



TOP 100 LAW FIRMS

AMERICAS ▶ EUROPE ▶ ASIA ▶ AFRICA



David W. Rivkin
IBA - Debevoise & Plimpton
P. 14



Robert Hays
King & Spalding
P. 40



Henry Nassau
Dechert
P. 42



Celso Costa
Machado Meyer
P. 50



Mauricio Olaya
Muñiz
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Daniel Hochstrasser
Bär & Karrer
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Filippo Troisi
Legance
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Joëlle Boisvert
Gowling WLG
P. 31



Daniel Daeniker
Homburger
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Olivier Clevenbergh
Strelia
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ÉLODIE SIGAUX
MANAGING EDITOR

SURVIVAL OF THE SWIFTEST

“To provide the best legal service to one’s client” as David W. Rivkin, President of the IBA puts it in these pages, should be a law firm’s ultimate purpose. And increasingly, the market demands nothing less.

Last year witnessed a shaken up legal market, in which colossal mergers between law firms still took place, contrasting with the emergence of boutique law firms, which were extremely specialized and sometimes located in different corners of the world, such as Three Crowns or Quinn Emanuel, that marched to the beat of their own drum.

Ever since, more and more law firms have started to equip themselves with dedicated management and CEOs in order to capitalize on the opportunity provided by new markets opening up, such as in Iran where international law firms have begun to set up offices. CMS was the first to cross the line, followed by Dentons Europe more recently.

Challenging times for law firms

Legal markets rely heavily on the global economy and may be affected by changes to its course. The aftermath of the Brexit referendum in June 2016 was proof, if any more were needed, of this reality. Even if it brings more work in the short term, there is still much uncertainty about how lawyers will be affected when the UK exits the EU.

Revenues of law firms decreased last year and many found it hard to keep up with past global M&A levels. Financial concerns can sometimes lead international companies to reconsider resorting to outside lawyers and instead give tasks to their own corporate legal departments. While this may be a threat to lawyers, some work, such as litigation, is surely still within their scope.

The challenge will be met through innovation, finding new ways to stand out in an ever competitive legal market. And of course, last but not least, maintaining quality.



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THE GLOBAL MARKET



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METHODOLOGY

Quantitative and qualitative data used for the tables of each legal market focus were collected in the following ways:

- Questionnaires and submission forms, sent out to law firms annually, that allow for accurate and up-to-date data.
- Phone calls made directly to the communication department of each law firm in order to get clarifications and verifications.
- Law firms' websites allowing the number of associates, partners and offices to be tallied.

Readers should be aware that:

- Table content may vary according to the features of each law firm and the legal market of each country. Focus is made on the number of partners and associates and generally does not take into consideration the number of legal assistants and paralegals.
- Numerical data is based on data collected during the 1st semester of 2016. It does not take into account changes made after July 2016.



GLOBAL100

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2016 Legal Market: Expansion on a tight budget

THE QUANTITATIVE DATA PROVIDED TO US BY *THE AMERICAN LAWYER* SHOWS THAT YET AGAIN THERE HAS BEEN AN ALARMING DECREASE IN FIRM REVENUE. IT IS BECOMING INCREASINGLY DIFFICULT TO KEEP UP WITH PAST GLOBAL M&A LEVELS. WHAT'S MORE, IN RESPONSE TO FINANCIAL PRESSURES, LEGAL DEPARTMENTS ARE INTERNALIZING THEIR SERVICES WHILE FIRMS ARE BECOMING MORE AND MORE SPECIALIZED.

GLOBAL MARKET FOCUS

Law firms are heading towards expansion as the economic environment becomes driven by globalization. This is leading to legal mergers in Asia, Africa and North America in order to gain access to emerging global markets. The appetite for geographical presence in these new markets continues to grow for law firms that see this as an initiative to gain distinction. The Asian region, in particular, has been a popular place for expansion. Therefore it is no surprise that 84 out of the 100 top global firms this year have some kind of presence, be it offices or desks, in Asian markets.

In 2016, mergers and acquisitions have continued to grow despite an overall struggle to increase revenue in the current legal market. For firms like DLA Piper, gaining global clients has become second nature. Last year, it added offices in New Zealand, Morocco and Saudi Arabia. This year, the firm announced the grand opening of its South African office. This global expansion however came at a hefty price. Indeed, DLA Piper dropped three spots in the Global 100

ranking to number five (*Source: The American Lawyer*). Meanwhile, some law firms made the choice to be more strategic and advance with caution. This was the case for both Latham and Dentons. Although they expanded their international influence, their new alliance resulted in a major win. Latham, which ranked 3rd in 2015, now dominates the legal market in 1st position. Dentons however made the biggest improvement, climbing from 18th to 6th place in the space of one year.

FROM LARGE TO MEGA- DOES BIGGER MEAN BETTER?

There is no evidence yet to suggest that bigger is better, however this hasn't stopped a trend of mega global firms from emerging onto the legal landscape. Thanks to mergers, firms are able to cover a larger area of expertise as well as increase brand presence domestically and abroad.

Even with the rewards, however, merging

large firms can cause extensive challenges. Apart from the financial commitments, the need to leverage brand homogeneity with an increased number of locations and/or employees, changes in company culture and elevates the number of specialties,

creating a big directional change, making it a difficult adjustment for attorneys and partners to structure the relationship they have with their clients.

In terms of size, mega firms like Dentons make themselves known with the number of lawyers and the range of geographical foot-

prints they have. Increased globalization and increased opportunity for cross-border transactions are growing parallel to each other making internationality a necessity to achieve mega firm status. This increased activity in acquisitions that occur within mega firms will undoubtedly alter the evolution of the legal market in their favor.

There is no question that globalization pro-

**“THERE IS STILL HOPE
FOR LAW FIRMS IF
THEY SWIFTLY ADAPT
TO THE CHANGING
LEGAL MARKET”**

BIGGEST LEGAL MERGERS OVER THE LAST 24 MONTHS

In 2016, although most legal mergers involved firms with international offices, the majority made the choice to stay national.

Firm 1	Main Office	Size	Firm 2	Main Office	Size
DLA Piper	New York	4490	Gronberg Advokatbyrå	Stockholm	21
Clyde & Co	London	1800	Thornton Davis & Fein	Miami	18
Squire Patton Boggs	Washington	1500	Caroll Burdick & McDonough	San Francisco	50
Lewis Brisbois	Los Angeles	1023	Mannion Gray	Cleveland	14
Wilson Elser	New York	815	Jankoff & Gabe	New York	3

Source: Altman Weil Inc.

vides mega firms with a competitive edge in working with multinational companies. Yet it also comes down to the effect these firms have on small and mid-sized players, such as the boutique firms, which could be potentially devastating over the long-term for independent legal attorneys.

MAKING THE LEAP INTO ASIA

The IMF predicts that growth will decrease slightly to 5.5% (compared to 5.6% in 2015) for the whole of Asia at a time of increased volatility and reduced credit flows. The main pull for law firms coming to Asia in particular is China's robust future economic outlook. Recently, Baker Botts expanded into China by hiring three energy partners from Jones Day. Not to mention the biggest merger in history when Dacheng and Dentons decided to join forces to create the biggest mega firm on the planet.

With its geographical location, and its role as one of the main financial, business, and legal hubs in Asia, not to mention the rise of the surrounding ASEAN economies, an ever increasing number of international law firms have established offices in Singapore. Factors such as government incentives, connectivity to the rest of the region, an open economy, and the liberalization of the local legal market, have also added to the attractiveness of Singapore as a regional hub for these international law firms to service clients not just in Singapore but also in the rest of Asia. Quite a few of these international firms hold a Qualified Foreign Legal Practice (QFLP) license, which enables them to practice not only the law of their home jurisdictions, but also to advise on non-contentious legal matters in Singapore. International firms holding such a license include White & Case, Clifford Chance, Allen & Overy, Latham & Watkins, and Norton Rose Fulbright.

In 2016, South Korea is set to become the next top legal M&A destination. Latham, Linklaters and Allen & Overy have already started negotiations with local firms. As the 4th largest Asian economy and the world's 12th largest, South Korea has become a hot spot for global firms wanting to attract clients from the energy, electronics and automobile industries. South Korea has progressively opened up its market to international firms. While in the past, EU firms could only set up representative offices, it is expected that in 2016, "foreign lawyers, who can only practice in the country as foreign legal consultants, will be allowed to enter into partnership with, and employ South Korean lawyers" (Source: Law Gazette)

GROWING AUTONOMY OF CORPORATE LEGAL DEPARTMENTS

Corporate legal departments and big law firms have been growing apart in recent years. While in the past, general counsels would outsource a big chunk of their activity to outside firms, financial woes are forcing them to think twice. Amongst the many reasons law firms were so highly solicited was their expertise in complex transactions and cross-border regulations but also the constitution of teams dedicated to data analysis. That being said, the use of these services came at a hefty price, with lawyers being paid on an hourly basis. The emergence of new technologies as well as the internalization of services is allowing corporate legal departments to cut costs.

Examples of solutions brought to the table are the use of technology to replace lawyers in due diligence and the pretrial discovery process regarded by general counsels as "basic tasks." Furthermore, there is also the possibility of creating an alliance













































of firms handling corporate transactions for a flat fee. This was the case for example with the Pfizer Legal Alliance (PLA), which is composed of 19 law firms. Together, they handle 75% of the company's outside legal work (Source: Harvard Business Review). Other corporations like Prudential Property Investment Managers have decided on outsourcing complex transactions to major London law firms leaving the remaining work to less expensive firms. Companies like Cisco have produced complex tables to decide if internalization or outsourcing is the better option. According to Marc Chandler (Cisco GC), while intellectual property strategy can be handled internally, there is still a need to work hand in hand with firms on high-stakes litigation, compliance and HR policy. Hence, there is still hope for law firms if they swiftly adapt to the changing legal market.



















































THE NICHE FIRMS

Niche and more specialized firms have greater expertise on the subject matter and have a chance to build closer relationships with their clients. According to a former attorney for Fragomen, Del Rey, Bernsen & Loewy, Lynden Melmed, "we have a team of lawyers and support staff whose sole job it is to stay updated on the developments in the law. The dedicated resources are hard to replicate at a big law firm." As a result, becoming specialized leaves plenty of room for firms to define their success beyond profit per partner and headcount, however this philosophy will require change. To survive among the new faces of the legal industry, firms will still have to rethink the way they deliver legal services and how they differentiate themselves from others in the market. ■

The 100 best global law firms

Latham & Watkins overtook Baker & McKenzie as the biggest revenue generator this year. Total revenue of the best 100 global law firms has also risen from last year by 4.5% to \$92.7 billion (£69.83 billion).

Rank 2015	Rank 2014	Firm	Origin	Revenue (£)
1	3	Latham & Watkins		1,733,754,550
2	1	Baker & McKenzie	Verein	1,589,820,210
3	4	Skadden Arps		1,576,735,270
4	6	Kirkland & Ellis		1,508,039,335
5	2	DLA Piper	Verein	1,504,928,986
6	18	Dentons	Verein	1,387,003,640
7	5	Clifford Chance		1,350,000,000
8	8	Allen & Overy		1,281,200,000
9	10	Jones Day		1,269,893,427
10	7	Linklaters		1,266,700,000
11	9	Freshfields Bruckhaus Deringer		1,245,000,000
12	13	Sidley Austin		1,221,413,724
13	16	Morgan, Lewis & Bockius		1,206,431,468
14	10	Norton Rose Fulbright		1,118,000,000
15	12	Hogan Lovells	Verein	1,079,000,000
16	15	Gibson, Dunn & Grutcher		1,004,446,473
17	14	White & Case		996,614,455
18	31	Ropes & Gray		909,403,330
19	20	Greenberg Traurig		863,606,040
20	17	Sullivan & Cromwell		859,680,558
21	25	Simpson Thacher & Bartlett		836,127,666
22	23	Mayer Brown		822,388,479
23	19	Herbert Smith Freehills	International	815,000,000
24	21	Cleary Gottlieb Steen & Hamilton		793,274,488
25	24	Weil, Gotshal & Manges		761,543,508
26	26	CMS Legal Services		753,303,587
27	28	Wilmer Cutler Pickering Hale & Dorr		745,841,580
28	27	Reed Smith		734,689,286
29	35	Paul, Weiss, Rifkind, Wharton & Garrison		725,887,047
30	29	King & Wood Mallesons		719,671,700
31	32	Davis Polk & Wardwell		719,671,700
32	22	K&L Gates		696,742,305
33	34	Paul Hastings		691,211,956
34	33	Quinn Emanuel Urquhart & Sullivan		682,052,498
35	39	King & Spalding		666,350,570
36	30	Morrison & Foerster		640,704,087
37	40	Akin Gump Strauss Hauer & Feld		608,495,977
38	N/A	Squire Patton Boggs	Verein	607,860,888
39	38	Orrick, Herrington & Sutcliffe		597,458,360
40	53	Cooley		596,673,264
41	37	McDermott Will & Emery		583,324,662
42	42	Dechert		582,432,082
43	46	Goodwin Procter		566,250,779
44	41	Shearman & Sterling		562,848,694
45	36	Ashurst		561,000,000
46	63	Wachtell Lipton		544,006,381
47	44	Proskauer Rose		537,987,308
48	47	Winston & Strawn		535,501,170
49	N/A	Kim & Chang		515,691,600
50	49	Milbank Tweed		504,424,437

Rank 2015	Rank 2014	Firm	Origin	Revenue (£)
51	50	Debevoise & Plimpton		495,216,565
52	58	Perkins Coie		489,703,880
53	60	Holland & Knight		486,759,768
54	54	Covington		485,778,398
55	66	Wilson Sonsini Goodrich & Rosati		480,871,545
56	65	Baker Botts		460,917,012
57	48	O'Melveny & Myers		450,907,032
58	52	Alston & Bird		450,121,936
59	55	Slaughter and May		447,900,000
60	56	Foley & Lardner		446,196,454
61	61	Cravath		436,055,626
62	68	Willkie Farr & Gallagher		430,494,526
63	62	McGuireWoods		427,608,819
64	51	Arnold & Porter		425,260,550
65	71	Baker & Hostetler		414,465,475
66	59	Vinson & Elkins		410,670,842
67	57	Bryan Cave		403,557,869
68	67	Clyde & Co		395,300,000
69	86	Locke Lord		390,743,980
70	72	Seyfarth Shaw		386,005,730
71	64	Eversheds		380,748,000
71	73	Katten Muchin Rosenman		367,381,935
73	77	Sheppard, Mullin, Richer & Hampton		366,051,197
74	70	Pillsbury Winthrop Shaw Pittman		364,415,579
75	74	Pinsent Masons		362,400,000
76	69	Hunton & Williams		345,442,416
77	75	Littler Mendelson		331,376,106
78	78	Fried, Frank, Harris, Shriver & Jacobson		329,936,762
79	97	Fragomen, Del Rey, Bernsen & Loewy		323,198,018
80	89	Venable		312,224,698
81	N/A	Slater & Gordon		308,697,467
82	93	Troutman Sanders		306,514,720
83	79	Faegre Baker Daniels		304,879,102
84	N/A	Jenner & Block		304,153,550
85	76	Cadwalader, Wickersham & Taft		303,243,485
86	N/A	Blake, Cassels & Graydon		302,326,030
87	88	Nixon Peabody		301,678,526
88	85	Simmons & Simmons		290,100,000
89	84	Duane Morris		284,270,322
90	95	Kilpatrick Townsend & Stockton		269,222,641
91	N/A	Polsinelli		268,241,270
92	N/A	Osler, Hoskin & Harcourt		267,994,091
93	96	Drinker Biddle & Reath		267,914,147
94	N/A	Jackson Lewis		266,384,474
95	N/A	Lewis Brisbois Bisgaard & Smith		265,624,282
96	94	Schulte Roth & Zabel		265,297,159
97	N/A	Williams & Connolly		263,661,541
98	N/A	Ogletree Deakins		261,044,553
99	99	Berwin Leighton Paisner		259,200,000
100	90	Bird & Bird		259,000,000



DAVID W. RIVKIN

President of the International Bar Association (IBA),
Co-Chair of the International Dispute Resolution Group,
DEBEVOISE & PLIMPTON

“The independence of the Bar is under attack in many countries around the world”

Leaders League. What have been the key directions of your tenure as President of the International Bar Association?

David W. Rivkin. I have been honored to lead so many important projects on behalf of the International Bar Association. We have worked to make sure that the IBA continues to serve the legal community and acts as the global voice of the legal profession in the best way we can.

We have continued our groundbreaking work on climate change justice. Many IBA committees have worked on implementing the recommendations of the 2014 task force report. Two working groups have drafted reports on a model statute on remedies and on adaptation issues, both of which will be discussed at the IBA’s annual conference in Washington. I was able to participate in various meetings during the COP21 summit in Paris in December 2015. I mentioned the importance of including human rights language in the COP21 agreement, and I was very pleased that such language was included. I have since spoken at climate change conferences at the UN, with the World Bank and in other important fora. At many of them, we were the only legal organization represented, and I have been able to stress the critical role that lawyers must play in advancing the goals of the Paris accord.

Our human trafficking task force has written an excellent report on the impact of corruption on human trafficking, which will be presented at the Washington annual conference. With the Singapore government, we have organized and presented a substantial training program for judges, lawyers and others, and we will be presenting a similar program in the UK with the government there.

Through the IBA’s Judicial Integrity Initiative, which I created, the IBA has engaged in multiple efforts to combat judicial corruption. This is important work for the IBA as every time there is judicial corruption, there are two lawyers involved! I describe this work in more detail in my answer to one of your subsequent questions.

The independence of the Bar is under attack in many countries around the world. I have spoken out against the imprisonment of lawyers in China and Turkey, among other countries, and efforts to control lawyers in Malaysia and other countries. My task force

on the independence of the legal profession will present its report at the Washington conference.

I was also proud to support the IBA’s extensive training of lawyers in Cuba on basics of international business law, by meeting with top government officials in Havana last September. We have undertaken this training throughout 2016. The IBA’s Human Rights Institute established the Independent Lawyers Association of Myanmar, and I had the honor of opening its inaugural conference in January 2016 with Aung San Suu Kyi.

In all these efforts, the IBA’s voice has been heard at the highest levels of government. I have been able to speak at the OECD Ministerial Meeting on bribery and corruption, the then Prime Minister Cameron’s conference on corruption, a UN-led conference on Climate Action, and a conference at the Vatican, at which the Pope spoke, on human trafficking and corruption, among others.

Leaders League. What progress has been made in the field of judicial corruption?

D.W.R. The IBA Judicial Integrity Initiative has undertaken significant, and I believe positive, steps to combat judicial corruption. After meeting with experts, including judges from every continent (among them three chief justices), in early 2015, we undertook an extensive survey of what actually occurs when there is judicial corruption – information that the experts had told us was not previously available. The IBA issued this report, prepared with the Basel Institute for Governance, in May 2016; it is available on the IBA website. We have now begun many different practical initiatives that should have a significant, practical impact: We are working with various member bars and judiciaries to draft a joint judicial anti-corruption compact that will be signed by layers, judges, prosecutors and court clerks and will be publicly available; we hope that this will help change public expectations of corruption. We are preparing best practices compilations on prosecutorial practices and on bar association practices regarding corruption. We are considering how to create a certification process that judiciaries have appropriate procedures to avoid corruption. And finally, we are undertaking a study of national

anti-corruption laws to determine whether they make illegal the types of corruption found in our study.

Leaders League. What is your view on the rise of human rights practices in law firms?

D.W.R. I have been very proud of the IBA's adoption of the Practical Guide for Business lawyers on Business and Human Rights. It is critical that lawyers better understand how to advise our clients to avoid human rights impacts and to comply with the UN Guiding Principles on Business and Human Rights, as well as our own responsibilities as businesses. The IBA's Practical Guide will be a great resource for lawyers and bar associations in understanding these issues. This is becoming an important new field for law firms. In fact, my firm, Debevoise & Plimpton, has recently consolidated a Business Integrity practice, which incorporates our work on anti-corruption, public international law, investment management, M&A due diligence, disclosure, human rights and environmental law.

Leaders League. At the Climate Action Conference in Washington D.C. you stated that "The fight to combat climate change is the greatest challenge of our time." What is your take on the recommendations suggested during the COP 21?

D.W.R. I am very proud and hopeful about this agreement. It is the first time that the entire world came together to fight this problem. While the national targets are not formally binding, I believe that the transparency and reporting obligations in the agreement will essentially force compliance. I have been involved in multiple meetings sponsored by the UN Global Compact and others in which I have seen many commitments by companies to reduce their carbon usage in meaningful ways. I think that investors, consumers and regulators will increasingly demand that of companies, so that companies which get ahead of the curve will benefit.

Leaders League. We have witnessed a number of massive mergers between law firms lately, creating "mega law firms." How do mergers and acquisitions between law firms impact the global legal market?

D.W.R. The IBA has members from every size of law firm: the big mega firms, some global firms with a limited number of offices worldwide, and independent law firms. We

are pleased to see that lawyers from all these types of practices find the IBA to be very useful.

There are obviously different views, among lawyers and clients, as to how to provide the best legal service to one's client. In my opinion, maintaining quality is the most important aspect. Lawyers can more effectively serve their clients by working with the best team for a particular transaction or litigation. I think the shake up in legal market will continue in the next few years. Some of the firms that have expanded tremendously have had financial issues dealing with the consequences of being in so many places. Some firms, as we have witnessed, have overstretched themselves with financial commitments. The lesson is for firms to make sure that they are not making commitments beyond what they are able to deliver.

Leaders League. You also co-chair Debevoise & Plimpton's International Dispute Resolution Group. How do you envision the future of international arbitration and other alternative dispute resolution modes?

D.W.R. The growth of international arbitration worldwide over the last decade is clear, and the importance of regions outside the United States has also grown tremendously in recent years. Asian seats are really developing: it is now evident Asian companies don't need to go all the way to Europe to resolve their disputes. A number of African countries are also working to develop as important arbitration seats, and I have no doubt that will occur soon. The same is true with Latin America, where we have been handling a great number of arbitrations, especially arbitrations seated in Brazil. The competition among seats that we are witnessing leads to innovation and the establishment of best practices, which helps the entire field move forward.

The biggest challenge arbitration faces is its growing cost and time. I have been very outspoken about that: we need to adapt procedures to cases. Too many arbitrators still accept long procedures and think they can take a year or more to issue their decisions. I think parties actually hire arbitrators to conduct an efficient hearing and to issue their decision. I have spoken and written that arbitrators and parties should do a better job of understanding at the beginning of a case what they each expect from the other and even write down those expectations in a contract governing the case. ♦

**"EVERY TIME
THERE IS JUDICIAL
CORRUPTION, THERE
ARE TWO LAWYERS
INVOLVED!"**

SPECIAL REPORT



A resounding success for the 9th edition of the International Legal Alliance Summit & Awards

450 LEADING PARTNERS, GENERAL COUNSELS AND CHIEF IP COUNSELS FROM OVER 45 COUNTRIES GATHERED ON JUNE 16, 2016 AT NEW YORK'S PRESTIGIOUS CROWNE PLAZA HOTEL TO NETWORK, GET THE LATEST INSIGHTS AND REWARD THE BEST PERFORMERS IN THE LEGAL PROFESSION. THE 9TH EDITION OF THIS ANNUAL INTERNATIONAL EVENT SENT OUT A POSITIVE SIGNAL TO INTERNATIONAL LAWYERS. LEADERS LEAGUE UNITED INTERNATIONAL GENERAL COUNSELS AND CHIEF IP COUNSELS WITH MANAGING PARTNERS FROM WORLDWIDE LAW FIRMS AT THE INTERNATIONAL GENERAL COUNSELS AWARDS CEREMONY, HELD DURING LUNCH, AND THE INTERNATIONAL LAW FIRM AWARDS, DURING DINNER. THE ROOM WAS FILLED WITH GREAT ENTHUSIASM BECAUSE OF THE MANY OPPORTUNITIES TO MEET OTHER PROFESSIONALS DURING ONE-TO-ONE MEETINGS AND CONFERENCES.

More than 1,000 pre-arranged meetings took place during the summit, creating bridges between law firms and in-house counsels, as well as between peers.

High-profile participants had the opportunity to fill their agendas with One-to-One meetings. Our online platform offered the possibility to book these appointments weeks ahead of the event with targeted clients, prospects or current clients in order to maintain and enhance referral networks. This was a unique opportunity to create a worldwide roadshow without touring the globe: Asian lawyers could meet with Latin American professionals while European General Counsels met with US magic circle partners, creating a time dedicated to fruitful possibilities.

Far more than a simple business card exchanging exercise, participants valued the opportunity to take the first step toward possible future collaborations.

Expert, insightful conferences brought up interest in the latest legal issues, thanks to the intervention of decision makers who shared their views and best practices with the audience, broaching key topics and delivering ideas and solutions to underlying problems.

Manny Schecter (Chief Patent Counsel at IBM), Daniel Feder (Director, Patent Portfolio Management at Boeing) and Tom Sabatino (Executive Vice President



& General Counsel at Aetna) were, according to our audience, people you would be pleased to get advice and to hear opinions from. Top-notch speakers animated the fourteen roundtables on Managing the Legal Department, Cross-Border deals and IP related topics. These issues were covered by representatives from such companies as Time Inc, Hess Corporation, United Airlines, ABB, Canon, Verizon and AT&T. Deep insights were given and

practical cases brought up covering the important matters of the day. In addition, the dynamic interactive format of the panels, between speakers and the audience, added content and raised key underlying problems. *"It was extremely productive. I think our panel went very well and numerous people told me that they greatly enjoyed the practical and tangible advice"* said Alex Ponce de Leon, Corporate Counsel at Google.

SPECIAL REPORT



Prestigious heads of legal and IP departments shared the spotlight during the seated lunch of the 5th edition of the International General Counsel Awards.

The importance of the legal aspects in each company's operations is essential and faces various challenges in a fast moving environment, and this ceremony aimed at rewarding the best performing legal, IP and tax departments of multinational companies. Winners stepped on stage to be publicly recognized for their great achievements, acknowledged by more than fifty jury members composed of General Counsels.

Across the Americas, Asia and Europe, legal, IP and tax departments took prizes. For instance, PepsiCo won the Gold Award in the Best USA IP Department 2016 in terms of Trademarks, APM Terminals was elected Best Tax Department 2016 in Overall Strategy, and Canon took the Gold Award for the Best IP Department category. Wei-Fu Hsu, General Counsel at Mediatek said "Thank you so much for all

the work of this great event. I particularly was very grateful and honored to receive this award. I look forward to participating again in your future event."

Last but not least, the intensive one-day program came to an end with the International Law Firm Awards, held during a gala dinner, where the best independent law firms from all over the world shone.

During the evening ceremony winners were announced in no less than twenty-five categories, decided by over a hundred specialists General Counsels and Chief IP Counsels in total. From China to Brazil, France to the US, the best leading law firms were rewarded either for their long-lasting performance in specific practices or for their overall strategy. The growing community shows how market oriented and environmentally relevant this event has become. The joyful and exciting ceremony was followed by a gourmet dessert banquet where everyone celebrated with cakes and cocktails.

The award recipients were honored to receive a prestigious distinction, several noting it was a wonderful shot in the arm for their team and how satisfying it was to keep living up to the expectations of their clients and peers.

The International Legal Alliance Summit & Awards in New York has successfully enhanced its reputation thanks to its rich and varied program, but also thanks to the legitimacy given by the caliber of the 450 participants attending, and by the unquestioned expertise of the General Counsels and IP Counsels who shared their views and elected the 2016 winners for both ceremonies.

Thanks to the success of the first three editions in New York, the ILASA has successfully made its footprint in North America, confirming the huge interest in the concept and program of the event. Attendees once again enjoyed a tremendous experience, and the legal world is already looking forward to the 10th edition of the event in 2017.♦

SPECIAL REPORT



ONE-TO-ONE

ALLIANCE MEETINGS

One-to-One meetings: How to make a worldwide business roadshow in one single day

IN THE SUMPTUOUS SURROUNDINGS OF THE CROWNE PLAZA HOTEL ON JUNE 16TH, OUR ATTENDEES HAD THE OPPORTUNITY TO MEET UP WITH PEERS FROM THE LEGAL COMMUNITY. OUR ORGANIZATION TAKES GREAT PRIDE IN OFFERING THE POSSIBILITY TO FORM LASTING BUSINESS RELATIONSHIPS IN ONLY A FEW MEANINGFUL HOURS.

Anybody working within the legal community knows that time is one of their most valuable resources. Helping legal professionals expand their business network with minimum time and budget constraints was the idea at the very core of these meetings. The continuous development of our event has allowed us to improve the organization of these gatherings. Participants are now able to arrive at the event with their itinerary in hand or on their smartphones, aware of whom they will be meeting and might have potentially met. People of all profiles took part, from managing partners of law firms to general counsels and heads of IP. And diversity was not only evident in their professions but also their origins, as all continents were represented.

With dedicated time slots and specially designated rooms, meetings succeeded each other smoothly, and participants were able to make the most of their time. Lawyers were able to create new business opportunities and extend their referrals and best friend network, while in-house legal professionals took this opportunity to bond with peers or meet lawyers in specific practices.

Another advantage of the One-to-One meetings was the pool of representatives of law firms and companies with whom one might have an encounter. On the corporate law firms side, many key players were available to meet, such as Cravath, Swaine & Moore or Fitzpatrick for the US, Bennett Jones or Blake, Cassels & Graydon from Canada, JunHe from China, Ca-

rey from Chile, the list goes on. In terms of IP firms, attendees could meet with Alston & Bird (USA), Nagashima Ohno & Tsunematsu (Japan) or Cabinet Plasse-raud (France). Prestigious IP directors and general counsels gladly participated, such as Wei Fu Hsu, Group General Counsel at Mediatek, or Judy Jarecki Black, Global Head of Intellectual Property at Merial, for example.

From early morning to cocktail hour, more than 1,000 meetings were hosted and business relationships emerged or were reinforced in this positive atmosphere where everyone had something to gain. Participants showed real appreciation in acquainting themselves with so many quality professionals from around the world. ♦



SPECIAL REPORT

INTERNATIONAL

General Counsel AWARDS

DEDICATED TO THE BEST LEGAL, INTELLECTUAL PROPERTY AND TAX DEPARTMENTS, THE INTERNATIONAL GENERAL COUNSEL AWARDS WAS HELD FOR THE SIXTH TIME THIS YEAR. THE CEREMONY TOOK PLACE AT THE CROWNE PLAZA HOTEL IN NEW YORK, ALLOWING THE 450 PARTICIPANTS TO MEET AND INTERACT WITH PEERS OF THE LEGAL PROFESSION.

The methodology goes as follows: four to five nominees were shortlisted in each of the thirteen categories covering the globe, with two worldwide categories. Once the nominations were made, the nominees filled in application forms and left a high-level jury made up of 60 General Counsels, IP directors and Tax directors, all from international top companies such as Honeywell, Unilever, Aetna, Dassault Systèmes, Bombardier Aerospace. They then elected the 2016 winners based on the well-informed application forms filled in by the nominees, while also based on their vast knowledge and expertise of the market.

Hosted by Elodie Sigaux, Publication Director at Leaders League, the ceremony finally got underway. Category after category, winners had the opportunity to shine on stage at the calling of their company's names by a member of the jury.

We started our virtual tour of the globe with our host country and a category rewarding the Best USA Legal Department in Financial Services & Insurance sector. Thomas Russo was the first to come up on stage to pick up the award on behalf of the American International Group. Other winning American companies included Motorola Solutions, Hasbro, Boeing, PepsiCo, who were distinguished in more specific sectors such as Industrial & High Tech, Consumer Goods & Retail, Patents or Trademarks.



Their Canadian neighbors followed, with Packers Plus Energy Services winning for the Best Canadian Legal Department.

Similarly, we rewarded the best performers in Latin America: CPFL Energia was distinguished as Best Legal Department for this region with a special distinction for Cielo, while Braskem and EcoPetrol won as the Best IP Departments.

We then landed on the other side of the globe to reward overseas departments and had the honor to welcome Bruce Schelkopf, Chief IP Counsel at ABB, to pick up the gold award for the Best European Legal Department category.

Hyundai Heavy Industries was designated as the 2016 Best Asian & South Pacific Legal Department.

The spotlight was finally put on global companies: APM Terminals won the gold award in the category Best Tax Department: Overall Strategy; while Canon and Tom-Tom were rewarded for their Best IP Department: Overall Strategy.

This luncheon was also an enriching opportunity for networking; a particular occasion to meet the entire legal community worldwide and interact with new people. For the ninth consecutive year, the feedback received confirms that this is a one-of-a-kind occasion to get to know representatives from the legal community worldwide. ♦

SPECIAL REPORT

INTERNATIONAL

General Counsel AWARDS

Networking and Excellence: ILASA establishes its legitimacy in New York

WITH A SPIRIT OF INNOVATION, THE INTERNATIONAL LEGAL ALLIANCE SUMMIT & AWARDS SUCCESSFULLY GATHERED MORE THAN 450 DELEGATES DRAWN FROM NATIONS COVERING FIVE CONTINENTS. AND WHAT BETTER VENUE TO WELCOME THEM FOR THIS THIRD EDITION OF THE GENERAL COUNSEL AWARDS THAN NEW YORK'S COSMOPOLITAN CROWNE PLAZA HOTEL.

The presence of representatives from several multinational companies such as Boeing, IBM, Google, Citigroup, Verizon, AT&T, Canon, Time Inc or Aetna raised the notoriety of the event both within and outside of the US. These prestigious in-house counsel were joined by leading law firms and IP firms, opening up numerous business leads.

The strong presence of in-house counsel at this 9th edition of ILASA also maintained an excellent level at the expert insights conferences. ♦



SPECIAL REPORT

INTERNATIONAL

General Counsel AWARDS

The 2016 International General Counsel

Awards Winners are:

◇ USA

Best USA Legal Department 2016:
Financial Services & Insurance
American International Group (AIG)

Best USA Legal Department 2016:
Industrial & High Tech Sector
Motorola Solutions
Special distinction: AOL Inc.

