger falls under neither of the two categories above, the parties would not be required to make any filing.

### Cartel Risks

Besides merger filing requirements, the parties should be cautious of cartel risks arising from an exchange of certain information during the due diligence period. The risks might materialize if the transaction does not proceed as expected, as both sides, or at least one, would leave the negotiating table with sensitive commercial information of the other party, which could be used to create a cartel. Even a lawful benchmarking activity could inevitably lead to a costly, although defensible, investigation. It should be stressed that the TCCT and its officers would generally look for common pricing strategies and trade conduct as a sign of a possible cartel, and any amendment of practices by one or both sides to the prospective or failed M&A transaction could lead to a suspicion. Therefore, the merging parties must ensure that both sides are aware of the risks and institute necessary contractual provisions to deter a use of such sensitive information, to protect confidentiality, and to employ appropriate measures such as Chinese walls to safeguard information between business units.

business. We also advised on several cross-border disposals often as part of global multi-jurisdictional transactions," Arkrapol says, adding that service for private equity acquisitions and disposals is also highly sought after in medical and healthcare sectors.

### CLOSER SCRUTINY

However, the booming M&A deals are inviting closer regulatory scrutiny, with authorities placing a larger focus on the country's merger control regime. Thailand's Trade Competition Commission, Arkrapol points out, has issued a number of clarifications over the past year with respect to the Trade Competition Act of 2017 in a bid to stifle unfair competition.

"The full enforcement of the Personal Data Protection Act in June this year has also impacted all businesses in how they conduct their operations," Arkrapol adds.


But looking ahead, Arkrapol believes any major shift in the M&A

**"Our expectation is that the market will see a mix of corporate restructurings, divestments and acquisitions, particularly private M&A. In particular, we expect more medium-sized local M&A deals as part of business diversification."**

— Arkrapol Pichedvanichok, Chandler MHM

market is unlikely despite backdrop of a global tightening circle of monetary policies to rein in surging inflation, which is projected to peak in Thailand in the third quarter. The Bank of Thailand is expected to keep raising its key interest rate at its next meeting on September 28 after hiking it last month for the first time in nearly four years.

The bright side is that Thailand's economy is expected to grow 3 percent to 3.5 percent this year at a time when the risks of recession loom over the United States and Europe.

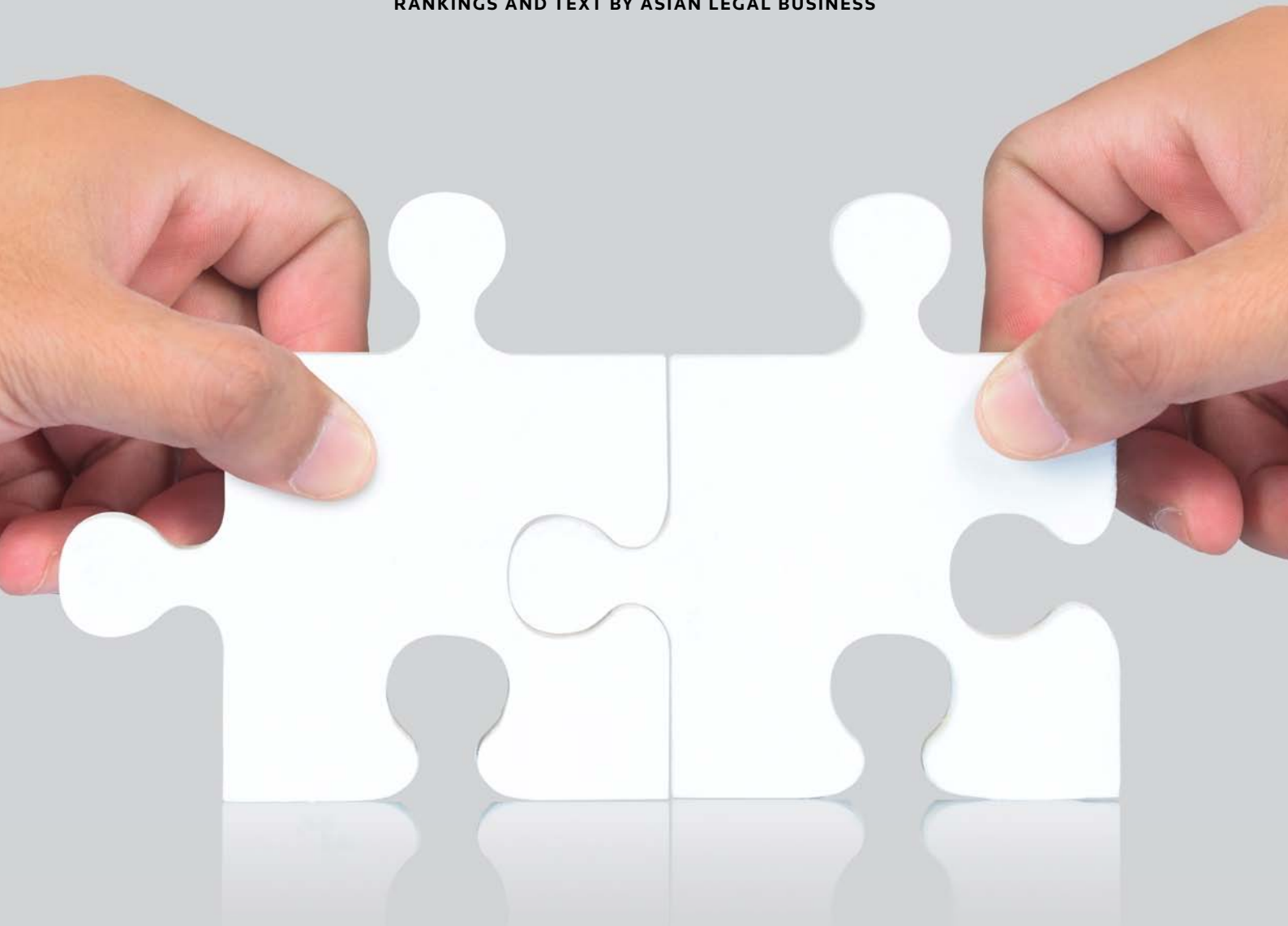
"Our expectation is that the market will see a mix of corporate restructurings, divestments and acquisitions, particularly private M&A," Arkrapol says. "In particular, we expect more medium-sized local M&A deals as part of business diversification. The technology and consumer sectors are likely to remain active, particularly e-commerce and e-payments. Industrial manufacturing, medical and healthcare sectors would also stay active." 

ASIAN LEGAL BUSINESS

# ASIA M&A RANKINGS 2022

In this annual ranking, ALB picks the leading law firms for M&A work in the region. Ranked law firms stand out in their respective jurisdictions for the quality of work, and size and profile of deals, as well as clients.

**RANKINGS AND TEXT BY ASIAN LEGAL BUSINESS**



## 2022

## CHINA DOMESTIC

## TIER 1

- Commerce & Finance Law Offices
- Haiwen & Partners
- Han Kun Law Offices
- Jingtian & Gongcheng
- JunHe
- King & Wood Mallesons
- Zhong Lun Law Firm

## TIER 2

- AllBright Law Offices
- DaHui Lawyers
- DeHeng Law Offices
- Global Law Offices
- Grandall Law Firm
- Guantao Law Firm
- Jia Yuan Law Offices
- Jincheng Tongda & Neal Law Firm
- Llinks Law Offices
- Tian Yuan Law Firm

## TIER 3

- AnJie Law Firm
- Broad & Bright Law Firm
- Co-effort Law Firm
- Dentons China
- East & Concord Partners
- Grandway Law Offices
- Hui Ye Law Firm
- Shihui Partners
- T&D Associates
- Tahota Law Firm

## NOTABLE FIRMS

- Beijing DHH Law Firm
- Beijing Docvit Law Firm
- HHP Attorneys-At-Law
- Hylands Law Firm
- Kangda Law Firm
- Long An Law Firm
- V&T Law Firm
- Yenlex Partners

## CHINA INTERNATIONAL

## TIER 1

- Clifford Chance
- Freshfields Bruckhaus Deringer
- Linklaters
- Skadden, Arps, Slate, Meagher & Flom

## TIER 2

- Allen & Overy
- Baker McKenzie FenXun
- Davis Polk & Wardwell
- DLA Piper
- Hogan Lovells
- Norton Rose Fulbright

- Paul, Weiss, Rifkind, Wharton & Garrison
- Simpson Thacher & Bartlett
- White & Case

## TIER 3

- Cleary Gottlieb Steen & Hamilton
- Morgan, Lewis & Bockius
- Morrison & Foerster
- Orrick, Herrington & Sutcliffe
- Paul Hastings
- Shearman & Sterling
- Sullivan & Cromwell
- Weil, Gotshal & Manges

## NOTABLE FIRMS

- Ashurst
- Bird & Bird
- CMS
- Dorsey & Whitney
- Eversheds Sutherland
- Gibson, Dunn & Crutcher
- Gide Loyrette Nouel
- Herbert Smith Freehills
- Jones Day
- K&L Gates
- Latham & Watkins
- Mayer Brown
- Milbank
- Nishimura & Asahi
- O'Melveny
- Reed Smith
- Ropes & Gray
- Seyfarth Shaw
- Simmons & Simmons
- Winston & Strawn

## HONG KONG

## TIER 1

- Clifford Chance
- Freshfields Bruckhaus Deringer
- Kirkland & Ellis
- Linklaters
- Skadden, Arps, Slate, Meagher & Flom
- Slaughter and May

## TIER 2

- Allen & Overy
- Davis Polk & Wardwell
- Herbert Smith Freehills
- Latham & Watkins
- Norton Rose Fulbright
- Simpson Thacher & Bartlett
- Sullivan & Cromwell
- Weil, Gotshal & Manges

## TIER 3

- Ashurst
- Baker McKenzie
- Deacons
- Debevoise & Plimpton
- Gibson, Dunn & Crutcher

M&A activity in Asia has remained robust through 2022 and is firmly on the path to recovery in the aftermath of the COVID-19 pandemic. Even though the total number and value of transactions were lower in the first half of the year compared with a year earlier for some countries in the region, activity continued to rebound when compared to the first half of 2020, at the onset of the pandemic.