Best USA Legal Department 2016:
Consumer Goods & Retail
Hasbro

Best USA IP Department 2016:
Patents
Boeing

Best USA IP Department 2016:
Trademarks
PepsiCo

○ CANADA

Best Canadian Legal Department 2016
Packers Plus Energy Services

□ LATIN AMERICA

Best Latin American Legal Department 2016
CPFL Energia
Special distinction: Cielo

Best Latin American IP Department 2016
Co-winners: Braskem
and Ecopetrol

○ EUROPE

Best European Legal Department 2016
ABB

◇ ASIA

Best Asian & South Pacific Legal Department 2016
Hyundai Heavy Industries

□ WORLDWIDE CATEGORIES

Best Tax Department: Overall Strategy 2016
APM Terminals

Best IP Department: Overall Strategy 2016
Canon
Special distinction: Tom-Tom

SPECIAL REPORT



25 categories reward law firms from all over the world at the 9th edition of the Law Firm Awards

THE INTENSE ONE-DAY PROGRAM CONCLUDED WITH THE LAW FIRM AWARDS CEREMONY, WHICH REWARDED THE ELITE IN THE LEGAL PROFESSION AT A GALA DINNER ATTENDED BY MORE THAN 450 PEOPLE. WITH A GLAMOROUS TONE AND IN A CONGENIAL ATMOSPHERE, THE CEREMONY RECOGNIZED THE BEST LAW FIRMS IN EACH DOMESTIC MARKET FOR THE DEPTH OF THEIR PRACTICE, THEIR LONG-TERM STRATEGY AND THEIR LATEST REMARKABLE ACHIEVEMENTS. THIS YEAR AGAIN, BOTH CORPORATE, IP AND OTHER SPECIFIC PRACTICES FROM ALL OVER THE WORLD WERE REPRESENTED.

The nomination process started six months ahead of the event and was based on suggestions made by the jury members and international rankings. As for the International General Counsel Awards, law firms were shortlisted and submitted application forms that helped jury members make their decisions along with a multi-criteria analysis that included rankings, expertise in corresponding practices, and also the number of cases or deals resolved in different markets. And similarly, the jury was composed of over a hundred general counsels from prestigious multinational companies and institutions such as Aetna, AXA, L'Oréal or Bombardier. With around 250 leading law firms submitting an application form, needless to say their task was more than difficult, which is why we would like to warmly thank them once more.

Latin America was the first continent in the limelight. The delegations from Marval, O'Farrell & Mairal and Uhthoff,

Gómez Vega & Uhthoff were delighted to be named Best Latin American IP Firm, while the Best Latin American Law Firm award went to Mattos Filho, Veiga Filho, Marrey Jr. e Quiroga Advogados and to Pérez Alati, Grondona, Benites, Arntsen & Martínez de Hoz (h). As for Best Mexican, Central American and Brazilian Law Firm, the distinguished law firms were Basham, Ringe y Correa and Creel, García-Cuéllar, Aiza y Enríquez, Arias & Munoz, and both Barbosa Müssnich Aragão and Veirano Advogados respectively.

Asia also had its moment, starting with Japan, where TMI Associates was distinguished as Best Japanese IP Firm, followed by China, as China Patent Agent (H.K.) and JunHe respectively won the Best Chinese IP Firm and Best Chinese Law Firm awards. In the Best Indian Law Firm category, Khaitan & Co won the Gold Award, while the very much coveted Best Asian Law Firm was won by Anderson Mori & Tomotsune. European categories were exclusively

focused on intellectual property practices. Winners included the French IP Firm Casalonga & Associés, the UK's famous Mewburn Ellis firm and also Cabinet Plasseraud from France and Hoffmann Eitle from Germany.

Last but not least, the North American categories were announced. Davis Polk & Wardwell saw their outstanding performances rewarded by winning the much sought-after *Best USA Overall Corporate Law Firm* award. With four categories, IP practices were not forgotten and saw representatives from prestigious firms such as Fitzpatrick, Cella, Harper & Scinto and Smart & Biggar/Fetherstonhaugh walk off with awards.

Year after year, the Law Firm Awards has proven to be a major and enjoyable award ceremony, and this year's, the fourth edition to be held in New York, has established the international dimension of the event. ♦

SPECIAL REPORT

Record participation at the 9th International Law Firm Awards

IT'S NOW BEEN NINE YEARS SINCE THE FIRST INTERNATIONAL LEGAL ALLIANCE SUMMIT & AWARDS TOOK PLACE IN PARIS. OVER TIME, THE EVENT HAS GROWN IN IMPORTANCE AND IN CREDIBILITY, AS DEMONSTRATED BY THE INCREASING NUMBER OF PARTICIPANTS, REACHING NEW RECORDS IN 2016 IN TERMS OF QUANTITY BUT MORE IMPORTANTLY IN DIVERSITY, AS ALL CONTINENTS WERE REPRESENTED AT THE EVENT.

In an incessantly globalizing business world, it was our goal to focus on all the regions of the globe. Back at the Leaders League office in Paris, the organizing team did their very best to not only represent these continents at the event, but also to follow their nomination process in order to facilitate and encourage their attendance at the event. In our regional categories, we can proudly affirm that all countries submitted an application form, proving that the Law Firm Awards are now widely recognized as a must in the legal world. ♦



SPECIAL REPORT



The 2016 International Law Firm

Awards Winners are:

Canada

Best Canadian IP Firm 2016

Smart & Biggar/Fetherstonhaugh

Special distinction: Bennett Jones

Best Canadian Law Firm 2016

Fasken Martineau

Special distinction: Torys

USA

Best USA IP Firm: Patent Prosecution 2016

Co-winners: Knobbe, Martens, Olson & Bear
and Buchanan Ingersoll & Rooney

Best USA IP Firm: Patent Litigation 2016

Fitzpatrick, Cella, Harper & Scinto

Special distinction: Sterne, Kessler, Goldstein & Fox

Best USA IP Firm: Trademarks 2016

Kilpatrick Townsend & Stockton

Best USA Law Firm: International Arbitration 2016

Covington & Burling

Best USA Law Firm: Project Finance,

Infrastructure & Energy 2016

Norton Rose Fulbright

Special distinction: Skadden, Arps, Slate, Meagher & Flom

Best USA Law Firm: Competition & Commercial Law 2016

Cravath, Swaine & Moore

Best USA Law Firm: Regulatory & Public Procurement 2016

Covington & Burling

Best USA Law Firm: Independent Corporate Law Firm 2016

Co-winners: Cadwalader, Wickersham & Taft

and Wachtell, Lipton, Rosen & Katz

Best USA Law Firm: Growth Strategy 2016

Cooley

Best USA Law Firm: Overall Corporate Law Firm 2016

Davis Polk & Wardwell

Special distinction: Weil, Gotshal & Manges

Latin America

Best Latin American IP Firm 2016

Co-winners: Marval, O'Farrell & Maíral
and Uhthoff, Gómez Vega & Uhthoff

Best Central American Law Firm 2016

Arias & Muñoz

Best Brazilian Law Firm 2016

Co-winners: Barbosa Müssnich Aragão
and Veirano Advogados

Best Mexican Law Firm 2016

Co-winners: Basham, Ringe y Correa
and Creel, García-Cuellar, Aiza y Enríquez

Best Latin American Law Firm 2016

Co-winners: Mattos Filho, Veiga Filho, Marrey Jr.
e Quiroga Advogados

and Pérez Alati, Grondona, Benites, Arntsen & Martínez
de Hoz (h)

Special distinction: Philippí, Prietocarrizosa & Uría

Asia

Best Japanese IP Firm 2016

TMI Associates

Best Chinese IP Firm 2016

China Patent Agent (H.K.)

Best Chinese Law Firm 2016

JunHe

Special distinction: Haiwen & Partners

Best Indian Law Firm 2016

Khaitan & Co

Best Asian Law Firm 2016

Anderson Mori & Tomotsune

Special distinction: Yulchon

Europe

Best UK IP Firm: Prosecution 2016

Mewburn Ellis

Special distinction: D Young & Co

Best French IP Firm: Prosecution 2016

Casalonga & Associés

Best Pan-European IP Firm 2016

Co-winners: Cabinet Plasseraud

and Hoffmann Eitle

Special distinction: V.O.

INTERNATIONAL
Legal Alliance Summit
 &
 AWARDS

21TH
 JUNE
 2017
 10TH EDITION

NEW YORK CITY, MANHATTAN



CONFERENCES

- 14 panels of interactive round tables
- 500+ high level attendees from
- 40+ countries



INTERNATIONAL GENERAL COUNSEL AWARDS

- Seated lunch
- Rewards the most outstanding Legal, Tax and IP Departments



ONE-TO-ONE ALLIANCE MEETINGS

- Schedule your business meetings
- Meet potential referrals & clients



INTERNATIONAL LAW FIRM AWARDS

- Prestigious Gala Dinner
- Worldwide Competition: USA, Canada, Latin America, Europe and Asia

EXTRACT OF REGULAR SPEAKERS



BRUCE SCHELKOPF
Group Senior Vice President & Chief IP Counsel
 ABB



THOMAS RUSSO
Executive Vice President and General Counsel Legal, Compliance, Regulatory Affairs, and Government Affairs
 AIG



MELISSA SCANLAN
Senior Director, Intellectual Property and Antitrust
 T-MOBILE



DANIEL FEDER
Director, Patent Portfolio Management
 BOEING



MANNY SCHECTER
Chief Patent Counsel
 IBM



STEVE REYNOLDS
Executive Vice President & General Counsel
 ARAMARK



THOMAS SABATINO
EVP & General Counsel
 AETNA

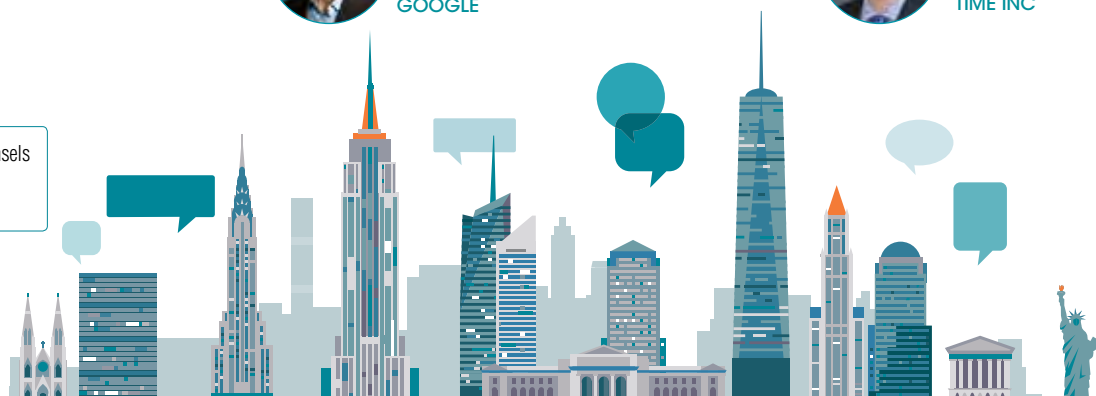


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THE AMERICAN MARKETS



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METHODOLOGY

Quantitative and qualitative data used for the tables of each legal market focus were collected in the following ways:

- Questionnaires and submission forms, sent out to law firms annually, that allow for accurate and up-to-date data.
- Phone calls made directly to the communication department of each law firm in order to get clarifications and verifications.
- Law firms' websites allowing the number of associates, partners and offices to be tallied.

Readers should be aware that:

- Table content may vary according to the features of each law firm and the legal market of each country. Focus is made on the number of partners and associates and generally does not take into consideration the number of legal assistants and paralegals.
- Numerical data is based on data collected during the 1st semester of 2016. It does not take into account changes made after July 2016.



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The Toronto skyline from Lake Ontario

Canada: A legal market facing up to new challenges

FOLLOWING A SERIES OF MERGERS WITHIN THE LEGAL MARKET IN 2015 AND EARLY 2016, CANADA IS NOW WITNESSING A NEW WAVE OF CONSOLIDATION AND TRANSFORMATION BOTH GEOGRAPHICALLY AND ECONOMICALLY. INCREASED PRIVATE EQUITY ACTIVITY HAS ALSO RESULTED IN HIGHER DEAL VALUES AND MORE ACTION WITHIN THE CORPORATE/M&A PRACTICES OF MAJOR LAW FIRMS. ALSO, DESPITE THE OIL CRISIS AND ITS KNOCK ON EFFECT FOR THE LEGAL MARKET, THERE ARE STILL PROMISING SECTORS IN CANADA SUCH AS TECHNOLOGY AND LIFE SCIENCES. BOTH WILL BE EXCEPTIONAL DRIVERS OF MARKET GROWTH IN THE YEARS TO COME.

THE GEOGRAPHICAL SHIFT

In spite of its massive repositories of natural resources including oil and gas, the Canadian market has not exactly seen the best of times in the last year. The sheer size and lack of uniformity in the jurisdictional system has not made the situation any easier. What once was the center of attention for global players owing to its well-regulated banking sector and enormous reserves of oil, gas and forestry products is now facing quite a slump owing to a number of factors. Firstly, the price of crude oil has plunged from a peak of \$100* a barrel in June 2014 to \$44 in May 2016. Forecasts have put capital investment in the oil and gas sector in 2016 at C\$31 billion, a record 62% decline from the C\$81 billion spent in 2014 (*Source: Canadian Association of Petroleum Producers*). Oil companies are cutting costs to reflect falling demand and prices. More than 150,000 workers have lost their jobs directly, or indirectly. This was already a matter of concern for Alberta – which houses the Athabasca Oil Sands, and hence plays

host to major legal players in the energy sector – before a recent wildfire in the region devastated 1,434,780 acres of land. Alberta's oil sands operators cut production and opened their doors to many of the 80,000+ residents of Fort McMurray, who had fled their hometowns. Though it is too early to gauge the actual impact of this natural disaster on the oil industry's production levels, this disaster will severely harm the already struggling economy of Alberta. Geographically speaking, it will also further consolidate the markets in legal hubs like Toronto, Ontario which continues to be Canada's key location for corporate deals. British Columbia will also be one of the provinces to watch for law firms. According to CIBC World Markets, BC's economy is expected to grow by 2.8% in 2016. As the Calgary international energy hub is not as attractive as it used to be, the attention of the legal market is shifting and mergers and acquisitions deal flow is moving to other provinces such as Vancouver, British Columbia which is the new economic hot spot.

THE ECONOMIC SHIFT

Although production of crude oil represents only 3% of Canada's GDP, it is one of Canada's main exports so law firms are inevitably seeing a decline in work in all the practices related to this industry and the Canadian dollar is dropping (One Canadian dollar was worth 73 US cents in May 2016). Nevertheless, some sectors are benefitting from this collapse. We observe an increase in the export of the manufacturing industries of automotive and aerospace but also a boom in the Information and Communications Technology (ICT) sector which requires legal advice such as design development and brand protection. Canadian Venture Capital is booming as well, reaching C\$2.25 billion in 2015 which is the best result since 2008 for Canadian startups. Examples include Bennett Jones' Kickstart, Mtech for Miller Thomson, Dentons' startup program or even Fasken Martineau's startup Program. Some law firms integrate this change and dedicate customize services to these entrepreneurs. The life sciences sector and especially

biopharmaceuticals will also be an exceptional driver of market growth in the following years.

To sustain and strengthen this trend, Prime Minister Justin Trudeau announced last January that the Centre for Commercialization of Regenerative Medicine (CCRM) will receive C\$20 million – under the Advanced Manufacturing Fund (AMF) – to establish and operate the Centre for Advanced Therapeutic Cell Technologies. This will see Ontario become a global hub for the cell therapy industry and so attract more investments and M&A transactions on capital market. As a result of this and according to Canada’s Venture Capital & Private Equity Association (CVCA), venture investment in life sciences and ICT more than doubled from C\$419 million in 2015 Q1 to C\$838 million in 2016 Q1. Innovation remains one of the key elements contributing to this growth, but today patent expiry compels companies to expand and develop their product quickly in order to stay in the game and this increases intellectual property work. The market is opening up to new investors and new innovators. Internationalization is hitting the Canadian market. New global competitors have sprung up within the Canadian legal market such as Gowling WLG with its 18 offices, innovative “Gowling Prac-

MAJOR CROSS-BORDER MERGERS AND ACQUISITIONS SINCE 2013

Major cross-border mergers and acquisitions since 2013, along with the value of the Canadian dollar against the US dollar on the day each move was announced

Events	Date Announced	\$CAN: \$US
Dentons merges with Fraser Milner Casgrain	Mar. 28, 2013	0.9846
Heenan Blaikie collapses	Feb. 5, 2014	0.9008
DLA piper merges with Davis & Co	Mar. 5, 2015	0.8012
Gowlings merges with UK's Wragge Lawrence Graham	Jul. 7, 2015	0.7849
Little Mendelson merges with Kuretzky Vassos	Aug. 4, 2015	0.7619
Ogletree Deakins opens Toronto office	Jan. 13, 2016	0.6996
Axiom law merges with Cognition LLP	Jan. 13, 2016	0.6996
Egan LLP and Couzin Taylor LLP merge to form EY Law LLP	Mar. 4, 2016	0.7518

Source: Bloomberg

tical” program, and more than 1,400 legal professionals over the world. Very specialized boutique law firms are also emerging providing a high quality service such as Rose, Allen McDonald Swartz LLP, Hansell LLP, Boyle & Co. In this context, the Seven Sisters are in a more volatile position than ever and

need to find a branding boost to remain at the top. The challenge for the legal market is to respond to these geographic and economic shifts, protect their interests and grab a share of this new legal business. ■

* Amounts in US dollars, unless specified



Moraine Lake, Alberta

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TOP 30 CANADIAN LAW FIRMS

by number of employees in 2015

Rank	Firm	Nationality	Number of employees in 2015*	Offices
1	Borden Ladner Gervais	Canadian	745	Toronto, Ottawa, Montreal, Vancouver, Calgary
2	Gowling WLG	Canadian/UK	693	Toronto, Ottawa, Montreal, Vancouver, Calgary, Waterloo, Hamilton, London, Moscow, Beijing
3	Fasken Martineau DuMoulin	Canadian	628	Toronto, Ottawa, Montreal, Vancouver, Calgary, Quebec City, London, Johannesburg
4	Norton Rose Fulbright Canada	Canadian/American	600	Toronto, Ottawa, Montreal, Calgary, Quebec City
5	Blake, Cassels & Graydon	Canadian	584	Toronto, Ottawa, Montreal, Vancouver, Calgary, New York, London, Bahrain, Al-Kohbar, Beijing, Shanghai
6	McCarthy Tétrault	Canadian	579	Toronto, Montreal, Vancouver, Calgary, Québec City, London
7	Miller Thomson	Canadian	518	Toronto, Ottawa, Montreal, Vancouver, Calgary, Edmonton, Markham, Guelph, Waterloo, London, Regina, Saskatoon
8	Dentons	Canadian	507	Toronto, Ottawa, Montreal, Vancouver, Calgary, Edmonton
9	Stikeman Elliott	Canadian	444	Toronto, Ottawa, Montreal, Vancouver, Calgary, New York, London, Sydney
10	Osler, Hoskin & Harcourt	Canadian	423	Toronto, Ottawa, Montreal, Calgary, New York
11	Bennett Jones	Canadian	364	Toronto, Ottawa, Calgary, Edmonton, Vancouver, Dubai, Doha, Washington DC, Beijing
12	Torys	Canadian	298	Toronto, Calgary, Montreal, New York, Halifax
13	McMillan	Canadian	256	Toronto, Ottawa, Montreal, Calgary, Hong Kong, Vancouver
14	Davies Ward Phillips & Vineberg	Canadian	236	Toronto, Montreal, New York
15	DLA Piper Canada	US/UK	226	Calgary, Edmonton, Montreal, Toronto, Vancouver, Whitehorse, Yellowknife
16	Stewart McKelvey	Canadian	220	Halifax, Fredericton, Moncton, Saint John, St. John's, Charlottetown
17	Lavery, de Billy	Canadian	205	Ottawa, Montreal, Quebec City
18	McInnes Cooper	Canadian	203	Halifax, Fredericton, Moncton, Saint John, St. John's, Charlottetown, Calgary
19	Cox & Palmer	Canadian	202	Halifax, Fredericton, Moncton, Saint John, St. John's, Charlottetown, Summerside, Alberton, Montague, Morell
20	Goodmans	Canadian	201	Toronto
21	Cassels Brock & Blackwell	Canadian	200	Toronto, Vancouver
22	Cain Lamarre	Canadian	176	Montreal, Alma, Amos, Amqui, Drummondville, Plessisville, Quebec City, Rimouski, Rivière-du-Loup, Roberval, Saguenay, Saint-Félicien, Saint-Georges, Sept-Îles, Sherbrooke, Val-d'Or
23	BCF	Canadian	153	Montreal, Quebec City, Barbados
24	MacPherson Leslie & Tyerman	Canadian	145	Calgary, Edmonton, Regina, Saskatoon, Vancouver
25	Aird & Berlis	Canadian	143	Toronto
26	Burnet, Duckworth & Palmer	Canadian	138	Calgary
27	Lerners	Canadian	130	Toronto, Ontario
28	Blaney McMurtry	Canadian	125	Toronto
29	Field Law	Canadian	125	Calgary, Edmonton, Yellowknife
30	Lawson Lundell	Canadian	117	Vancouver, Calgary, Yellowknife

*Canada only

Source: Lexipert



JOËLLE BOISVERT
Montreal Managing Partner,
GOWLING WLG

“A diverse and inclusive workplace increases one’s ability to develop creative and innovative solutions for clients”

With more than half of their Canadian offices led by female Managing Partners, it’s clear that inclusion and diversity are of paramount importance at Gowling WLG. Montreal Managing Partner Joëlle Boisvert explains the reasons for such a strategy.

Leaders League. In February 2016, Gowling WLG was officially launched. How is the integration of WLG going?

Joëlle Boisvert. In recent years, many of our clients have increasingly begun looking globally for new opportunities, and, as their legal advisers, this presents an important opportunity for us as well. We now have a strong international platform with which to serve clients.

Going into the combination, the biggest challenge we faced was finding a way to maintain Gowlings’ DNA when joining our practices. Fortunately, because our two firms share many of the same values, are roughly the same size and already had experience working together, the combination went as smoothly as possible.

Leaders League what will be the next challenge in terms of business for Gowling WLG?

J.B. In the coming years, we’ll be focusing heavily on how we can help our clients across various sectors, including energy and nuclear, natural resources, life sciences, tech and real estate. We have also decided to continue to invest in innovation, developing tools such as “Practical LPM,” which is a groundbreaking approach to legal project management. A collaborative software platform, “Practical LPM” provides a clear road map for all types of legal issues, from sophisticated corporate commercial matters to complex litigation in Canada and around the world.

Leaders League. As the first woman to manage the Montreal office, what is your philosophy on leadership?

J.B. I believe you have to surround yourself with the right people if you want to

be a good leader. I truly think a diverse and inclusive workplace increases one’s ability to develop creative and innovative solutions for clients.

I also think that, unfortunately, very few women who enter the legal industry reach or remain in strategic leadership positions – a trend that sadly isn’t unique to this industry. With this in mind, in 2015 I decided to get involved in leadership workshops such as *l’effet A* to encourage women to take up strategic positions. As part of this initiative, we set up an idea incubator to establish a working career model for women to help facilitate their access to leadership roles.

“AT GOWLING WE PROMOTE THE DEVELOPMENT OF LEADERSHIP BY WOMEN. IN CANADA, MORE THAN HALF OF OUR OFFICES ARE LEAD BY FEMALE MANAGING PARTNERS”

Leaders League. What about the diversity and inclusion strategy at Gowling WLG?

J.B. Diversity is one of the key success factors for a company. At Gowling WLG, we promote the development of leadership by women in all areas of professional activity. That is why today, 27 per cent of our partners are women, and in Canada, more than half of our offices are led by female managing partners.

Significantly, when our two firms combined we included in the global partnership agreement a pledge to increase female staff numbers by 30 per cent by 2026. Also, in an effort to promote diversity among the next generation of law firm leaders, we created the Gowling WLG-Scott Jolliffe Program to Promote Diversity within Leadership in partnership with Legal Leaders for Diversity (LLD). This program will deliver training sessions to female lawyers, lawyers from various minority groups and lawyers with disabilities. ♦

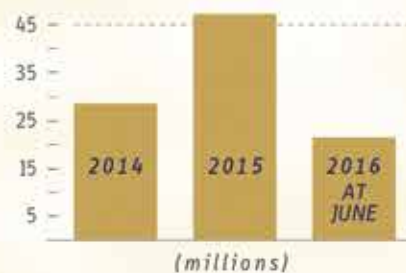
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The United States: Time for a change of direction?

US LAW FIRM LEADERS NEED TO MAKE BOLD, PROACTIVE CHANGES IN HOW LEGAL SERVICES ARE DELIVERED IF THEY WANT TO THRIVE IN THE RAPIDLY-CHANGING LEGAL MARKETPLACE. OVERALL REVENUE ACROSS THE BIG US FIRMS ROSE, REVENUE PER LAWYER GREW, AND PROFITS PER PARTNER ALSO INCREASED. BUT NOT BY MUCH.

FINANCIAL FIGURES LOOKING SLUGGISH

With the US legal market estimated to be worth about \$437 billion and with 1.3 million people across the country practicing law currently, according to ABA Survey, the Am Law 100 saw the lowest growth in revenue in 2015 since 2008, when the country was still in recession. Firms gained slightly in gross revenue at a rate of 2.7% to \$83.1 billion yet this increase does not compare favorably with last year's 4.6%. This is surprising since Bloomberg reported 2015 was the best year on record for M&A as buyers planned to spend approximately \$4 trillion on mergers and acquisitions. What accounts for this? There are indications from the *2016 Report on the State of the Legal Market* issued by Georgetown University (based on 143 US law firms) that performance may have been affected by weakening pricing power on commoditized work as clients highly influenced the organization, staffing, scheduling and pricing of legal matters, where previously this had largely been left in the hands of law firms. In addition, alternative legal services providers such as accounting, audit, and consulting firms, continue to grow market share and raise competition for traditional firms.

THE VERY RICH

In 2015 many of the very rich firms occupied a very different position from their

2014 ranking. In 2014, the very rich featured 20 firms that had Revenue per Lawyer (RPL) and Profit per Partner (PPP) of \$1 million and \$2 million respectively, however the 2015 list features 29 firms, with PPPs being as high as \$6.6 million. The new firms making the list this year are: Dechert; Fried, Frank, Harris, Shriver & Jacobson; Ropes & Gray; Sidley Austin; and Wilson Sonsini Goodrich & Rosati.

Although some firms have increased their PPP this year, such as Wachtell whose PPP is up by \$1.1 million, there was still an 8.1% decrease in the average PPP among the very rich firms: from last year's \$3.2 million to this year's \$2.6 million.

ATTITUDES TOWARDS CHANGE

Some law firms outside the very rich category are doing better as well. A 2015 Altman Weil survey, polling managing partners and chairs at 797 US law firms with 50 or more lawyers, revealed strategic choices that are affecting law firms' performance and standing in the market. Law firms that have changed their strategic approach to lawyer staffing, efficiency of legal service delivery and pricing are consistently more likely to see increases in gross revenue, RPLs and Profits per Equity Partner (PPEPs) than those firms that have not embraced strategic change. The Altman Weil survey found that 77% of law firms that

changed their strategic approach to lawyer staffing reported an increase in PPEP from 2013 to 2014, compared to 56% of firms that had not made such a change. This 21% difference is difficult to ignore with law firms in an increasingly competitive marketplace where businesses are decreasing their use of external legal advisors in favor of in-house legal departments.

In a society where clients are influencing the legal services of tomorrow, the challenge for many big US law firms is to make operational changes. However, as changes of this scope take firms a long time to implement and introduce to the market, there does not seem to be much willingness to do so. When these firms were asked why they are not doing more to change the way they deliver their legal services, 63% said they are not changing their strategy because "clients aren't asking for it."

According to Carolyn Lamm, former ABA president and White & Case partner, this attitude is short-sighted. "Today's large law firms can no longer afford complacency; success for most large law firms will increasingly depend on their becoming more business-like, particularly with respect to how they manage their operations, and engage with clients." Some of these new business strategies and practices are a response to clients wanting to go global, as well as the growing importance of technology. ►

► LITIGATION ON THE DECLINE

The legal profession has changed as well, we notice that transactional work has increased, having now recovered from the last recession, whereas litigation has been in a slow, steady decline. According to Thomson Reuters' 2016 Peer Monitor, today litigation accounts for an average of 31% of large law firm billings. While this is the biggest share of any practice, the percentage was more than 40% twenty years ago. Transactional practices have outpaced litigation in nearly every quarter over the last two years, while there was some year-on-year demand growth in corporate and real estate practices, other practices experienced negative growth including litigation and patent litigation, which together account for more than a third of all work across the market.

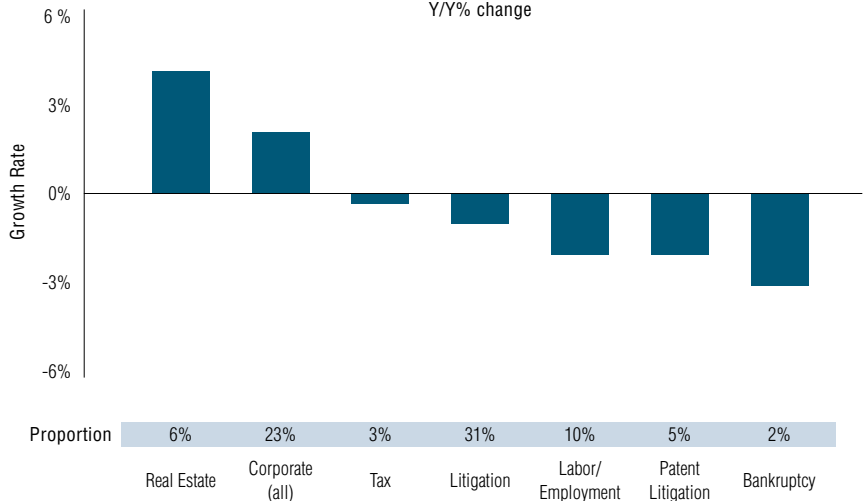
SIGNIFICANT MERGERS

Altman Weil's 2015 report showed that there were 84 mergers involving US law firms, which is the largest number for nine years, with Dentons dominating the 2015 merger scene alongside Dacheng. According to Altman Weil, of the mergers 28% of all law firms acquired in 2015 were headquartered in the southern United States, with the largest concentration in Florida and Texas. 23% of acquisitions were of Midwestern law firms, with a focus on Illinois. 19% of acquired firms were in the Middle Atlantic states, with a focus on New York. The western US accounted for 18% of acquired firms, with California as the primary target. 10% of deals were cross-border combinations and only 3% of 2015 deals involved the acquisition of New England law firms. One notable merger that took place more recently in 2016 was the UK firm Bond Dickinson forming an alliance with Womble Carlyle Sandridge & Rice. This will encourage the firms to build on their relationships with clientele in each other's offices while they will also be exchanging referral instructions, cooperating in marketing, business development as well as pro bono matters. Reed Smith and Pepper Hamilton were contemplating merging for a while, which would have created a more than 2000-lawyer firm. Yet the merger was called off for a variety of reasons, including differences in strategy.