And yet, despite a robust recovery from the lows experienced in the first half of 2020, geopolitical challenges in the region along with ongoing – albeit sporadic – COVID-19-related restrictions in several locations had a direct impact on dealmaking activity in the Asian region overall and, specifically, in the Asia Pacific.

“Despite major geopolitical and financial headwinds, Asia-Pacific (APAC) M&A activity in H1 2022 has been robust, according to the analysis of M&A data by EY teams,” said Big Four accounting firm and consultancy EY in a report it released in mid-August.

It is not all good news. Mainland China, long a driver of growth, has seen a noticeable freeze in activity. Analysts at another Big Four accounting firm, PwC, reported that the value of the transactions in mainland China during the first half of 2022 fell to \$236.7 billion, a half-year low last seen in 2014.

“Domestic M&A transactions declined in the first half of the year, and there is little prospect of a significant rebound in the short term,” said David Brown, who leads PwC’s deals business for Asia Pacific.

Despite the challenges, PwC says that investor sentiment is still strong.

“Activity in certain segments remains high. If some adverse factors – such as COVID, weak stock markets and regulatory and geopolitical concerns – can start to ease, investor confidence will gradually recover.”

Figures from EY show that 648 deals worth \$403 billion took place during the first half of 2022 in the Asia Pacific. The figure, if contrasted with the report by PwC, shows that M&A activity in China still accounts for over half of all M&A in the Asia Pacific region.

"Asia-Pacific companies across sectors are experiencing increasing pressure to transform their businesses to keep pace with rapidly evolving consumer preferences; digital disruption; and environment, social and governance (ESG) issues. Despite economic headwinds, CEOs across Asia-Pacific are focused on the long term and are pursuing transactions that set up their organisations for future growth," said Yew-Poh Mak, Asia-Pacific strategy and transactions leader at EY.

## CHINA

Chinese investors continue to look abroad for acquisitions, while the central government is also encouraging Chinese firms to invest overseas as part of its Belt and Road Initiative (BRI). However, according to PwC, the value of the transactions in China during the first half of 2022, fell to levels not seen since 2014.

The fall in the number and value of M&A transactions is also aligned with a fall in mega deals, transactions worth more than \$1 billion. According to PwC, there were only 22 deals of that type, which is less than half the number of the figure recorded for the second half of 2021.

On the other hand, the figure for private equity (PE) deals fell by almost a quarter reaching \$1,185.5 million, according to PwC.

"Domestic M&A transactions declined in the first half of the year, and there is little prospect of a significant rebound in the short term. However, investor sentiment is still strong and activity in certain segments remains high. If some adverse factors – such as COVID, weak stock markets and regulatory and geopolitical concerns – can start to ease, investor confidence will gradually recover," said David Brown, deals leader for Asia Pacific at PwC.

The Chinese government has indicated a desire to increase its overseas investments, and this could lead to more M&A activity in other countries if companies feel pressured by Beijing's policies at home.

According to PwC, outbound M&A activity increased by 30 percent during

- Hogan Lovells
- King & Wood Mallesons
- Mayer Brown
- Morrison & Foerster
- Paul, Weiss, Rifkind, Wharton & Garrison
- Reed Smith
- Shearman & Sterling
- White & Case

### NOTABLE FIRMS

- Akin Gump Strauss Hauer & Feld
- Bird & Bird
- Charltons Law
- Cleary Gottlieb Steen & Hamilton
- CMS
- Dechert
- Dorsey & Whitney
- Eric Chow & Co. in Association with Commerce & Finance Law Offices
- Eversheds Sutherland
- Gallant
- Georgiou Payne Stewien
- Goodwin
- H.M Chan & Co. (Taylor Wessing)
- Howse Williams
- K&L Gates
- LC Lawyers (EY)
- Milbank
- Minter Ellison
- Morgan, Lewis & Bockius
- Oldham Li & Nie
- O'Melveny
- Paul Hastings
- Proskauer Rose
- Ropes & Gray
- Seyfarth Shaw
- Sidley Austin
- Simmons & Simmons
- Stephenson Harwood
- Stevenson Wong & Co
- Tanner De Witt
- Winston & Strawn
- Vivien Chan & Co

## INDIA

### TIER 1

- AZB & Partners
- Cyril Amarchand Mangaldas
- DSK Legal
- Economic Laws Practice
- IndusLaw
- J Sagar Associates
- Khaitan & Co.
- Kochhar & Co.
- Luthra & Luthra Law Offices
- Majmudar & Partners
- S&R Associates
- Shardul Amarchand Mangaldas & Co
- Trilegal

### TIER 2

- Argus Partners
- Bharucha & Partners
- Desai & Diwanji
- HSA Advocates
- Link Legal
- Nishith Desai Associates
- Phoenix Legal
- Saraf and Partners
- Talwar Thakore & Associates
- Touchstone Partners
- Veritas Legal

### TIER 3

- ALMT Legal
- Chandhiok & Mahajan, Advocates & Solicitors
- Clasis Law
- Dhir & Dhir Associates
- Fox Mandal & Associates
- Hammurabi & Solomon Partners
- Juris Corp
- Krishnamurthy & Co. (K Law)
- LexCounsel
- Rajani & Associates
- Samvad Partners
- Sarthak Advocates & Solicitors
- Singh & Associates
- Singhania & Partners
- Spice Route Legal
- Tatva Legal
- Vertices Partners
- Wadia Ghandy & Co

### NOTABLE FIRMS

- AKS Partners
- Archer & Angel
- Begur & Partners
- Burgeon Law
- Calibre Legal
- Dua Associates
- Gravitas Legal
- Lakshmikumaran & Sridharan, Attorneys
- Mansukhlal Hiralal & Co
- NovoJuris Legal
- Pioneer Legal
- Sagus Legal
- Stratage Law Partners, Advocates & Solicitors
- Tempus Law Associates
- Trust Legal, Advocates & Consultants
- Vaish Associates, Advocates

## INDONESIA

### TIER 1

- ABNR Counsellors at Law
- Assegaf Hamzah & Partners
- Ginting & Reksodiputro in association with Allen & Overy
- Hadiputranto, Hadinoto & Partners, a member firm of Baker McKenzie
- Hiswara Bunjamin & Tandjung in



the first half of the year, marked by the acquisition of Aramco Gas Pipelines in Saudi Arabia in a deal worth about \$15.5 billion.

As for the outlook for the rest of the year, PwC warns about regulatory uncertainties, the continuous impact of COVID-19 with lockdowns and travel restrictions still in place across China and likely to continue, as well as geopolitical tensions in the region and among important trade partners.

"Various factors, including weak stock and property markets, have inhibited what was an active M&A environment. Unless some of these adverse factors are alleviated, inbound and outbound M&A transactions will remain subdued in the second half of the year. The volume of private equity fund investments will also be slightly lower than in the first half of the year," said Chris Chan, PwC Mainland China, and Hong Kong financial services deals leader.

**"Domestic M&A transactions declined in the first half of the year, and there is little prospect of a significant rebound in the short term. However, investor sentiment is still strong and activity in certain segments remains high. If some adverse factors – such as COVID, weak stock markets and regulatory and geopolitical concerns – can start to ease, investor confidence will gradually recover."**

— David Brown, PwC

## INDIA

While China has slowed down, India has picked up.

Dealmaking activity in India is growing steadily, according to figures released by accounting and consulting firm Grant Thornton, which show that not only the number of deals increased in the first half of 2022, compared with the first half of 2021, but also the total value of deals. According to Grant Thornton's data, the number of deals in India rose from 710 to 1,149 year-on-year while the value of those deals more than doubled from \$40.7 billion to \$104.3 billion.

"This represented a significant 34 percent increase in the overall deal volumes, while values more than doubled - recording a 143 percent increase in the deal values," said Grant Thornton in a mid-year report.

According to the consulting firm, 285 M&A deals were executed during the first half of 2022, accounting for a value of \$79.2 billion, while the volume

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Tel: +8610 6590 6639

E-mail: Beijing@east-concord.com

of private equity transactions was of 865, worth \$25.1 billion.

The largest deals that took place in India during the first six months of the year, were the merger between HDFC Bank and HDFC, the merger between LTI and Mindtree, Holcim's assets acquisition by Adani Group, and the deal between Axis Bank and Citicorp.

"Amid macro-economic stress, the overall deal sentiment for 2022 is expected to continue given the support from the government on infrastructure spending, supply-side response, and key fiscal measures. These measures are expected to provide support to the economy from elevated commodity prices and cap the possibility of a second-round effect of inflation," said Shanthi Vijetha, partner at Grant Thornton Bharat.

## ASIA-PACIFIC

The Asia Pacific region saw an increase in dealmaking value during the first half of 2022, compared to pre-pandemic figures. Private equity transactions were the main factor behind the growth of 47 percent.

"Even though capital market conditions have tightened sharply through the first half of 2022, PE firms still have large amounts of cash that will need to be deployed in the latter half of the year (dry powder in Asia-Pacific funds stood at \$455.2b in July 2022)," said EY.

"The abundance of private liquidity is likely to play a role in fuelling the APAC M&A market. Some PE funds will use M&A to enter new markets, while others will consolidate and expand their existing footprint. As interest rates rise, I expect to see fundraising shift from growth-oriented, future-value sectors to those with a focus on strength of earnings and pricing power, such as private health, education, and real estate," said Mak, from EY.

For his part, Aurojyoti Bose, lead analyst at GlobalData said that the growth in the first half of 2022 in the Asia Pacific region is significant one considers the totals in the region beyond the results that came out from China alone.