In some cases, it would seem that law firm mergers are the best games in town bringing increased profitability to law firms, however in today's legal services market, there are better solutions. Among them is being able to differentiate practices and maximize profitability rather than just growing it by means of mergers. ■

CHANGE IN DEMAND FOR LEGAL SERVICES BY PRACTICE FROM 2014 TO 2015

The percentage of billings in the average law firm on non-contingent matters Y/Y% change



Source: Thomson Reuter Peer Monitor

THE VERY RICH LAW FIRMS

The 29 US Law Firms with over \$2m in PPP

Rank 2015	Firm	Profit Per Partner (PPP) (\$)	Number of partners	Change in PPP from 2014
1	Wachtell	6 600 000	84	20%
2	Quinn Emanuel	4 420 000	156	-10.25%
3	Paul Weiss	4 085 000	140	6.24%
4	Sullivan & Cromwell	3 870 000	168	5.16%
5	Kirkland & Ellis	3 605 000	351	2.71%
6	Cravath	3 555 000	90	5.65%
7	Simpson Thatcher	3 470 000	187	-0.43%
8	Cahill	3 360 000	62	-7.05%
9	Davis Polk	3 305 000	153	0.30%
10	Gibson Dunn	3 185 000	297	4.6%
11	Skadden	3 125 000	375	7.57%
12	Boies Schiller	3 085 000	47	1.98%
13	Cleary Gottlieb	3 080 000	189	-4.64%
14	Latham & Watkins	2 905 000	454	0.17%
15	Milbank	2 765 000	146	0.73%
16	Debevoise	2 625 000	134	10.29%
17	Willkie Farr & Gallagher	2 605 000	140	1.79%
18	Weil Gotshal & Manges	2 520 000	164	4.78%
19	King & Spalding	2 515 000	178	6.79%
20	Dechert	2 510 000	163	8.42%
21	Paul Hastings	2 505 000	195	6.14%
22	Schulthe Roth	2 330 000	85	0.65%
23	Wilson Sonsini	2 215 000	132	15.97%
24	Fried Frank	2 205 000	104	21.49%
25	Proskauer	2 150 000	169	2.38%
26	Sidley	2 065 000	342	3.77%
27	Cadwalader	2 060 000	47	-6.79%
28	White & Case	2 020 000	287	0.75%
29	Ropes & Gray	2 015 000	282	4.4%

Source: The American Lawyer

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The 100 largest US law firms

Ranked by Gross Revenue

Rank 2016	Rank 2015	Firm	Revenue 2015	Revenue 2014	Prog. 2014/2015 (%)	Number of lawyers 2015	Number of lawyers 2014	Revenue per lawyer 2015	Revenue per lawyer 2014	Prog. 2014/2015 (%)	Number of equity partners 2015	Number of equity partners 2014
1	1	Latham & Watkins	\$2 650 000 000	\$2 612 000 000	1%	2 177	2 100	\$1 217 271	\$1 243 810	-2%	454	457
2	3	DLA Piper (verein)	\$2 543 000 000	\$2 480 500 000	3%	3 756	3 702	\$677 050	\$670 043	1%	386	448
3	2	Baker & McKenzie (verein)	\$2 430 000 000	\$2 540 000 000	-4%	4 363	4 245	\$556 956	\$598 351	-7%	702	705
4	4	Skadden	\$2 410 000 000	\$2 315 000 000	4%	1 677	1 654	\$1 437 090	\$1 399 637	3%	375	383
5	5	Kirkland & Ellis	\$2 305 000 000	\$2 150 000 000	7%	1 619	1 576	\$1 423 718	\$1 364 213	4%	351	337
6	6	Jones Day	\$1 941 000 000	\$1 850 000 000	5%	2 562	2 510	\$757 611	\$737 052	3%	928	933
7	9	Sidley Austin	\$1 867 000 000	\$1 753 500 000	6%	1 779	1 761	\$1 049 466	\$995 741	5%	342	306
8	12	Morgan Lewis	\$1 844 000 000	\$1 317 000 000	40%	1 880	1 338	\$980 851	\$984 305	0%	520	360
9	8	Hogan Lovells (verein)	\$1 821 000 000	\$1 779 500 000	2%	2 516	2 360	\$723 768	\$754 025	-4%	533	509
10	7	Norton Rose Fulbright (verein)	\$1 737 000 000	\$1 814 000 000	-4%	3 372	3 461	\$515 125	\$524 126	-2%	912	944
11	11	Gibson Dunn	\$1 535 500 000	\$1 466 000 000	5%	1 212	1 204	\$1 266 914	\$1 217 608	4%	297	292
12	10	White & Case	\$1 523 500 000	\$1 503 000 000	1%	1 914	1 878	\$795 977	\$800 319	-1%	287	275
13	22	Ropes & Gray	\$1 390 000 000	\$1 115 500 000	25%	1 106	1 041	\$1 256 781	\$1 071 566	17%	282	268
14	15	Greenberg Traurig	\$1 321 500 000	\$1 270 500 000	4%	1 809	1 730	\$730 514	\$734 393	-1%	304	299
15	13	Sullivan & Cromwell	\$1 314 000 000	\$1 276 000 000	3%	792	805	\$1 659 091	\$1 585 093	5%	168	170
16	17	Simpson Thacher & Bartlett	\$1 278 000 000	\$1 245 500 000	3%	961	929	\$1 329 865	\$1 340 689	-1%	187	187
17	18	Mayer Brown	\$1 257 000 000	\$1 223 000 000	3%	1 507	1 486	\$834 107	\$823 015	1%	286	280
18	16	Cleary Gottlieb	\$1 212 500 000	\$1 250 000 000	-3%	1 203	1 178	\$1 007 897	\$1 061 121	-5%	189	185
19	20	Weil Gotshal & Manges	\$1 164 000 000	\$1 151 000 000	1%	1 063	1 072	\$1 095 014	\$1 073 694	2%	164	171
20	25	WilmerHale	\$1 140 000 000	\$1 071 000 000	6%	907	926	\$1 256 891	\$1 156 587	9%	280	286
21	19	Reed Smith	\$1 123 000 000	\$1 152 000 000	-3%	1 618	1 638	\$694 067	\$703 297	-1%	308	302
22	26	Paul Weiss	\$1 109 500 000	\$1 036 500 000	7%	949	943	\$1 169 125	\$1 099 152	6%	140	135
23	24	Davis Polk	\$1 100 000 000	\$1 072 000 000	3%	894	871	\$1 230 425	\$1 230 769	0%	153	153
24	21	K&L Gates	\$1 065 000 000	\$1 145 500 000	-7%	1 852	1 952	\$575 054	\$586 834	-2%	210	252
25	27	Paul Hastings	\$1 056 500 000	\$1 000 500 000	6%	912	873	\$1 158 443	\$1 146 048	1%	195	197
26	23	Quinn Emanuel	\$1 042 500 000	\$1 103 500 000	-6%	674	710	\$1 546 736	\$1 554 225	0%	156	147
27	29	King & Spalding	\$1 018 500 000	\$934 000 000	9%	936	886	\$1 088 141	\$1 054 176	3%	178	170
28	28	Morrison & Foerster	\$979 500 000	\$968 500 000	1%	941	988	\$1 040 914	\$980 263	6%	242	261
29	33	Akin Gump	\$930 000 000	\$868 000 000	7%	851	822	\$1 092 832	\$1 055 961	3%	210	189
30	32	Squire Patton Boggs (verein)	\$929 000 000	\$870 500 000	7%	1 426	1 356	\$651 473	\$641 962	1%	146	154
31	31	Orrick	\$913 000 000	\$877 000 000	4%	916	891	\$996 725	\$984 287	1%	128	141
32	37	Cooley	\$912 000 000	\$802 000 000	14%	801	755	\$1 138 577	\$1 062 252	7%	196	176
33	30	McDermott Will & Emery	\$891 500 000	\$900 000 000	-1%	981	997	\$908 767	\$902 708	1%	195	203
34	35	Dechert	\$890 000 000	\$839 500 000	6%	884	877	\$1 006 787	\$957 241	5%	163	163
35	38	Goodwin Procter	\$865 500 000	\$785 500 000	10%	790	755	\$1 095 570	\$1 040 397	5%	195	189
36	34	Shearman & Sterling	\$860 500 000	\$845 000 000	2%	839	821	\$1 025 626	\$1 029 233	0%	162	157
37	44	Wachtell	\$831 500 000	\$702 500 000	18%	261	267	\$3 185 824	\$2 631 086	21%	84	83
38	36	Proskauer Rose	\$822 500 000	\$818 500 000	0%	701	721	\$1 173 324	\$1 135 229	3%	169	172
39	38	Winston & Strawn	\$818 500 000	\$785 500 000	4%	808	808	\$1 012 995	\$972 153	4%	146	158
40	40	Milbank	\$771 000 000	\$761 000 000	1%	649	614	\$1 187 982	\$1 239 414	-4%	146	144
41	41	Debevoise & Plimpton	\$757 000 000	\$710 500 000	7%	615	615	\$1 230 894	\$1 155 285	7%	134	134
42	42	Perkins Coie	\$748 500 000	\$710 000 000	5%	938	913	\$797 974	\$777 656	3%	185	181
43	46	Holland & Knight	\$744 000 000	\$688 500 000	8%	1 044	1 009	\$712 644	\$682 359	4%	176	172
44	43	Covington & Burling	\$742 500 000	\$709 000 000	5%	793	774	\$936 318	\$916 021	2%	257	248
45	53	Wilson Sonsini	\$735 000 000	\$646 000 000	14%	698	670	\$1 053 009	\$964 179	9%	132	125
46	51	Baker Botts	\$704 500 000	\$653 000 000	8%	699	694	\$1 007 868	\$940 922	7%	167	176
47	47	O'Melveny & Myers	\$689 500 000	\$665 000 000	4%	634	663	\$1 087 539	\$1 003 017	8%	170	169
48	54	Alston & Bird	\$688 000 000	\$645 500 000	7%	752	759	\$914 894	\$850 461	8%	142	146
49	47	Foley & Lardner	\$682 000 000	\$665 000 000	3%	845	849	\$807 101	\$783 274	3%	147	153
50	52	Cravath	\$666 500 000	\$648 000 000	3%	472	442	\$1 412 076	\$1 466 063	-4%	90	91

Rank 2016	Rank 2015	Firm	Revenue 2015	Revenue 2014	Prog. 2014/2015 (%)	Number of lawyers 2015	Number of lawyers 2014	Revenue per lawyer 2015	Revenue per lawyer 2014	Prog. 2014/2015 (%)	Number of equity partners 2015	Number of equity partners 2014
51	55	Willkie Farr & Gallagher	\$658 000 000	\$640 000 000	3%	570	554	\$1 154 386	\$1 155 235	0%	140	138
52	57	McGuireWoods	\$653 500 000	\$620 000 000	5%	965	939	\$677 202	\$660 277	3%	174	182
53	45	Arnold & Porter	\$650 000 000	\$694 500 000	-6%	666	699	\$975 976	\$993 562	-2%	234	233
54	58	Baker & Hostetler	\$633 500 000	\$579 000 000	9%	905	878	\$700 000	\$659 453	6%	168	171
55	50	Vinson & Elkins	\$627 500 000	\$653 500 000	-4%	608	624	\$1 032 072	\$1 047 276	-1%	145	144
56	56	Bryan Cave	\$617 000 000	\$635 500 000	-3%	910	977	\$678 022	\$650 461	4%	203	214
57	71	Locke Lord	\$597 000 000	\$426 500 000	40%	847	578	\$704 841	\$737 889	-4%	177	160
58	61	Seyfarth Shaw	\$590 000 000	\$555 000 000	6%	798	772	\$739 348	\$718 912	3%	192	195
59	63	Katten	\$561 500 000	\$537 500 000	4%	623	632	\$901 284	\$850 475	6%	149	146
60	64	Sheppard Mullin	\$559 500 000	\$510 500 000	10%	606	584	\$923 267	\$874 144	6%	121	114
61	60	Pillsbury	\$557 000 000	\$560 000 000	-1%	598	591	\$931 438	\$947 547	-2%	152	165
62	59	Hunton & Williams	\$528 000 000	\$568 000 000	-7%	696	707	\$758 621	\$803 395	-6%	167	212
63	62	Littler	\$506 500 000	\$543 500 000	-7%	974	1 088	\$520 021	\$499 540	4%	382	370
64	66	Fried Frank	\$504 500 000	\$460 000 000	10%	412	414	\$1 224 515	\$1 111 111	10%	104	107
65	69	Fragomen	\$494 000 000	\$441 000 000	12%	519	469	\$951 830	\$940 299	1%	64	62
66	68	Venable	\$477 000 000	\$442 000 000	8%	596	564	\$800 336	\$783 688	2%	162	163
67	72	Troutman Sanders	\$468 500 000	\$422 500 000	11%	626	593	\$748 403	\$712 479	5%	186	197
68	67	Faegre Baker Daniels	\$466 000 000	\$456 500 000	2%	670	672	\$695 522	\$679 315	2%	227	239
69	74	Jenner & Block	\$465 000 000	\$408 000 000	14%	436	401	\$1 066 514	\$1 017 456	5%	114	105
70	65	Cadwalader	\$463 500 000	\$481 500 000	-4%	448	452	\$1 034 598	\$1 065 265	-3%	47	56
71	75	Nixon Peabody	\$461 000 000	\$407 000 000	13%	634	573	\$727 129	\$710 297	2%	150	145
72	70	Duane Morris	\$434 500 000	\$428 000 000	2%	626	620	\$694 089	\$690 323	1%	119	122
73	73	Kilpatrick Townsend	\$411 500 000	\$411 500 000	0%	574	571	\$716 899	\$720 665	-1%	109	111
74	86	Polsinelli	\$410 000 000	\$368 000 000	11%	720	693	\$569 444	\$531 025	7%	118	112
75	81	Drinker Biddle	\$409 500 000	\$381 000 000	7%	544	553	\$752 757	\$688 969	9%	176	176
76	79	Jackson Lewis	\$407 000 000	\$390 500 000	4%	755	751	\$539 073	\$519 973	4%	236	225
77	87	Lewis Brisbois	\$406 000 000	\$364 000 000	12%	1 015	891	\$400 000	\$408 530	-2%	102	103
78	76	Schulte Roth	\$405 500 000	\$400 500 000	1%	355	351	\$1 142 254	\$1 141 026	0%	86	84
79	77	Williams & Connolly	\$403 000 000	\$399 000 000	1%	304	307	\$1 325 658	\$1 299 674	2%	117	118
80	84	Ogletree Deakins	\$399 000 000	\$373 000 000	7%	721	701	\$553 398	\$532 097	4%	161	151
81	88	Fish & Richardson	\$395 000 000	\$357 500 000	10%	338	345	\$1 168 639	\$1 036 232	13%	106	105
82	80	Pepper Hamilton	\$388 500 000	\$384 500 000	1%	494	508	\$786 437	\$756 890	4%	138	139
83	91	Boies Schiller	\$380 000 000	\$345 000 000	10%	300	282	\$1 266 667	\$1 223 404	4%	47	43
84	83	Kaye Scholer	\$370 000 000	\$375 000 000	-1%	370	368	\$1 000 000	\$1 019 022	-2%	96	99
85	82	Cahill	\$364 500 000	\$380 000 000	-4%	312	327	\$1 168 269	\$1 162 080	1%	62	62
86	95	Fox Rothschild	\$364 500 000	\$331 500 000	10%	615	560	\$592 683	\$591 964	0%	175	166
87	97	Fenwick & West	\$363 500 000	\$327 000 000	11%	303	288	\$1 199 670	\$1 135 417	6%	87	85
88	85	Crowell & Moring	\$363 000 000	\$368 500 000	-1%	441	450	\$823 129	\$818 889	1%	96	97
89	92	Haynes and Boone	\$362 000 000	\$339 000 000	7%	524	502	\$690 840	\$675 299	2%	131	129
90	78	Hughes Hubbard	\$361 500 000	\$394 000 000	-8%	316	332	\$1 143 987	\$1 186 747	-4%	74	77
91	90	Barnes & Thornburg	\$361 000 000	\$346 000 000	4%	521	517	\$692 898	\$669 246	4%	219	214
92	101	Mintz Levin	\$360 000 000	\$316 000 000	14%	447	417	\$805 369	\$757 794	6%	65	61
93	89	Step toe	\$357 500 000	\$352 500 000	1%	374	385	\$955 882	\$915 584	4%	1258	128
94	96	Blank Rome	\$345 000 000	\$331 000 000	4%	477	472	\$723 270	\$701 271	3%	118	117
95	103	Cozen O'Connor	\$341 500 000	\$313 000 000	9%	533	502	\$640 713	\$623 506	3%	156	146
96	104	Ballard Spahr	\$337 500 000	\$312 000 000	8%	507	497	\$665 680	\$627 767	6%	237	231
97	98	Akerman	\$337 000 000	\$324 000 000	4%	562	548	\$599 644	\$591 241	1%	19	188
98	93	Dorsey	\$336 500 000	\$338 500 000	-1%	512	500	\$657 227	\$677 000	-3%	182	191
99	100	Baker Donelson	\$332 500 000	\$318 500 000	4%	652	616	\$509 969	\$517 045	-1%	218	210
100	99	Kramer Levin	\$332 000 000	\$320 500 000	4%	315	308	\$1 053 968	\$1 040 584	1%	68	67

Source: The 2016 AmLaw 100, The 2015 AmLaw 200

The Art of Growth of King & Spalding

OVER THE PAST FIVE YEARS, THE AMERICAN FIRM KING & SPALDING HAS MARKED A REVENUE INCREASE OF MORE THAN A THIRD AND IMPROVED ITS PROFIT MARGIN BY 12 PER CENT. EVEN MORE IMPRESSIVE IS THAT ITS GLOBAL EXPANSION DIDN'T STOP: GENEVA AND SINGAPORE IN 2010, MOSCOW IN 2011 AND TOKYO IN 2015... THE FIRM HAS MASTERED THE ART OF GROWTH.

In 1885, the USA: the Statue of Liberty arrived in New York Harbor, the first skyscraper was built in Chicago, the Dow Jones Industrial Average published its first edition, and King & Spalding saw the light of the day, thanks to Alexander King and Jack Spalding, two brilliant individuals who had a perfect complementarity for each other: King was an acute legal specialist and discerning problem-solver, and Spalding was a charismatic lawyer who forged client relationships.

Since then, the firm has undergone tremendous change in the spirit of its founding principles – delivering uncompromising quality of legal work and anticipating clients' needs – and has extended over time from its Southern roots on the American soil to a global 900-lawyer powerhouse, with eighteen offices across four continents and stellar practices in corporate finance, business litigation and international arbitration.

Between growth and profitability, expansion and quality, the 130-year old firm masters skillfully the art of balance and shows no sign of slowing down. Proof: it boosted its revenue by 8 per cent in 2014 to reach \$934 million and is approaching the billion-dollar revenue mark this year.

EXPAND STRATEGICALLY

The launch of a London office in 2003 opened a new chapter on King & Spalding's global venture. Serving as a base from which the firm can expand into

Europe and beyond, today the office has become one of the hubs for the firm's highly-respected international arbitration and Islamic finance practices.

The journey went on in the following years. In the USA, Europe, Middle East, Asia... King & Spalding successively opened thirteen offices. The newest addition was the Tokyo branch, opened in September 2015. Along with the firm's Singapore office that was established in

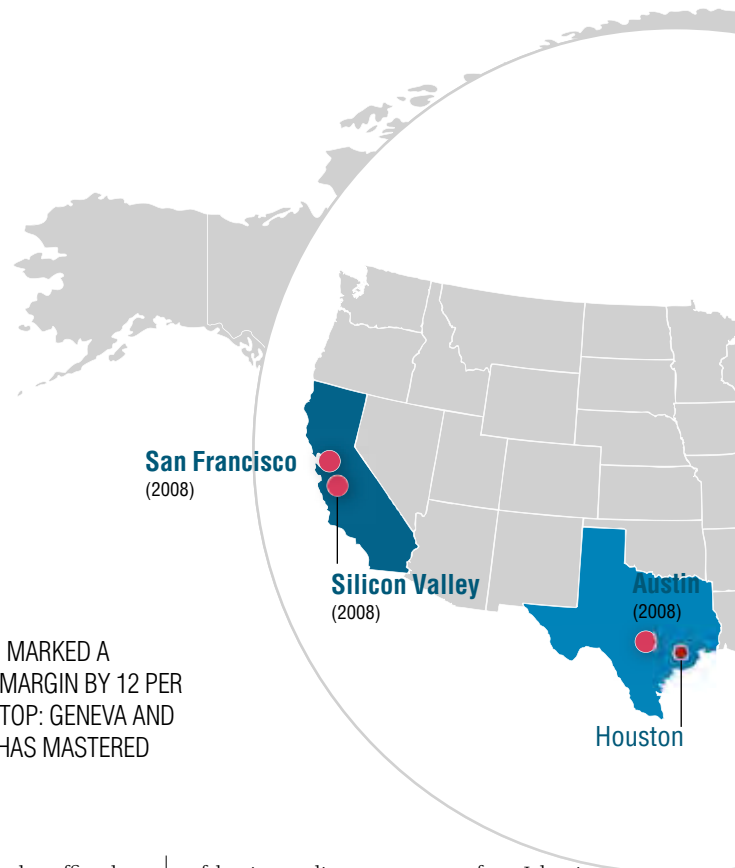
“KING & SPALDING BOOSTED ITS REVENUE BY 8 PER CENT IN 2014 TO REACH \$934 MILLION AND IS APPROACHING THE BILLION-DOLLAR REVENUE MARK THIS YEAR”

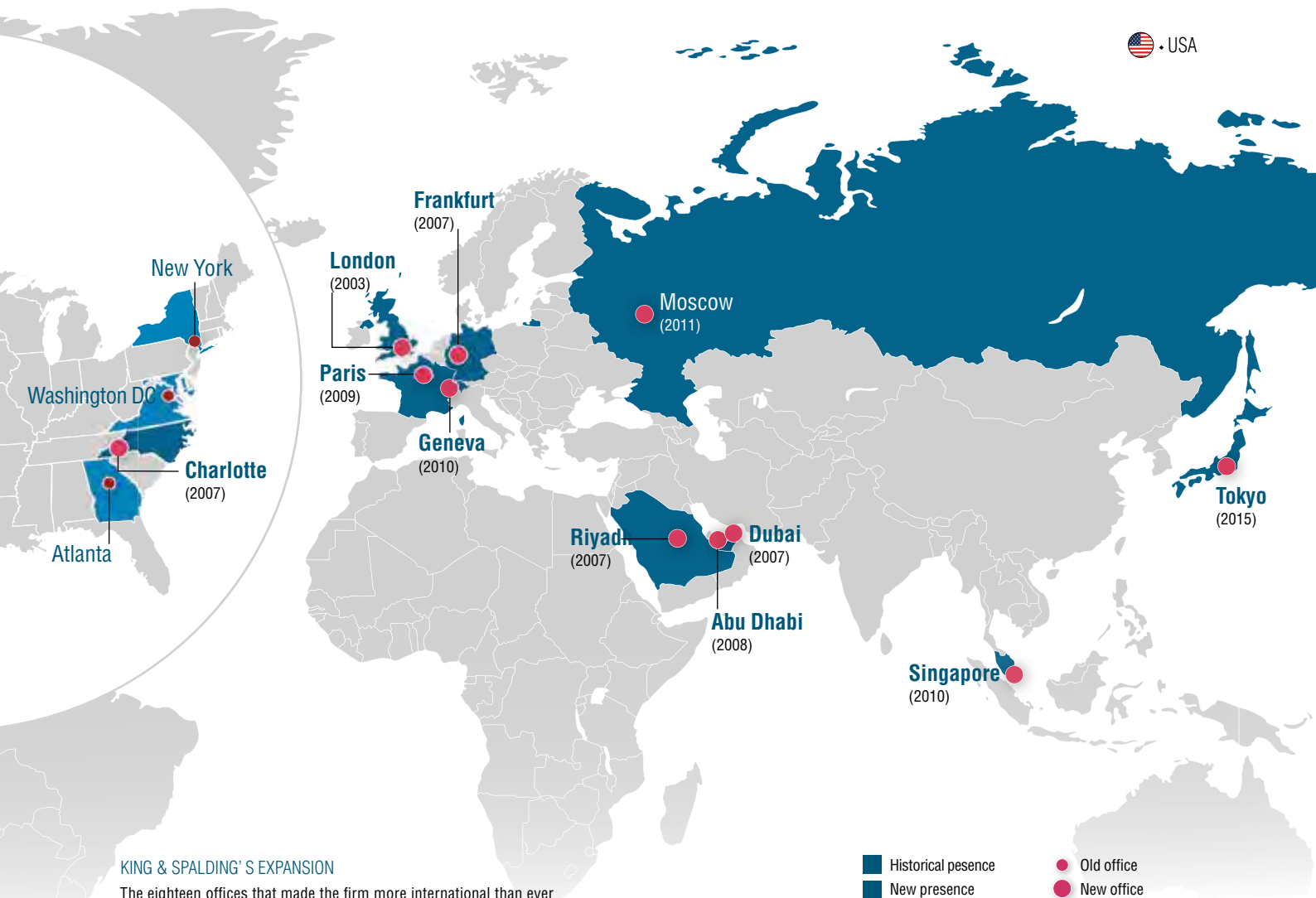
2010, this office is expected to anchor King & Spalding's market-leading energy practice throughout the Asia-Pacific region and capitalize on its momentum in the projects, finance, construction and international arbitration arena.

Rather than a random map spotting, each office was created under a practice-oriented initiative. The offices in the Middle East, for instance, came about in response to the needs of the London office

of having a direct presence of an Islamic finance team in the Middle East. The success of the international arbitration practice led to the opening of an office in Paris, an important European venue for international arbitration matters. Geneva office was launched in the same logic, with global trade and WTO practice as a base. As for the Singapore branch, it was the fruit of the international arbitration and energy practices, two high-end niche sectors for King & Spalding.

Unlike many international firms, King & Spalding has opted for building a team from scratch during its global expansion. The challenge for each new office is to find the niche sector as a driving force, and equip itself with the best talent to meet the expectations of clients, in terms of professional expertise, industry experience and personal qualities, as well as fit with the firm. Robert Hays, Chairman of the firm since 2005, explains the importance of the last point: *“Rather than ‘recruit’ partners, we ‘attract’ them, based on commonly-shared vision, value and culture, as well as the future challenges / opportunities we can provide for them.”* As a result, the firm has built a strongly-bonded culture: the practices are managed by practice groups with a large degree of autonomy, encouraged by the unifying nature of the firm; no hierarchy exists between the partners, and cross-selling of contacts and multi-national case files between different offices are facilitated and frequent.





KING & SPALDING'S EXPANSION

The eighteen offices that made the firm more international than ever

FOCUS SHARPLY

Becoming “full-service” is never an option to King & Spalding, but on the contrary, it has committed to maintaining the sharp positioning in specific high-value practice areas for which the firm has firmly established a strong track record, both nationally and internationally.

Under the leadership of Robert Hays, the top management of the firm reviewed its strategy and adopted a long-term plan to guide its growth in 2007. Key industries and practices that were strengths of the firm and strategically important to clients were identified and put in priority for special emphasis and extra investment. Today, the firm has four industry-based pillars – Energy, Life Sciences / Healthcare, Technology & IP and Financial Institutions (banking and real estate) – plus two practice-based areas, which are Global Disputes, and Regulation & Government Investigations.

In particular, international arbitration is one of King & Spalding’s expert practice areas. After building a pre-eminent reputation in the United States, especially in terms of investments treaties, the firm

was set to develop this practice in Europe and extend to commercial arbitration in early 2000s. Over time, it has built one of the largest networks of specialists in the field of international dispute resolution. With offices in Abu Dhabi, Atlanta, Dubai, Frankfurt, Geneva, Houston, London, Moscow, New York, Paris, San Francisco, Singapore and Washington, D.C., the firm’s 80 strong-lawyer international arbitration group has acted in proceedings involving projects or parties in approximately 130 countries.

STRENGTHEN CONTINUOUSLY

King & Spalding, continuously recruiting for its US offices, is not a “rash opening & quick retreat” firm. Proud of its successful global presence, the firm is determinedly committed to opening new locations.

Today, the firm has entered into a second phrase to stabilize the new openings, reinforce the expertise already established in each team, and build the loyalty of local clients.

In London, the firm has added six leading lateral partners in litigation, restructuring, finance, capital markets and tax since November 2014, including Nick Cherryman,

former London head of international disputes of Fried Frank Harris Shriver & Jacobson. Its Asia Pacific Energy Team at the Singapore office was bolstered in the spring of 2015 with the hire of Richard Nelson, ex-head of Herbert Smith Freehills’ Southeast Asia energy practice and of Simon Cowled, Partner in Energy M&A and project finance coming from Skadden, Arps, Slate, Meagher & Flom in September 2015. In the Middle East, an experienced finance lawyer Zaid Al-Farisi arrived in May 2015 to work at the Riyadh and Dubai offices to further develop the firm’s Saudi finance practice and its finance practice throughout the region. Most recently, the firm opened its Tokyo office with a team of four formerly from Ashurst: John McClenahan, Mark Davies and Chris Bailey as founding partners, and Rupert Lewi arriving in October 2015..

While cautiously planning to open new offices in other strategic areas, King & Spalding also intends to continue its growth through internal capacity building to bring its high-end expertise to serves worldwide clients. As it has over its first 130 years, the firm will continue to evolve in step with the market trends and clients’ needs. ■



ROBERT HAYS
Chairman, **KING & SPALDING**

“We don’t recruit partners, we attract them”

The billion-dollar mark in revenue has just been passed by King & Spalding, which became the first Atlanta-based firm to do so, while simultaneously expanding its international presence. What is its secret of growing while remaining profitable? Robert Hays, Chairman of the firm, reveals the art of balancing multiple goals.

Leaders League. What vision helped King & Spalding’s successful market positioning?

Robert Hays. Today’s legal market is overly crowded, so we adopted a focused market approach and intentionally did not concentrate our growth on too many things. We have selected a few high-value practices where we are nationally and internationally competitive and stand out in the market.

Our main focus is on six practices and sectors, each of which represents \$100 to 200 million in annual revenue. We have four industry-based pillars: Energy, Life Sciences / Healthcare, Technology & IP and Financial Institutions (banking and real estate). We also have two practice-based areas: Global Disputes, and Regulation & Government Investigations. We have the benefits of the focused approach of a boutique but the international reach as we grow each of these six areas into a large scale, geographically or in terms of headcount. This strategy has played a key part in the improvement of our target metrics.

Focusing means making trade-offs, making choices. It requires willingness from the management team to commit to making choices and a lot of consensus building time. When we selected our strategic areas, we stated the objectives and were transparent with our partners because the conclusions we reached were often not in everyone’s interests, and we wanted the support of the partnership to move forward.

Leaders League. You have opened 14 offices since 2003. How do you balance between aggressive growth and careful profitability?

R.H. This is very hard! You may say we could not have picked a worse time for

international expansion in 2009, the time we accelerated. The Paris office, opened in 2009, is symbolic in this aspect: it was almost the bottom of the global recession. We received a lot of critical feedback, ranging from “overly aggressive” and “too risky” to plain “you are crazy,” but we knew we were on a tough mission and had a number of constraints. As far as I know, no other firm in the world has expanded on such a scale in the last five or six years, without merger and without borrowing any money. We opened offices, beachheads and grew beyond this phase to have differentiated advice for our clients.

Resolving the tension between growth and profitability is not simple. Most firms choose not to try to achieve both goals: they either grow at the expense of profitability, or increase profits by shrinking the partnership. These strategies carry implicit risks: clients are becoming more global, and shrinking goes against a core trend, whereas growing at the expense of profits means leaving the firm at the mercy of headhunters for your talent.

So we went for both. To stand out in the market and serve global clients, we need scale; without profits, we wouldn’t have been able to engage in international expansion.

Leaders League. How do you attract top partners? And what profitability do you require from them?

R.H. Today’s legal market has a mercenary mindset, with tremendous turnover. We cultivate the opposite mindset: partnership loyalty. We don’t “recruit” partners (implying the check is the attraction); instead, we “attract” them, based on a vision, a challenge / opportunity for them, and a culture.

The client will have value from the depth

of our practices if people work in teams and networks, so we try to motivate our people to work collectively and generate the greatest value.

We don't guarantee income to our new partners. But we do things that are positively uncommon: first, we give them the time to grow their practice, their clients and their bond with the clients, as we know it takes patience; second, we treat them just as existing partners rather than newcomers.

Leaders League. But how do you build accountability, while being aggressively nice?

R.H. Achieving our goals is impossible without transparency and indicators of success. We set, share and watch clear (and hard to reconcile) objectives such as gross revenue, revenue per lawyer, profit per partner... And we have either reached or exceeded them. We also know the pace of growth in the industry, and if we find ourselves lagging in one thing, we don't hide it.

Leaders League. Three engines can upgrade the quality of a firm: attracting external partners, growing expertise with existing people, and exiting some of them. Which one do you use?

R.H. We have done all three of these, very intentionally.

As for bringing in talent, we are very selective about that, and made mistakes at a point by "recruiting" people, which I now reject, because there is a notion of sales in that, as though by recruiting you actually talk-in people. Having abandoned this notion, we instead "attract" the talent: rather than painting a rosy picture, we encourage individuals to challenge themselves to feel whether joining us is the right fit for them. We explain our vision, our mission, the requirement of the tasks, clients' expectations... We do this so well that during the interview process some people self-select out, because they don't feel in line of what we are doing.

Similarly, some existing people self-select themselves out, because they feel that our strategy requires too much change and

they are reluctant to make that trade-off. Another element is about retaining the talent. We focus on what kind of work would be needed in order to motivate, inspire and interest people who do a really great job. To keep them, you must be able to offer the most challenging, significant and sophisticated work.

Leaders League. How do you handle the downward pressure of fees and upward pressure of internalization of legal practice?

R.H. Commoditization of work has gained territory, but hopefully we are going in the different direction.

Firstly, we have focused on building world-class expertise in certain areas where we believe demands for legal work are and will remain high. We are present in three fields: complex litigation, complex deals and complex regulatory matters: these are areas where the work is sophisticated and where great value is at stake.

We are cautious about the work we do and don't try to do all work for all clients. We devote ourselves to work that is critical for the clients. For this work, the primary focus of our clients is whether we can achieve their goal, how we can solve the problem, and whether we bring value to them.

This is a crucial distinction: the "value" vs. the "cost" of legal services. Law firms that have low rates can turn out to be very expensive, and great firms who have high rates can be very inexpensive if they have deep expertise and prosecute the work efficiently. Our partners are encouraged to have a clear view on the differences between value and costs.

Thirdly, we have worked very hard to assist our clients in budgeting to achieve value. We have an ongoing dialogue with them about our work on their cases: we ask them their opinions and whether they want us to devote more resources to create more value. We also challenge ourselves to make our operation and process more efficient by using technology, and encourage our people to think in an agile way like start-ups. ♦

"THIS IS A CRUCIAL DISTINCTION: THE 'VALUE' VS. THE 'COST' OF LEGAL SERVICES"



HENRY NASSAU
CEO, **DECHERT**

“THERE ARE BASIC PRINCIPLES THAT LAWYERS MUST EXHIBIT, SUCH AS DEVELOPING DEEP KNOWLEDGE AND TRUST WITH THEIR CLIENTS, AND PROVIDING VALUE FOR YOUR FEES”

“I do not think that the relationships between law firms and clients have changed”

Dechert's newly elected CEO Henry Nassau, who began his term in July 2016, talks to Leaders League about his future plans, the firm's organizational structure and how relationships can grow stronger by building a client-team approach.

Leaders League. Under your leadership, what are Dechert's main priorities?

Henry Nassau. I wake up every morning and ask myself seven questions: How do I make my partners, associates and work colleagues as successful as they can be? How do we profitably grow the firm's revenue and size? How do we create a collaborative culture where people across different practice groups with different nationalities and genders can come together in a conference room, without charging a client, and discuss matters in order to reap the benefits of multiple perspectives? How do we make the associate experience as rewarding as we can and continue to offer them the most diverse and challenging work experience possible? How do I, in my role, handle associates or partners who are not meeting our high performance culture? How do we continue to instill in our attorneys a client-focused, commercial attitude whereby our attorneys are valued for their business acumen as much as their technical legal knowledge? And as importantly as any of the first six, how do I make sure that everyone is having fun?

Leaders League. What will your new role as CEO involve?

H.N. I still plan to practice law. There are a few client relationships that I hope to continue. Although, I will not be doing the day-to-day work, I plan to be in constant contact with the clients and understand what they are doing. In addition to this, I will be responsible for the careful monitoring of financial metrics and the overall performance of the firm, by reflecting on the seven factors just mentioned, and in what ways we can improve. Finally, I plan to focus on a number of smaller non-US offices in order to bolster their size.

Leaders League. How do you ensure that the clients and legal teams at Dechert are sustaining trusting relationships with each other?

H.N. Even before I became CEO, I was a strong advocate of building a client-team approach where once a month for our signi-

ficant clients, partners and associates come together in a conference room for an hour, enjoy food and go around the table to talk about what we are doing for the client. The goals are to make sure everyone is aware of what each of us are doing so in case there are any questions, we can all be responsive to the client. The second goal is to have the benefit of listening to different perspectives regardless of gender, nationality, practice group etc. The third reason we do this is because I'm a big believer in forcing people to stand up and speak in front of others so that everybody, no matter how junior or senior, has to participate in the meeting. This has proven to be a good way of getting people to identify more with their clients and collaborate in our advice.

Leaders League. How have relationships between law firms and clients changed?

H.N. You may be surprised by my answer and I can only give you an answer that is a by-product of my experience. I do not think that the relationships between law firms and clients have changed materially during the 30 years I have practiced law. The concept still remains that when a client has a problem, we aim to be the first people they think of when they want to talk to someone. That is how it was when I started in 1979 and that is still how it is today. Although, one must consider how both lawyers and clients have gotten wildly sophisticated. There still are basic principles that lawyers must exhibit, such as developing a deep knowledge of their clients, a deep sense of trust with their clients, and providing value for your fees. From the client's perspective they too want to have someone they can trust and who is with them on good days and bad days. The trusting dialogue has to start and never end.