"The growth in H1 2022 becomes even more significant despite China,

association with Herbert Smith Freehills  
• SSEK Legal Consultants

### TIER 2

- Dentons HPRP
- Lubis Ganie Surowidjojo
- Makarim & Taira S.
- Makes & Partners
- Melli Darsa & Co
- Oentoeng Suria & Partners in association with Ashurst
- Soemadipradja & Taher
- Walalangi & Partners (in association with Nishimura & Asahi)
- Widyawan & Partners

### TIER 3

- AYP Atelier of Law
- Christian Teo & Partners
- Hogan Lovells DNFP, in association with Dewi Negara Fachri & Partners
- Mochtar Karuwin Komar
- Roosdiono & Partners

### NOTABLE FIRMS

- Adisuryo Dwinanto & Co (ADCO Law)
- Adnan Kelana Haryanto & Hermanto
- Azwar Hadisupani Rum & Partners
- Budiarto Law Partnership
- Budidjaja International Lawyers
- FKNK Law Firm
- Hendra Soenardi
- Hutabarat Halim & Rekan (HHR Lawyers)
- IABF Law Firm
- Imran Muntaz & Co
- Leks&Co
- SUTEDJA & ASSOCIATES
- Tjajo & Partners
- TNB & Partners in association with Norton Rose Fulbright Australia
- UMBRA – Strategic Legal Solutions

## JAPAN DOMESTIC

### TIER 1

- Anderson Mori & Tomotsune
- Mori Hamada & Matsumoto
- Nagashima Ohno & Tsunematsu
- Nishimura & Asahi
- TMI Associates

### TIER 2

- Atsumi & Sakai
- Ushijima & Partners

### TIER 3

- City-Yuwa Partners
- Hibiya-Nakata
- Miura & Partners
- Oh-Ebashi LPC & Partners
- Southgate

## JAPAN INTERNATIONAL

### TIER 1

- Allen & Overy Gaikokuho Kyodo Jigyo Horitsu Jimusho
- Baker McKenzie (Gaikokuho Joint Enterprise)
- Herbert Smith Freehills
- Morrison & Foerster/ Ito & Mitomi
- Shearman & Sterling
- Simpson Thacher & Bartlett

### TIER 2

- Clifford Chance
- Davis Polk & Wardwell
- DLA Piper
- Freshfields Bruckhaus Deringer
- Hogan Lovells Horitsu Jimusho Gaikokuho Kyodo Jigyo
- Linklaters
- Paul, Weiss, Rifkind, Wharton & Garrison
- Skadden, Arps, Slate, Meagher & Flom
- White & Case - White & Case Law Offices (Registered Association)

### NOTABLE FIRMS

- Ashurst
- Jones Day
- King & Spalding
- Latham & Watkins Gaikokuho Joint Enterprise
- Mayer Brown GJB
- Milbank
- Norton Rose Fulbright
- Orrick, Herrington & Sutcliffe
- Paul Hastings
- Ropes & Gray
- Simmons & Simmons
- Squire Gaikokuho Kyodo Jigyo Horitsu Jimusho

## MALAYSIA

### TIER 1

- Christopher & Lee Ong
- Rahmat Lim & Partners
- Shearn Delamore & Co
- Skrine
- Wong & Partners (member firm of Baker McKenzie)

### TIER 2

- Abdullah Chan & Co
- Adnan Sundra & Low
- Kadir Andri & Partners
- Lee Hishammuddin Allen & Gledhill
- Mah-Kamariyah & Philip Koh
- Zaid Ibrahim & Co (a member of ZICO Law)
- Zain & Co

which is the most prominent APAC market, witnessing a decline in deal activity. Meanwhile, several other key APAC markets displayed resilience to the prevailing market volatility and managed to register year-on-year double-digit growth in deal activity in H1 2022."

According to GlobalData, the number of deals announced during the first half of the year, increased in India by 34.9 percent, Japan by 17.9 percent, Australia by 2.9 percent, South Korea by 27.9 percent, Singapore by 27.6 percent, Indonesia by 31.3 percent and New Zealand by 16.1 percent.

"The number of M&A and venture financing deals increased by 2.2 percent and 19 percent, respectively, whereas the number of private equity deals decreased by 18.7 percent in H1 2022 compared to H1 2021," GlobalData reported.

As for South Korea, the country has a huge pipeline of M&A deals that are likely to begin materialising in the third quarter of 2022. These are mostly deals

**"Amid macro-economic stress, the overall deal sentiment in India for 2022 is expected to continue given the support from the government on infrastructure spending, supply-side response and key fiscal measures. These measures are expected to provide support to the economy from elevated commodity prices and cap the possibility of a second-round effect of inflation."**

— Shanthi Vijetha, Grant Thornton Bharat

that were not executed in the first half of the year.


"South Korea has megadeals worth billions of dollars in the queue, plus a series of huge investment plans recently announced by large corporations," said Intralinks, an inter-enterprise content management and collaboration solutions company, in a report published in late June.

Meanwhile, the Asian region as a whole could get a boost in the third quarter, KPMG said in a July report.


"Across Asia, M&A activity could get a boost heading into Q3'22 as investors and corporates look to take advantage of the lower valuation environment and tightening funding environment to find inorganic growth opportunities and opportunities to gain market share," the firm said.


## JAPAN

Despite headwinds for M&A activity in the Asia Pacific, Japan also had a relatively good first half of 2022.



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The number of deals in Japan increased 17.9 percent during the first half of the year compared to 2021, according to GlobalData. During the first quarter of the year alone, Japan accounted for 7 percent of the total value of M&A transactions in the Asia Pacific region.

However, data gathered by Bloomberg, shows that the value of deals in Japan during the first half of the year fell about 20 percent compared to the first half of 2021, reaching a total value of about \$86.5 billion.

Most of these deals were driven by familiar names. In broad strokes, the most commonly used advisors in transactions, by volume, were Nomura Holdings, Sumitomo Mitsui Financial Group, Mizuho Financial Group, Mitsubishi UFJ Morgan Stanley, and UBS. In terms of the value of deals, Mitsubishi UFJ Morgan Stanley was the top advisor, with transactions worth about \$13.6 billion.

## THAILAND

Despite a slow beginning of the year in terms of the number and value of deals in Thailand, the second quarter of 2022 saw a recovery in M&A activity. The Southeast Asian nation saw 89 deals during the first half of the year, worth about \$2.4 billion.

"The decline in investment activities is underpinned by recent geopolitical developments, ongoing supply chain disruptions and the prolonged Omicron outbreak in Thailand," KPMG explained, when commenting on the Q1 results in Thailand.

"From an M&A perspective, deal makers continue to closely monitor the interest rate environment and the Thai baht's performance, which has implications on valuations, access to cheaper capital and foreign exchange exposures," KPMG added in a report of the Q2 results.

According to KPMG, the financial services sector, industrial manufacturing and healthcare and life sciences sector accounted for 73 percent of the total deals value in Q2.

The Bumrungrad Hospital acquisition by Kiatnakin Phatra Securities and Kiatnakin Phatra Bank, a deal worth about \$357.5 million, was the largest

### NOTABLE FIRMS

- Albar & Partners
- Azmi & Associates
- Chooi & Company + Cheang & Ariff
- Donovan & Ho
- Jeff Leong, Poon & Wong
- LAW Partnership
- Lim Jo Yan & Co
- MahWengKwai & Associates
- Mohamed Ridza & Co
- Naqiz & Partners
- Peter Ling & van Geyzel
- Raja, Darryl & Loh
- Ramesh Dipendra Jeremiah LawTay & Partners
- Tay & Partner

## PHILIPPINES

### TIER 1

- ACCRALAW
- Picazo Buyco Tan Fider & Santos
- Quisumbing Torres (member firm of Baker McKenzie)
- Romulo Mabanta Buenaventura Sayoc & De Los Angeles
- SyCip Salazar Hernandez & Gatmaitan
- Villaraza & Angangco (V&A Law)

### TIER 2

- Castillo Laman Tan Pantaleon & San Jose
- Cruz Marcelo & Tenefrancia
- Gatmaytan Yap Patacsil Gutierrez & Protacio (C&G Law)
- Puno & Puno
- Puyat Jacinto & Santos Law Offices

### NOTABLE FIRMS

- Cochingyan & Peralta Law Offices
- DivinaLaw
- Gorriceta, Africa, Cauton & Saavedra
- Gulapa & Quicho/ Gulapa & Lim (Gulapa Law)
- Insights Phillipines Legal Advisors
- Kua Sy & Yeung Law Offices ("SKY Law")
- Martinez Vergara Gonzalez & Serrano
- Morales & Justiniano
- Platon Martinez Flores San Pedro & Leaño
- Sarmiento Loriga Law Office
- Siguion Reyna, Montecillo & Ongsiako

## SINGAPORE DOMESTIC

### TIER 1

- Allen & Gledhill
- Rajah & Tann Singapore
- Morgan Lewis Stamford
- WongPartnership

### TIER 2

- Drew & Napier
- TSMP Law Corporation

### TIER 3

- Baker McKenzie Wong & Leow
- Bird & Bird ATMD
- CNPLaw
- Dentons Rodyk
- Duane Morris & Selvam
- Harry Elias Partnership
- RHTLaw
- Shook Lin & Bok

### NOTABLE FIRMS

- Dechert
- Eng & Co
- Oon & Bazul
- Prolegis
- Virtus Law (Member of the Stephenson Harwood (Singapore) Alliance)
- Withers KhattarWong

## SINGAPORE INTERNATIONAL

### TIER 1

- Allen & Overy
- Clifford Chance
- Linklaters
- Milbank

### TIER 2

- Freshfields Bruckhaus Deringer
- Herbert Smith Freehills
- Hogan Lovells Lee & Lee
- Jones Day
- Latham & Watkins
- Norton Rose Fulbright
- Morrison & Foerster
- Skadden, Arps, Slate, Meagher & Flom
- White & Case

### TIER 3

- Ashurst
- Gibson Dunn
- HFW
- K&L Gates Straits Law
- King & Spalding
- Pinsent Masons MPillay
- Shearman & Sterling
- Sidley Austin
- Stephenson Harwood (Member of the Stephenson Harwood (Singapore) Alliance)

### NOTABLE FIRMS

- Bryan Cave Leighton Paisner
- Clyde & Co
- CMS Cameron McKenna Nabarro Olswang (Singapore)
- Dechert

- DLA Piper
- King & Wood Mallesons
- LNT & Partners
- Mayer Brown
- Nishimura & Asahi-Bayfront Law Alliance
- Reed Smith Pte Ltd.