Leaders League. Since the financial crisis, corporate clients have become more cost-sensitive as there is ongoing pressure on the pricing of law firms. Do you agree with this observation?

H.N. I think there has always been pressure on the fees that law firms charge but if you

have a good relationship with the client and provide good advice, you can always get to a good resolution where both sides feel fine about the fees. So yes, there is lots of pressure, particularly from very large clients, and lots of new competitors in the space outside of the US because now there are many accounting firms and low cost providers. The global economy is growing larger and stronger, so it's important for firms to focus on the areas where they have real expertise. In our case, we have five or six practice areas we think we are really good at on a global basis. Therefore, we are confident in our ability to handle all issues within those frameworks – and if we do this then the advice we give will be valued.

Leaders League. What kind of future does Dechert see in the Asian market in the coming years?

H.N. Asia is a tough market, a large market; there you have the competing pressure of every magic circle and all the top American firms. You have incredibly sophisticated domestic firms growing within those countries. That being said, it is still a huge part of the global economy and it is crucial

we have a presence in Asia to support our clients' global growth strategies. We are very pleased with how things are going in Hong Kong and Singapore. We plan to build up our presence in Beijing and we are also now looking at Shanghai. That's not to say we're going to go send a hundred lawyers there, but Asia has too big a share of global GDP to not be part of.

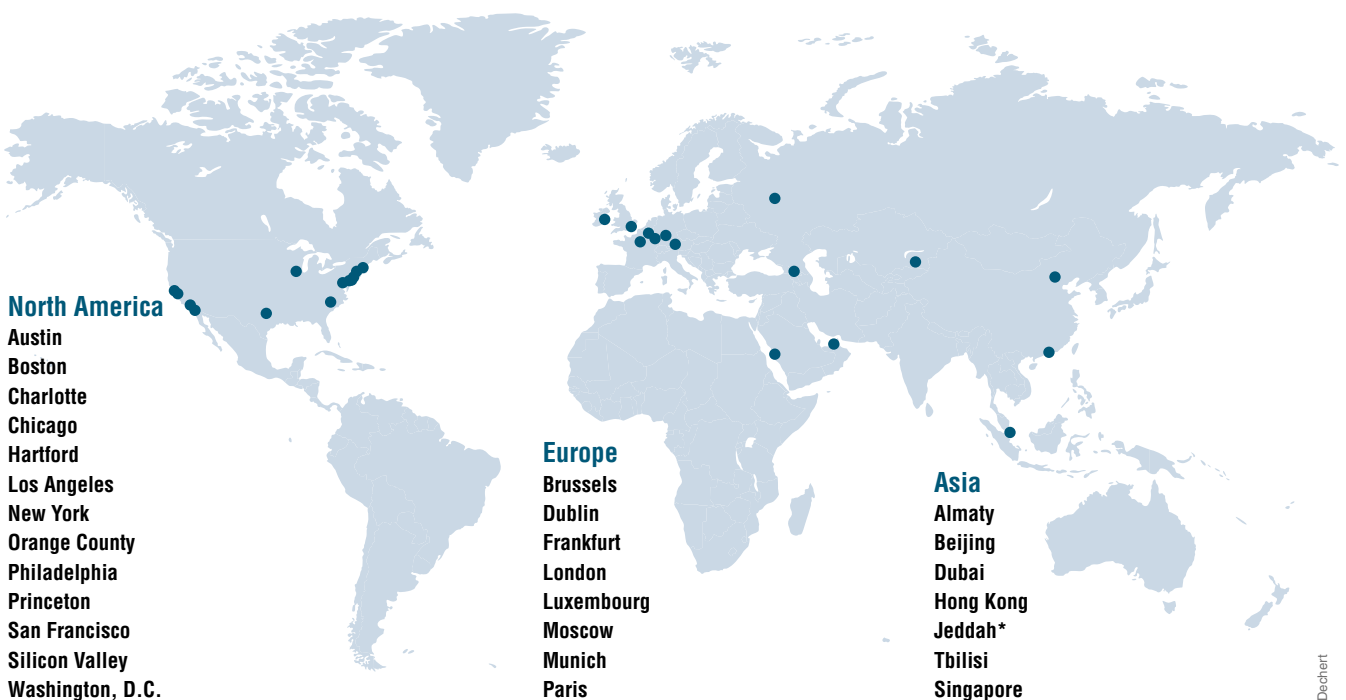
Leaders League. What direction would you like to see Dechert taking in the future?

H.N. We don't want to get bigger just to be bigger. We are firm believers that as a global firm if we are going to provide career paths for our lawyers we have to grow but for the right reasons. We also want to build up the offices that we have so that they have a greater critical mass. We will then look at other parts of the world where our clients are focused and where our areas of specialism, such as capital markets, private equity, fund formation, securitization, complex investigations and litigation, are growing. Our goal is to advise multinational companies on their cross-border concerns in the most effective way possible. ♦

“EVEN BEFORE I BECAME CEO, I WAS A STRONG ADVOCATE OF BUILDING A CLIENT-TEAM APPROACH”

GLOBAL COVERAGE OF DECHERT

Over 900 lawyers working in 27 offices worldwide



* In association with the Law Firm of Hassan Mahassni

Source: Dechert



General Belgrano monument in front of Casa Rosada, Buenos Aires

Argentina: A market full of future promise

AFTER 12 YEARS OF LEFTIST GOVERNMENT, ARGENTINA SHIFTED TOWARDS THE CENTER-RIGHT WITH THE PRESIDENTIAL VICTORY OF MAURICIO MACRI AT THE END OF 2015. MR. MACRI HAS PROMISED TO BOOST THE ECONOMY AND HAS MADE REDUCING INFLATION A TOP PRIORITY. ECONOMIC RECOVERY IN ARGENTINA WILL TAKE TIME HOWEVER. BUT AFTER FOURTEEN YEARS, ARGENTINA'S POLITICAL CHANGE MEANS THINGS WILL FINALLY MOVE FORWARD. ACCORDING TO THE INTERNATIONAL MONETARY FUND (IMF) ARGENTINA HAS STARTED AN IMPORTANT TRANSITION TO IMPROVE ON PAST ECONOMIC POLICIES AND FORESEES ECONOMIC GROWTH IN THE MEDIUM TERM.

Since 2010, Argentina's economy has lost momentum, inflation has surged to around 30% and poverty appears to be creeping back. The central bank has been forced to print money to finance the budget shortfall, driving up inflation. Nevertheless, Argentina is the second largest economy in Latin America after Brazil and its economy benefits from valuable natural resources. It is a leading food producer with large-scale agricultural and livestock industries. It is among the world's largest beef and soybean exporters and is the leading producer of sunflower seeds, yerba mate, lemons and soybean oil. The opening of the Chinese market has helped boost the country's export potential and Chinese investors are already interested in coming to the country.

THE LIGHT AT THE END OF THE TUNNEL

Thanks to the government's latest measures Argentina can see the light at the end of the tunnel. One of the first areas to be boosted is the infrastructure sector, which will see an investment of \$16,000 billion coming from public-private partnerships. The project includes housing, construction, rail and road in-

frastructure in the northern part of the country. All these projects will improve the economic competitiveness of the country and will naturally boost the legal market as well.

The other sector that will now evolve is renewable energy, the Argentinian government has recently launched a decade-long plan to attract billions of dollars in investment and vastly increase the amount of electricity produced from renewable energy sources (wind and solar). There is the expectation that companies will invest about \$2.1 billion. The plan is to increase renewable energy output to 8% of total power generation by the end of next year and to 20% by the end of 2025. Argentina currently gets less than 2% of its power from renewable energy, and there is already interest from American, Canadian, European, Australian, Indian and Middle Eastern companies. Argentina is among the countries with the greatest capacity to develop renewables and today it gets practically none of its energy from them.

All of the above represent enormous investment projects for the country and this will impact the legal market in the infrastructure and project finance areas

among others. Many law firms are already feeling things moving: *"There is optimism since the country is reopening itself to the world. From the beginning of 2016 we have been receiving many international enquiries"* says Matias Grinberg partner from Servergnini Robiola Grinberg & Tombeur law firm.

Also, the food, specifically the meat market, has strong growth potential, and this sector demands less capital investments so naturally will evolve faster than the infrastructure sector for example. There are already several foreign investors that are interested in becoming strategic partners in the agricultural and meat sector, it will be a positive impact for the economy and for the legal market specifically in M&A practice.

KEY FIGURES

Argentina's Population:
43,890,000

15,180,000 in Buenos Aires
(around 35% of the total population)

Lawyers:
120,000 at Federal capital of Buenos Aires

A LEGAL MARKET DOMINATED BY LOCAL FIRMS

The Argentinian legal system is a mix of the US and European systems. Each province has its own constitution, that reflects mainly the federal constitution structures. Furthermore, Argentina is part of Mercosur, which has supranational legislative functions. In addition, the country's legal market is mostly represented by local firms and there are few international law firms. The reason is that foreign firms are only allowed to practice International law or their own countries' laws. Baker & McKenzie is a particular case, it bought a law firm many years ago. Cleary Gottlieb, Curtis Mallet and the French and international law firm DS Avocats are also present.

It's possible that as a result of all the government projects legal work will increase in the coming years and Argentina will become a very attractive market for International law firms. However, local firms enjoy a strong presence throughout many of the country's legal markets, they are all long established and highly respected with leading expertise in high profile mandates. Marval O'Farrell & Mairal, Mitrani Caballero Ojam & Ruiz Moreno, Estudio Beccar Varela are well recognized in Corporate/M&A and Banking & Finance, Estudio O'Farrell dominates on the oil and gas side, and as well as having a great corporate practice Allende & Brea maintains an excellent reputation in the insurance market.

Also a significant portion of the legal market is represented by niche firms: Estudio Alegría, Buey Fernández, Fissore y Montemerlo and Rivera & Asociados stand out in the bankruptcy and litigation areas; Cassagne Abogados in public law; Heredia, Lede Pizzurno & Terrel Abogados (HOLT) in the mining sector; G. Breuer for IP; and Teijeiro & Ballone, Abogados for tax. It's clear then that foreign law firms will come up against strong local competition when trying to penetrate the market.

According to Horacio Varela from Beccar Varela: "International law firms cannot practice local law, however when they want to come they can be very creative, and if they offer a better service than local firms nothing will stop them".

The next five years will be crucial for the Argentinian economy. The measures taken by the new government will encourage foreign investors to come in and allow important projects to take place and this will impact different markets, including the legal one. ■

THE MAIN ARGENTINIAN MOST IMPORTANT FIRMS WERE CREATED AT LEAST 40 YEARS AGO

Some of the most active law firms in Argentina (ordered by year of inception)

Firm	Year
Estudio O'Farrell	1883
Estudio Beccar Varela	1897
Marval, O'Farrell & Mairal	1923
M. & M. Bomchil	1923
Allende & Brea	1957
Brons & Salas	1966
Alegría, Buey Fernández, Fissore & Montemerlo	1976
Bruchou, Fernández Madero y Lombardi.	1990
Pérez Alati, Grondona, Benites, Arntsen & Martínez de Hoz (h) PAGBAM	1991
Mitrani Caballero Ojam & Ruiz Moreno	2007

Source : Leaders League



Traditional houses in Buenos Aires



Valeriano Guevara Lynch
Managing Partner,
ALLENDE & BREA

“More active areas are renewable energies and the acquisition or buyout of companies”

Leaders League. After the change of government, can you tell us, how do you view the Argentinian market?

Valeriano Guevara Lynch. The work of Buenos Aires law firms has increased a little in 2016. There is a renewed interest from investors abroad who are tentatively starting to channel some investments and, little by little, this is being noticed. We have observed it in our law firm and also think it must be showing in the same manner to other law firms. The more active areas are renewable energies and the acquisition or buyout of companies. The Argentinian government will be making a bid for renewable energy. Currently, Argentina gets 1% of its energy from renewables and that must come up to 20%. There are many companies interested in this subject. Some of them previously operated in Spain and have a very strong presence in Chile and Uruguay, countries of the Latin American region where this market is fairly

well developed. Argentina has a natural potential for these projects and that is what is happening now.

Leaders League. What other areas could be of interest to foreign investors?

V.G.L. Among other government incentives, we have the so called Belgrano Plan which is a large-scale infrastructure project for which major funding is expected to be gathered to carry out large projects in the country. In this way, the economy will be stimulated using the type of investments that create jobs. This is not happening yet, but it is a government project. We are together in this process, in what is feasible, we are talking to foreign investors because it is necessary to have specialized investors who are ready to invest large amounts of money in the infrastructure area. Right now, we do not think that this type of investor is ready to come, they are analyzing the country very closely and we expect, they will start to arrive in 2017. Without any doubt infrastructure and project finance will be the areas that will see a lot of work for the Buenos Aires law firms (*see the full interview on our website www.leadersleague.com*). ♦

“FOREIGN INVESTORS ARE ANALYZING THE COUNTRY VERY CLOSELY AND WE EXPECT THEY WILL START TO ARRIVE IN 2017”



Horacio Beccar Varela,
Managing Partner,
ESTUDIO BECCAR VARELA

“Argentina has very strong local players so foreign firms will have a very strong competition”

Leaders League. Given the improvement in the Argentinian economy, do you believe that we will soon see international law firms opening offices in Buenos Aires?

Horacio Beccar Varela. Today, the subject of foreign competition is a lateral subject in Argentina. Baker & McKenzie opened an office many years ago after buying out a local law firm. They are now treated like any another Argentinian law firm. Cleary Gottlieb also have offices here but they do not work with Argentinian law. Curtis is here too. There are plans for other law firms to come but, sincerely, I do not know how good it is for them right now, I do not think it is the best time. Maybe in two or three years it will be more feasible, depending the degree of consolidation that they have in the world. I think Argentina has very strong local players so they will have a very strong competition.

those of Brazil. Law firms cannot at present operate. However, when foreigners come they are very original and if the service offered is better than the one provided by local law firms, the barriers will not work and will only delay the process.

There are several implementation patterns regarding the level of market maturity of the local law firms. In Europe few, if any, top level law firms are just local or national, however, in Mexico there are many top tier Mexican law firms. What's more, in countries such as Chile there is almost no external competition. International firms are just now arriving in Peru and Peru has an economy that was consolidated many years ago. Argentina has the attraction of being larger economy than the Peruvian or Chilean ones, but the disincentive that profits in Argentina are very low and we are fairly new. I think this is something we have to observe and see what happens in the next two or three years. It will be difficult for these law firms if they want to operate here because the legal market is dominated by local law firms. The same thing happens in Uruguay, Chile and Peru. Still, what may happen is that the legal work will increase and there will be space for everyone, including global law firms. (*see the full interview in our site www.leadersleague.com*). ♦

“FOREIGN LAW FIRMS CANNOT OPERATE IN ARGENTINA HOWEVER WHEN THEY COME THEY ARE VERY ORIGINAL TO GET IN THE MARKET”

Leaders League. Do Argentinian regulations allow foreign law firms to open?

H.B.V. Regulations are almost identical to



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The historic center of Salvador

Brazil: Political turmoil, economic distress and important changes

FOLLOWING A RECESSION THAT STARTED AT THE END OF 2014, THE BRAZILIAN ECONOMY HAD A TERRIBLE 2015. INFLATION RATES HIT 10%, WHILE UNEMPLOYMENT REACHED 9%. TO MAKE MATTERS WORSE, AFTER MANY POPULAR DEMONSTRATIONS AND REVELATIONS OF POLITICAL SCANDALS, PRESIDENT DILMA ROUSSEFF FACED AN IMPEACHMENT PROCESS THAT RESULTED IN THE TRANSFER OF THE NATION'S HIGHEST EXECUTIVE FUNCTIONS TO VICE PRESIDENT MICHEL TEMER. BRAZIL'S LEGAL MARKET, WHICH IS ONE OF THE WORLD'S BIGGEST, HAS BEEN HEAVILY AFFECTED BY THESE POLITICAL AND ECONOMIC EVENTS, EVEN AS IT WITNESSES MANY CHANGES IN ITS OWN FIELD.

HIGH DENSITY OF LAWYERS AND LACK OF INTERNATIONAL COMPETITION

Brazil has one of the highest densities and number of lawyers in the world, with around one lawyer for every 316 people and 900,000 law professionals in total. Despite the fact that it has one of the most complicated regulatory systems might explain the high demand for lawyers, one particular reason that stands out for such a high figure is the number of law schools. There are around 1,300 law graduation courses registered in the territory. But, despite the ebullient legal market, Brazilian institutions still favour domestic firms over foreign ones, which are only allowed to act in the country as consultants and are barred from sharing fees and equity, or entering partnerships with Brazilian lawyers. However, Brazilians who wish to access international capital markets or develop projects

“THERE IS A WIDESPREAD CONSENSUS BETWEEN ECONOMIC ANALYSTS THAT ROUSSEFF’S CHOICES HAVE HURT THE COUNTRY’S FINANCES IN SIGNIFICANT WAYS, AS WELL AS SCARED OFF MANY FOREIGN INVESTORS”

abroad can still call upon the listed foreign firms (the majority acting in associations with local ones) providing legal advice, mainly on English and American law. Some nationals believe that giving foreign firms increased access would pose a threat to the already highly competitive market. Others think the arrival of foreigners would actually favour the exchange of legal knowledge and management skills. The vast majority of registered lawyers operate as sole practitioners or in small office structures – usually involved exclusively in domestic matters. Some others are big, full service firms, like BMA, Pinheiro Neto, Mattos Filho or Machado Meyer, that split their practice between domestic and international work with an effective presence abroad. The south-eastern region, where the cities of São Paulo and Rio de Janeiro are located, is the wealthiest, representing 55% of the country’s GDP.

Thus, it is also the region with the biggest legal presence totalling 533,828 lawyers in the area.

THE POLITICAL SCENE

Since narrowly winning a second term in October 2014, President Dilma Rousseff saw her approval rating plummet to 13% in the first trimester of 2016. Many popular demonstrations took place during simultaneously in Brazil’s major cities claiming better governance and praising “Operação Lava Jato”, the country’s biggest anti-corruption operation to date led by the federal police. Since 2014, Lava Jato has taken down some of Brazil’s most prominent politicians and businessmen, including at the highest levels of Petrobras, the country’s biggest state company, as well as key members of the main parties, who have been accused of involvement in bribery, money laundering and misuse of public resources. The impeachment request has mainly been based on accounting irregularities, which is something that many jurists still question in terms of constitutional legality. However, there is a widespread consensus between economic analysts that ►

► Rousseff's choices have hurt the country's finances in significant ways, as well as scared off many foreign investors who now want to avoid the unstable environment featuring a lack of institutional credibility. Nonetheless, despite severe depreciations of its investment grade by the world's most prominent risk agencies, up to the end of 2015, the country still figured as Latin America's largest FDI recipient and the eighth largest in the world.

RESPONSE FROM THE LEGAL MARKET

As for the legal market, it is true that most law firms operate just as any other company does: with paid employees, a complex IT system, an established and strategic budget, an action and growth plan etc. In this sense, the economic crisis has hit the legal market as severely as any other area. Nonetheless, it is precisely during times of economic distress that the number of breaches, defaults and insolvency is at the highest which, in turn, generates a lot of litigation and a rising demand for arbitration services. It is also during times of distress that companies face the need of reconstruction, sell assets and negotiate debts, which can also generate a higher demand for Tax, Labour and Banking advice. Lawyers have increasingly become part of companies' strategic divisions and are no longer just called upon whenever a problem arises, but anytime a change is needed. Therefore, crises can actually make good opportunities to invest in more consolidated client relationships.

“MARCO CIVIL”: A NEW CIVIL RIGHTS FRAMEWORK FOR THE INTERNET

Since 2010, the so-called Brazilian Internet Constitution has been a matter of great controversy between jurists, lawyers and non-specialists. It finally came into force on May 11 2016, after five years of discussion at Congressional level and public consultation. “Marco Civil”, roughly translated as civil milestone, is essentially a set of laws that regulate all internet activity. It came about after the revelation of espionage practices carried out by the American authorities against several countries, including Brazil. According to its sup-

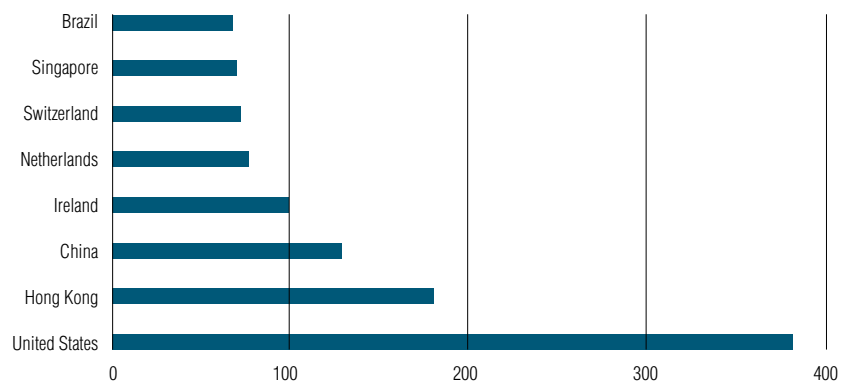
porters, the laws actually guarantee basic rights on the use of the web: privacy, security of private data, freedom of speech, the end of targeted marketing, etc. However, some of its most controversial topics include issues of neutrality. According to the new legislation, internet providers cannot offer differentiated access to particular services anymore – they must be neutral when it comes to the transfer of data, no matter its source or destination. Furthermore, concerning data storage, a lot has changed since the laws' initial drafts in order to preserve user privacy. It has been agreed that any registry of personal data by internet providers must comply with current Brazilian legislation, privacy rights and communication secrecy. Connection providers can no longer be held responsible for users' posts or comments and they may

only withdraw online content by judicial warrant. When it comes to targeted marketing, online companies will not be able to make use of user's private data in commercial strategies, unless specified by contract and for a maximum period of six months.

A NEW CIVIL PROCEDURE CODE APPROVED

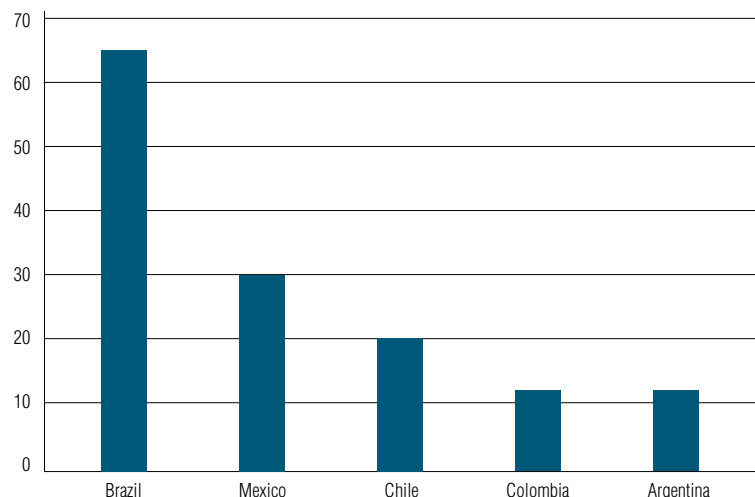
Following national changes in Digital Law, the approval on May 18, 2016 of the New Civil Procedure Code marked the end of five years of extensive discussions on how to modernize the Brazilian judicial system. One of its main goals is to speed up the process of litigation and of matters related to international law. It affects mainly the influence of national courts on international jurisdiction, choice of forum in contracts and recognition of foreign

TOP FOREIGN DIRECT INVESTMENT RECIPIENTS IN THE WORLD
\$ billion / 2015



Source: United Nations Conference on Trade and Development (UNCTD)

TOP FOREIGN DIRECT INVESTMENT RECIPIENTS IN LATIN AMERICA
\$ billion / 2015



Source: United Nations Conference on Trade and Development (UNCTD)

courts and judgments. For instance, Brazilian courts now have jurisdiction over disputes that involve alimony and marital assets. Parties are now free to choose a Brazilian court to decide upon their disputes even if no factors relating to Brazil are present. Moreover, if an international contract contains a choice of forum provision, the proceedings before a Brazilian court may be stayed, unless the subject relies solely on Brazilian jurisdiction. The new code even states that any rule, unlike before, can be subject to contrary provision contained in international treaties and bilateral agreements in force in Brazil. As a matter of fact, significant doubts used to arise concerning how Brazilian courts were to deal with requests from foreign ones. The goal now is to govern international judicial cooperation through treaties to which Brazil has committed and, in their absence, by international reciprocity principles. The formalities related to foreign documents and direct assistance have also been reduced. Last but not least, the new code states that foreign interlocutory judgments, such as urgent relief via letter rogatory, may be deemed enforceable in order to allow for a quicker judicial process.

THE RISE IN ARBITRATION PROCEDURES

Regarding Brazil's attempts to approach international legal standards, the choice for opening the arbitration procedures debate in the Senate in 2012 was related to the rise in the use of arbitration clauses in contracts. Finally, on May 26, 2015, with the aim

of consolidating practices that have become recurrent in the legal world, amendments to the 20-year-old arbitration laws were enacted. Some of the major changes include the creation of an "Arbitral Letter," an instrument of cooperation between arbitral tribunals and courts; the inclusion of a provision

to deal with interlocutory reliefs, which gives arbitrators the power to grant, modify or revoke measures; the possibility to appoint someone who is not on the list of an institution or chamber as arbitrator (subject to approval); and a provision allowing arbitrators to issue partial arbitral awards. ■

SOME OF BRAZIL'S LARGEST LAW FIRMS

Law firms listed in alphabetical order

Firm	Number of partners	Total Number of Lawyers	Number of Offices
Azevedo Sette Advogados	33	225	7
BMA Advogados	57	295	3
Demarest Advogados	62	277	4
Machado Meyer, Sendasz e Opice Advogados	53	350	6
Marcelo Tostes Advogados	20	180	6
Mattos Filho, Veiga Filho, Marrey Jr. & Quiroga Advogados	72	421	4
Nelson Wilians & Advogados	60	1560	45
Pinheiro Neto Advogados	86	394	3
Siqueira Castro Advogados	73	853	20
Souza Cescon, Barriou & Flesch Advogados	35	203	5
Tauil & Chequer Advogados	34	162	3
TozziniFreire Advogados	80	470	6
Trench, Rossi e Watanabe Advogados	59	229	4
Veirano Advogados	51	236	4

Source: Leaders League



© Filipe Frazão

Colorfully painted homes in Salvador



CELSO COSTA
Managing Partner,
MACHADO MEYER

“WE UNDERSTAND THE IMPORTANCE OF PROVIDING HIGH-VALUE SERVICES TO CLIENTS TO FULLY SUPPORT THEIR ACTIVITIES AND NEEDS”

“If Brazil is able to make the necessary adjustments it can realize its potential and achieve lasting stability”

Celso Costa, Managing Partner at Machado Meyer Sendacz Opice Advogados, one of the major law firms in Brazil. He looks back on what has been a hectic year for the country and gives his interpretation of the early signs of recovery.

Leaders League. What are the reasons behind the country’s difficult current situation and what is your mid-term prognosis?

Celso Costa. The political and economic challenges we are currently facing not only reflect our internal politics, but also echo foreign aspects of a globalized world. From a domestic perspective, the issue relates mainly to the gap between the government’s earnings and spending up to the end of last year. At the same time, countries all over the world have seen growth rates slow down. For instance, a few months ago we received information from Merrill Lynch Bank of America stating that around 25% of fixed-income global assets were being invested in negative return securities, such as German, Japanese and Swedish bonds. This is an indication that experienced investors are actually predicting a difficult time for the international economy.

The Brazilian economy depends heavily on the global markets, and it is also deeply affected by the way its export ratings develop. Let us take China for example, one of our country’s biggest trading partners. China has seen a deceleration in its economic growth, which has significantly - and negatively - influenced the Brazilian trade balance.

Due to both the international and the domestic factors, the Brazilian growth rate started to slow down and the government had to start financing its own public debt through higher interest rates and austerity measures. This action led to more troubled times, and the economy entered a vicious cycle. How long we will remain in this cycle really depends on how successfully the government can reduce public spending and reformulate the budget. It is a very intricate situation as one of the biggest obstacles to a country’s growth – debt – is still very much present in the Brazilian economy.

I believe things will start to get better from now on, though, especially as the acting government has so far shown encouraging signs of budget adjustment. Currency devaluation, such as the one we are currently facing, is usually good for Brazilian industry, as it provides us with more competitiveness in the international markets. Furthermore, despite the crisis, Brazil is still one of the most interesting investment destinations. If the country is able to make the necessary adjustments it can realize its potential and achieve lasting stability.”

Leaders League. How does Machado Meyer deal with times like these?

C.C. It is part of our strategic plan to foster the development of counter cyclical practices. On the top of that, we highly value a light and agile structure, while closely monitoring our revenues and understanding the financial difficulties our clients might be facing. Within this context, we adopted several actions back in 2014 focusing on enhancing our efficiency in general. When this crisis hit, Machado Meyer had already done its homework, thanks to this ever-present policy.

Nevertheless, we pay just as much attention to our operational practices and the changes they face during troubled economic times. For instance, we noticed a demand rise in litigation, labour, antitrust, compliance, and even in our M&A practices. We accelerated our investments in such practices.

The area that significantly suffered in the process was the equity capital market. Still, we believe this happened across the board and was not particular to Machado Meyer. Out of the six equity transactions conducted last year in Brazil, our firm was an adviser on four of them. This means that, despite a market deceleration, we are still very well positioned. In the medium term, if the government is able to lower interest rates, the

stock and private equity markets will be able to gain strength again.

The debt capital markets practice, on the other hand, has been very active. Although this segment in particular is already highly competitive, Machado Meyer has been able to stand out due to our pioneering investments in internal process optimization when dealing with standardized contracts and due diligence procedures.

Leaders League. What about more general changes to the legal market? Do you see trends from abroad affecting the legal landscape in Brazil?

C.C. Machado Meyer pays a lot of attention to what happens to law firms in the international market, especially in England and the US. Our current view on the legal market evolution, which we draw from news and conversations, after the necessary adjustments to the Brazilian culture, is what guides our main strategy as a firm. We always try to incorporate international trends into our four-year strategy cycles, analysing how they can affect and interact with the Brazilian legal scenario. We believe the legal market has many options – traditional counselling and mass litigation among them – but our strategy is to focus on complex and high responsibility work, including transactions and litigations that observe those requisites, in which our clients see the most relevant value. We shaped our working model to fit this ambition.

Leaders League. In this context, how is Machado Meyer positioned?

C.C. We understand that we are part of a very select group of firms that provide high quality services for complex matters and transactions. Analysing the current scenario in Brazil, politically, economically and legally speaking, we believe that as time goes on it will become more complicated to enter this highly specialized market, as the competition becomes even more qualified. The best-ranked firms, which usually are the ones prepared to render top-notch services, will on each occasion compete harder among themselves and will take part in the most significant value-added work. The “up-and-coming group” will face aggressive market and price competition and will have to fight to get the remaining transactions.

Our strategic plan aims at strengthening our position within this leading group. We believe that in order to achieve this goal, we need to focus on maintaining highly trained professional, as well as the efficiency and agi-

lity of our structure.

Machado Meyer is not focused on developing a typical full-service structure. It is true that we have almost all practices across the board and, thus, we are prepared to assist different needs of our clients. Machado Meyer aims at building a platform that is prepared to handle complex and high responsibility work, one recognized by clients for its capability to provide top legal solutions. All our practices are committed to providing services with excellence, effectiveness and empathy to what the client is experiencing regardless of the transaction, litigation, issue or challenge they might be facing.

Leaders League. What specific sectors and industries do you expect to fuel growth in the new Brazilian economy?

C.C. In the current scenario, distressed assets, M&As and debt restructuring seem to be keeping the economy going, with constant opportunities rising in these sectors.

Nonetheless, infrastructure has always been a pillar of the Brazilian economy and that should continue as the economy starts to pick up again. The new President has also signalled in this direction with his first Provisional Measure, which is intended to stimulate the growth of investment partnerships in federal concessions, the so-called PPI. According to this Provisional Measure, the goal is to expand the Brazilian infrastructure with quality and at reasonable prices. If this Provisional Measure becomes law, this could be an excellent opportunity for local and foreign investors.

Leaders League. What is your view on the recent activity in lateral hiring? Could that be symptomatic of an important change in the market?

C.C. As mentioned, we consider that the competition between high quality services firms should grow in the coming years, making it even more difficult for new and established practices to obtain market share and win new clients. Lateral hiring could be an interesting alternative in this race, as extremely prepared and experienced professionals take on new challenges. Therefore, lateral hiring could be viewed more as a consequence of an ongoing market transformation, then the cause of this change.

A cultural adjustment is always necessary in the case of a lateral hiring, but it can be identified even before the hiring terms and conditions are finalized and should be addressed in the first months of a new addition to a team. ♦

“MACHADO MEYER AIMS AT BUILDING A PLATFORM THAT IS PREPARED TO HANDLE COMPLEX AND HIGH RESPONSIBILITY WORKS”



CARLOS FERNANDO SIQUEIRA CASTRO
Partner and Chairman of the Executive Committee,
SIQUEIRA CASTRO ADVOGADOS

“Internal cohesion, a wide variety of services and flexibility towards the clients are what set us apart”

Leaders League. What are your mid and long-term predictions for the Brazilian market?

Carlos Fernando Siqueira Castro. Both the domestic and international predictions are optimistic about the Brazilian economy. The feeling that “the worst has passed” is perceptible. Companies have been able to renegotiate their debts, many stalled projects have been restarted and the government has been showing signs of recovery. However, the medium and long-term challenges, mainly on the rise of public debt – especially regarding social security – and how to consolidate economic growth, are huge. Moreover, they are subject to countless internal and external variables. Nevertheless, Brazil is a country with all the necessary conditions to consolidate its position as an important international player. We are a big mineral and rural commodities producer, our industrial park is huge and diversified, we have a strong consumer market and an enormous amount of strategically located territory. We have been through a bad economic period, but I believe that, with a lot of work and fewer mistakes, within three or five years we’ll have a fast growing economy again. Despite all the difficulties, Brazil is too big to fail.

Leaders League. What are the fundamentals of client managing in times of crisis? In this context, how does the firm manage to keep its “never lose a client” philosophy?