## SOUTH KOREA DOMESTIC

### TIER 1

- Bae, Kim & Lee
- Kim & Chang
- Lee & Ko
- Shin & Kim
- Yulchon

### TIER 2

- Barun Law
- DR & AJU
- Hwang Mok Park
- Jipyong
- KL Partners
- SEUM Law
- Yoon & Yang

## SOUTH KOREA INTERNATIONAL

### TIER 1

- Cleary Gottlieb Steen & Hamilton
- Paul Hastings
- Ropes & Gray
- White & Case

### TIER 2

- Ashurst
- Baker McKenzie
- DLA Piper
- Herbert Smith Freehills
- Latham & Watkins
- O'Melveny
- Skadden, Arps, Slate, Meagher & Flom

## TAIWAN

### TIER 1

- Baker McKenzie
- Jones Day
- Lee and Li, Attorneys-at-Law
- Tsar & Tsai Law Firm

### TIER 2

- Eiger Law
- Formosa Transnational Attorneys at Law
- K&L Gates
- LCS & Partners
- Lexcel Partners
- Lin & Partners Attorneys-At-Law
- Winkler Partners

### TIER 3

- Chen & Lin
- Formosan Brothers Attorneys at Law
- Lee, Tsai & Partners
- Liang & Partners
- Nishimura & Asahi
- PricewaterhouseCoopers Legal, Taiwan

## THAILAND

### TIER 1

- Allen & Overy (Thailand)
- Baker McKenzie (submission)
- Linklaters (Thailand)
- Weerawong, Chinnavat & Partners

### TIER 2

- Chandler MHM
- Hunton Andrews Kurth
- Siam Premier International Law Office
- Thanathip & Partners
- Tilleke & Gibbins

### NOTABLE FIRMS

- Axis Legal
- Blumenthal Richter & Sumet
- DFDL
- DLA Piper
- Kudun & Partners
- Norton Rose Fulbright
- Rajah & Tann Thailand
- SCL Nishimura & Asahi
- Silk Legal
- The Capital Law Office
- Watson Farley & Williams

## VIETNAM

### TIER 1

- Allen & Overy
- Allens
- Baker McKenzie
- Freshfields Bruckhaus Deringer
- VILAF
- YKVN

### TIER 2

- DFDL
- Frasers Law Company
- Hogan Lovells
- LNT & Partners
- Mayer Brown
- Nishimura & Asahi
- Rajah Tann LCT Lawyers
- Tilleke & Gibbins
- Vision & Associates

### NOTABLE FIRMS

- Allen & Gledhill
- Global Vietnam Lawyers
- MHM Vietnam

transaction recorded in the first half of 2022 in Thailand.

"Major M&A themes, such as portfolio calibration and enhancement, transformation and seeking economies of scale, will continue to dominate the M&A landscape in the second half of this year as investors look to strengthen their competitive positions and find new avenues of growth," said KPMG.

The consulting firm said that deal-makers in Thailand and abroad will continue to monitor geopolitical tensions and rising inflation "and their consequent impact on supply chains, demand and economic policies." 

## METHODOLOGY

### OUR RESEARCH

- The research covers the period spanning from August 2021 to July 2022. This includes both ongoing work and matters that were closed during this timeframe.
- ALB has drawn its results from firm submissions, Thomson Reuters M&A data, interviews, editorial resources, and market suggestions to identify and rank the top firms for M&A in Asia.
- The rankings are divided into tiers, with the first tier identifying the strongest M&A firms in each jurisdiction.
- The rankings cover the following jurisdictions: China, Hong Kong, India, Indonesia, Japan, Malaysia, Philippines, Singapore, South Korea, Taiwan, Thailand, and Vietnam. There is no Asia-wide table.
- The rankings feature both domestic and international firms. The following jurisdictions have separate tables for domestic firms and international firms: China, Japan, and South Korea.
- Our research does not cover Australia and New Zealand.

### OUR RANKINGS

Our rankings are based on the following metrics:

- The volume, complexity and size of work undertaken
- Presence across Asia and in individual jurisdictions
- Key personnel hires and growth of the practice group

# HOPE AND OPPORTUNITIES

A new administration and policies, the end of a pandemic, and fast-changing global trends all mean that law firms in Korea have their hands full when it comes to assisting clients in a dynamic environment. Leaders of three firms weigh in on their priorities going forward, and how they are adapting to keep up with the change. **BY SARAH WONG**

**ALB: What direction has the new administration of Yoon Suk-yeol ushered into the Korean regulatory landscape, and as a result, what are the policy impact on practice and deal-making environment in Korea and the Asia-Pacific region?**

**YOUNG JUNE YANG, managing partner, Kim & Chang:** The new administration is expected to give greater discretion to the private sector to enhance corporate vitality but emphasise the value of fairness by revising current competition regulations and strengthening regulations on unfair trade practices.

The government has also expressed that they will continue to focus on occupational safety, fairness, and co-prosperity with respect to labour issues, and maintain the current legislative framework on reducing serious accidents in the workplace.

With Big Tech, the government pledged that it aims to foster new industries such as metaverse and digital platforms by expanding the use of commercial cloud services and software in the public sector and strengthening OTT services and other media companies.

The Yoon administration also announced plans to devise and codify practical measures to reduce greenhouse gas emissions and strengthen obligations to install EV charging stations.

**KYU CHUL LEE, managing partner, DR & AJU:** The Yoon administration aspires to revitalise private investments by instituting broad policy reforms. Demonstrating a strong will to deregulate unnecessary restrictions, the administration recently established the "Regulatory Innovation Strategy Meeting," presided over by the president, and formed 37 regulatory innovation

task forces in 37 government ministries. Accordingly, prospects are bright for the trade and investment climate of Korea and the Asia-Pacific Region.

However, it is too early to fathom whether the new administration's initiative will usher in meaningful changes to regulations and facilitate private investment to create a welcoming environment for foreign investment and deal-making.

DR & AJU continually monitors government operations and actively participates in the policy-making process of government ministries to ease excessive regulations and prevent regulatory risks for our clients.

**MIKE McCLURE, partner and head of Seoul, Herbert Smith Freehills:** I've not seen much that will affect outbound dealmaking so far and a level legislative playing field will support investment certainty.





2021 saw a 32 percent increase in foreign direct investment overseas by Korean companies last year and I don't see much evidence that will decline in 2022.

Importantly, the president has already signalled support for technology, the energy transition and private capital investment - all are areas in which Korea excels and in which we, too, are already very active in both dealmaking and dispute resolution.

**ALB: What measures has your firm taken to adapt to the rising clientele interests in ESG investment and digital assets in the face of tightened regulations or potential crackdown from authorities?**

**YANG:** Kim & Chang, through its ESG Practice Group, has been committed to developing its capability to advise on ESG matters. The ESG Practice Group is the hub organisation within the firm that connects the firm's various practice groups to deliver a holistic approach to clients on ESG matters.

Kim & Chang also recently launched the ESG Management Research Centre

which proactively advises clients in formulating their ESG vision, mid-to-long-term ESG strategies, establishing ESG operation and performance management system, and provides consultation services on clients' ESG performance. The ESG Practice Group has now grown to more than 50 lawyers and experts working together to advise our clients on a broad spectrum of ESG issues.

Kim & Chang also provides comprehensive advice to local and foreign companies on blockchain technology and virtual asset-related businesses.

Under the current environment where areas of unclear regulatory standards exist or the government has yet to establish a firm policy, Kim & Chang's Virtual Assets Practice Group collaborates with other practice groups specialising in FinTech, capital markets, AML, and foreign exchange transactions to provide our clients with comprehensive and effective legal services for novel and complex legal issues.

It advises on a variety of legal issues including ICOs and virtual asset transactions to a broad client base that includes virtual asset exchanges, technology companies, funds, and financial institutions.

**LEE:** DR & AJU established an ESG Advisory Group to help clients effectively cope with ESG issues, such as climate crisis, protection of human rights, and transparency. The ESG Advisory Group provides comprehensive advisory services regarding ESG management, including carbon neutrality, work environment, prevention of industrial accidents, fair trade in supply chains and proxy advisory. Furthermore, the ESG Advisory Group is supported by the recently established AJU Research Institute of Corporate Management.

Additionally, DR & AJU established a Metaverse and Blockchain Legal Support Team to provide future-oriented comprehensive solutions to entrepreneurs who are facing new challenges and entering an era of digital transformation in line with the emergence of the blockchain-based industrial ecosystem and transition to leading-edge technology, such as the Metaverse, NFTs, and DeFi. As existing regulations for investigation

requests into unreported overseas exchanges, etc., are being strengthened, the Metaverse and Blockchain Legal Support Team has set top priority on providing advice to pre-emptively respond to this regulatory trend. As for the NFT, DR & AJU is conducting in-depth analysis and providing advice on copyright issues in particular. The grounds for direct regulation on virtual assets are still unclear, but DR & AJU is also closely monitoring overseas regulatory trends to enable prompt response when domestic regulations are introduced.

**McCLURE:** ESG is everywhere and heard in every client conversation. We relaunched our global ESG practice last year, with a focus on each 'letter' across the globe to answer those needs.

Similarly, we've been embedding digital literacy across our practices for some time. This year saw extra investment in both our own digital transformation as a

firm and in the legal expertise required to manage complex digital and tech matters for clients.

It's important for Korea's global companies to have advisers who can manage the rapidly evolving web of laws and investigations triggered by ESG regulations worldwide. We're currently handling a number of disputes arising from crypto and digital businesses both in Korea and in other parts of Asia.



**Young June Yang**



**Kyu Chul Lee**



**Mike McClure**

**ALB: Which areas of expertise is your firm planning to strengthen to bolster its competitiveness in the regional and global markets?**

**YANG:** We recently launched the Russian Sanctions Task Force Team, as Korean and foreign companies are increasingly seeking advice on various legal issues related to sanctions and export controls imposed on Russia. The team advises on issues regarding export control measures against Russia and conducts reviews of existing and new agreements involving Russia.

The firm also launched a research centre dedicated to international tax issues. The centre, which is made up of experts and former government officials, will help companies prepare for new tax payment cooperation obligations that are aligned with global standards, especially as they relate to the impact of a two-pillar approach agreed to by OECD and G20.