C.F.S.C. I wouldn’t say “never lose a client.” Sometimes we have to say ‘no’ and when we do so in an honest and transparent way, the client respects and admires our decision. The important thing is to seek a convergence of interests with the clients and find solutions that satisfy them. In the critical period that we are currently going through, some clients are taking a short-term view and have begun to orient themselves towards immediate results. Price becomes a fundamental element of client/firm relations. We have to be ready for this by being flexible and having institutional cohesion. The diverse sectors of

the firm need to understand that the relation with the client is global. A given project might not be profitable for a specific sector, but the relationship built with the client, the arrangement of services and the firm’s position in the market should prevail. To make all the partners and sectors aware of this global vision is a great challenge. I believe internal cohesion, a wide variety of services and flexibility towards the clients are what set us apart and have allowed us to keep growing even in a challenging environment.

Leaders League. What are the main consequences of a firm being quoted in a corruption scandal? How does Siqueira Castro manage to keep its ethics and never run this risk?

C.F.S.C. Corporate ethics and compliance practices are currently in great focus in Brazil. The clients are much stricter when it comes to this problem, which is excellent because it demonstrates the maturing process of the country and its corporations. Actually, the chosen firm reflects the corporate image that the client wants to show

the market, the judicial system and its consumers. It’s like that old Brazilian saying: “Tell me who you walk with, and I will tell you who you are.” The legal market has gone through a depuration process in Brazil and legal firms with bigger reputation/credibility tend to be more valuable and sought after by clients. I don’t believe that a law firm can claim ignorance of the law. To be involved in a corruption case is to invalidate a firm’s law practices in the eyes of the market. In our particular case, we have a strictly legal operation with no political ties. We don’t counsel clients and projects which we don’t believe in or that may cause risk to our reputation. We have 68 years of history and more than 2,000 people working within our offices across the country. Our daily work is to pass on to future generations a serious and respected firm. Our community follows strict rules and policies, which include an ethics and compliance code mirroring those of the greatest American and European firms. ♦

“BRAZIL IS A COUNTRY WITH ALL THE NECESSARY CONDITIONS TO CONSOLIDATE ITS POSITION AS AN IMPORTANT INTERNATIONAL PLAYER.”

Marcelo Tostes Advogados

Expansion accompanied by quality service

SINCE ITS FOUNDATION, IN 1999, MARCELO TOSTES ADVOGADOS HAS NOT ONLY INCREASED ITS NUMBER OF LEGAL SERVICES, BUT HAS ALSO SPREAD OUT ACROSS BRAZIL, REACHING SEVEN ESTABLISHED OFFICES IN 2016. KNOWN FOR ITS MASS LITIGATION PRACTICE ON THE ONE HAND, MTA ALSO RELIES ON AN ACQUISITION STRATEGY TO EXPAND UNIQUE PRACTICES THROUGH THE INCORPORATION OF THE BEST SPECIALIZED FIRMS IN DISTINCT AREAS.

Since 2011, Marcelo Tostes Advogados (MTA) has incorporated six smaller firms without losing its corporate identity or service quality. According to its founder and Managing Partner, Marcelo Tostes, the acquisitions are part of a strategy to guarantee specialization, while keeping the high quality of its practices throughout the seven offices nationwide. All incorporation proposals are exhaustively discussed with the main board, taking into consideration all the peculiarities of each business. The result is the combination of a consolidated large-firm structure, such as the one of MTA, with specialized expertise coming from smaller boutiques. But how does it manage to keep a standard practice serving thousands of clients across the country? “By focusing on quality and simplicity, while always keeping an eye on the best solutions for the clients,” continues the MP. It is true that the firm relies upon a permanent internal audit process, frequently performed in every MTA office. However, none of the success it enjoys would be possible without a highly qualified legal team. MTA lawyers are not only experienced, they constantly update themselves on the newest trends in their areas, as well as on Brazilian law in general. Moreover, the firm’s executive board constantly encourages team members to participate in specialization courses and master’s pro-

grams as a way of ensuring that the firm remains innovative and up to date.

SOCIAL RESPONSIBILITY

Alongside MTA’s constant improvement by assimilating the best of specialized law, as well as robust expansion through its acquisition strategy, the firm takes time to elaborate and develop some social res-

ponsibility programs. “Tostes Verde” is an environmental program focused on stimulating sustainable practices and awareness in all seven offices. “Mãos à Obra” is a project focused on the empowerment and introduction of young people with poor living conditions in the market through Associação Hélio Tostes, the firm’s official social foundation. ■

OFFICES DISTRIBUTION AROUND THE COUNTRY





MARCELO TOSTES
 Founder and Managing
 Partner, **MARCELO TOSTES**
ADVOGADOS

“Through timely adjustments we have been able to withstand with relative tranquillity the current difficult economic environment”

Marcelo Tostes, Founder and Managing Partner at Marcelo Tostes Advogados shares his views on the current economic situation in Brazil. To him, innovation and productive management are essential to survive in these hectic times.

Leaders League. How does the new Civil Procedure Code (CPC) affect the way lawyers conduct their business in Brazil?

Marcelo Tostes. The many alterations brought by new Code impose significant changes in the way we conduct legal business in the country. The current legislation strengthens the importance of precedents not only to assure there is more legal certainty and promptness in our judicial system, but to stimulate the adoption of alternative dispute resolution mechanisms as well. The insertion of norms similar to the ones we find in Common Law makes the adoption of techniques, such as *distinguishing* (between the concrete case and the precedent)

and *overruling* (of a precedent) indispensable to our judicial demands. This is especially important to the ones that are similar to cases judged with general repercussion or through the solution incident of repetitive demands. We have also identified the rise of a new field in law: the consolidation and concrete adoption of a mediation institute. Our firm has always been very keen of this type of dispute resolution even before the new Code came about, as we have always acted in order to prevent the installation of judicial processes.

Leaders League. Isn't it ironic that a firm such as yours, whose revenue comes mainly from the court disputes, is working towards the reduction of litigation processes?

M.T. Lawyers are used to arriving in court ready to battle it out. However, legal professionals must adapt to the CPC mentality, which is that they should

always prioritize the use of consensual dispute resolution mechanisms. Our firm does have a specific area just for conducting high scale processes – specifically towards consumer demands from big companies – but we have always stimulated conflict mediation through peaceful means. The old system of receiving a demand, working on concrete defences, going to hearings, waiting for convictions and finally making payments is no longer sustainable in our current reality. It

“IT IS OF PARAMOUNT IMPORTANCE THAT WE BASE OUR FIRM'S WORK ON STRATEGIC MANAGEMENT, ALWAYS LOOKING FOR THE ECONOMIC BENEFIT OF THE CLIENTS”

is of paramount importance that we base our firm's work on strategic management, always looking for the economic benefit of the clients. Among many measures, Marcelo Tostes has been working on a daily communication method with

businesses in order to quickly respond to their high quantity of demands. One particular strategy has been shortening the time between the reports we send to those companies. These reports are followed by constant research so that we fully understand the origin of the demands and find ways to solve the problem before it gets to court. Our focus is on the result and our fundamentals rely on information management, the use of technology as a legal ally, and frequent investment in innovation.

Leaders League. 2015 was a tough year for the Brazilian economy. How is the economic recession affecting the market? What are the strategies adopted by MTA to cope with these adversities and maintain good revenues?

M.T. I don't think our market has suffered the recession the way other businesses have. The management of the firm has always had their eyes on the eco-

conomic perspectives of the future and how these can be achieved. In 2014 we foresaw the country would go through one of its biggest crises. Thus, we adopted the necessary measures to mitigate the negative effects. Afterwards we were able to go through 2015 without having to take drastic actions, such as significant spending or staff cuts. Some of these strategies were the renegotiation of unprofitable contracts and the correct allocation of strategic resources in areas like IT and control. Through timely adjustments, guided by a conservative and efficient management of resources, we have been able to withstand with relative tranquility the current economic environment.

Leaders League. How does MTA see the prospects for the M&A industry?

M.T. The M&A segment is a peculiar one, with many nuances that set it apart from other economic and business segments. In M&A, you cannot always say that you have to reduce costs and investments during times of crisis. Frequently,

an economic recession is a catalyst for big corporate operations. Anticipating a stagnation scenario, companies that have prepared themselves for difficult times have a greater capacity to make big investments or contributions. On

the other hand, those that were showing great signs of consolidation may become vulnerable because they didn't prepare. For the best-prepared ones, though, it is precisely the difficult economic moment that presents the best time to make M&A transactions, as the market value of other companies is reduced. Obviously, this industry is not totally immune to the crisis, but many opportunities are born from it. Then, after consolidation, these companies are more likely to be ready to face day-to-day economic life.

Leaders League. During the last five years, Marcelo Tostes has acquired many smaller firms. What is the strategy for the coming years in this aspect?

M.T. The incorporation strategy adopted by our firm is strongly bonded with the aim on aggregating a qualified and resourceful partners, without compromising the quality of our services or the firm identity. Before starting any incorporation

process we carry out an enormous amount of study and research on the potential incorporation partners. As occurred in the past acquisitions, all of the eventual new acquisitions must and will be discussed to exhaustion, while we take into consideration all peculiarities and nuances involved in each business, among them, the maintenance of our identity and quality standards. In parallel with the incorporation and acquisition strategies, which the firm will continue to pursue, Marcelo Tostes Advogados will focus on investing in innovation and technology for the coming years. The firm is pioneer on the development of new and modern ways to follow up any court procedures or demands, over the regular and existing ways. For example, the firm developed and is on the track of implementing the digital platform "Dashboards" which contains indicators that are updated live so our clients can know every single detail regarding each and every one of its demands, showing, for example, the number of transactions signed, number of procedures concluded,

"FOR THE BEST PREPARED COMPANIES IT IS PRECISELY THE DIFFICULT ECONOMIC MOMENT THAT PRESENTS THE BEST TIME TO MAKE M&A TRANSACTIONS"

among other statistics. Another technological innovation that has been developed by our firm is the "Easy Lawyer" which can geolocate the lawyers that are directly acting on the client's demands.

Leaders League. MTA is known for mass litigation services and strategic personalized counselling. How does it manage to operate these two practices in harmony?

M.T. I personally believe that both mass litigation services and strategic personalized counselling can be done with high quality standards. In order to do so, we must bear in mind that each of the referred specialties has different nuances that must be comprehended in order to adapt our personnel and facilities to each of its differences. Due to their peculiarities, we have developed different systems and fluxes to operate on both of them. Therefore, we opted for keeping different offices for each one. In fact, the levels of excellence in service at both of them is the same. We constantly control our quality and performance in both offices. Our goal is always to tend to the clients' needs with the best quality service, regardless of work volume or subject matter. ♦



PEDRO BHERING
Senior Partner,
BHERING ADVOGADOS

“BOUTIQUE IP LAW FIRMS HAVE GROWN IN THE LAST DECADE, OFFERING BOTH PROSECUTION AND LITIGATION SERVICES”

“We strongly advise every foreign company to protect their IP assets before entering the Brazilian market”

Senior Partner and founder of one of the most traditional IP law firms in Brazil, Pedro Bhering discusses the particularities of the market and shares his knowledge on how to protect IP the assets of foreign companies.

Leaders League. How is Brazil’s market for IP services organized?

Pedro Bhering. Intellectual property awareness has increased in Brazil in recent decades which has had a direct impact on the demand for IP professionals. These professionals, as in many countries, are traditionally Industrial Property Agents and Attorneys-at-law specialized in IP laws.

Industrial Property Agents (IPA) are historically allowed to assist clients throughout IP prosecution before Brazilian PTO. Unlike other countries, IPAs are not divided into two groups (Trademark and Patent Attorneys), and once an individual is registered as an IPA, he can assist clients on every procedure before the Brazilian PTO. However, as no legal background is required to become an IPA in Brazil, a Federal Court ruled in favor of allowing every person to receive Power of Attorney and assist clients before the Brazilian PTO. As a matter of fact, a critical point has been reached, as companies and individuals have no guarantees on the quality of those offering IP services on the market.

Attorneys-at-law also have an important position in the market, which is traditionally divided between full-service law firms and boutique firms. In recent decades, traditional Brazilian full-service law firms created IP desks to improve their practice. Nevertheless, it seems that they are commonly a support team for other departments. On the other hand, boutique IP law firms have grown in the last decade, offering both prosecution and litigation services. In order to achieve this goal, professionals in boutique IP law firms have varied backgrounds, from the technical to the legal.

Leaders League. What are the main advantages of being a local specialized IP firm, in comparison to a global, full-service firm that has an IP department?

P.B. Considering that intellectual property is capital, one cannot deny its importance in the contemporary economy. In a globalized world where economic activity increasingly seeks specialization, we understand that said concept also applies to intellectual property services. In this regard, clients that are assisted

by a law firm that has IP as its core business benefit from the various advantages of said specialization, such as qualified, personalized and optimized services, among others.

Leaders League. Bhering Advogados is one of the few IP firms to have a German desk. What is the thinking behind this? Is the model being replicated in other regions?

P.B. One of the highlights of our practice is our German desk, through which we provide personalized assistance to German speaking clients of all sizes and fields of activity. While initiating business in Brazil or starting a Brazilian branch office with German speaking staff, German clients can count on our firm for guidance and a safe introduction into the Brazilian legal system.

Our German and German-speaking attorneys are graduates or post-graduates of Germany universities, and they are also extremely familiar with Brazilian law. Thus, our attorneys are prepared - when it comes to comparative law - to provide advice on the requirements and options within the scope of Brazilian law, with the added advantage of being able to communicate in German. The activities of our attorneys are integrated within our three branches and are supported by German and German speaking paralegals and translators. Said structure enables synergistic and optimized teamwork by our German desk. We have plans in the near future to replicate this model in other regions.

Leaders League. In terms of protecting IP assets, what would be your advice for foreign companies willing to launch activities in Brazil?

P.B. We strongly advise every foreign company to protect their IP assets before entering the Brazilian market. Our experience demonstrates that when foreign companies (commonly medium-sized) identify a potential distributor or a commercial representative for their products in Brazil, sometimes they neglect to protect their IP in advance. They are often surprised to find out that their IP assets are already registered in Brazil by third parties, which causes long and costly disputes. ♦

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Homes in the port city of Valparaíso

Chile: Key reforms for a market in recovery

WITH A STABLE DEMOCRACY, OPEN MARKET ECONOMY AND WELL-ESTABLISHED LEGAL PRACTICE, CHILE IS, WITHOUT A DOUBT, ONE OF THE MOST PROSPEROUS NATIONS IN LATIN AMERICA. FOLLOWING A FIVE-YEAR RECESSION, THE COUNTRY'S GROWTH RATE HAS RECOVERED SIGNIFICANTLY IN 2015, WHICH HAS IN TURN STIMULATED THE NATIONAL LEGAL MARKET WITH THE INCREASE OF CORPORATE RESTRUCTURINGS AND LITIGATIONS.

Chile's legal market, unlike other Latin America countries, such as Brazil and Peru, is notably less restricting when it comes to regulating foreign firms that do business and settle in the country. For a foreigner to practice as a local lawyer, however, they must go through a process of validating their degree and, as Francisco Carey, partner at Carey stated: "one of the major roadblocks to larger international offices installing themselves here is that the legal consultancy in Chile is very sophisticated." International collaborations and mergers between local and foreign firms exist though, a case in point being the binational collaboration between Colombian law firm Prietocarrizosa and Philippi Yrarrázaval, Pulido & Brunner, from Chile. The business also had the participation of famous Iberian firm Uría-Menéndez in the first ever Ibero-American multi-jurisdictional law firm investment. They recently added Ferrero and Delmar Ugarte from Peru. Further-

"CHILE HAS RECENTLY EXPERIENCED A SERIES OF LEGISLATION REFORMS, SUCH AS THE NEW INSOLVENCY LAW AND NEW TAX LEGISLATION, WHICH HAVE PROVIDED A DEMAND FOR LEGAL ADVICE"

more, Spanish firm Garrigues has a local collaboration with Avendaño Merino and the prestigious American firm Baker & McKenzie, as in almost all jurisdictions, was also the first international law firm to have an office in Santiago.

THE PACIFIC ECONOMIC ALLIANCE

Chile's economy has been significantly influenced by the recent implications of the Pacific Alliance Treaty, officially established in 2011. One of the treaty's main goals is to consolidate a strong Latin market by reducing barriers to assets, services, capital and people among its four members (Chile, Colombia, Peru and Mexico). Comprising 224 million people, these countries represent 38% of Latin America's GDP. Thus, there is no doubt the region is also relevant to international investors. Chile, for instance, offers many advantages to foreign businesses in diverse sectors, such as biotechnology and energy. More than 60% of Chilean energy resources are imported and the go-

vernment has established a goal of improving renewable energy up to 45% of its national capacity by 2025. With the gradual implementation of the treaty, the Chilean market will demand more legal services from professionals with experience in areas such as finance, restructuring and international law.

LEGISLATION REFORMS

Alongside the first signs of economic recovery and trade shifts, Chile has recently experienced a series of legislation reforms, such as the new insolvency law and the new tax legislation, which have also provided a demand for the advice of lawyers and counsels around the country. Moreover, President Michelle Bachelet still managed

KEY FIGURES

Chile's Population:
18 million

Total lawyers:
30,000

New lawyers in 2015:
3,487

Law Schools in Chile:
44

to get congressional approval on an update to Chile's labour code, something that would imply significant changes on employment relations and on union power. Chilean lawyers have been busily advising clients on how best adapt to the changes to come. It is likely that more employees will become union members and the unions

themselves will have more leverage when dealing with bargaining procedures. Another niche where lawyers, such as Rodrigo Velasco Alessandri, partner at Alessandri Abogados, and Rodrigo Lavados, partner at Sargent & Krahn, will be active is the Digital one. An important reform that should take place in the following months is the

new law regarding data protection. The original legislation dates back to 1999 and has been slightly modified over the last 15 years. Substantial changes should be made to adapt the existing legislation to new technologies and international exchanges of information, as well as to protect the data available online. ■

SOME OF CHILE'S LARGEST FIRMS

Law firms listed in alphabetical order

Firm	Number of partners	Total Number of Lawyers	Number of offices
Alessandri Abogados	8	43	1
Barros & Errazuriz Abogados	23	53	1
Carey	28	231	1
Cariola Diez Perez Cotapos & Cia	21	86	1
Claro & Cia	20	94	1
Ferrada Nehme	8	50	1
Philippi Prietocarrizosa Ferrero DU & Uria*	19	49	1
Prieto & Cia	16	58	1

Source: Leaders League

*Numbers from Chilean Office

KEY ECONOMIC INDICATORS FOR PACIFIC ALLIANCE COUNTRIES (2015)

Chile has the biggest GDP per capita

	Chile	Colombia	Mexico	Peru	Total	Latin America	PA as % of LA
Population (Millions)	18	48	127	31	224	611	37%
Nominal GDP (US\$ Bn at PPP)	411	666	2202	349	3628	9605	38%
Per Capita GDP (PPP)	22870	13800	17340	11210	-	-	-
Exports of Goods & Services (\$bn)	72	40	373	41	526	1148	46%
Imports of Goods & Services (US\$ Bn)	68	67	428	46	609	1212	50%

Source: Congressional Research Service



JUAN FRANCISCO GUTIÉRREZ
Co-Chair and Member of the
Management Board,
**PHILIPPI PRIETOCARRIZOSA
FERRERO DU & URÍA**

“Nowadays there is a great deal of work in Chile in the tax and labor law areas”

The Chilean firm Philippi, Yrarrázaval, Pulido & Brunner, the Colombian firm Prietocarrizosa, two Peruvian firms Ferrero and Delmar Ugarte together with Spain's Uriá gave birth to one of the most unique Iberoamerican law firms. Juan Francisco Gutiérrez, Co-Chair and member of the management board of the new entity shares his thoughts on the particularities of the Chilean market and the most prominent sectors in his country.

Leaders League. Could you describe the Chilean legal market?

Juan Francisco Gutiérrez. In general, law firms in Latin America have a lack of internal institutionalization right now. It has been achieved by few firms and consequently this is a big opportunity for the rest. When firms have a better degree of institutionalization, they are able to weather future changes instead of being a group of single practitioners or a family owned firm which has a successful history but disappears once there are problems within the group or one of the important partners retires. Competition will get stronger and stronger, and talent will move to the firms that give it long term prospects.

It is easier to attract talent to a firm that has a long term vision and an active interest in adapting itself to the future, than to one which has no common long term goal.

Leaders League. In recent years two of the three biggest Spanish law firms arrived in Chile. Do you think the appetite of Iberian law firms for Chile is unique or might other international law firms be interested in setting up shop there?

J.F.G. I would say that law firms seek to respond efficiently to new demands for professional services resulting from the growing economic relationship between the countries on the region, especially those belonging to the Pacific Alliance. As a consequence, the appetite of Iberian or other international law firms could increase in the coming years.

Coordinating efforts, to present a com-

mon front and offer clients an integrated service, makes you much more attractive from a client's perspective than the firms that do not have a presence in more than one jurisdiction.

Leaders League. What are the prominent sectors in your country and what are the areas of law that will be busier in forthcoming years?

J.F.G. Nowadays, because of all the talk about reform in Chile, there is a great deal of work in the tax and labor law areas. We are also seeing a great interest in establishing non-traditional renewable power generating projects (ERNC), such as wind and solar. Maybe that is not the

case in other countries, but in Chile the renewable's sector is very active at the moment.

I also believe that the Petrobras scandal will generate more interest in Latin America in the development of a practice in connection with local and international legislation that fights, prosecutes and sanctions the granting of money or favors to influence public officials.

It is a fact that mergers and acquisitions have diminished, even though prices have fallen. There has also been a slowdown in China, which we in Latin America are very sensitive to. We have been affected, however this has been counterbalanced by other sectors. As I said before, there are practice areas that are performing well such as energy (including renewable energy), tax

(on issues of tax reform) and labor (linked to labor reform and litigation, especially regulatory issues). ♦

“IN GENERAL, LAW FIRMS IN LATIN AMERICA HAVE A LACK OF INTERNAL INSTITUTIONALIZATION RIGHT NOW”

“IT IS EASIER TO ATTRACT TALENT TO A FIRM THAT HAS A LONG TERM VIEW”



Palace of Fine Arts, Mexico City

Mexico: A legal market in transformation

GEOGRAPHICALLY SITUATED BETWEEN THE UNITED STATES AND CENTRAL AMERICA, MEXICO IS A MIX OF THESE CULTURES. FACED WITH RENEWED INTEREST FROM FOREIGN LAW FIRMS, FOLLOWING SIGNIFICANT REFORMS THAT MARKED THE LIBERALIZATION OF SEVERAL ECONOMIC SECTORS OF THE COUNTRY, MEXICAN FIRMS ARE SEEKING A NEW POSITION.

The legal market in Mexico has received considerable attention over the past few years and the reasons abound. Mexico is the second largest economy in Latin America and 2014 was a milestone in the history of the country, punctuated as it was by various reforms. Most important was the energy reform that put an end to 75 years of state monopoly. Another liberalization in 2014 happened in the telecoms sector. The main beneficiaries of this market opening up have been the Mexicans themselves, with more competition, more enterprises and more investments in those sectors. On the legal side, the situation has become promising: be it new entrants or historical operators who need to adapt to the new rules of the game, consultations with specialized lawyers have risen sharply. The Mexican economy continued to expand during 2015 but at a moderate annual rate of growth of 2.5% and according to the World Bank, economic growth should slow down slightly in 2016. The country is facing a challenging external environment including the considerable drop in oil prices. Over the medium term progress

in the implementation of the structural reforms mentioned should lead to significant growth in economic activity.

A KEY JURISDICTION FOR INTERNATIONAL FIRMS

Foreign investment is flowing in and will continue to do so in the coming years following the implementation of the different reforms. Juan José López de Salinas, Managing Partner at Basham, Ringe y Correa S.C., has a positive vision. *“Foreign direct investment in 2016 will exceed the amount invested during 2015, which implies more activity in the country. The acquisition of Mexican companies by foreigners and the setting up of their subsidiaries have represented great opportunities for law firms.”* Consequence: Mexican firms are competing with each other to attract these corporate clients investing in the country. The national firms that aspire to benefit from the reforms are positioning themselves against international competition: lateral hires, mergers between local firms or absorption by an international firm with a broad overseas network. The appetite of international law firms for a presence in Mexico has continued to grow. One of

the major firms to have set up an office recently is Dentons. In May 2016, Colombian law firm Cardenas & Cardenas, and Mexico’s López Velarde formalized their relationship, becoming Dentons Cardenas & Cardenas and Dentons López Velarde.

IBERIAN INTEREST

In recent years the biggest Iberian law firms have shown an increasing interest in the Latin American region and as far as Mexico is concerned the top three Spanish firms are already there. Garrigues opened in September 2014 and has been reinforcing the team since then. In January 2016, Gerardo Lemus and Santiago Chacón joined the ►

KEY FIGURES

Mexico’s Population:
127,000,000

GDP:
\$1.144 trillion

GDP growth:
2.5%

Inflation:
2.7%

► firm as partners. Cuatrecasas set up an office earlier in 2016 and a few months later, it hired Santiago Ferrer as a partner. Uria has a sole practitioner office but with its Latin American arm Philippi, Pietrocarriozosa, Ferrero DU & Uria things are probably going to change in the next few months. They already have a strong presence in Chile, Colombia and Peru. Their next step is surely Mexico, to complete the set of the four countries which are members of the Pacific Alliance trade bloc.

THE NOVELTY CONCERNS NOT ONLY THE NEWCOMERS

For those already well-established foreign firms, the recent months have been marked by the movement of partners. Notably, Luis Rubio Barnetche, Bertha Alicia Ordaz Avilés, Octavio Lecona Morales, José Antonio Vázquez Cobo and some associates left Greenberg Traurig LLP in 2015 to join the Mexican office of Jones Day. At Hogan Lovells BSTL the departures continue. Manuel E. Tron and Ramon Bravo H. left to join SMPS Legal. On the other hand, although national firms continue to dominate the market, they need to stay competitive. Recent months have also been turbulent for them. Basham, Ringe y Correa S.C., has recruited Cecilia Flores, as partner, to lead the litigation and arbitration practice. Another firm, Galicia, opened its tax practice and for this operation they enlisted the expertise of Gabriela

Pellon, who has almost 20 years of experience in tax law, the majority of it gained from her time at Ortiz, Sainz y Erreguerena.

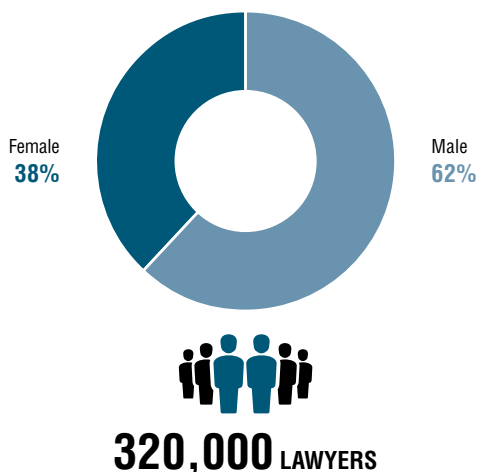
THE SPECIALIZED BOUTIQUE OPTION

But the arrival of international firms does not mean that clients are following the same trend. Mexican legal departments appreciate the imported management models, advanced ways of working, as well as the sophisticated nature of work these firms do, but not everyone is ready to pay fees commensurate with American standards. For the moment, general counsels are aware that some subjects do not need to be handled by these giant corporate firms and that the option of a “specialized boutique” is sufficient. This is the case, for example, for the firm Calderon y de la Sierra, which is dedicated to intellectual property, and is currently doing very well having hired many new partners in 2015. This is also true of smaller firms that are gaining more and more recognition in the market as BGBG in telecommunications, data protection and banking. The coming months will be decisive for the Mexican legal market. It is essential that firms understand the implications of the moves, implantations and firm creations that will accompany the arrival of foreign capital. The Mexican legal landscape is still likely to change a great deal. ■

SOME OF THE MORE ACTIVE LAW FIRMS IN MEXICO

Firm
Baker & McKenzie LLP
Hogan Lovells BSTL
Basham, Ringe y Correa S.C.
Bryan Gonzalez Vargas & Gonzalez Baz
Bufete Ignacio Fernandez
Bustamante, Escandon & Pareyon
Cervantes Sainz
Creel, Garcia-Cuellar, Aiza y Enriquez
Galicia Abogados, S.C.
Gallastegui y Lozano
Gonzalez Calvillo, S.C.
Goodrich Riquelme y Asociados
Greenberg Traurig LLP
Haynes and Boone, LLP
Jones Day
Lexcorp Abogados
Nader Hayaux Goebel
Ritch Mueller
Rubio Villegas & Asociados
Sanchez DeVanny Eserverri, S.C.
Santamarina y Steta, S.C.
Santos Elizondo
Thompson & Knight LLP
Uthoff Gomez Vega
White & Case LLP

THE NUMBER OF LAWYERS IN MEXICO HAS GROWN 6.5% SINCE 2014
PERCENTAGE OF MALE AND FEMALE LAWYERS IN 2016



Source: Encuesta nacional de ocupación y empleo (ENOE) del primer trimestre 2016 Instituto Nacional de Estadística y Geografía de México.



JUAN JOSÉ LOPEZ DE SALINAS
Managing Partner,
BASHAM ABOGADOS



In the past three years several structural reforms were approved in Mexico. Some of the most important were made in the following sectors: Energy, telecoms & broadcasting, financing and education. Those measures were accompanied by labor reforms, transparency, tax and competition.

“After the structural reforms carried out in Mexico the country has become more attractive and a niche for foreign investment”

Established in Mexico in 1912, Basham is one of top Mexican full-service law firms. Its managing partner, Juan José Lopez de Salinas explains the particularity of the Mexican Legal market and discusses the values that an independent firm such as Basham needs to compete with globalized organizations.

Leaders League. How would you describe the Mexican legal market? Are local firms still dominating?

Juan José Lopez de Salinas. Without a doubt after the structural reforms carried out in Mexico, the country has become more attractive, and a niche for foreign investment, and this also offers more business opportunities for law firms in different practice areas. Certainly the number of competitors in Mexico has increased during the past number of years; however we believe that law firms like Basham have a considerable advantage over foreign firms particularly in terms of experience, corporate culture as well as the “know how” of doing business in Mexico. On the other hand, and despite the increasing number of competitors, we perceive stability in the market and big local players like Basham still dominate.

Leaders League. In recent years we have seen more foreign law firms such as Hogan Lovells, Garrigues, Cuatrecasas and Dentons setting up offices in Mexico. What is your feeling about this trend?

J.J.L.de S. Competition is always welcome. We are very open in regards to the entry of foreign law firms and we think they are making their contribution to the market. However it should be noted that these firms are forming alliances with Mexican firms and lawyers and making lateral hires, they are not starting from scratch. We think there are opportunities for all and competition encourages us to stay at the forefront of business and legal solutions for the benefit of our clients. It keeps traditional and local firms continuously innovating and reinventing themselves to better serve their clients.

Leaders League. What values can an independent firm such as Basham draw on to make its presence felt in a market that attaches increasing importance to globalized organizations?

J.J.L.de S. One of our strengths is to provide legal and business solutions through a multidisciplinary perspective. Our clients rely on us and that base allows

us to sustain growth and development. As proof of the above we incorporated our first female partner in November of 2015, Cecilia Flores, who leads the arbitration practice group. In addition we have just promoted seven new partners in order to strengthen and diversify our services, and also in order to comply with our clients’ needs. Nationally and international-

ly, we have formed strategic alliances with different networks which allow us to have a strong presence in almost every part of the world.

Leaders League. Which sectors are the most dynamic? Where do you think there are more opportunities for lawyers?

J.J.L.de S. Foreign direct investment in 2016 will exceed the amount invested during 2015, which implies more activity in the country. The acquisition of Mexican companies by foreigners and the setting up of subsidiaries have represented great opportunities for law firms in Mexico. The most dynamic sectors in our view would be: Energy, mining, telecommunications, infrastructure, manufacturing, financial services, transportation, storage, automotive and tourism. What this probably means is that full-service law firms that don’t have those practice areas will try to develop or reinforce through internal promotions or lateral hires. ♦

“WE ARE VERY OPEN WITH REGARDS TO THE ENTRY OF FOREIGN LAW FIRMS AND WE THINK THEY ARE MAKING THEIR CONTRIBUTION TO THE MARKET”



Cusco, historical capital of the Inca Empire

© sharpjoyou

Peru: International firms reshaping the domestic legal market

PERU IS CONSIDERED ONE OF THE LEADING EMERGING MARKETS IN THE REGION IN TERMS OF ECONOMIC DEVELOPMENT AND DESPITE THE ECONOMIC SLOWDOWN THE PROSPECTS ARE BETTER THAN IN NEIGHBORING COUNTRIES. ACCORDING TO THE IMF (INTERNATIONAL MONETARY FUND) PERU WILL GROW AT A FASTER RATE THAN CHILE, COLOMBIA AND MEXICO. NEW PRESIDENT PEDRO PABLO KUCZYNSKI SHOULD PROVIDE A BASIS FOR THIS THROUGH SEVERAL INFRASTRUCTURE PROJECTS LAUNCHING IN THE COMING YEARS.

Peru benefits from a vast territory rich in natural resources and has had several years of economic stability. Local firms have always met market demand, and until recently there had been no evidence of foreign firms showing interests in the country.

With the exception of Colombia and Mexico where we find several international firms, foreign firms are quite absent from the legal market in Latin-American countries – and this is also the case for Peru.

In Peru, the most important law firms are based in Lima, where everything is centralized: one third of the population and nearly half of the country's lawyers live in the capital. And even though we may have the impression that there are too many lawyers in Lima, a significant number of them are sole practitioners or generalists, and sophisticated firms experienced in corporate law are few and far between, constituting quite a small market of specialists.

A SMALL BUT QUALIFIED MARKET

Aside from sole practitioners or small generalist law firms, the specialist legal market is broken into two types of law firms: full-service firms, and boutiques or niche law firms. There is a place for both. Peruvian lawyers, be they members of a full-service law firm or a niche boutique, are usually highly-qualified. In most cases, all the partners have an LL.M, and lived and worked in the US, the UK or Spain. Another characteristic is that in spite of their busy schedules, almost all the elite

lawyers teach in the most important Peruvian law schools. The renowned full-service law firms number no more than twenty (see table on page 39).