We already have a strong team of Anti-Corruption & Corporate Compliance professionals, and we continue to build upon this practice.

**LEE:** Following the recent emergence of the Serious Accidents Punishment Act and ESG as key issues in corporate management, DR & AJU has promptly established a specialised advisory group comprising professionals with both expertise and field experience to deliver timely legal services.

Through the establishment of the Risk Management Group and the launch of proxy advisory services, DR & AJU has steadily built the capacity to provide services beyond conventional legal advisory and deliver comprehensive consulting with full coverage of general and strategic management issues. DR & AJU concentrates all resources to offer clients corporate-level support for anticipating and pre-emptively responding to changes in global dynamics or political and regulatory risks both globally and domestically.

Moreover, DR & AJU has implemented in full-scale a self-developed AI solution to significantly enhance the employees' capacity to search and analyse legal documents, further

improving the quality and efficacy of its legal services.

**McCLURE:** Asia is a growth area for our firm, and the rate of investment in systems and people across the region in 2022 so far has been exceptional.

We're creating cross-practice ecosystems in the firm in priority areas such as energy transition, tech, projects and infrastructure, and private capital, blending our regional expertise in M&A, finance and disputes.

The 40-year heritage of our firm in Asia, coupled with a recruitment strategy focused on attracting and retaining

**"Talented attorneys are more than just a product of their academic achievements. As the nature of our practice requires a cooperative approach to client representation, we look for attorneys who are able to work within a team-oriented environment. We also are always on the lookout for talents who have a positive mindset, and who can be trusted by their colleagues and senior partners."**

— Young June Yang, Kim & Chang

Asian legal talent, provides the bedrock for our ambitions.

**ALB: What combination of skillsets is your firm looking for in terms of lawyers who can better meet the demands of clients, as well as support you in your growth plans?**

**YANG:** Kim & Chang's greatest strength is that our clients can receive instant support from top experts who are familiar with the laws, regulations, and industries of any field, and find insightful solutions to complex cross-border issues. This is only possible because we have

the country's top-level experts who are responsible and highly motivated.

In our experience, talented attorneys are more than just a product of their academic achievements. As the nature of our practice requires a cooperative approach to client representation, we look for attorneys who are able to work within a team-oriented environment. We also are always on the lookout for talents who have a positive mindset, and who can be trusted by their colleagues and senior partners.

**LEE:** DR & AJU aims to grow with sincere and creative professionals who are proficient in communication and collaboration and faithful in their duties. We are looking for visionaries with initiative, responsibility, and interpersonal skills.

To help such professionals achieve their ambition at DR & AJU, we will continue to pioneer new services unprecedented in the legal market, paving the way for DR & AJU to advance to the next level as a leading law firm in various fields.

**McCLURE:** We seek out talented leaders who have the potential to become the future of the firm, both in Seoul and across the region. Our goal is to develop great Korean lawyers with both local and global mindsets who can act as guides to our Korean clients on overseas matters.

As we near our 10-year anniversary, we're very proud of our investment record in Korean talent: from Dana Kim, our first Korean partner promoted from within the office, to the development from scratch of five paralegals now practising as associates in our London office.

**ALB: What are the key takeaways that your firm acquired during the Covid-19 pandemic and what opportunities have you identified as economic activities gradually return to normal?**

**YANG:** One key takeaway is how critical technology has been in getting us through the pandemic. It allowed us to stay connected with colleagues and clients despite social distancing. Virtual meetings saved us precious time spent on moving to and from different venues, resulting in big efficiency gains.

But virtual meetings reduced opportunities for training and mentoring associates that only personal interactions allow, and weakened personal bonds that construct a sense of common purpose and belonging. We compensated for this by stepping up all-firm communications, boosting one-on-one mentoring, and being more systematic about group activities and get-togethers (as permitted by COVID). But this is still a work in progress.

Fortunately, reduced personal interactions with clients haven't led to the fraying of client relationships we feared, as we learned to be more creative and proactive about client outreach. Frequent, customised webinars and personalised briefings, for example, proved to be an effective way to remain connected with clients.

With the pandemic being a wake-up call about the power of technology, we will be looking more seriously at AI and other technologies,

not only to boost efficiency but to make work even more satisfying and client-focused.

**LEE:** The COVID-19 pandemic has turned the world upside down. The norm has become the abnormal; the unimaginable has become reality. When everyone was waiting out the storm wrought by the pandemic, DR & AJU was counting the silver linings. Using the COVID-19 crisis as an opportunity to streamline operations, develop new projects, and lay the foundations for internal integration, DR & AJU seized the chance to gain higher ground in pioneering new areas of business for the post-Covid era.


**McCLURE:** The incidental impact of the pandemic in spurring rapid digitalisation and the transformation of virtual workplaces and global negotiations or hearings were well handled by Korea's companies.

We're not preparing for normality though. The economic and geopolitical

aftershocks of the past two years are only just being felt and the real impacts of climate change are now obvious.

Global companies are securing and diversifying their supply chains, for instance, while post-pandemic increases in inflation are creating a very volatile world for deal valuations and executions. Being international and interconnected allows us to support clients as the business and economic environment changes.

Climate change and its effects have complicated this year's energy and food supply problems and caused governments worldwide to face crisis upon crisis. Our advice to clients needs to balance medium-term business goals with the capacity to absorb short-term emergencies.

The ability to transfer legal and business solutions from around our international network for regional execution also gives us an edge in such uncertain times. 



KIM & CHANG

## Delivering Change

Kim & Chang has built a track record of "first-of-their-kind" and groundbreaking solutions that have had a profound impact on the law and in business. We are always engaging, pioneering, and evolving, as a trusted counsel and business partner to our clients.



# ASIA EMBRACES VIRTUAL BANKS

In August, Singapore saw the launch of its first digital bank in the form of GXS Bank, a joint venture between ride-hailing firm Grab Holdings and telco SingTel. But it's not alone in the region: Hong Kong and Japan have already seen digital banks being established, while Malaysia and Thailand have rolled out rules for the same. We look at the regulatory state of play in different markets. **BY ASIAN LEGAL BUSINESS**

Virtual banks have been touted by some as the banks of the future. These newly minted institutions have started popping up across the region and regulators have been issuing licenses and strengthening regulations for these new institutions.

Yet, across the Asia Pacific, the regulatory environment is uneven. Many new digital banks are still operating under rules originally created for and meant to regulate traditional bricks and mortar institutions.

Asian Legal Business examines the latest regulatory developments

around the growth of digital banks in key markets across the region.

## SINGAPORE

The first two full virtual banks were recently launched in Singapore.

Trust Bank, one of the new kids on the virtual bank block, is backed by a S\$400 million (\$284.5 million) investment from its shareholders, which are Standard Chartered Bank as well as grocery retailers FairPrice Group and NTUC Enterprise.

The range of products Trust Bank offers includes a credit card, savings

account, and family personal accident insurance. This is combined with Link Rewards, a loyalty programme integrated with the FairPrice Group's ecosystem.

Trust Bank's launch happened roughly around the same time as the introduction of GXS Bank.

GXS Bank is the virtual bank venture of telecoms company SingTel and ride-hailing company Grab Holdings. It is targeting the "underbanked" demographic that includes gig economy workers, self-employed entrepreneurs, and early jobbers.



Image: PopTika/Shutterstock.com



Charles Wong, the Singapore CEO of GXS, estimates this to be two out of every five adults.

"GXS is a homegrown bank on a mission to support the needs of the entrepreneurs, gig economy workers and early-jobbers in our community. To start, we are challenging the notion of what a basic savings account can do to support their goals and dreams," said Wong.

The virtual bank may have more products coming out soon to help customers reach their financial goals.

"Over the coming months, we will also tackle other obstacles that hinder consumers and small businesses from reaching their goals sooner, such as growing their wealth or accessing credit."

Both banks have no minimum balance requirements and provide more attractive interest rates than traditional banks that accrue daily.

In Singapore, there are two categories of virtual banks. The Monetary Authority of Singapore (MAS) has awarded licenses to digital full banks and digital wholesale banks.

Digital full banks are allowed to carry out all banking businesses and

offer all types of products to customers, just like traditional banks. Trust Bank and GXS Bank hold these licenses and have commenced operations while Singapore tech conglomerate Sea, which also secured a digital full bank license, has yet to unveil its virtual bank.

MAS has made it so that digital full banks operate as a "restricted digital full bank" until it has a minimum paid-up capital of S\$1.5 billion, expected within three to five years of business. At this stage, it can progress to being a "digital full bank" and all deposit caps are

**"The ability of virtual banks to break the strong grip of conventional financial institutions in the APAC region will increase penetration in a broader swathe of the market with product innovation and greater choice for customers. A consolidation of the sector may be necessary in the longer run."**

— Sue Wan Wong, Wong & Partners

removed. Prior to this point, the bank would be subject to a deposit cap of S\$75,000 per individual or S\$50 million in aggregate that is increased progressively. At the starting stage, restricted digital full banks can only solicit deposits from a limited scope of customers, and this limit is also lifted over time.

Digital wholesale banks, on the other hand, can only engage in the proposed business outlined in its application, although they may subsequently seek approval to expand its scope. While it has no restrictions on deposits from

businesses, deposits from individuals must be at least S\$250,000. They are expected to cater to businesses and non-retail customers only, although MAS may allow offerings to retail customers on an exceptional basis.

The two holders of digital wholesale bank licenses commenced operations in June 2022.

China's Ant Group launched ANEXT Bank with a focus on micro, small and medium enterprises (SMEs), particularly those with cross-border operations.

A consortium comprising Greenland Financial Holdings, Linklogis Hong Kong, and Beijing Co-operative Equity Investment Fund Management holds the other digital wholesale bank license. They have launched it as Green Link Digital Bank.

Digital full banks are subject to the same regulatory requirements as existing full banks, while digital wholesale banks are subject to the same regulatory requirements as existing wholesale banks. These include requirements relating to technology risks, money laundering and terrorism financing risks, and the conduct of non-financial businesses.

Out of the five licenses issued by the Monetary Authority of Singapore, there remains one tech giant Sea that has yet to commence operations.

#### MALAYSIA

Just north of Singapore's borders, the virtual-bank scene have been heating up in Malaysia.