On the boutique side, we find hyper specialized firms in areas such as environment, mining and energy, restructuring, tax and intellectual property. Exa-

mples of a few very well-known boutiques are De la Puente Abogados (environmental and natural resources law), Gálvez, Risso Zegarra & Asociados (tax), BRDA or Barlaw (intellectual property) and Santi-

vañez Abogados (energy). Foreign investments, privatizations, major projects and complex transactions have demanded sophisticated legal services over the past two decades, which have been provided by local players, but they are no longer alone.

THE GROWING APPETITE OF INTERNATIONAL LAW FIRMS

International or regional firms didn't exist in Latin America until recently. Most of the firms in the countries of the region were local players with no offices abroad. Around three years ago, we witnessed the first change in the Peruvian legal market. In November 2012, Estudio Echeopar, one of the oldest Peruvian law firms, launched an association with Baker & McKenzie. This move is considered a milestone in the Peruvian legal market, as Baker & McKenzie was the first international law firm with a local presence in the country. More recently, in July 2016, the British law firm Kennedys opened an office in Lima that will specialize in insurance and reinsurance. The head of the office is Marco Rivera N. who left Osterling Abogados to join the firm. Furthermore, Rafael Suarez de Lezo, Managing Partner of CMS Albiñana & Suárez de Lezo, has announced that they are fi-

“ESTUDIO ECHEOPAR’S ASSOCIATION WITH BAKER & MCKENZIE IS CONSIDERED A MILESTONE IN THE PERUVIAN LEGAL MARKET”

nalizing an agreement with a local firm to start operating under the CMS name. Other international law firms have shown an interest in having an office in Peru including Dentons, which recently opened an office in Colombia, and Jones Day.

THE SPANISH WAVE

The second wave came from Spain, through three of the largest Spanish law firms, Uría Menéndez, Garrigues and Cuatrecasas, who attach great importance to the Latin-American markets and wish to create Ibero-American law firms. Garrigues put an end to its network alliance, Affinitas, and decided to open local offices in the region. In 2014 its Lima office was opened and that was followed by Chile in 2015. Uría's progression has been diffe-

rent: it started with a partnership with Philippi, Prietocarrizosa, which was the result of a merger between Chilean and Colombian law firms. This move positioned Philippi, Prietocarrizosa & Uría as the first Ibero-American law firm. At the beginning of 2016, they finally arrived to Peru through a merger with two local firms, Ferrero Abogados y Delmar Ugarte Abogados, creating Philippi, Pietrocarriosa, Ferrero DU & Uría. Cuatrecasas is present in Mexico but has no office in Peru, but it is surely only a question of time before they arrive. The market is changing. Globalization obliges that it does. But the market is not very large and the number of local firms that could be targeted by international names are few. Some others will arrive, probably through acquisitions

of medium size corporate firms, but it is likely that the top local full-services firms such as Muñiz or Rodrigo will remain independent and continue to be among the top advisors in the local market. ■

KEY FIGURES

Peru's Population:
31,150,000

Lima and Callao's Population:
11,000,000

Lawyers:
130,000

Mining accounts for 12% of GDP

A LEGAL MARKET DOMINATED BY LOCAL PLAYERS

Firm	Establishment
Grau Abogados	1934
Estudio Echeopar (Baker & McKenzie)	1950
Rodrigo Elias y Medrano	1965
Rubio Leguía Normand	1980
Estudio Muñiz	1981
Hernandez & Cia	1992
Payet, Rey, Cauvi, Perez & Abogados	1996
Miranda & Amado	1999
Bullard, Falla & Escurra	2000
Rebaza, Alcazar & de las Casas	2004
Lazo, De Romaña & Gagliuffi Abogados	2006
Gallo Barrios Pickman	2010
Garrigues*	2014
Philippi, Pietrocarriosa, Ferrero, DU & Uria**	2015

*Firm is of Spanish origin

**Created following a merger between Chilean, Colombian, Peruvian and Spanish firms

The Muñiz success story

Between a law firm and a company

PERUVIAN LAW FIRM MUÑIZ WAS FOUNDED IN 1981 AND STARTED ITS ACTIVITIES WITH TEN LAWYERS. THIRTY FIVE YEARS LATER MUÑIZ IS THE LARGEST PERUVIAN LAW FIRM AND ONE OF THE FIFTEEN LARGEST IN SOUTH AMERICA, WITH 47 PARTNERS IN LIMA, NINE IN THE REGIONS AND A TOTAL OF 260 LAWYERS. BUT NOT ONLY IS IT PERU'S LARGEST FIRM, IT IS ALSO THE ONLY ONE TO HAVE AN OFFICE IN ECUADOR AND DECENTRALIZED OFFICES AROUND PERU. IN ADDITION IT IS THE FIRM WITH THE HIGHEST TURNOVER. THE KEY FACTOR TO UNDERSTANDING THIS SUCCESS STORY IS THAT PARTNERS HAVE ALWAYS MANAGED IT AS A COMPANY.

Founding partner Jorge Muñiz is considered a visionary in the management of his firm, always innovating and breaking the model of what a usual law firm is. Since its inception the concept of the firm was closer to that of a company than a traditional law firm with administrative positions such a CEO or CFO granted to professionals other than lawyers. Today the firm has seven different administrative departments, the more original for a law firm being customer service and sales.

THE FIRST MILESTONE

This approach, thinking of the firm as a company, developed a particular empathy coming from entrepreneurs and allows partners to better understand their clients' business. One of the first milestones during the evolution of

Muñiz was the establishment of a retainer fee, an unknown concept in Peruvian legal market in the 90s. The retainer fee changed client behavior because they felt more comfortable with the possibility of anticipating legal expenses, and started to request preventive advice instead of only coming to see their lawyer when the bomb had already exploded or was about to. The business model of a retainer fee firm was one of the reasons for this amazing growth. In the 90s they had only 10 lawyers. Partner Mauricio Olaya says *"We decided to break the inertia of legal services billing and many law firms were upset but for us the new model was fairer for our clients and efficient for the firm taking into consideration our budget."*

DIVERSIFYING THE OFFER

Continuing with its strategy of being a partner for their clients and a one stop

shop for all their needs, the firm started to diversify its offer proposing different legal products. It was one of the first firms to set up a legal newsletter for clients explaining regulation changes in understandable language for an entrepreneur. It also organizes a monthly breakfast for clients in order to touch on labor, tax or any other new law that can affect a client's businesses or organization. Another informative initiative is *Columns*, Muñiz's legal bilingual magazine which has been in existence for more than twenty years. But its diversification offers go further. There is Muñiz Transfer Pricing, a sister entity devoted to transfer pricing, technical studies and advisory, and Semigra, a company providing migration consultancy and handling administrative procedures for expatriated workers. On the accounting side they launched the MLV Group.



1000 CLIENTS



TURNOVER: \$30m

TURNOVER OF MUÑIZ LAW FIRM PLUS ITS LINKED COMPANIES



75% OF GROWTH
IN 10 YEARS



Jorge Muñiz



Jorge Pérez-Taiman



Mauricio Olaya



Fernando Meléndez



Fernando Castro



Ricardo Silva



Daniel Ono



Ricardo Herrera

Muñiz's senior partners

INNOVATION, ONE OF ITS PILLARS

“Innovate or die” says partner Mauricio Olaya, and the Muñiz law firm follows this motto not only with the creation of the aforementioned satellite enterprises but also concerning its internal organization. The firm was the first - and is probably still the only one - with a quality control and customer service department. This area is in charge of staying in contact with clients after each important trial or big deal to know how satisfied they were with the service. Team members also permanently work on ways to improve the relationship with customers. Another organizational novelty is that the Peruvian legal giant has a sales department which might sound strange in a world where *intuitu personae* relations predominate. How could non-lawyers sell legal services? In fact, several services proposed by law firms, such as trademark prosecution and migration administrative procedure, do not even need complex legal knowledge to carry out. The commercial team also sell retainer fee packs and this seems to work well. According to internal sources, 30% of retainer fee contracts are found by this team.

HAND IN HAND WITH TECHNOLOGY

True to their motto, the firm innovates hand in hand with technology. To do this a brainstorming group, made ►

IN RESPONSE TO CLIENTS' NEEDS, PART OF MUÑIZ STRATEGY WAS TO OPEN REGIONAL OFFICES
Muñiz has now nine in peru



► up of partners, exists. One of the problems in big companies is the lack of communication and sharing of information. Trying to minimize this problem they have set up a special software tool available to every member of the firm which collates information of all kinds, that they have about a client. The result: when someone at Muñiz is contacted by a client and needs to know more about them, the lawyer will find all the information on the person or the company at the click of a button. Other technological innovations include an app that they are currently developing. The app is in beta testing and non-disclosable. We will have to keep tabs on Muñiz in the coming months to find out more.

A MISUNDERSTOOD BUSINESS MODEL

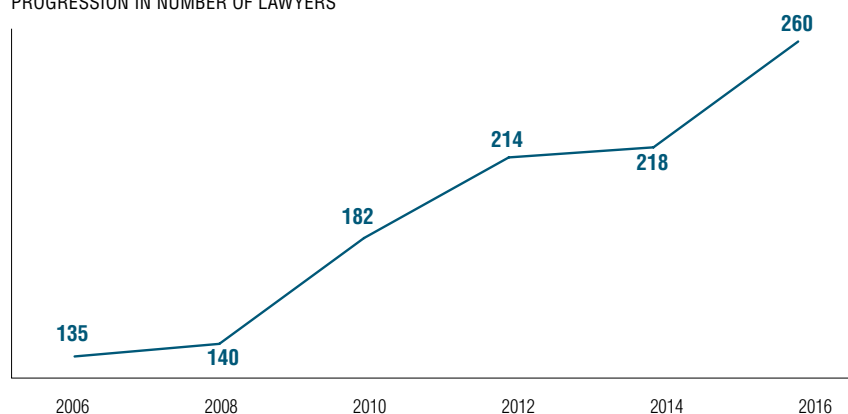
Domestically, other law firms seem to misunderstand the “enterprise” model. They usually stress their lawyers are completely diverse. But Muñiz is like a department store where customers can

do all their shopping. If you need a sophisticated lawyer with the associated price tag, you will find him or her. But, if you need an advisor for a day-to-day questions or to prepare your shareholders minutes for example, you don’t need to pay top dollar for the service. This approach to legal services seems to be fair for the clients. “As our model

is designed for entrepreneurs and completely different from those of traditional law firms, traditional lawyers have some difficulty in understanding it,” says partner Mauricio Olaya.

Difficult to comprehend or not, the model has proven its worth as the firm continues to grow. Sometimes betting on a risky and different positioning pays off. ■

NUMBER OF LAWYERS HAS ALMOST DOUBLED IN 10 YEARS
PROGRESSION IN NUMBER OF LAWYERS



MUÑIZ LAWYERS ARE ORGANIZED IN 30 PRACTICE AREAS
SOME OF MUÑIZ MOST IMPORTANT DEPARTMENTS

Corporate/M&A	Jorge Muñiz, Mauricio Olaya, Yuri Vega, Jorge Zuñiga, José Ballón, Juan Carlos Vélez, Guido Muñiz, Santiago Quiroz
Tax	Fernando Castro, Daniel Ono, Guillermo Ruiz, Jorge Otoyá, Luis García
Labor	Ricardo Herrera, María del Pilar Flórez, César Puntriano, Ricardo Vílchez
Energy & Mining	Jorge Pérez-Taiman, Ricardo Silva, Rolando Salvatierra, Gabriela Jáuregui, Fernando Babarczy
Project Finance & Capital Market	Andres Kuan-Veng, Gillian Paredes, Daniel Lovón, Mercedes Fernández
Litigation	Fernando Meléndez, Jaime Heredia, Roger Zavaleta, Ericka Angulo
Intellectual Property	Marta Fernández Pepper, Maritza Reátegui, Piero Calderón, Juli Gutiérrez, Bruno Merchor
International Trade	Eduardo González, César Alva
Antitrust	Pierino Stucchi
Criminal	Freddy Rojas, Karin Fernández
Environmental	Jenny Caldas
Insurance & Reinsurance	Manuel Quiroga
Agribusiness	Juan Carlos Salinas
Projects & authorizations	Hugo Sarria



MAURICIO OLAYA
Principal Partner,
MUÑIZ ABOGADOS

“M&A is already active and the flow of work concerning projects, concessions and their financing should grow in the coming years”

With more than 250 lawyers Muñiz, Ramirez, Perez Taiman y Olaya, is the biggest Peruvian law firm. Mauricio Olaya, Principal Partner and Head of the corporate department, shares his views on the local legal market and what the firm is busy with today. He also tells Leaders League about their current plans and future goals.

Leaders League. How do you see the Peruvian Legal Market? How is it structured?

Mauricio Olaya. If we go back two or three decades, our legal market was made up of quite small, local firms which experienced steady growth during the first decade of the 21st century. With Peru returning to a market economy and thanks to globalization, law firms started to evolve. Since 2005, five robust firms started to distinguish themselves in our local market, but there is a second group of around eight strong medium-sized firms which also appeared with aspirations of growth and expectations of being at the same level as the other five. A couple of years ago international law firms began to arrive in Lima, following the wider trend in the region. Peru had managed to avoid the process of internationalization until Baker & McKenzie arrived through the Echecopar law firm. Then Garrigues set up an office, followed by Uria in 2016. Evidence suggests there is much more to come.

Leaders League. Which practices will be busier in the coming years?

M.O. There are two types of work. On the one hand what we call transactional work, which is linked to major projects, financing and mergers and acquisitions. M&A is already active and the flow of work concerning projects, concessions and their financing should grow in the coming years. With the new government, we should see the concretization of major infrastructure projects and we are preparing our staff for that. On the other hand we have the day-to-day work that should increase if another boom in foreign investment coming to Peru occurs. Some years ago a large number of foreign companies settled in our country. In such cases investors look for orientation and accompaniment, covering the arrival of the investment, incorporation of the company and day-to-day advising. All these arrivals will generate a high demand for corporate, migration, trademark and labor advice, invigorating several areas. The labor practice has been very active and that should continue. In recent years labor laws have been modified and so has jurisprudence, which has become much more protective of the employee. All this reduces labor flexibility and generates many more queries.

Leaders League. You recently launched a retail practice. How did the idea come about?

M.O. This is a unique practice area in our local market, highly-specialized in the commercial sector. There were no law firms in Peru with a retail division when we decided to create ours and that is because law firms here don't see themselves as companies, their legal departments are organized by taking into account the legal practice areas or normative bodies such as labor, tax or corporate. Our vision was completely entrepreneurial. We noted that there is a retail sector in the economy that it is very important, with its own experiences, language and codes. Then we decided to build the division. We sent lawyers for training at the Fashion Law Institute of New York and also to Buenos Aires where fashion and retail law is quite developed. In 2015 we announced to the market our new practice group and it has been a success.

Leaders League. What will the firm's next goals be?

M.O. We share a philosophy of innovation, for us it's a case of innovate or die, all the more so in such a competitive market. We have a dedicated brainstorming group that is always thinking about new products. Some of these don't have an external impact but an in-house one, such as the development of our business intelligence program. This is software that we feed with all kinds of information about our clients in order to better understand them. Any lawyer that receives an inquiry from a client need only click a button to access a range of information about the client. That information is very diverse and allows us to: identify the client; the last time they had an interview with our customer services and the result of that evaluation; their consumption levels etc. This allows for highly personalized attention. Furthermore, our information technology department is developing several apps for in-house use and others that should be offered to the legal services industry.

To sum up, our concept and understanding of being a legal services company, with very well-defined business lines and a permanent focus on client satisfaction, are probably the bases of the success achieved in our market. ♦

“OUR CONCEPT AND UNDERSTANDING OF BEING A LEGAL SERVICES COMPANY ARE PROBABLY THE BASES OF THE SUCCESS ACHIEVED IN OUR MARKET”



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METHODOLOGY

Quantitative and qualitative data used for the tables of each legal market focus were collected in the following ways:

- Questionnaires and submission forms, sent out to law firms annually, that allow for accurate and up-to-date data.
- Phone calls made directly to the communication department of each law firm in order to get clarifications and verifications.
- Law firms' websites allowing the number of associates, partners and offices to be tallied.

Readers should be aware that:

- Table content may vary according to the features of each law firm and the legal market of each country. Focus is made on the number of partners and associates and generally does not take into consideration the number of legal assistants and paralegals.
- Numerical data is based on data collected during the 1st semester of 2016. It does not take into account changes made after July 2016.



The European Parliament building, Brussels

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Europe: A mature market where international firms are advancing

THE EUROPEAN LEGAL MARKET IS GROWING, WITH A SIGNIFICANT AMOUNT OF INVESTMENT MADE BY INTERNATIONAL FIRMS LAUNCHING NEW EUROPEAN OFFICES IN 2015. THIS MIGHT COME AS A SUPRIZE GIVEN THE UNRIVALED POSITION OF LOCAL EUROPEAN FIRMS IN THE MARKET. NEVERTHELESS, THIS YEAR A TOTAL OF 16 NEW LAW OFFICES WERE OPENED BY INTERNATIONAL LAW FIRMS WHOSE REVENUE INCREASED BY 4.6% TO OVER €9 BILLION.

Today's hot topic is the recent Brexit referendum that was held this past June. Despite this, law firms in Europe will most likely not undergo any immediate changes in the way business is managed. All that can be forecaste is the probability of a decrease in M&A activity as various parties assess the impact of the Brexit. Despite this development, figures show that Europe is entering a prosperous phase with an increase in mobility and financial data across the spectrum.

MOBILITY IS KEY

Recruitment has been on the rise across international law firms with the launch of new offices. A total of 16 office openings occurred throughout the continent. Germany had the most office openings with six big law firms (Greenberg Traurig; Reed Smith; Hausfeld; Goodwin Procter; Smith Freehills and DWF) in 2015. Continental Europe today has a total of 22,814 lawyers and 7,047 partners across its top 100 law firms. Furthermore, the rate of recruitment of lawyers and partners in the firms has gone up, for example Den-

tons picked up 15 new partners with the opening of its new offices in Milan and Budapest. While Bird & Bird hired 10 new partners this year, making them the second most active recruiter in Europe. In terms of numbers, CMS has maintained its position as the largest law firm with 3009 lawyers and 888 partners across the continent, leaving Baker and McKenzie in second place with 1,345 lawyers and 423 partners.

REBOOT OF EUROPEAN FINANCES

Data shows that European firms have also increased their revenue. From the data gathered, growth is a trend we see as there is overall European revenue of €9.02 billion, an increase of 4.6% from last year's €8.63 billion revenue. The best estimated revenue per partner this year was €3.39 million at Egorov Puginsky while the best estimated Revenue per lawyer was €954.5 thousand at Hengeler Mueller.

Among European countries, the revenues in the European 100 law firm jurisdictions ranged from €31 million in Belgium to €1.75 billion in Germany, making it the largest legal market (excl.

the UK market) in Europe and climbing the ladder with a growth of 5.4% from the previous year. France is in second place with €1.06bn.

Although we saw a pattern of financial growth, there did not seem to be an interest in any kind of merger between big firms in Europe before the Brexit. However since internationalization is the focus of many of these firms, cross-border transactions may become more challenging in the aftermath of the Brexit and therefore it is possible this ideology could change. ■

KEY FIGURES

Number of lawyers in Europe:
22,814

Number of partners in Europe:
7,047

Combined European revenue:
€9,023,000,000

Best Revenue per Partner:
€3,390,000

Best Revenue per Lawyer:
€954,500

THE 'BIG 10' EUROPEAN LAW FIRMS

Firms listed in order of headcount

Firm	Number of partners in Europe	Number of lawyers in Europe
CMS	888	3009
Baker & McKenzie	423	1,345
Linklaters	196	1,039
Clifford Chance	216	1100
Freshfields Bruckhaus Deringer	197	990
Allen & Overy	192	845
Eversheds	219	753
Hogan Lovells	186	748
Dentons	192	743
DLA Piper	270	730

Source: The Lawyer

REVENUE OF LAWYERS AND LARGEST EUROPEAN FIRMS BY COUNTRY

Countries in the Legal Market in Europe listed by revenue

Country	Revenue from the largest European firms (millions of euros)	Average revenue per lawyer (thousands of euros)
Germany	1 751 760 000	486 000
France	1 057 000 000	348 240
Netherlands	970 400 000	381 000
Spain	918 500 000	299 870
Ireland	707 200 000	423 730
Italy	693 720 000	482 420
Norway	590 800 000	431 560
Switzerland	582 400 000	572 660
Denmark	432 000 000	412 200
Sweden	425 890 000	335 610
Finland	250 100 000	345 440
Luxembourg	185 000 000	493 330
Austria	184 000 000	246 450
Russia	122 000 000	478 430
Portugal	120 600 000	231 480
Belgium	31 000 000	240 310

Source: The Lawyer



JARVIS LEGAL

Saving you Time

IMAGINE WALKING INTO AN OFFICE WHERE THE PRIORITY OF YOUR TASKS IS TO FOCUS ON YOUR CLIENTS TO BEST SERVE THEM, INSTEAD OF ENDLESSLY ENTERING DATA IN YOUR LEGAL PRACTICE MANAGEMENT SOFTWARE. WITH THE INTRODUCTION OF JARVIS LEGAL, LAWYERS CAN NOW STOP MANUALLY MANAGING EMAILS AND BILLING SO THAT THEY CAN TRULY FOCUS ON THE WORK THAT THEY ARE MEANT TO DO.

How would you like to save 30% of your time to just focus on practicing law and let someone else handle the rest? Better yet, what if you had Iron Man's Jarvis A.I. to do all the work for you? Enter Jarvis Legal software, made to manage your firm's time by using its automated processes to manage your emails, edit customized documents track your time, send bills, and manage your cases and clients. This software is quite new and keeps staying new with an upcoming new version coming out early 2017. Jarvis Legal was set up five years ago by co-founders Alexandre Yeremian (CEO) and Martin Bussy (COO), who met selling cars and began talking about their entrepreneurial aspirations. They began their journey by starting an IT maintenance company that

was later sold this year and are now focusing on the development of an innovative software that can be used anywhere and at any time (with or without Wi-Fi).

AN INNOVATIVE BEGINNING

As legal firms began to transition from the PC world to the Mac world, it became apparent that there was an ever-growing need for a legal software program that was Mac compatible and also PC compatible. Jarvis, the first all-in-one automated legal practice management software which only needs a browser to work, began to be put together in Paris by four software developers. As legal professionals in law firms are working on spending quality time with their clients, Jarvis works on the details.

It makes sense to use Jarvis as a solution

as it offers its clients features that even some of their greater competitors lack. Their objective is that by the year 2018, they will become the first web-based, 100% mobile legal practice management software in the world. This will come true via their strategy for growth and development by allocating their resources in sales and marketing as well as in talent development. Over the next 12-18 month, Jarvis Legal is looking to hire individuals who are open minded and have an interest in startup culture. Currently, with teams in Paris and Houston, TX, Jarvis developers work on the Symphony 3 framework that allows them to work and collaborate with a community of 200,000 developers across the globe so that their software will become flexible for the needs of clients in the legal market and beyond.



MORE THAN
1500 CLIENTS



IN **25**
DIFFERENT COUNTRIES



WORKING IN **5**
DIFFERENT LANGUAGES



The Jarvis Legal interface home screen with user-friendly add buttons

STATUS QUO FEATURES

Jarvis Legal offers plans starting at only \$35 per user per month in the US and €29 in Europe, which makes it the most affordable legal practice management system available on the market compared to Clio, Rocket Matter and MyCase. Additionally some of Jarvis Legal's many features include aspects that would allow firms of any size to function competently with attributes such as emails management, time tracking, billing, offline mode through mobile apps, case sharing, trust accounting, reporting, and Outlook syncing which are noted for their user-friendliness. According to Jarvis Legal's CEO, Alexandre Yeremian, "With a new version to come out in January of 2017, our innovation strategy is to think about what the client may need in the future. So we have to think in terms of functionality about what may become necessary for the client and how it mixes with our vision."

One aspect that distinguishes Jarvis Legal's software from other programs is its automation capacity on emails and documents. Lawyers can synchronize their email accounts with Jarvis, which will automatically create client and case folders in their

inbox. Organizing emails need no longer be a hassle. Subsequently, lawyers can use a document automation system that generates bills, contracts, commercial proposals and HR documents based on the legal firm's templates, where lawyers can instantly see any modifications made by their colleagues, live. Client and contact information is automatically lodged within the document, saving lawyers a lot of time and effort.

Jarvis Legal is optimal for firms worldwide and across all industries. The software is supported on all operating systems, with mobile offerings for iOS and Android. Priced per user per month or year, the product is available in tiers featuring different options for storage, caseload and breadth of functionality. While the system is web-based, users can work in offline mode via Jarvis Box, meaning their work isn't tied to an internet connection. Users can collaborate with fellow co-counsels, and users with access can leave comments and view a change-timeline.

INTERNATIONAL EXPANSION

To provide users with the best possible service to clients, Jarvis Legal plans to

grow its team in Houston so as to impact the legal market in its evolution to becoming more in sync with technology. "We believe there is a huge opportunity to take the leadership from France and Europe over to the US, not only because we have an amazing automation technology, but also because our software really is making it easier for law firms to work," says Alexandre Yeremian, CEO. Adding that he plans to "change the way the lawyers work because we will automate a lot of things, so that they will have to just check and validate. Our goal is to really make the computer do the work for you" His colleague Martin Bussy, COO also adds that "Currently we have a team of 16, two of which are based out of Houston, TX and 14 in Paris, France. Over the coming months we are looking at doubling those numbers."

With the expansion of their presence in the two countries, the team will be able to collaborate with individuals who are based in the tech startup hub of Houston, while also continue to grow and focus on their French desk which enriches their connection with the European market as well. ■



ALEXANDRE YEREMIAN
CEO, **JARVIS LEGAL**



MARTIN BUSSY
COO, **JARVIS LEGAL**

“We are constantly changing, it’s a never ending journey with innovation as our map”

LeadersLeague. How did Jarvis Legal begin?

Alexandre Yeremian. We began Jarvis in 2011. At the time more and more law firms were moving from the PC world to the Mac. And it so happened that these law firms were either not equipped with legal management software, or were using one which was incompatible with a Mac computer. As a result, we began to work on a project that would create software that is compatible with both Macs and PCs. We were already thinking about how to get into a SaaS ecosystem, which would mean you just need a web browser to run the program and would automate a bunch of tasks. So we worked on different projects and finally saw that it was a good opportunity for us to enter this market. After beginning to work with law firms, we then built a small team, and for two years we worked on its development. The software that we were building was dedicated to lawyers but we also wanted to build a data system that went beyond the territory. So then we started to launch globally. In the US we are known as Jarvis Legal, while in France we are known as Jarvis Avocats and soon we will be universally calling it Jarvis Legal.

Leaders League. What features does your software have that your competitors lack?

Martin Bussy. We have many competitors, for example in the US our biggest competitors are Clio and MyCase but they differ from us in that we propose the first automated legal practice management software. We are like their successor meaning that we automate a lot of things like email management, editing customized documents and billing. Lawyers save a huge amount of time with Jarvis working on their behalf. Everything can be done within our all-in-one application for example, managing cases, clients, and contacts. One is also able to edit documents and store them on the drive. Users can share the documents with their colleagues and/or clients. Clients have portals with a private action zone where they can share files and have access to their bills, where they can pay them as they come online. Our product is in-

ternationally savvy. Users can work in English, French, Spanish, Portuguese and Russian and is native with mobile, meaning users can even work offline with their smartphones. Jarvis also works in multi-currencies, so if lawyers are working with clients in different countries, payment can be made in the most convenient currency.

Leaders League. What are your objectives in the next 12-18 months?

M.B. We are interested in recruiting and expanding internationally. Currently we have a team of 16, two of whom are based out of Houston, Texas and 14 in Paris, France. Over the coming months we are looking at doubling those numbers. We have more than 1,500 clients in 25 countries, and so we hope that we will be able to scale Jarvis Legal globally by recruiting talents. We are constantly changing, it’s a never ending journey with innovation as our map. We just closed a fundraiser with two main objectives: to develop a global marketing and sales team, and to launch our new version of Jarvis Legal which will become available at the beginning of January 2017.

Leaders League. What are some of the new features you will be introducing to the new version of your product?

A.Y. We will put a new user interface on the software and introduce a 100% brand new architecture, so that our users will benefit from amazing, brand-new features. We will try to have a constant ability to improve our platform. For example we will launch the “Time Machine” feature which will “rebuild” automatically the working day of a lawyer and let them swipe to validate or not the time worked on each case. We think in terms of functionality and what may become necessary for the client and how it mixes with our vision. It’s in our DNA. Our job is to constantly evaluate our vision and the client’s needs and to match them. And we have a constant exchange with them coming from email support or meetings and events. We are here to make the daily lives of our users better and help them save time so they can focus on their core expertise in practicing law. ♦

“WE ARE THE FIRST ALL-IN-ONE LEGAL SOLUTION THAT AUTOMATES A LOT OF THINGS LIKE EMAIL MANAGEMENT, EDITING CUSTOMIZED DOCUMENTS AND BILLING”

What the clients say...

Middle East

Daniel Abitbol, CFO, Abitbol & Associés Law Firm
Jerusalem, Israel



The software enables us to keep access while offline by installing the Jarvis Box program and this is very helpful for the whole team

Our office has been using Jarvis for about one year now. Regarding the specifics of Abitbol & Associés Law Firm, our firm has extensive experience in all areas of Business Law, Litigation, Arbitration and Mediation, in both Israel and France. We were looking for very innovative software that could match a challenging environment as our office is constantly growing, in particular with the development of our Legal Process Outsourcing (LPO) department dedicated to French Legal Professionals, as our firm wishes to share its vision of the legal practice, oriented towards flexibility, use of technology and optimal database security. And that's why we chose Jarvis. The transition has been very simple; learning the modalities of utilization by our collaborators was made quickly, where we could easily, with a simple email, allow new users to have access to the software. Although we use almost all the func-

tions of the software, we mostly use the features linked to events such as data entry, and the timer for billing. We also frequently use the features concerning record management that include note-making and agendas of the collaborators related to a specific case. As part of our singular organization, we also sometimes need to give access to a specific case for our external collaborators where the access remains temporary and limited to the concerned files. On this point, Jarvis is also very helpful in serving our needs. From our experience, the possibility to access the software online is definitively one of its major strengths since we are often traveling and need to have access to our data. Finally, by installing the Jarvis Box program, the software enables us to have access while offline which is very helpful for the whole team.

In two words, highly recommended!



Vincent Tattini, Founder, Watt Law Firm
Geneva, Switzerland

Europe

The "Reporting" feature is useful for us to keep tabs on the state of our business from day to day, week to week or month to month

We have been using Jarvis from the establishment of the firm, in early March 2016. We have thus had no need for transitions from other management software. However, compared to other software that employees of the firm were using, Jarvis appeared to not only be easier, but less expensive and more convenient than other software.

We use Jarvis mainly for timesheets and to track customer invoicing. The "Reporting" feature is useful for us to keep tabs on the state of our business from day to day, week to week or month to month, therefore we are able to know the profitability of our employees. Similarly, the ability for us to glance at the profitability of cases is valuable to us. These functions allow us to define our future goals regarding the number and quality of current terms as well as generally define the actions to take for the good financial health of the firm, which is of course

one of our priorities as a newly established firm. Furthermore, the function for editing invoices directly from the software is highly appreciated and saves us valuable time. We have not yet had the opportunity to use Jarvis offline since our activity is mainly focused on Europe and we are constantly connected. To add, it took very little time for employees to study and get used to Jarvis. Indeed, just a week after the software service was implemented, employees began using the software with ease, which was made possible thanks to the support provided by Jarvis who are able to explain clearly and accurately the features of the software. The software is very ergonomic and generally intuitive, making it almost instinctive from the very first use. We are very pleased with the acquisition of this software.



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Hofburg Palace, Vienna

Austria: Downturn spurs diversification

DOMINATED BY LOCAL INDEPENDENT LAW FIRMS, AUSTRIA IS A TOUGH NUT FOR INTERNATIONAL PLAYERS TO CRACK DUE TO THE LIMITED DOMESTIC MARKET. LAW FIRMS ARE CLOSELY LINKED TO CENTRAL AND EASTERN EUROPE THROUGH DIFFERENT EXPANSION STRATEGIES. EVEN THOUGH THE FINANCIAL CRISIS AND SUBSEQUENT DOWNTURN DIDN'T HIT AUSTRIA'S ECONOMY HEAVILY, IT DID INTRODUCE SOME NASCENT CHANGES TO THE LANDSCAPE OF THE COUNTRY'S LEGAL SERVICES MARKET. A NEW PHASE NOW SEEMS TO BE EMERGING, AND WE CAN EXPECT THE AUSTRIAN MARKET TO BE MORE DIVERSIFIED, IN TERMS OF PRACTICE AREAS, CLIENTS' GEOGRAPHICAL ZONES AND FIRM PROFILES.

UNSCATHED YET UNCERTAIN

A skilled labor force, a strong mid-sized enterprise sector, highly specialized industries, an entrepreneurial culture, a high standard of living – Austria possesses a number of advantages to maintain a stable rhythm of economic development. As a gateway to Central and Eastern Europe (CEE), it hosts the regional headquarters of more than 300 international companies, and over 1,000 businesses and organizations coordinate their regional activities from this hub. Some high profile names include Red Bull, Swarovski, Spar and Vienna Insurance Group.

Austria is one of the few EU countries that was not caught up in the global financial crisis of 2008 as most of its banks operate through small and independent organizations. Austria's annual GDP growth almost doubled from 2015 to 2016 reaching 1.5% and is expected to steadily rise to 1.6% in 2017 (Source: Eurostat). Other economic indicators also outperform their European peers, including the unemployment rate, which is among the lowest in the EU. Nevertheless, those comparatively positive figures did not stop Fitch Ratings from downgrading Austria's precious triple-A credit rating by one notch in February 2015. The move followed those of Standard & Poor's in 2012 and of Moody's at the end of 2014. The main reasons for these agencies' negative outlook on Austria rest with the peak of government debt

and the risk involved in its banking sector, which is overexposed to the volatile CEE region. Unsurprisingly, gross public debt climbed from 2014 to 2015 but is expected to gradually decrease to 84.9% in

1. MAJOR AUSTRIAN FIRMS

Listed in order of number of lawyers worldwide

Firm	Number of partners	Total number of lawyers*
Wolf Theiss	66	307
Schönherr	42	290
CHSH Cerha Hempel Spiegelfeld Hlawati	45	150
Binder Grösswang	22	73
Dorda Brugger Jordis	21	42
Saxinger, Chalupsky & Partner Rechtsanwälte (SCWP Schindhelm)	24	125
Fellner Wratzfeld & Partners	8	51
Eisenberger & Herzog	26	61
bvp Hügel Rechtsanwälte	17	32
Doralt Seist Csoklich (DSC Rechtsanwälte)	N/A	23
Brandl & Talos	4	19
Herbst Kinsky	13	25
Graf & Pitkowitzi Rechtsanwälte	7	17

*Total number of lawyers includes partners and associates

Source: Leaders League

2016 and 83% in 2017 (Source: Eurostat). The pursuit of such initiatives is likely to put Austria back on track in the years to come.