Bank Negara Malaysia (BNM), the central bank, had already received 29 applications for virtual bank licenses by July 2021.

"The Central Bank of Malaysia has announced the approval granted to five successful applicants for the digital bank licences and will herald a change to the banking landscape in Malaysia when these applicants commence operations," says Sue Wan Wong, a partner in the corporate, commercial and securities practice at Malaysia's Wong & Partners, a member firm of Baker McKenzie.

All 29 applications were thoroughly assessed pursuant to section 10 (1) of the Financial Services Act 2013 and Islamic Financial Services Act 2013. It



required BNM to consider all the factors in Schedule 5 of the Acts and other relevant policy requirements.

The assessment criteria include the character and integrity of applicants, nature and sufficiency of financial resources, soundness and feasibility of business and technology plans, and their ability to meaningfully address financial inclusion gaps.

The applicants are also assessed on their own merits as well as relative to other applications based on each assessment criteria.

There are four levels of assessment carried out before licenses are issued and the reviews are supported by a cross-functional technical team, a review team, and internal independent observers from BNM's risk and legal departments.

"Digital banks are expected to further advance financial inclusion. By adopting digital technology more widely for everyday transactions, we can significantly increase opportunities for our society to participate in the economy - by overcoming geographical barriers, reducing transaction costs and promoting better financial management," said Bank Negara Malaysia governor Tan Sri Nor Shamsiah.

"Digital banks can help individuals and businesses gain better access to more personalised solutions backed by data analytics. As businesses move online, digital banking also provides a safer and a more convenient way to transact," she added.

Wong feels that any incumbents will need to step up through continuous innovation on the front to the back end. This can mean anything from product offering that is priced competitively and offering a seamless customer experience to technology stack that is reliable and current.

"New entrants will need to look beyond 'freebies' as a means to draw customers and focus on meeting the needs of the underserved markets through their innovative services and products," said Wong.

Virtual banks in countries with a big Muslim population like Malaysia will have the chance to delve into Islamic banking, which comes with its own set of rules in areas such as interest.

"As opposed to other markets, a key distinguishing feature and a space to watch in Malaysia would be the offerings and the reach of the two successful applicants for Islamic digital banking licenses," said Wong.

It is not merely the product suite or the user interface that will be closely watched.

"Any affinity partnerships that they may have when the products are rolled out and the approach to customer acquisition and growing the customer base will be of keen interest," said Wong.

Two out of the five Malaysian virtual bank licenses are under the Islamic Financial Services Act 2013. The holders are a consortium of AEON Financial Service, AEON Credit Service (M) and MoneyLion; and a consortium led by KAF Investment Bank.

The other three license holders are under the Financial Services Act 2013. They consist of a consortium of Boost Holdings. and RHB Bank; a consortium led by GXS Bank and Kuok Brothers; and a consortium led by Sea and YTL Digital.

After the announcement in April 2022, the license holders will go through a period of operational readiness. BNM will validate the process through an audit before they can commence operations. This entire process could take anywhere from 12 to 24 months.

BNM has said it will go on to work with the financial and fintech industries and relevant stakeholders to continuously enhance access to financial services throughout the country in line with the five strategic thrusts outlined in Malaysia's Financial Sector Blueprint 2022-2026.

## THAILAND, INDONESIA, AND THE PHILIPPINES

There is keen interest in virtual banks by other countries in the region, but the level of development varies.

"The region is fertile ground for virtual banks - a significant number of the population are digital natives, and this includes those in the underserved segments of any APAC country," says Wong of Wong & Partners.

"The ability of virtual banks to break the strong grip of conventional

financial institutions in the APAC region will increase penetration in a broader swathe of the market with product innovation and greater choice for customers. A consolidation of the sector may be necessary in the longer run," she adds.

But there are different levels of maturity among these relatively new institutions and from one country to the next.

Thailand has only just started building the regulatory environment for its own virtual banks.

In March 2022, the Bank of Thailand published guidelines for a public hearing during the second quarter on a licensing framework for virtual banks and for the sector's engagement in digital businesses.

The new guidelines will reflect previous recommendations from the central bank aimed at repositioning Southeast Asia's financial sector to serve a sustainable digital economy, according to the BOT. So far, there have yet to be any developments of note.

It is much the same case in Indonesia where Otoritas Jasa Keuangan, the country's financial services authority, issued new regulations in August 2021 to introduce its digital bank regulatory framework. This permits digital banking to be carried out by way of an establishment of a new virtual bank, or a transformation of an existing conventional bank into a digital bank.

The Philippines has actually been earlier than some of its ASEAN peers in moving forward with virtual banks.

In December 2020, the Philippines' central bank Bangko Sentral ng Pilipinas (BSP) issued its guidelines for the inclusion of 'digital banks' as a distinct classification of banks and to map out its corresponding licensing framework in its existing Manual of Regulations for Banks.

Much like Indonesia, the Philippines allows for the establishment of a new digital bank or the conversion of an existing bank to a digital bank. But as of September 2021, BSP stated it would stop accepting applications for digital banking licenses for three years. The number of digital banking licenses issued will be capped at just seven, to

allow the government to monitor the digital banking industry.

## HONG KONG

When it comes to virtual banks, Hong Kong has been an early mover. The SAR has arguably blazed the trail for these institutions when it started issuing the first batch of licences in March 2019 to online lending platform WeLab and joint ventures involving Bank of China (Hong Kong), Standard Chartered Bank and mainland Chinese insurer ZhongAn Online.

Virtual banks had collectively onboarded a total of 1.25 million customers with deposits totalling HK\$24 billion (\$3.06 billion) by the end of 2021, according to the Hong Kong government's second money laundering and terrorist financing risk assessment report.

"Since launching the initiative in 2018, the Hong Kong Monetary Authority (HKMA) has approved eight virtual banks, which are subject to the same regulatory regime for authorisation and ongoing supervision as a traditional bank," says Karen Man, a partner in Baker McKenzie's financial services group.

"Reflecting the initial aim that virtual banks should be a catalyst for financial inclusion along with promoting fintech and innovation in Hong Kong, the differentiating factor is that a virtual bank's services are primarily offered to retail and SMEs through the internet or other electronic channels rather than physical branches."

Man feels virtual banks need to differentiate themselves from traditional banks, despite being subject to the same rules and regulatory environment.

"As new entrants to the market, virtual banks have needed to adopt innovative approaches to attract and maintain their customer base, including by relying on the level regulatory playing field which enables them to seek the same authorisations as traditional banks to offer bundled investment-related services in addition to the usual deposit taking and payment services," says Man.

Recently, Hong Kong's ZA Bank launched its investment fund service. This makes it the first virtual player in the area to provide an integrated personal

financial platform that covers banking, investment, and insurance.

ZA Bank's customers can build their fund portfolios based on personal financial goals and transactions are automatically settled from savings accounts. This allows for the purchase and sale of funds with relative ease.

"Various surveys indicate that the general public is very interested in the banking services provided by virtual banks. However, it may take more time to know the details of such services and understand their new features as well

**"As new entrants to the market, virtual banks have needed to adopt innovative approaches to attract and maintain their customer base, including by relying on the level regulatory playing field which enables them to seek the same authorisations as traditional banks to offer bundled investment-related services."**

— Karen Man, Baker McKenzie

as the relevant terms and conditions," stated Arthur Yuen, the deputy chief executive of the Hong Kong Monetary Authority (HKMA), in a note.

"As the product design of the above recently launched personal credit products are relatively innovative, bank customers may not feel very familiarised with such products. The HKMA, therefore, requires virtual banks to enhance the related disclosures to customers," he added.

An HKMA circular issued in September 2020 requires banks,

whether conventional or virtual, to provide customers with a 'double reminder' when retail customers and small and medium-sized enterprises apply for unsecured loans and credit card products on digital platforms.


Even before they launched, the HKMA has also put in place a number of regulatory requirements on virtual banks regarding technology risk management and data processing, and requires virtual banks to obtain verification of their compliance by an independent third party.

"In the past few months, much work had been done on internal testing and preparations, as well as contingency plans for potential operational risks on the part of the virtual banks. While the groundwork has been meticulous, it may be unavoidable that some teething issues arise," said Yuen in 2019.

"After all, a virtual bank is a brand-new institution operating in a brand new way amid the ever-changing challenges of the real world. Should any unexpected issues arise, the virtual bank concerned should of course address them quickly and properly. At the same time, we also hope the public can demonstrate understanding."

While innovation is the key to the success of virtual banks, the regulatory environment needs to match the pace to provide a balance.

"Virtual banks have had to consider novel product /service combinations, marketing approaches and incentives as they seek to build their customer base. One of the key lessons has been that balancing the focus on innovation whilst also continuing to ensure compliance with the existing regulatory regime requires a considerably more nuanced approach with increased regulatory consultation to determine potential solutions than may otherwise be the case for a more traditional banking service model and product combination," says Man.

"The HKMA, and where applicable, the separate securities regulator the Hong Kong Securities and Futures Commission continue to facilitate this dialogue and enable innovation as virtual banks continue to strive for greater financial inclusion." 



## REGIONAL REPORT

## NORTHWESTERN CHINA

Gansu Province, Qinghai Province and Ningxia Hui Autonomous Region in northwestern China have a long history and rich resources. They are China's "green barriers" and bases for agricultural and energy reserves. With infrastructure construction, new energy and new materials, digital economy, new agriculture and other sectors booming, this region will advance its future development that promises to be green, digitalisation and open, bringing more opportunities for the legal sector.

BY HU YANGXIAOXIAO

Although still in the third tier among all provinces in China in terms of GDP in 2021, Gansu, Qinghai, and Ningxia – collectively known as Gan-Qing-Ning – have made a big leap compared to previous years.

Gansu, the strongest among the three, exceeded 1 trillion yuan (\$148 billion) in GDP for the first time last year. Ningxia achieved a GDP growth of 6.7 percent, and its capital Yinchuan breached 200 billion yuan in GDP for the first time. Although Qinghai's economic total is still not high, its capital Xining had a dazzling report card with GDP exceeding 150 billion yuan, ranking the ninth in terms of growth rate among all provincial capitals in China.

Last October, the Chinese government released the Outline of the Plan for Ecological Protection and High-quality Development in the Yellow River Basin, hailed as another major national strategy after the coordinated development of the Beijing-Tianjin-Hebei region, the construction of the Guangdong-Hong

Kong-Macao Greater Bay Area, and the integrated development of the Yangtze River Delta region.

Corresponding to the level of local economic development, none of Gansu, Qinghai and Ningxia is a major province for legal services. The number of lawyers in the three places combined only just exceeds 10,000, and the legal services industry there has long been facing the predicament of business areas being too traditional, lacking innovation of new practices, and difficulty in building up high-end business.

However, with more and more national law firms establishing presence in Gan-Qing-Ning, the service offerings of lawyers there are changing rapidly. For them, pursuing relentless study amid such pressure is the key to holding onto the northwestern market.

#### INNOVATE TO SUCCEED

In 2007, Dentons' Yinchuan office was formally established. According to the National Lawyer Credit Information

Publicity Platform, it is the first non-local legal service institution to set up shop in Ningxia. Gao Fengjiang joined Dentons Yinchuan then and became its director in 2012, "participating in its construction and development all the way."

"China launched the western development strategy in 2000, and the Ningxia government proposed to develop the legal services industry accordingly. Dentons was formulating and implementing the '1st Five-Year' plan at that time to expand its pursuit of international presence. It can be said that Ningxia's economic policies and Dentons' plan are made for each other."

Gao says he was working in a small local firm at that time. "I was young and felt this was an opportunity. So I was willing to grow with the Dentons team." That choice has now paid off: from less than 20 initially, Dentons Yinchuan has reached about 140 practicing lawyers this year.

Dentons' Xining office was also established around 2007. In 2020, the





former Dentons' Xining office merged with Zhifan Law Firm, a local Qinghai firm. After two years of integration and development, the merged firm now ranks among the top in Qinghai by the number of employees.

Qi Huicheng was once the founder of Zhifan Law Firm, and is now director of Dentons Xining. He recalls that when Zhifan entered the fifth year of development, he "clearly felt bottleneck, especially for emerging and high-end business which was very difficult to develop."

"At that time, I said to my partners: No matter how a local firm develops, it will always be like swimming in the shallow sea. We need to take the team to the bigger ocean." Although it has been only two years after the merger, Qi has already seen his original vision gradually becoming a reality: after the merger, Dentons Xining nearly tripled its performance in 2021 on the original basis, and "the number of State-owned enterprise clients and non-litigation business have increased significantly."

In 2018, Dentons' Lanzhou office was established. Its director, Pei Yanjun, tells ALB that before joining the Lanzhou office, he was also one of those lawyers who grew up in local firms. "Local lawyers usually do not have a very wide vision, and are still focusing on traditional fields." Choosing to join Dentons is precisely to leverage the brand advantage of a large firm to

achieve development beyond locality restrictions.

Dentons' Lanzhou office already had more than 100 employees when first established. Now it has over 130 practicing lawyers, and "ranks among the top three in Gansu whether in terms of employee number or business turnover." Pei points out that on Gansu's legal market, "scale" still brings great advantages, which is clearly reflected in the brand reputation, bidding performance and internal specialisation of Dentons Lanzhou.

#### NEW CHANGES IN TRADITIONAL SECTORS

Gan-Qing-Ning shares similar development history and resource status. Energy, construction and other industries play a pillar role in all three places, and are also sectors that traditionally have greater demand for legal services.

In terms of energy, coal in Ningxia, hydropower in Gansu, and hydropower and solar energy in Qinghai should not be underestimated. In the past few years, the "carbon peaking and carbon neutrality" goals mean that wind power bases and photovoltaic power plants are fast being built in Gan-Qing-Ning which already have the advantages of clean energy.

In 2021, the booming of the energy industry increased the added value of Ningxia's coal industry by 15.1 percent. "Ningxia's economic development

mainly relies on coal energy. Coal is firstly used for power generation and secondly for coal chemical industry development. The Ningdong Industrial Park, which is mainly built to develop the coal industry chain, was completed in the year 2000, contributing almost half of Ningxia's GDP," says Gao of Dentons Yinchuan. In addition, "Ningxia is also gradually developing new energy. Wind turbines are standing on many hills, while photovoltaic solar panels are scattered all over suburbs and sandy fields."

Meanwhile, according to Pei of Dentons Gansu, "Gansu has two major advantages. One is hydropower, and the other is new energy. In recent years, many central enterprises from across the country have come to invest in energy construction in Gansu. You will find that the vast Gobi Desert has already been covered by photovoltaics."

In Qinghai, Qi of Dentons Xining observes that State-owned enterprises are already preparing for business such as photovoltaic energy and straw incineration. On the other hand, "Qinghai boasts a large swathe of salt lake which contains 40 percent of China's lithium resource. Lithium is an important raw material for lithium batteries in cars. Geely Group has already invested more than 60 billion yuan here, eyeing the lithium industry."

There is a saying in China, "If you want to get rich, build roads first."

Achieving connectivity in the vast western region has always been the essence of the western development strategy, which has driven the rapid development of the construction engineering industry there in the past two decades.

This is also reflected in a law firm's client mix. Pei shares that Dentons Lanzhou currently serves close to 280 construction enterprises, "contributing to a large bulk of our revenue."

Construction enterprises are also clients that Dentons Xining focuses on. Qi comments frankly that since nearly 90 percent of Qinghai's infrastructure construction projects adopt transfer payments from the Central Finance, a large number of local projects are completed by central enterprises. "They will first consider panel firms of their headquarters. We are coordinating with the Dentons' headquarters so that similar projects can be shifted more to the Xining office in the future."

After serving construction clients for such a long time, Pei has observed profound changes in this field in recent years. "One is the frequent occurrence of lawsuits in the construction industry due to economic pressure brought by the pandemic, and the other is the dramatic increase in non-litigation business such as bond issuance, restructuring, and mergers and acquisitions by relevant companies."

Another change is the widespread adoption of the "public-private partnership (PPP)" model. Under this model, an enterprise participates in an infrastructure project from the moment the project is established, and follows through subsequent design, construction, concession operation, etc. Therefore, Pei tells ALB that now lawyers also need to accompany a company throughout all the processes. Such company "requires legal advice from lawyers for every decision, which lets us get deeply involved in the company's management."

Qi also feels deeply about this. In construction, he calls this new service model "full-chain legal services from start to operation, and legal fees have also changed from itemised charges to full-chain service fees."

Apart from the construction industry, the traditional finance and real estate sectors served by Dentons Xining have also undergone similar changes. "The financial sector used to be mainly about the collection of non-performing assets, but now financial institutions require lawyers to have venture capital, funds and asset companies that they are familiar with to realise claims through restructuring. Therefore, lawyers cannot just go to court, but must be familiar with investment banking business and have corresponding resources."

In the real estate sector, Dentons Xining has even encountered cases with companies asking law firm teams to act as transitional managers when projects ran into problems. "This has gone beyond the lawyering business we used to know... Our products must keep up with the needs of clients, so that we can handle challenges with ease and confidence."

## NEW SECTORS EMERGING

While innovating traditional services, lawyers in Gan-Qing-Ning are also constantly following the development of new industries in the hope of expanding into new business areas.

The first area worth noting is the gradual implementation of digital economy. In the digital era, the demand for digital infrastructure centered around data centres is increasing. Such infrastructure is energy-intensive. As a result, the reserve of energy, especially clean energy, has become an advantage that cannot be ignored in Gan-Qing-Ning.

In the beginning of 2022, the project of "Eastern Data Western Computing" was officially launched. Zhongwei in Ningxia is one of the planned national cloud computing centres. Gao tells ALB that Alibaba, Amazon, and the three major telecommunications operators in China have already built or are preparing to build data bases in Zhongwei.

According to Gao, since the state requires data centre projects to be operated in a joint venture structure involving multiple companies, "the services we provide are mainly for setting up corporate equity structures and assisting companies in complying with local

government regulations." However, Gao believes that the services provided by lawyers in Ningxia for the digital economy are still "too traditional... We encourage young people to deepen their study in this field to find service breakthroughs."

Qingyang in Gansu is also one of the national data centre clusters planned under the project. However, Pei says frankly that the corresponding construction has not yet been fully rolled out, and Dentons Lanzhou "is actively discussing with the local government and hopes to get involved as soon as possible."

Thanks to the location advantage of northwestern China in connecting Eurasia, foreign-related legal services also continue to develop in the past years.

Although Gan-Qing-Ning have always been called the bridgehead of the "Belt and Road Initiative," due to local export-oriented economy being less active, lawyers there almost had no opportunity to serve foreign-related business in the past. The opening of the Trans-Eurasia Logistics, and the establishment of various bonded areas and pilot cross-border commerce zones are changing this situation.

Qi of Dentons Xining has a lot to share. "There are more than 170 enterprises in Qinghai that are 'going global', as well as entities from Pakistan and the Middle East that set up shop in Qinghai. The demand for foreign-related legal services is quite high. We will explore further after the pandemic, and foreign-related business may become a new growth highlight for the Xining office."

In addition to matching the development of local industries, some legal practice areas have also achieved impressive growth in Gan-Qing-Ning in recent years.

For example, bankruptcy and restructuring has become one of the star practice areas of Dentons Xining. Qi shares that the Xining office has applied to become a bankruptcy administrator recognised by the Qinghai Provincial High People's Court. With the demand of enterprises for asset reorganisation rising amid the pandemic, this practice area has achieved rapid development.

In addition, the Xining office has made breakthroughs in both digitisation and standardization for bankruptcy practice. For example, with relevant software, lawyers can now organise online creditors' meetings of up to 300 attendees, and bankruptcy reorganisation has become a standardised practice in the Xining office where juniors can get up to speed quickly after receiving training.

Qi and Pei also both point out the rapid development of compliance and capital market practices in Qinghai and Gansu. On the other hand, Gao highlights the development of government legal services. In addition, Dentons Yinchuan also has teams of lawyers specialising in family wealth inheritance, human resources, criminal law, and finance.