SMALL AND SEALED

The domestic legal market in Austria isn't huge: according to the Austrian Bar (Österreichische Rechtsanwaltskammer – ÖRAK), at the end of 2014 roughly 6,000 lawyers were registered in Austria, of whom approximately 47% were based in Vienna.

Austrian lawyers must show proof of at least five years of professional legal work before they are fully qualified, which allows many firms to bulk up, achieve an organic growth and guarantee the specialization of its lawyers. Inbound work dominates in the Austrian market, allowing local counsel to handle the work with a relatively small team compared to their European peers.

This unique combination of a small legal community and a highly-centralized economy makes it rather difficult for outsiders to penetrate the market. Therefore, even though foreign lawyers are authorized to practice in the country under certain conditions, only a handful of

overseas legal players have successfully broken into the market (see graphic 2). What's more, small and flexible boutique firms are mushrooming in the market (see graphic 4).

The absence of foreign firms in the Austrian market suggests the strength of local firms who are able to stay independent and profitable: Schönherr, Binder Grösswang, Wolf Theiss, CHSH Cerha Hempel Spiegelfeld Hlawati, and Dorda Brugger Jordis, to name but a few (see graphic 1).

The key to the success of local boutique firms is the development of flexible fee structures and client service delivery models. By giving clients more choice, they are more likely to seek advice from such lawyers.

DO IT ALONE OR FORM ALLIANCES?

Ideally placed at the hub of Europe, Austria is closely connected to western and eastern Europe. Considering the limited local market, a significant number of firms position themselves as regional players in the wider CEE region and have rapidly expanded their presence since the fall of Communism (see graphic 3). Certain firms report that approximately half of

their revenue comes from outside Austria. Some firms such as Wolf Theiss, Schönherr and CHSH, have been planting flags in surrounding countries: Wolf Theiss and Schönherr have 13 offices across the region, CHSH nine. Others, such as Binder Grösswang, Dorda Brugger Jordis, Fellner Wratzfeld & Partner and Lansky, Ganzger + partner, prefer instead to operate a best-friends network with local firms.

BLESSING OR CURSE?

However, such expansion has prompted concerns over costs and quality control, and the increase in competitiveness of local firms throughout the region has made the market tougher.






Thomas Schirmer, Managing Partner of Binder Grösswang, willingly admits that he doesn't regret being prudent when it comes to expanding to the CEE as "some firms active in the region are experiencing profitability issues but can't draw back easily because of the coherence of their regional strategy." Clemens Philipp Schindler, who quit Wolf Theiss to establish his own firm in 2014, shares the same view: "The previous fast expansion of Austrian banks, insurance companies and large law firms in the CEE region was at the cost of qua- ▶

¹ Foreign lawyers can provide international and foreign legal services where qualified to do so, and they can also work in partnership with Austrian lawyers, while the latter must be in control.

“THE INCREASE IN THE COMPETITIVENESS OF LOCAL FIRMS THROUGHOUT THE REGION HAS MADE THE MARKET TOUGHER”

2. MAJOR INTERNATIONAL FIRMS IN AUSTRIA

Law firms listed by operation period in Austria

Firm	Origin	Operation period in Austria	Number of partners (Global)	Number of lawyers* (Global)
CMS Reich-Rohrwig Hainz		Since 1999 (as one of the founding firms of CMS)	888	3009
Freshfields Bruckhaus Deringer		Since 2000 (after merger with Bruckhaus Westrick Heller Lober)	197	990
Baker & McKenzie		Since 2003 (after merger with Kerres & Diwok)	408	1345
DLA Piper		Since 2003 (after merger with Weiss-Tessbach)	270	730
Taylor Wessing		Since 2012 (after merger with e n w c Attorneys at Law)	209	494

*Total number of lawyers includes partners and associates

3. FOOTPRINT OF MAJOR AUSTRIAN LAW FIRMS IN THE CEE REGION*

**Offices**

Graz (Austria): Eisenberger & Herzog, SCWP Schindhelm, Graf & Pitkowitz Rechtsanwälte
 Linz (Austria): SCWP Schindhelm, Herbst Kinsky
 Innsbruck (Austria): Binder Grösswang
 Wels (Austria): SCWP Schindhelm
 Mödling (Austria): bpv Hügel Rechtsanwälte
 Baden (Austria): bpv Hügel Rechtsanwälte
 Mattersburg (Austria): Brandl & Talos
 Krumau am Kamp (Austria): Brandl & Talos
 Bratislava (Slovakia): CHSH, Wolf Theiss, Schönherr, SCWP Schindhelm
 Bucharest (Romania): CHSH, Wolf Theiss, Schönherr
 Timisoara (Romania): CHSH
 Budapest (Hungary): CHSH, Wolf Theiss, Schönherr, SCWP Schindhelm

Regional Desks

Schönherr: Albania, Bosnia & Herzegovina, Macedonia, Montenegro, Ukraine

Best Friends Network

Dorda Brugger Jordis: Bosnia & Herzegovina, Bulgaria, Croatia, Czech Republic, Hungary, Poland, Romania, Serbia, Slovakia, Slovenia
 SCWP Schindhelm: Romania, Germany, Turkey, Poland

***Non-exhaustive List**

Source: Leaders League

Chisinau (Moldova): CHSH, Schönherr
 Minsk (Belarus): CHSH
 Prague (Czech Republic): CHSH, Wolf Theiss, Schönherr, SCWP Schindhelm
 Pilsen (Czech Republic): SCWP Schindhelm
 Sofia (Bulgaria): CHSH, Wolf Theiss, Schönherr
 Warsaw (Poland): Wolf Theiss, Schönherr
 Kiev (Ukraine): Wolf Theiss
 Belgrade (Serbia): Wolf Theiss, Schönherr
 Tirana (Albania): Wolf Theiss
 Ljubljana (Slovenia): Wolf Theiss, Schönherr
 Zagreb (Croatia): Wolf Theiss, Schönherr
 Sarajevo (Bosnia & Herzegovina): Wolf Theiss
 Istanbul (Turkey): Schönherr

► *lity control, both on the work and on the talent management.*” Consequently, he decided to found a firm focused only on Austrian law while cooperating closely with leading firms in other countries.

The uncertain geopolitical situation is adding a layer of difficulty, as the region is being haunted by further escalation in tensions with Russia, persistent stagnation in the eurozone and sudden tightening of global financial conditions.

OPPORTUNITIES IN CRISIS

In general, transactional work has significantly dropped: the equity capital market has been very quiet, except for some debt

products; the M&A market is also slow compared to pre-crisis years, although 2015 showed signs of slow recovery with an increasing number of small deals, as investors tread more carefully. This downward trend is counter-balanced by a rise in restructuring, regulatory and compliance, white-collar crime, arbitration and litigation, tax reform and real estate. Like the rest of Europe, the financial sector in Austria is still “going through changes and restructuring to adapt to recent banking regulations and actions taken during the crisis,” according to Uwe Rautner, Managing Partner of banking and finance boutique firm Rautner Rechtsanwälte GMBH. He

adds, “salvation measures taken in the midst of the crisis have been legally challenged by some parties and hedge funds, and have proceeded into courts.”

The restructuring and subsequent insolvency of Austria's second biggest construction company, Alpine, created a substantial amount of work for Austrian lawyers, and the subsequent restructuring of Hypo Group Alpe Adria (HGAA) has been a hot topic and “will certainly continue to keep lawyers and hedge funds busy for a while,” says Jasna Zwitter-Tehovnik, partner at DLA Piper. In July 2015, Advent International and the European Bank for Reconstruction and Development closed the up to €200 million acquisition of the HGAA's Southeast Europe banking network (SEE-Network) from Heta Asset Resolution (Heta), the wound-down asset of the former Hypo Alpe Adria bank owned by the Republic of Austria. Herbst Christian, partner at Schönherr (legal advisor to Heta), highlights: “The importance of this transaction for the Austrian banking sector is also underlined by the fact that the buyer and seller agreed to terms that allow for a repayment schedule for approximately €2.2 billion of existing credit lines, half of which will be in the form of secured credit lines.”

Lawyers are also expected to gain more work with the Austrian government refusing to cover the debt of its states such as that of Carinthia where Philips, Infineon and Siemens all have operations. In practice, this decision has left many millions in euro creditor bonds unpaid with no expectation that lenders will recover their money. This would explain why major as well as up and coming law firms are hiring more lawyers to fill in their banking and insolvency practices.

White-collar crime litigation is a budding boom area, with shareholders suing corporate boards in the civil courts or reporting them to prosecutors. The public prosecutor's office recently created a discrete department for dealing with corruption and white-collar crime, and law firms are also building up their fraud departments. In March 2015, the Austrian Council of Ministers announced key elements of the long awaited tax reform, of which an important part is the reform of the progressive income tax scale, which shall lead to overall tax relief of approximately €5 billion.

Peter Polak, a partner at Fiebinger Polak Leon, points to the increase in energy related arbitration proceedings, as a result of “on the one hand fundamental changes in European gas markets and on the other hand the inability of many long-term contracts to properly reflect these changes.”

EAST AND WEST

Such diversification of practice areas is likely to continue along with internationalization, as several new countries have begun pumping funds into the Austrian market.

Despite EU sanctions against Russia, the country remains a top investor in Austria although real estate, construction and banking practices have naturally decreased. Some law firms, on the contrary, have observed increased cross-border transactions with more established trading partners from Western Europe, such as Germany, the UK, France and Italy.

Another dynamic source comes from the Far East, as Asian companies are beginning to strategically invest in the country and the surrounding regions. Deals such as the Singapore based Anadi Financial Holdings’ takeover of Hypo Alpe Adria Austria in 2013 are examples of transactions that could help cultivate Asian investment into Austria. ■



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The Austrian Parliament, Vienna

4. BOUTIQUE FIRMS ARE MUSHROOMING IN AUSTRIA*

Law firms listed by specialization area

Firm	Date	Specialization areas	Founder(s)
Geistwert	2014	IP & IT	Five former partners of Baker & McKenzie Diwok Hermann Petsche Rechtsanwälte LLP & Co KG, Gassauer-Fleissner and TaylorWessing e n w c Attorneys at Law
zeiler.partners	2014	Arbitration, litigation and employment law	Gerold Zeiler, ex- Schönherr partner
Liebscher Dispute Management	2014	Litigation	Christoph Liebscher, ex-Wolf Theiss partner
Schindler Attorneys	2014	Corporate and tax	Clemens Philipp Schindler, ex-Wolf Theiss partner, and Florian Cvak, ex-Schönherr partner
Reidlinger Schatzmann Attorneys-at-Law	2015	Corporate law, M&A and competition law	Axel Reidlinger, ex-Freshfields partner, and Hanno Schatzmann, ex-Gassauer-Fleissner Rechtsanwälte partner

Source: Leaders League

*non-exhaustive list



MICHAEL KUTSCHERA
Managing Partner,
BINDER GRÖSSWANG

“We’ve noticed a very busy M&A market with a constant flow of cross-border transactions”

Michael Kutschera, Managing Partner of leading Austrian firm Binder Grösswang, comments on trends in the Austria legal market, takes a look back at the previous year for the firm and talks about what the future might hold.

Leaders League. What are the latest legal trends in Austria?

Michael Kutschera. General business prospects are positive and we’ve noticed a very busy M&A market with a constant flow of cross-border transactions. At the beginning of 2016, a major tax reform reduced personal income tax rates and this is expected to boost household consumption. Recent tax reforms also focused on the prevention of tax avoidance. The current centre-left government has announced further plans for economic stimulus, which aim at facilitating the start of businesses and deregulating Austrian trade regulation. Another trend is the growing popularity of crowdfunding as early-on financing for startups. A new crowdfunding law came into effect in 2015. Finally, it is expected that the recent Brexit vote will have an impact on the economic exchange between Austria and the UK, ranging from trade, migration, financial markets to regulatory frameworks.

Leaders League. How have the legal needs of Austrian family-owned businesses evolved over the years?

M.K. Austrian family-owned businesses continue to grow internationally. Many of them are global players in their field, frequently as hidden champions. They require ever more sophisticated legal advice, including a high degree of international and structuring competence. As they expand to new markets, they often trust their Austrian legal advisor to take the lead in international legal matters and work with local counsel. Our firm is frequently involved in outbound transactions, driven by family-owned businesses investing abroad. One example of a recent key legislative change is the overhaul of the law on unincorporated (civil law) companies which is often used for joint ventures but may also apply, by operation of law, to shareholder agreements. Another example is the recent change to Austria’s succession laws, which may have a significant impact on businesses

held by Austrian private foundations. The legal form of a private foundation has become a regularly used holding entity for family-owned businesses. As one of our legal studies on Austria’s largest family-owned business showed, about a third of all equity interests in such businesses are owned by private foundations.

Leaders League. How did things go for Binder Grösswang last year, and how do you envisage the firm’s future?

M.K. 2015 was an excellent year for Binder Grösswang. The firm was and has been outstandingly busy, across all the firm’s practice groups.

Our Corporate/M&A group, among many others, handled numerous high-profile transactions, including the acquisition of a stake in Energie Steiermark AG by Macquarie European Infrastructure Fund IV, the sale of a Slovakian subsidiary by Sberbank Europe AG, the acquisition of Hotel Imperial by Al Habtoor Group from the Starwood Group, the privatisation of Kommunalkredit Austria, and the formation of a joint venture between Daimler AG and Kamaz Trucks.

Our Litigation and Banking Regulatory teams have been particularly busy with respect to HETA, the wound-down company – a so-called “bad bank” – owned by the Republic of Austria with the task of divesting the non-performing portion of Hypo Alpe Adria, nationalised in 2009.

Our Corporate and Banking Regulatory teams have been handling the restructuring of the Volksbank (cooperative banking) sector, involving, among others, the demerger of the central organisation into Volksbank Wien AG and the mergers of 41 Volksbanks into eight regional banks and two specialized institutions by 2017.

The quality of our work, the commitment to our clients, the workplace culture, the motivation of our human resources department, a steady focus on innovation and an ample case load make us very confident about Binder Grösswang’s future. ♦

“THE RECENT BREXIT VOTE WILL HAVE AN IMPACT ON THE ECONOMIC EXCHANGE BETWEEN AUSTRIA AND THE UK”



The Triumphal Arch, Brussels

Belgium: A strategic player in the international market

VERY DEPENDENT ON EUROPE AND HOME TO MANY EUROPEAN INSTITUTIONS, BELGIUM IS A STRATEGIC PLACE IN THE INTERNATIONAL MARKET. AFTER A FEW YEARS OF STAGNATION, THE MARKET IS SHOWING SIGNS OF GROWTH, WHICH HAS HAD A NOTABLE IMPACT ON THE M&A MARKET.

The Belgian legal-services market is highly developed and sophisticated. The country is home to local lawyers with excellent language skills, a solid international education, high-end professional practices and a thorough understanding of transactional requirements.

A MULTICULTURAL SOCIETY

There are several reasons for the competitiveness of the Belgian market. Firstly, as a federal state comprising three autonomous regions (Flanders, Wallonia and Brussels), Belgium has set up a unique system of governance to deal with its linguistic and cultural diversity. The three Belgian regions have their own distinct legislations, with differences in a growing number of areas. This means that national lawyers are trained from the beginning in the methods of comparative law and are, in particular, at ease in dealing with cross-border cases. Most Belgian lawyers are also fluent in Dutch and French, as well as English and German. The Belgian university system, with its five-year program, is recognized throughout Europe for the comprehensive, high-quality legal education it provides, and for the highly capable lawyers it produces. Brussels is also home to the head office of the North Atlantic Treaty Organization (NATO) and

many other international companies and organizations. The city has thus become a cosmopolitan metropolis.

A COMPETITIVE LEGISLATIVE ENVIRONMENT

Over the past number of years, Belgium has taken steps to considerably enhance its attractiveness to foreign investors and to strengthen its position on the international commercial scene by introducing a range of fiscal and legal measures to encourage incoming investment. These measures include notional interest deduction or deduction for risk capital. The purpose of this provision is to encourage company financing, and it offers some interesting possibilities in terms of fiscal planning for Belgian and foreign entities. This has led to a rise in direct foreign investment in Belgium, mainly for highly capital-intensive activities.

The country's laws are modern. Belgian company law was amended under a new Code in 1999, and it is often considered to be more effective and flexible than the legislative systems of neighboring countries. Recent legislation has led to a further relaxation of the rules on financial aid, which were already more flexible than those in the UK, for example. The rules governing contributions in kind for public bodies and private limited companies have also been simplified; some in-kind contri-

butions are no longer subject to controls. The conditions applying to the acquisition of shares owned by public bodies and private companies have been eased too. Company law now includes some specific provisions governing cross-border mergers. Belgian employment law is also more flexible than its neighboring counterparts on some issues. Litigation for discrimination or unfair dismissal is rare. Arbitration and other alternative methods of dispute resolution are widely practiced and are encouraged by the law. Cross-border disputes are governed by a recently adopted code of private international law, which is one of the most sophisticated in Europe. Group actions, which are common in the US, are not currently permissible under Belgian law, but proposals in this respect are under discussion.

A MODERN AND COMPETITIVE LAW MARKET

Since the laws of the three Belgian regions differ in many areas, the top local corporate law firms tend to have a presence in each region, with an office in Brussels being an essential requirement. The political capital is also the capital of corporate law firms. Brussels is now one of Europe's five most important business centers. And all the boutique firms specializing in European law, as well as many full-service inter- ►

► national firms, have an office in Brussels. However, these international firms tend to concentrate on EU law, commercial law and corporate law. By contrast, several Belgian independents, such as Altius or Liedekerke, provide a full international legal service in corporate law.

More American and British law firms have a presence in Belgium than in any other part of Benelux. Some firms, such as Baker & McKenzie, have had offices there since as long ago as the 1950s. The American firm opened its first Belgian office in Brussels in 1957, and its second in Antwerp in 2002. Cleary Gottlieb Steen & Hamilton also began operating in Belgium more than half a century ago. And Belgium continues to attract the British and Americans. The most recent arrival on the market, the California-based firm Sheppard Mullin, has bolstered its presence at the heart of the European Union by launching an EU Competition and Regulatory practice at its office in Brussels.

ENDING SOME YEARS OF STAGNATION

The activity of corporate law firms in Belgium has slowed during the crisis because of the economic situation, but it was not affected too severely. State intervention has enabled the major players to hold their place in the market. In fact, Belgium has demonstrated the financial solidity of its public institutions by opting for a nationalization policy, most notably with Fortis bank.

After an unusual political situation which has led Belgium to spend the most part of 2011 without a government, the situation has reverted to normal. In the fall of 2014 a coalition was formed of three Flemish and one Francophone, forming a new center-right government.

The recent improving economic climate, which ended some years of stagnation, has had an impact on the market. It is especially true of the M&A activity, where an increase in transaction volume has been observed. An appetite for capital markets has also been noted.

There has been a resurgence of high-end deals, and both the small and mid-cap markets have stayed quite busy. As for other practices such as restructuring and insolvency and litigation, which had kept busy during the crisis, they are still very active. And regulatory activity has particularly intensified in recent years. This is very true in some specific sectors, such as energy, life sciences, environment and banking. Since Belgium hosts the three main European Union institutions, antitrust and competition practice, together with regulatory lawyers are notably active in Brussels. The European Parliament has recently adopted a directive on antitrust damages actions, which has been focusing the market's attention.

Since Belgian tax reforms were implemented in 2012, the authorities have embarked on a more aggressive approach to tax abusers, which has led to ever-increased compliance and tax law practice.

IMPACT ON THE LEGAL MARKET

In Belgium, the legal market offers a wide range of services. The country is home to many international law firms. A lot of them have initially merged with well-established local law firms. Some key domestic players such as Van Bael & Bellis, Eubelius and Liedekerke Wolters Waelbroeck Kirkpatrick thus compete with the international brands.

Another noticeable trend is the spreading out of law firms throughout the Benelux

region such as Stibbe, NautaDutilh and Loyens & Loeff. They correspond very often to quite specialized boutiques and therefore adopt a different approach. Overall, there are so many different kinds of law firm models in the country that any type of service the client may need can be found.

In this context, there is a tendency for highly-skilled and experienced lawyers practicing at international law firms or well-established local law firms to leave to start up their own experienced boutique. This is the reason why there has also been an increase in the establishment of corporate boutiques lately. In 2014 Cresco Advocaten was created by a number of experts working at Ambos NBGO, that formed a brand new corporate boutique. On the intellectual property side, Van Innis & Delarue was created in 2013.

Two mergers were particularly noticeable of late: Koan Legal Strategies merged with Lorenz to become Koan Lorenz, and De Wolf & Partners and Dal & Veldekens announced their merger in September 2015 to become Daldewolf.

Although the market has shown positive signs recently, Belgium's situation remains uncertain, especially since the Belgian economy is highly dependent on Europe. In addition, the Brexit will complicate things, especially for British firms established in Brussels, as pointed out by Jean Paul Hordies (Alphalex) in a recent interview: *"They are in a difficult position, because they are going to lose all credibility, even if their professional ability is not called into question. For all transatlantic deals, for example they will almost certainly be sidelined whereas up to now they had been to the fore. From there to being left out in the cold on the world stage is only a short step."* ■



The Mont Des Arts, Brussels

TOP LOCAL CORPORATE LAW FIRMS IN BELGIUM


















The top corporate law firms in Belgium are first and foremost Belgian, though the Dutch are increasing their share of the market

Firm	Number of lawyers in Belgium	Offices in Belgium
Stibbe	150	Brussels
Laga	140	Brussels, Antwerp, Courtrai
Eubelius	136	Brussels, Antwerp, Courtrai
Liedekerke	129	Brussels
Loyens & Loeff	100	Brussels
Janson Baugniet	87	Brussels
CMS DeBacker	84	Brussels, Antwerp
Lydian	78	Brussels, Antwerp
Tiberghien	64	Brussels, Antwerp
NautaDutilh	62	Brussels
Van Bael & Bellis	53	Brussels
Altius	50	Brussels, Antwerp
Everest	49	Brussels, Bruges, Ghent
Buyle Legal	48	Brussels, Antwerp
Astrea	47	Brussels, Antwerp
Philippe & Partners	46	Brussels, Liège, Namur
DBB	43	Brussels, Mons, Soignies, Charleroi
Simont Braun	43	Brussels
Van Cutsem Wittamer Marmet & Partners	35	Brussels
Daldelwolf	32	Brussels
Koan Lorenz	29	Brussels
Koan	29	Brussels, Paris
Strelia	27	Brussels
Van Olmen Wynant	26	Brussels
Strelia	22	Brussels
Ambos NBGO	18	Brussels
Hanotiau & Van den Berg	15	Brussels
Tetra law	13	Brussels
Peeters Advocaten	10	Brussels
Hirsch & Vanhaelst	9	Brussels
Rulkin and Partners	6	Brussels

Source: Leaders League

INTERNATIONAL FIRMS IN BELGIUM

British and American firms have had a discreet presence in Belgium for the last fifty years, however they maintain the same size as local ones

Firm	Origin	Opening in Belgium	Local Staff
Baker & McKenzie		1957	141
Allen & Overy		2001	138
Clifford Chance		1972	121
DLA Piper	 	1916	95
Bird & Bird		2001	67
Simmons & Simmons		2010	55
Eversheds		2008	50
Freshfields		1999	45
Jones Day		2013	45
Linklaters		1999	44
Norton Rose		2007	40
Hogan Lovells	 	2001	39
Greenberg & Traurig		2002	33
Sheppard Mullin		2015	17
Osborne & Clarke		2014	13



OLIVIER CLEVENBERGH
Managing Partner, **STRELIA**



GISÈLE ROSSELLE
Partner, **STRELIA**

“Working on cross-border matters is an essential part of Strelia's strategy”

Leaders League. How have you seen the Belgian legal market evolving?

Olivier Clevenbergh. For many years, Belgium has developed two relatively distinct legal markets: various US and UK firms – notably most of the Magic Circle – and domestic firms. The first category concentrates more on corporate international work. The second category deals with a broader range of matters. We have seen recently that, while the big cross-border deals are often still entrusted to the international firms, the Belgian independent firms have taken a bigger stake in the international transactions. This is due to their increased sophistication and professionalization. Such firms also develop an international network which can function as efficiently as global firms. This evolution is partly the result of the creation of new firms by partners who used to work in international firms and decided to pursue their career in another environment while maintaining their activities' international aspect. This is also due to the wish of clients to lower their legal spend as much as possible.

Leaders League. What is the positioning of Strelia in such a situation?

O.C. Strelia is one of the recent firms formed and developed by partners having worked for many years in international firms. We use our experience to provide a service equivalent to the one you can have in the international firms but with a more personal approach. We have a lower associates leverage and our partners are really involved in matters and close to the client.

As ambitious newcomer, we have a challengers spirit: we know it is hard work to gain a place amongst the leading firms, which is our ambition. International work is an essential part of our activities. We are independent (including from any network) and we cooperate on a case-by-case basis with an informal network of “good friends.” We concentrate on corporate matters in the broad sense, and on dispute resolution. For specific issues, we call upon the assistance of niche firms which we trust and which comprise the best specialists in their sector.

Leaders League. Strelia was created in 2013. Nearly four years later, how do you look back at the creation?

O.C. The environment in the Belgian market place was very competitive, with many firms established for a long time. Back then, the M&A market had not yet recovered from the 2008 financial crisis. We had the advantage that we

could model a firm so that it would correspond to what we thought the market needed, instead of inheriting situations from the past. In other words, we could start with a blank sheet of paper and progressively build our new firm. We were able to select new partners who had the same mindset as the founders and who would form a coherent ensemble. Coherence was and is fundamental and this is why it was essential to maintain it, even at the risk of losing partners in the early stages when it was considered that the required fit was not present.

Leaders League. Could you describe the firm's major steps until now?

O.C. The first step was to convince the clients and the market that Strelia was a reliable alternative to the existing firms. We were lucky that major corporate clients and foreign firms accepted to work with us from the start on important deals and disputes. Thanks to this Strelia obtained immediate market recognition, which helped reaching the next stages. Then, we needed to strengthen and build up our capacity as a corporate firm, which meant having, in addition to corporate lawyers, tax experts and finance specialists. We also considered that a restructuring team was a necessary addition. Progressively, we combined those various practices, adding new partners each year. We are currently striving to develop other areas that we consider complementary to our activities. We want however to remain a relatively small firm, in order to keep our flexibility and our personal approach, and also because the Belgian market itself is small.

Leaders League. Could you describe your client base?

O.C. We believe that it is important to have various types of clients. Not only does it protect the firm against sectorial or cyclical changes but it broadens our experience, for the benefit of our clients. For instance, the fact that we work for small or medium-sized companies allows us to better assist a bigger client that wants to acquire a smaller company, because we are familiar with the daily life and organization of such a smaller target. We also have a good balance between international clients and local clients. We work across various sectors, with a focus on retail and finance. Our preferred model is to establish stable relationships with selected clients. Clearly there is a benefit for both the client and the firm in having knowledge of each other that can be developed in such a relationship. Then, an im-

portant part of our work is derived from referrals from law firms abroad, notably France, Germany, the Netherlands, Italy, the UK and the US.

Leaders League. Strelia focuses on corporate matters but also has a strong litigation practice. How do the two interact?

O.C. Most of our lawyers do indeed combine transactional work and dispute resolution work, albeit to various extents linked to the type of clients and individual preferences. We also have an important arbitration practice. During the nineties, most of the larger Belgian firms followed the Anglo-Saxon model of splitting transactional work and dispute resolution, as happened in many other European countries. I believe that the idea then was mainly to follow the example of the international firms: because if they did things in a certain way, it was considered the right thing to do here as well. This was a change from the traditional continental position where a lawyer did both litigation and transactional work. In our eyes, such a division is not necessary in Belgium, where we do not have a split profession as is the case in the UK, for instance. On the contrary, we believe that there are many advantages in dealing with both aspects of the work. Knowing from personal experience how a court or arbitration tribunal gives effect to a contractual clause allows you to better assist your client when drafting or negotiating such clauses. It improves the practical approach of the negotiation and helps in identifying what is really important to protect your client and what you can give away in order to strike a deal. Conversely, having the practical experience of negotiating and closing deals and so understanding the mechanics of specific contracts is an important asset in a dispute. The combination is even more beneficial nowadays as we often see deals or negotiations transforming into battles or at least where pre-litigation strategy is useful.

FOREIGN INVESTMENTS IN BELGIUM

Leaders League. Do you see a lot of foreign investment in Belgium?

Gisèle Rosselle. Yes, the Belgian economy is small but very open. Next to the small and medium size local players, most of the major groups are active in Belgium. It is often the case when a Belgian company reaches a certain size, it is taken over by foreign investors, as was seen this summer with the retailer Delhaize (merger with the Dutch Ahold) and the fast food chain Quick (which should become Burger King). Many Belgian businesses are family-owned businesses: they are often confronted with succession issues leading to the sale of the business. Belgium is a

logistic springboard, with easy access to the surrounding countries, and a gateway to European business. Many foreign companies establish their European or Benelux seat in Brussels because of direct access to European decision makers. French and Dutch investors are particularly active due to geographic and linguistic proximity. There is also a lot of commercial activity with German based companies.

Leaders League. Are there specificities a company investing in Belgium should take into account?

G.R. Belgium is a federal state, which has a complex legal system. There are different rules for more and more matters depending on whether they relate to the Brussels region, the Flemish region or the Walloon region. This is the case for instance for environment issues but also for certain aspects of employment law and tax. As a result, various regional niche firms have emerged. A foreign investor should also take into account that there are different cultures in Belgium and that it is a small community where it is important to be well-connected. Generally, the Belgian business community is quite open to foreigners, with an open culture and an international mindset. There is generally a good command of English.

Leaders League. How would an investment, such as an acquisition, be structured?

G.R. International standards are applied when it comes to corporate transactions such as share purchase agreements. Our practice is inspired by the Anglo-Saxon model – more the UK than the US one – and the English language is most commonly used. Under certain conditions, the capital gains realized on the sale of shares are still tax exempt, which represents a notable advantage for Belgian sellers. In addition, investment banks often play an important role in sourcing deals.

Leaders League. What is Strelia's approach to working with international clients and foreign firms?

G.R. Working on cross-border matters is an essential part of Strelia's strategy because of the background of our partners. They have all worked in international firms and want to continue their international practice. We work with an informal network of "good friends" of various sizes and natures. Personal contacts are important and because incoming referrals are essential for our activities, we make sure to deliver the highest quality service. When it comes to outgoing referrals, we have, as independent firm, the freedom to choose the firm or lawyer abroad who is the best placed to assist our client. ♦

“WE USE OUR EXPERIENCE TO PROVIDE A SERVICE EQUIVALENT TO INTERNATIONAL FIRMS BUT WITH A MORE PERSONAL APPROACH”



DECIDEURS 100

DES CABINETS D'AVOCATS



© Sergei Aleshin

The Eiffel Tower in central Paris

France: Top of the line or nothing

2015 WAS AN EVENTFUL YEAR FOR LAW FIRMS: THE ESTABLISHMENT OF NEW FOREIGN COMPETITORS, THE PROLIFERATION OF BOUTIQUES, THE EMERGENCE OF INCREASINGLY NUMEROUS LEGAL TECH COMPETITORS, APPREHENSION ABOUT THE STANDARDIZATION OF LOW VALUE-ADDED LEGAL TASKS, ETC. FORTUNATELY, THE NEW FACE OF THE CORPORATE LAWYER IS BEING DELINEATED AT THE SAME TIME THAT BUSINESS IS PICKING BACK UP.

The numbers don't lie: corporate law firms are doing better. All reference sources are in the black: the total revenue of Décideurs 100 increased by 8.2%, there were only thirteen revenue decreases (see the best revenue increases on page 89), and when looking at the lowest rankings, the final entry was situated in 97th place last year. Better yet, there are now ten French firms whose income per lawyer is superior to €700,000, whereas there were only seven last year. Similarly, revenue per partner increased, and nine firms surpassed the three million euro threshold, up from seven in 2015. The upper market has grown in quality, maturity, and efficiency, proof that we are witnessing a genuine consolidation of the best firms.

A STEP AHEAD

There are several remarkable individual advancements, such as Mayer Brown, which took second place in Décideurs 100. The firm reported a revenue growth of 26%. Led by Jean-Philippe Lambert since its foundation in 2001, the team is

reaping the rewards of its concentration and work on large-scale cases (Altice's purchase of a portion of Cablevision's capital, Mayhoola's acquisition of Balmain, SFR's "global convergence: telecom, media, and advertising" project, etc.). Darrois is still ahead, all by itself and far beyond its competitors – even despite the fact that its productivity per lawyer decreased by 6%. It is able to remain one step ahead thanks to its team's involvement in KKR's sale of a portion of its stake in Tarkett, Technip's merger with FMC Technologies, Vivendi's €1.5 billion bond issuance, and Airbus' sale of its stake in Dassault Aviation. A performance all the more remarkable given that Darrois is the only French firm (with Bredin Prat) in the top twenty, alongside a majority of Anglo-Saxon firms.

There is another player which has not gone unnoticed this year: McDermott, which made a big leap in the rankings with €750,000 in revenue per lawyer compared to €500,000 last year, surpassing its level in 2014. The firm added four partners in 2015, has continued to recruit in 2016 and tightened its ratio

to one partner per two employees. Also noteworthy is Osborne Clarke's very sizable progression. Having never ranked on Décideurs 100 because it did not meet the twenty-lawyer threshold necessary to for inclusion, the firm achieved an 80% revenue growth and almost doubled its workforce in one year. As for the American firms, they are still at the top of the rankings, with results that resemble the profitability levels observed in the United States, even with the current 15-20% decline.