When it comes to the focus of development in the next stage, Gao says: "In the past two years, Ningxia has listed nine major industries, namely goji berry, wine, dairy, beef cattle and Tan sheep, electronic information technology, new materials, green food, clean energy and culture and tourism." Taking the dairy industry as an example. Big brands such as Yili, Mengniu and Guangming have all set up production and processing bases in Ningxia, with an annual output of 60 to 70 billion yuan. "We should still aim at the government's policy priorities and actively participate."

### SEEKING MATURITY

As mentioned above, restricted by economic development, incomplete statistics show that the total number of lawyers in Gan-Qing-Ning has just exceeded 10,000, and there are about 840 law firms in those three places, most of which are small firms. However, the legal markets in those places have also undergone rapid changes in recent years.

"In terms of maturity and future development, Gansu is an emerging market. In the past, a firm who can generate revenue of two or three million yuan was considered a top firm. Now it is common for a firm to generate tens of millions, or even close to 100 million yuan in revenue. Moreover, the legal services market continues to expand, and various new business formats have

emerged, giving lawyers more business," says Pei.

However, the pressure on lawyers is not small. According to Pei, "the arrival of many large firms in Lanzhou has raised the level of legal services of lawyers in Gansu, but has also put a lot of pressure on local lawyers. Within the next three to five years, small full-service firms will largely be eliminated. In the future, Gansu's legal market will evolve in two directions: large flagship firms and small boutique firms."

According to data from the National Lawyer Credit Information Publicity Platform, there are currently 14, 10 and 22 local offices of non-local firms in Lanzhou, Xining and Yinchuan respectively. Gao of Dentons Yinchuan has much to say about competition. "Ningxia has 4.5 lawyers per 10,000 residents, above the national average. Competition thus is very fierce. However, the development of innovative business lags, as a result of which everyone is competing in traditional fields."

Gao says Dentons Yinchuan looks forward to developing together with peers. "Our training and activities are all open, and we welcome everyone to join us online to learn and make progress together."

The past three years of the pandemic have also brought new challenges to firms in Gan-Qing-Ning. For example, Qi points out that before the pandemic, Qinghai's annual GDP was about 300 billion yuan. "Under the pandemic, this figure may shrink dramatically, but the number of practicing lawyers is increasing year by year... In addition, firms like Dentons Xining that adopt an integrated system also face cost increase." As such, Qi believes that the only way out is to rely on occupying new markets by "venturing into new areas, nurturing clients, and making clients willing to pay for high-quality services."

### FUTURE STRATEGIES

In order to seize opportunities in an ever-changing market, formulating and implementing correct strategies is the key. Heads of Dentons' offices in Gan-Qing-Ning have their own thoughts.

Qi of Dentons Xining has put digitalisation on the agenda. "I have been

thinking about how a national brand like Dentons can localise on the Qinghai market. In addition to brand reputation, it is also necessary to let clients clearly feel the advantage of differentiation during service delivery. To this end, we require young lawyers not only to master basic computer office tools, but also to be proficient in visualisation software so that they can display complex legal relationships and business processes with clear diagrams to enable clients to grasp relevant information at one glance."

In the eyes of Pei of Dentons Lanzhou, the future development of a firm lies in continuously developing new business areas and emphasizing specialisation while not abandoning traditional practices. At present, the Lanzhou office has already set up more than ten specialised teams.

In addition, management is also on Pei's radar, especially management with human touch. "The common problem of lawyers is that they are detached from the firm. So, we hope that apart from professional exchanges, we can also design more mechanisms to show our care for everyone."

Gao of Dentons Yinchuan hopes to respond to the ever-increasing competition with specialisation, teamwork, development of new business and training of young people. "Everyone has been talking about specialisation for a long time. In Yinchuan, however, not many people have pursued specialisation, but those who have done so are developing very well... We have already introduced some new policies to encourage the formation of specialised teams internally."

The Dentons brand and the collaborative resources of 46 Dentons offices across the country also provide confidence for the future development of its Gan-Qing-Ning offices. "Dentons has more than 8,000 lawyers across the country, formulating into a huge market and client base," says Qi. "How to better develop the markets it has already occupied and open up the channels between offices to excavate market resources? If fully activated, we estimate that we can increase market share by at least 50 percent." 



# 7 STEPS TO LEAD YOUR RETURN-TO-OFFICE EFFORTS

BY ANNE E. COLLIER

Efforts to forge a smooth return-to-the-office in law firms need to take into consideration many new factors and attitudes that weren't prevalent before the pandemic.

By all accounts, the elements of a successful return-to-office (RTO) effort are murky. Indeed, formulating a workable solution that makes everyone happy seems insurmountable. The reason for the consternation is that since 2020 the office working norm has been turned on its head, and it's been too long to go back to normal. In fact, normal has pretty much been dematerialised. So, instead of getting back to a normal that is no longer possible, the RTO has become a problem for many leaders.

The flexibility in work location that lawyers are able to enjoy only serves to amplify the options and number of decisions leaders must make. It also means that leaders who desire an RTO must figure out how to do so without spurring resentment and resignations. There are numerous reports of lawyers threatening to quit if they are forced to come into the office when other employers aren't making that a requirement. And, of course, the changing economy may affect that.

The nature of the RTO problem is really about leadership. A leader's efficacy, especially in difficult times, affects how team members feel about their work and the organisation more broadly. Thus, although leaders may be exhausted by the plethora of return-to-office issues, for their team to be successful, they need to be mindful of each decision's impact.

### A 7-step process for leading an RTO

To effectuate change that is not necessarily welcome, leaders must cultivate buy-in among the managers, professionals, and staff within the firm. Here's how they can do it:

**1. Clarify why:** If leaders accept that the hard-fought education level of lawyers is evidence of commitment and intrinsic motivation to serve clients, leaders must also accept that industrial-revolution style command-and-control concepts such as timecards and surveilling the factory floor don't apply to their workplace. Add to that the fact that technological advances of recent years now mean that people can work from just about anywhere.

So then, why do leaders care about where people work? As a leader, you must be able to answer this question so that your people don't complain that the RTO is a perfunctory timewaster. Identify meaningful benefits such as the opportunities for conversations in hallways or over lunch, and in face-to-face meetings range anywhere from nice-to-have to critical to firm culture, mentoring, and the functioning of the team.

**2. Create safety & invite discussion:** An important aspect of culture is whether team members feel safe enough to express concerns, question leadership, and offer alternative solutions. Foster discussion with team members so that you can address any concerns. Not only does this lessen the sting of an RTO for the resisters and increase buy-in for all, but you convert the RTO problem into a team problem.

**3. Ease into the RTO:** Obviously, give plenty of notice that an RTO is imminent. Consider easing into the RTO by requesting cameras during virtual meetings — and be sure to follow this example yourself. This practice is especially beneficial in the absence of a full RTO or if some workers remain fully virtual. No one wants a detached culture.


**4. Establish expectations:** A leader's clarity concerning expectations is critical to trust and perceptions of fairness. Even before the RTO, set core hours for meetings and availability, team-wide

work-from-home days, and time without meetings.

**5. Address the real problem:** An RTO is not a substitute for trust. You either trust team members to do the work or you don't. If the work is not getting done, address that. Consider that the struggling team member may need training, coaching, or other support. Don't conflate the cause of performance issues with working from home. Answering the question of Why? with any response that smacks of distrust would be toxic.

**6. Be flexible and adopt a problem-solving mindset:** Leaders must remind themselves that RTO is an ongoing challenge and avoid wedding themselves too intensely to a particular aspect of their RTO strategy. Whatever comes up, avoid frustration by focusing on finding the next solution. Accept that RTO and the balance between working from home and the office are likely to evolve.

**7. Be calm, patient, and make the next decision:** When the need for change or an exception does arise, stay calm and patient. Your demeanour is one of the most important determinants of team culture and success. Make the time to listen, consider, and respond clearly and decisively.

Leading through change isn't always easy. That said, if you trust this seven-step process and your team, then both you and they will be more cohesive and effective. More than anything, an RTO effort is a time when insightful, decisive leadership is crucial for success. 

*Anne E. Collier, MPP, JD, Professional Certified Coach, is the CEO of Arudia, a firm dedicated to improving culture, collaboration, and communication.*

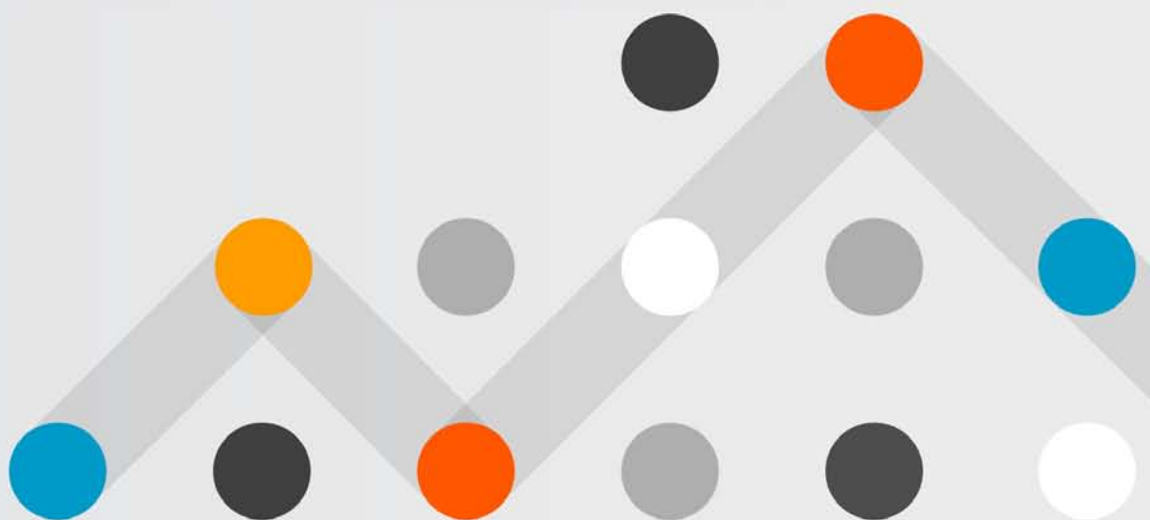
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