STRUCTURING OF LEGAL TECHS

The French legal market is picking back up in a significant way, this being the case even though the year 2015 was characterized by the consolidation of Legal Tech services. Legal Start, Legal Life, doctrine.fr, documentjuridique.com, We Claim, Captain Contrat and demanderjustice.com have ultimately had a genuine impact on the legal services market because they have brought about a brutal realization: very few lawyers are able to continue practicing in the traditional fashion. Clients are now demanding digital services and the advantages that go with them. Legal start-ups, which promised to be players on a new market (the digital legal information market) are actually detrimental to law firms, who

“FOR CORPORATE LAW FIRMS, ALL REFERENCE SOURCES ARE IN THE BLACK. AND THE UPPER MARKET HAS GROWN IN QUALITY, MATURITY, AND EFFICIENCY”

feel increasingly threatened. Faster and completely online, they offer low-cost, low value-added legal services which, up to now had been offered by lawyers, and present a true financial windfall. This is why international firms began concerning on the management of standard services (documentation, legal intelligence, standardization of common contracts, etc.) in the 2000s. They created low-cost offices in Ireland, in the Virgin Islands, and any other fiscally-advantageous area with low-cost labor: Baker & McKenzie opened an office in Manila in 2000 and in Belfast in 2015, Herbert Smith Freehills and Allen & Overy in Belfast in 2011, Freshfields and Berwin Leighton Paisner in Manchester, Ashurst in Glasgow, Hogan Lovells in Birmingham, as an extension of London, and DLA Piper in Leeds, Tampa and Warsaw. DLA Piper even aims to create a hotline that will be open 24/7.

LAWYERS ON THE FRONTLINES

Lacking the ability, and the desire, to invest in the creation of low-cost legal service teams, French lawyers who faced growing competition from new legal companies marched to the frontlines with two approaches. The first – the legal approach – attempted to block their development through the rampart that is lawyer's monopoly. The CNB (the French National Bar Council) sued the site *demandeurjustice.com*. The second approach consisted of becoming their ally. An initiative like Open Law, for example, attempted to get Legal Techs to sign up to an ethical strategy similar to that of lawyers. But there is little chance that such a charter would bear the seal of the representative, the CNB, and the organization of lawyers in Paris. Given the lack of efficacy of these responses, the CNB took action by creating its own legal access platform (*avocat.fr*) in March 2016; it is now the official site of online legal consultation.

A COLLABORATIVE PLATFORM

Alongside this, some firms are creating their own low value-added legal support services that are detached from the founding brand in order to avoid confusion about positioning and to replenish the capital of structures with a lack of funding. None have emerged yet, but the legal consultation sites provided by major market players should see the light ►

THE NEW ARRIVALS

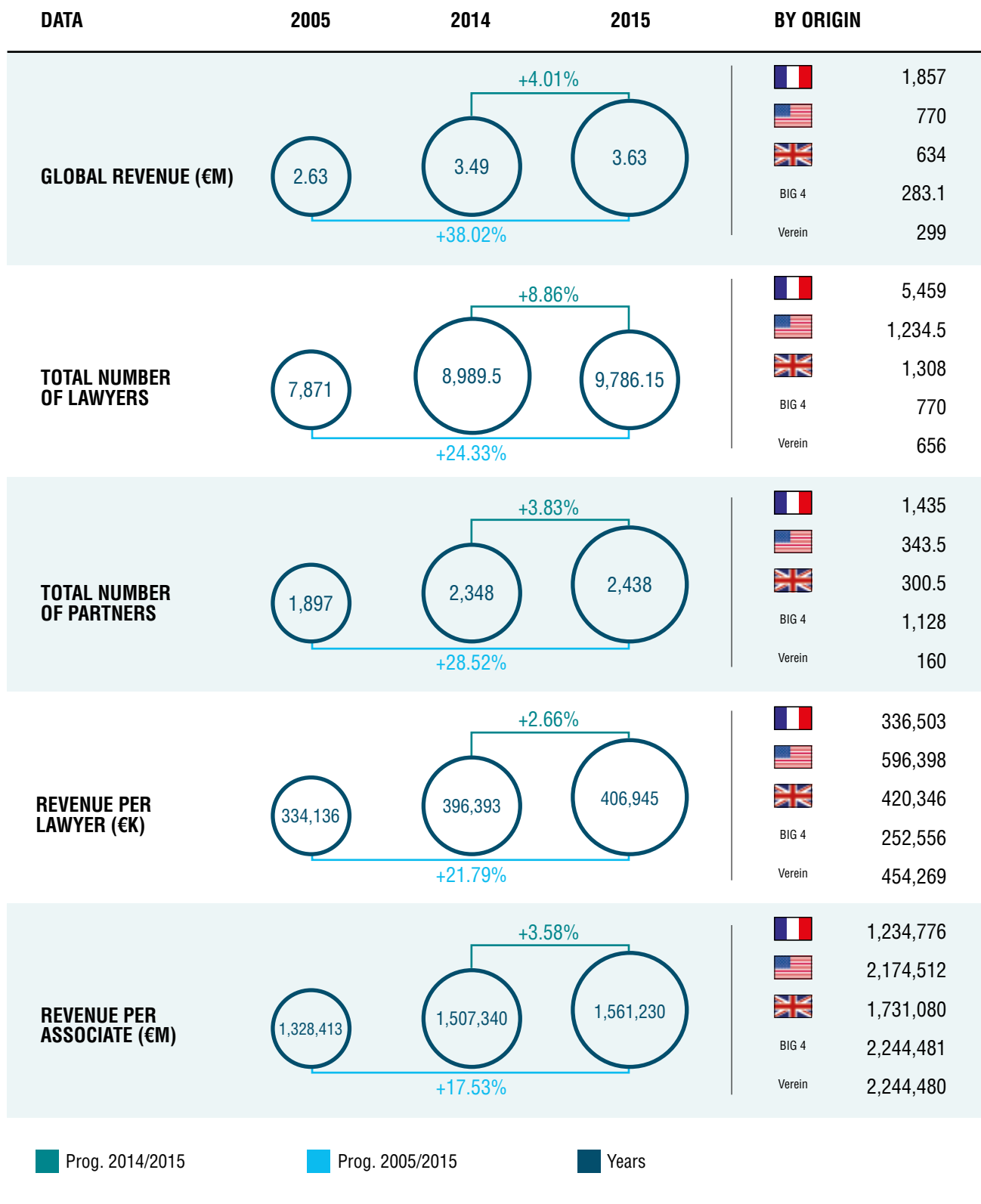
The law firms created between June 2014 and June 2015.

Firm Name	Founding partners
Adsto	Claire Bernier
Almain	Cécile Davanne-Mortreux, Edgard Nguyen, Jérôme Debost and Thomas Fleinert-Jensen
Ambre Associés	Édouard Clément, Éric Kopelman and Marc-David Seletzky
APE Avocats	Adrien Perrot and Laetitia Avia
Arkwood	Michaël Khayat and Julien Riahi
Avistem	Dominique Stucki, Mathieu Siraga, Sandrine Hagenbach, Sylvie Jonas and Isabelle Guitton
Barbier Legal	Jérôme Barbier
Baro Alto	Géraldine Brasier-Porterie and Caroline Joly
Cabinet Philippe Derouin	Philippe Derouin
Claris	Jean-Pascal Amoros, Marie-Isabelle Levesque and Manfred Noé
Éole Avocats	Christèle Morand-Collard, Alette Pennaneac'h-Selosse and Dorothée Rey
Galahad	Stéphanie Le Men-Tenailleau
Goodwin Procter	Maxence Bloch, Christophe Digoy, Jérôme Jouhannaud and Thomas Maitrejean
Idea Avocats	Nathalie Metallinos and Julie Ruelle
Kaminsky Litigation & Arbitration	Raphaël Kaminsky
L&KA Avocats	Ève Labalt
Lapisardi Avocats	Sophie Lapisardi
LLG avocats	Lorelei Gannat, Laure Calice and Géraldine Debort
MJ Hudson	Benjamin Aller
Neptune Avocats	Stéphane Bacrie, Patrick Douin, David Sitruck and Johanne Mauchand
OMLegal	Olivier Maizou
Osmose	Antoine Gendreau, Lauren Bonnet, Lucie Corvisier, Alexandre Le Corroncq, Alexis Vichnievsky and Mélanie Commert
Oxynomia	Arnaud Moquin, Montaine Guesdon Venerie, Sylvie Lérat and Élisabeth Meyer
Piotraut Giné Avocats	Grançois Giné and Raphaël Piotraut
Schmidt Brunet Litzler	Delphine Brunet-Stoclet, Philippe Schmidt and Bénédicte Litzler
Séгур Avocats	Brigitte Pelletier and Florence Achir
Sinclair Legal	Laurent Vandomme
Solegal	Rui Cabrita and Fabien Courvoisier
Velvet Avocats	Antoine Fouter and Frédéric Gérard
Vivant Chiss	Antoine Vivant and Romain Chiss
Volt Avocats	Emmanuel Vergnaud, Lucas d'Orgeval, Stéphane Letranchant and Alexandre Tron
Walter Billet	Fabien Billet and Alan Walter

Source: Leaders League

KEY DATA AT A GLANCE

Décideurs 100 provides a broader view of how the business law profession is constantly evolving with increasingly higher revenue and a displayed annual productivity boost over the past 10 years. With global revenue increasing 4% this year and by close to 25% in the last 10 years, the market has achieved a certain level of maturity that once more adds to the importance of law to the French economy.



Source: Leaders League



THE TOTAL CUMULATIVE REVENUE OF THE LAW FIRMS PRESENTED IN DECIDEURS 100 ROSE BY 8.2%



+ 9 % THE INCREASE IN THE NUMBER OF LAWYERS PER YEAR

► of day in the coming months. Other firms are reorganizing internally, causing a transformation in terms of client relationships. Sekri Valentin Zerrouk has been operational since September, offering tools to its clients, Legal Cluster, a community of experts, and mySVZ, a collaborative digital platform. Their objective is to be the first French firm to offer its clients and partners such a solution for case monitoring and procedures. It is not at all comparable to the low-cost services offered by the Anglo-Saxons. Simplifying the interactions with clients will not take place at the cost of sacrificing premium service.

THE SIRENS OF STANDARDIZATION

The market's leading corporate law firms prioritize high value-added services. They must, as their survival depends on it. The development of a low-cost offer will only finance the renewal of their strategy. In fact, those who refuse to change their foundation and culture cede to the sirens of standardization without reaching an upmarket specialization. Jaap Bosman, a Dutch legal advisor, targets them in his book, the provocatively titled "Death of a Law Firm." But

not all of them: only those which didn't resist the facility of static positioning. This is why some lawyers didn't hesitate to radically change their model, and brought complementary business activities together. Thanks to the Macron Law, lawyers can now create multi-professional companies, making it possible to unite accountants, lawyers, notaries, court bailiffs, industrial property advisors, administrators, and court appointed receivers. Following the enactment of the text, and without waiting for the implementation orders, two multi-profession companies were launched. The firm

In Extenso joined Dalin Chemouli Stoloff & Associés at the beginning of 2016 to create a holding that united accountants and lawyers. The new structure offers 360-degree corporate consulting. Next, Fiducial took over Lamy & Associés, a firm from Lyon. Fiducial, which serves France in the accounting and auditing sectors, provides IT, new technologies, management of real estate companies,

office equipment, banking services, and will soon provide insurance services now benefits from a corporate law firm in order to broaden the advice it provides clients. Notaries, for their part, are resisting. The CSN (the High Council of French Notaries) filed an appeal before the Council of State.

According to Pierre-Luc Vogel, its President, as quoted in French national newspaper Les Échos, "this text is inapplicable as is, due to risks to our clients in terms of independence, conflicts of interest, and respect for professional secrecy." This certainly provides insight as to why the mergers between law

firms and notaries failed.

"SOME LAWYERS DIDN'T HESITATE TO RADICALLY CHANGE THEIR MODEL, AND BROUGHT COMPLEMENTARY BUSINESS ACTIVITIES TOGETHER"

THE FRENCH MARKET IS ATTRACTIVE

As proof of the French market's attractiveness, UK-based MJ Hudson and US-based Goodwin Procter have just opened offices in Paris. The former recruited Benjamin Aller, an expert in fund structuring, from KWM. The latter opened an office thanks to four of its ►

THE BEST REVENUE GROWTH IN 2015






























With revenue growth of over 10%, these firms are surpassing their competitors

Rank	Top 100 2016	Firm	Focus area	Revenue per lawyer 2015	Change in revenue per lawyer 2014/2015	Firm revenue 2015(€m)	Estimated/ Certified	Change in firm revenue	2014 firm revenue	No. of lawyers 2015	No. of lawyers 2014	No. of partners 2015	No. of partners 2014
1	57	Arsene Taxand	Tax law	€323 529	0.35%	33		12%	29.5	102	91.5	19	18.5
2	64	Flichy Grangé Avocats	Labor law	€301 449	0.48%	20.8		7%	19.5	69	65	20	18
3	70	Fromont Briens	Labor law	€290 000	10.56%	46.4		11%	41.97	160	160	42	41
4	76	Capstan	Labor law	€277 720	0.19%	53.6		0%	53.5	193	193	42	42
5	79	Barthélémy Avocats	Labor law	€267 570	6.21%	28.63		9%	26.2	107	104	49	43
6	84	Vogel & Vogel	Antitrust	€262 941	0.25%	8.94	c	3%	9.18	34	35	2	2

► own lawyers: Maxence Bloch, Christophe Digoy, Jérôme Jouhanneau, and Thomas Maitrejean. As evidenced by the Décideurs 100, KWM hasn't yet suffered from these departures, though it is certainly feeling the effects of its merger with China-based King & Wood. It's safe to say that the UK's exit from the European Union will continue to strengthen the French financial market. Moreover, French firms are relaunching their ambitions to expand. Jeantet is growing stronger in Eastern European countries with the arrival of François d'Ornano and Karl Hepp de Sevelinges from Gide. The French company even opened an office in Moscow in May thanks to the expertise of David Lasfargue, also a former "Gidian." But the landmark deal of the year for French firms was the merger between LPA and CGR Legal, which took place at the beginning of 2016. The firms had a converging interest in this transaction: to provide their clients sector-based services. The reputation of Lefèvre Pelletier & Associés (LPA) in the real estate domain matched up with the expertise of CGR Legal in the energy domain. In the wake of this announcement, FTPA, which was celebrating its 10th anniversary, took over SEH Legal, the boutique dedicated to restructuring that was founded by Sandra Esquiva-Hesse. Restructuring is back in fashion, but from a different angle. In fact, while bankruptcy proceedings became a subject of retraining for M&A lawyers after the economic crisis, it is now a high value-added practice. These experts are proving to be negotiators, so that the interests of all the restructuring players converge with the interests of the company. Thus, Advocacy 4 is a firm that presents itself as a "peacemaker," whereas Barbier Legal, created by Jérôme Barbier, Sandra Esquiva-Hesse's former partner, is opening an office in Switzerland. De Gaulle Fleurance & Associés also has a department dedicated to this domain, with the arrival of two partners simultaneously: Anker Sorensen and Julien de Michele. More locally, the Témime firm just opened an office in Marseille, and the CPC and Veber Avocats boutiques merged. Finally, the Cadji firm, based in Aix-en-Provence, made its entrance in Décideurs 100. French firms aren't willing to give up their place in Paris or in the provinces. ■

THE BEST REVENUE GROWTH IN 2015

With revenue growth of over 10%, these firms are surpassing their competitors.

Rank	Top 100 2016	Firm	Origin	2015 revenue (€m)	Estimated/Certified	Prog. revenue (%)
1	43 =	Olswang		9	e	125%
2	73	Osborne Clarke		7.1	e	78%
3	25	Ginestié Magelan Paley-Vincent		14.5		48%
4	60	Szpiner Toby Ayela Semerdjian		6.2		29%
5	4	Dechert		51.9	c	27%
6	90	PDGB		12.5		27%
7	2	Mayer Brown		48.6		26%
8	93 =	Pinsent Masons		10	e	25%
9	6	McDermott		27		23%
10	37	Lefèvre Pelletier & Associés*		34.7		21%
11	21	Hogan Lovells	verein	75.5		21%
12	62	Simon Associés		14.6		20%
13	77	Racine		40		18%
14	53	K&L Gates		9.5	e	17%
15	56	Stephenson Harwood		7.13		17%
16	86	BRL Avocats		7.2		16%
17	24	De Pardieu Brocas Maffei		62.92		16%
18	42	FTPA		22.05		16%
19	22	King & Wood Mallesons		33		15%
20	30	Franklin		25.5		13%
21	74	Sekri Valentin Zerrouk		7.3		12%
22	33	Jones Day		55.5	e	12%
23	57	Arsene Taxand		33		12%
24	81	PWC	Big 4	130		11%
25	31	Jeantet		43.87	e	11%
26	70	Fromont Briens		46.4		11%
27	27	Herbert Smith Freehills		47.4		10%
28	38	August & Debouzy		49.2		10%
29	54	Marvell		8.9		10%
30	69	KGA		10.49		10%
31	97	Granrut Avocats		11.86		10%

Lefèvre Pelletier & Associés merged with CGR Legal in January 1st 2016

COMPREHENSIVE ASSISTANCE WITH PROJECTS

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KEYS FACTS

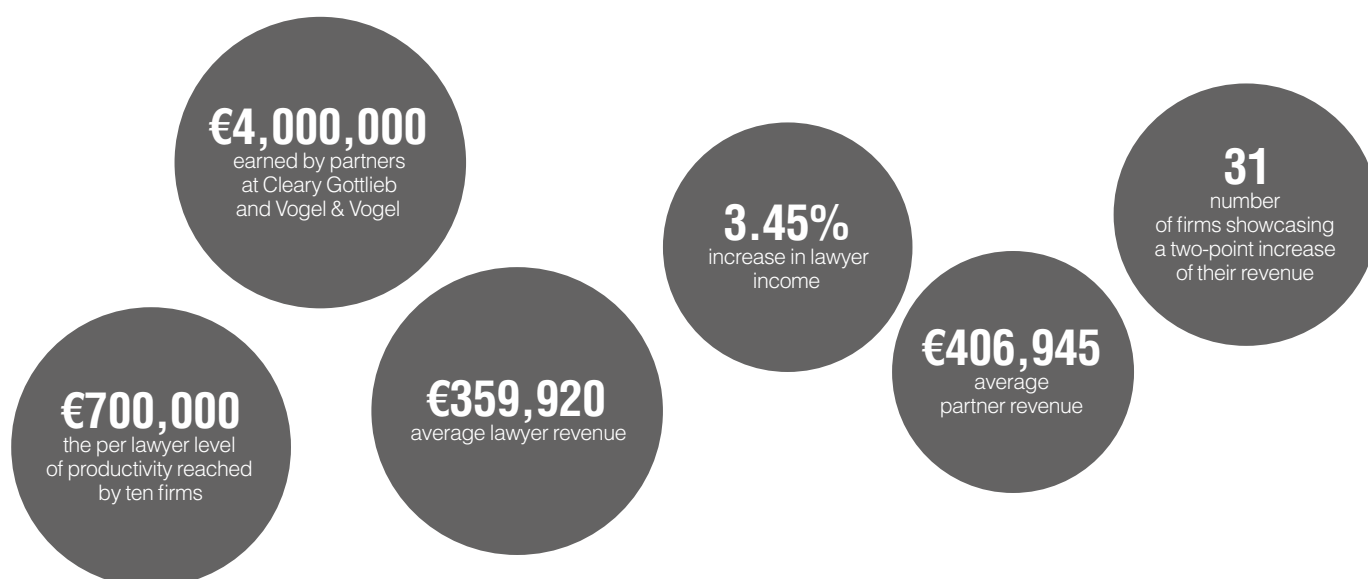
NEW ENTRANTS IN THE 2015 EDITION OF DÉCIDEURS 100

Rank	Firm	Origin
43 =	Olswang	
54	Marvell	
58	Aramis	
60	Szpiner Toby Ayela Semerdjian	
61	Reinhart Marville Torre	
66	Coblence & Associés	
73	Osborne Clarke	
90	PDGB	
91	Normand & Associés	
95	EY	Big 4
97	Granrut Avocats	
99	Chassagny Watrelot & Associés	

MISSING PLAYERS FROM THE 2015 EDITION OF DÉCIDEURS 100

Firm	Origin
BDGS	
Gowling WLG	
Archers	
Brunswick	
Courtois Lebel	
CVML	
Deprez Guignot & Associés	
Dethomas Peltier Juvigny	
Eversheds	
Fieldfisher	
Foley Hoag	
Gibson Dunn	
Heenan Paris	
Poulain & Associés	
Speechly Bircham	
Sullivan & Cromwell	
Watson Farley & Williams	

KEY FIGURES



ESTABLISHMENT OF LAW FIRMS

Source: Leaders League

CORPORATE	SPECIAL NICHES	LABOR LAW	OTHER SPECIALTIES
<ul style="list-style-type: none"> - Claris - Solegal - Velvet Avocats - Volt Avocats - Walter Billet 	<ul style="list-style-type: none"> - Almain - Ambre Associés - APE Avocats - Arkwood - Avistem - Baro Alto - Neptune Avocats - OMLegal - Schmidt Brunet Litzler 	<ul style="list-style-type: none"> - Éole Avocats - Galahad - LLG avocats - Ségur Avocats 	<ul style="list-style-type: none"> - Adsto (IP/IT) - Barbier Legal (restructuring) - Cabinet Philippe Derouin (tax law) - Idea Avocats (IP/IT) - Kaminsky Litigation & Arbitration (arbitration/litigation) - L&KA Avocats (restructuring) - Lapisardi Avocats (public business law) - Sinclair Legal (energy) - Osmose Avocats (IP/IT)

The number of boutique openings has increased compared to last year. With thirty newcomers to the Paris market, we can't help but insist on the fact that the market is not yet saturated. Indeed, the names of these law firms point to the founders' vision for their profession: Adsto insists that it is on the clients' side, Avistem is dedicated to innovation and company growth, Sinclair Legal is specialized in the energy sector, Velvet Avocat aims at making clients more comfortable in M&A transactions and tax law among other well-known names like Claris, Idea Avocats, Osmose, or Oxyminia.

BIGGEST MOVES (June 2015 - June 2016)

Source: Leaders League

FROM		NAME OF PARTNER		TO
	>	 FRANÇOIS PERROT Tax law	>	
	>	 FRANÇOIS KOPF Restructuring	>	
	>	 FRANÇOIS D'ORNANO Infrastructure financing	>	
	>	 KARL HEPP DE SEVELINGES Projects and investments	>	
	>	 LIONEL SPIZZICHINO Restructuring	>	
	>	 EMMANUEL BÉNARD Labor law	>	
	>	 EMMANUEL RINGEVAL Banking and financial law	>	
	>	 PATRICK TARDIVY M&A and private equity	>	
	>	 HERVÉ TOURAINE Financial law	>	
	>	 PIERRE FORGET Restructuring	>	
	>	 ANTOINE COLONNA D'ISTRIA Tax law	>	
	>	 JEAN-CLAUDE COTONI M&A and private equity	>	

Décideurs 100

Which law firms were the most productive in 2016? With the market taking off once again, more lawyers being hired and the general progression of firms' gross revenue, lawyer pay has markedly increased this year. Some firms are doing relatively well for themselves with results-wise. It is worth noting that when compiling the Décideurs 100, only law firms with more than twenty lawyers were taken into account.

Rank 2016	Prog.	Rank 2015	Firm	Origin	Revenue per lawyer 2015	Prog. Revenue per lawyer	Revenue 2015 (€m)	est/cert	Prog. gross revenue	Gross revenue 2014 (€m)	Number of lawyers 2015	Number of lawyers 2014	Number of partners 2015	Number of partners 2014
1	=	1	Darros Villey Maillot Brochier	FR	€933 333	-5.81%	56		3 %	54.5	60	55	21	21
2	↗	15	Mayer Brown	US	€777 600	25.22%	48.6		26 %	38.5	62.5	62	25	25
3	↘	2	Shearman & Sterling	US	€776 596	-2.00%	36.5	e	-13 %	42	47	53	20	24
4	↗	8	Dechert	US	€763 235	14.11%	51.9	c	27 %	40.8	68	61	13	14
5	↘	3	White & Case	US	€753 552	-2.88%	137.9		5 %	131.9	183	170	38	36
6	↗	22	McDermott	US	€750 000	50.00%	27		23 %	22	36	44	16	12
7	↘	4	Latham & Watkins	US	€729 412	-3.96%	62	e	3 %	60	85	79	27	28
8	↘	5	Bredin Prat	FR	€718 954	-2.39%	110	e	3 %	106.8	153	145	43	43
9	↗	10	Weil Gotshal & Manges	US	€712 329	8.56%	52	e	9 %	47.9	73	73	19	20
10	↘	7	Paul Hastings	US	€710 000	0.67%	28.4		6 %	26.8	40	38	18	18
11	↘	6	Willkie Farr & Gallagher	US	€694 915	-1.69%	41		0 %	41	59	58	20	15
12	↘	9	Davis Polk & Wardwell	US	€666 667	0.00%	14	e	0 %	14	21	21	5	5
13	↗	19	King & Spalding	US	€660 000	17.33%	16.5	e	-8 %	18	25	32	11	11
14	=	14	Clifford Chance	UK	€656 627	6.03%	109		3 %	105.9	166	171	36	33
15	↘	12	Cleary Gottlieb	US	€622 727	-1.14%	68.5	e	2 %	67.4	110	107	15	15
16	↘	13	Orrick Rambaud Martel	US	€600 000	0.00%	53.4	e	-1 %	54	89	90	24	25
17	=	17	Allen & Overy	UK	€598 639	4.41%	88	e	2 %	86	147	150	34	32
18	↘	11	Freshfields Bruckhaus Deringer	UK	€588 182	13.32%	64.7	e	-15 %	76.3	110	147	19.5	23
19	↘	18	Linklaters	UK	€580 000	1.92%	104.4		3 %	101.3	180	178	31	30
20	↘	16	Baker & McKenzie	verein	€573 077	-2.21%	74.5		-7 %	79.7	130	136	25	28
21	↘	25	Hogan Lovells	verein	€543 165	17.32%	75.5		21 %	62.5	139	135	35	34
22	↘	58	King & Wood Mallesons SJ Berwin	UK	€515 625	35.22%	33		15 %	28.6	64	75	17.5	18
23	↘	19	Ashurst	UK	€508 333	-28.65%	36.6	e	-20 %	45.6	72	64	17	17
24	=	24	De Pardieu Brocas Maffei	FR	€507 419	6.63%	62.92		16 %	54.25	124	114	31.1	32
25	↗	53	Ginestié Magelan Paley-Vincent	FR	€483 333	47.96%	14.5		48 %	9.8	30	30	11	12
26	↘	20	Skadden Arps	US	€469 697	-9.92%	15.5	e	6 %	14.6	33	28	4	3
27	↗	33	Herbert Smith Freehills	UK	€469 307	0.64%	47.4		10 %	42.9	101	92	27	26.5
28	↘	27	Winston & Strawn	US	€446 429	-1.15%	12.5		-11 %	14	28	31	11	13
29	↗	31	Simmons & Simmons	UK	€438 806	3.02%	29.4		0 %	29.39	67	69	16	17
30	↘	28	Franklin	FR	€435 897	-0.23%	25.5		13 %	22.5	58.5	51.5	14	12
31	↘	21	Jeanet	FR	€434 356	13.26%	43.87	e	11 %	39.5	101	103	31	31
32	↗	39	Stehlin & Associés	FR	€433 182	11.19%	9.53		2 %	9.35	22	24	7	7
33	↗	34	Jones Day	US	€430 233	1.49%	55.5	e	12 %	49.6	129	117	31	27
34	↘	30	CMS Bureau Francis Lefebvre	FR	€429 000	0.26%	171.6		4 %	165.6	400	387	99	99
35	↘	23	Dentons*	verein	€418 033	-12.41%	51	e	-3 %	52.5	122	110	43	38
36	↗	42	Chaintrier Avocats	FR	€412 500	9.44%	9.9		1 %	9.8	24	26	9	10
37	↗	59	Lefèvre Pelletier & Associés**	FR	€408 235	32.29%	34.7		21 %	28.7	85	93	28	30
38	↗	41	August & Debouzy	FR	€406 612	5.76%	49.2		10 %	44.6	121	116	29	27
39	↘	35	Veil Jourde	FR	€400 000	0.00%	20.8	e	4 %	20	52	50	19	18
40	↘	32	Scotto & Associés	FR	€393 750	0.00%	12.6		0 %	12.6	32	32	8	9.5
41	↗	49	UGGC & Associés	FR	€390 667	7.16%	29.3		2 %	28.8	75	79	23	26
42	↘	36	FTPA	FR	€386 842	-2.58%	22.05		16 %	19.06	57	48	20	18
43 =			Olswang (NE)	UK	€375 000	31.25%	9	e	125 %	4	24	14	10	4
43 =	↗	69	Kahn & Associés (Harley)	FR	€375 000	32.35%	7.5	e	-12 %	8.5	20	30	7	8
45	↘	44	Holman Fenwick	UK	€371 875	-0.59%	11.9		18 %	10.1	32	27	10	9
46	↘	40	DLA Piper	verein	€370 732	-4.55%	60.8		5 %	57.87	164	149	41	39
47	↘	65	Kramer Levin	US	€370 606	24.63%	12.23		8 %	11.3	33	38	13	14
48	↘	37	Gide	FR	€368 895	-4.41%	143.5		5 %	137	389	355	82	79
49	↘	45	De Gaulle Fleurance & Associés	FR	€367 677	-0.85%	36.4		2 %	35.6	99	96	32	28
50	↘	38	Norton Rose Fulbright***	verein	€366 337	-6.12%	37	e	3 %	35.9	101	92	21	21

e = estimated
c = certified
NE = new entry

*The gross revenue of Denton's French bureau includes those of Eastern Europe partners which are strongly linked to the Paris office.

**Lefèvre Pelletier & Associates (LPA) merged with CGR Legal on January 1st 2016.

***The gross revenue of the French office of Norton Rose Fulbright includes those of Casablanca partners which are strongly linked to the Paris office

Rank 2016	Prog.	Rank 2015	Firm	Origin	Revenue per lawyer 2015	Prog. Revenue per lawyer	Revenue 2015 (€m)	est/cert	Prog. gross revenue	Gross revenue 2014 (€m)	Number of lawyers 2015	Number of lawyers 2014	Number of partners 2015	Number of partners 2014
51	↘	43	Ayache Salama & Associés	FR	€356 757	-5.24%	13.2		3 %	12.8	37	34	12	10
52	↘	46	Hughes Hubbard & Reed	US	€354 839	-5.59%	11	e	1 %	10.9	31	29	9	9
53	↘	47	K&L Gates	US	€351 852	-4.44%	9.5	e	17 %	8.1	27	22	11	10
54			Marvell (NE)	FR	€342 308		8.9		10 %	8.1	26	31	9	12
55	=	55	STC Partners	FR	€340 000	9.36%	17	e	-1 %	17.1	50	55	14	14
56	↗	61	Stephenson Harwood	UK	€339 524	11.32%	7.13		17 %	6.1	21	20	7	7
57	↘	56	Arsene Taxand	FR	€323 529	0.35%	33		12 %	29.5	102	91.5	19	18.5
58			Aramis (NE)	FR	€314 286	-6.22%	6.6	c	6 %	6.2	21	18.5	6	7
59	↘	51	Bird & Bird	UK	€310 638	-6.49%	29.2		1 %	28.9	94	87	24	22
60			Szpinar Toby Ayela Semerdjian (NE)	FR	€310 000	-22.50%	6.2		29 %	4.8	20	12	6	6
61			Reinhart Marville Torre (NE)	FR	€307 018	-4.53%	17.5	e	7 %	16.4	57	51	19	17
62	↗	80	Simon Associés	FR	€304 167	9.70%	14.6		20 %	12.2	48	44	19	15
63	↘	52	Eversheds	UK	€302 740	14.08%	22.1		7 %	20.7	73	78	15	15.5
64	↘	62	Flichy Grangé Avocats	FR	€301 449	0.48%	20.8		7 %	19.5	69	65	20	18
65	↘	63	Delsol Avocats	FR	€295 349	-1.95%	25.4		3 %	24.7	86	82	23	21
66			Coblence & Associés (NE)	FR	€293 448	2.84%	8.51		7 %	7.99	29	28	12	12
67	↘	48	Hoche Société d'Avocats	FR	€293 103	-20.06%	17		3 %	16.5	58	45	12	11
68	↘	54	Clyde & Co	UK	€292 400	-12.78%	7.31		4 %	07.04	25	21	8	7
69	↘	66	KGA	FR	€291 389	0.69%	10.49		10 %	9.55	36	33	13	12.5
70	↘	78	Fromont Briens	FR	€290 000	10.56%	46.4		11 %	41.97	160	160	42	41
71	↘	68	Aitana	FR	€288 889	1.85%	15.6		0 %	15.6	54	55	16	17
72	↘	50	Reed Smith	US	€287 273	-17.30%	15.8		-20 %	19.8	55	57	19	19
73			Osborne Clarke (NE)	UK	€284 000	-0.60%	7.1	e	78 %	4	25	14	6	5
74	↘	94	Sekri Valentin Zerrouk	FR	€280 769	12.31%	7.3		12 %	6.5	26	26	8	8
75	=	75	Taj Société d'Avocats	FR	€280 488	5.75%	92		6 %	87	328	328	53	51
76	↘	73	Capstan	FR	€277 720	0.19%	53.6		0 %	53.5	193	193	42	42
77	↗	86	Racine	FR	€273 973	7.98%	40		18 %	34	146	134	56	52
78	↘	74	Fidal	FR	€273 813	-0.01%	346.1		-0 %	347.5	1264	1269	320	324
79	↘	85	Barthélémy Avocats	FR	€267 570	6.21%	28.63		9 %	26.2	107	104	49	43
80	↘	72	Redlink	FR	€266 667	-7.25%	7.2		4 %	6.9	27	24	7	8
81	↘	76	PWC	Big 4	€264 766	0.02%	130		11 %	117	491	442	62	58
82	↘	70	Taylor Wessing	UK	€264 179	-6.00%	17.7		9 %	16.3	67	58	20	20
83	↘	71	Duclos Thorne Mollet-Viéville & Ass.	FR	€264 000	-5.43%	6.6		-1 %	6.7	25	24	8	8
84	↘	83	Vogel & Vogel	FR	€262 941	0.25%	8.94	c	-3 %	9.18	34	35	2	2
85	↗	90	Bignon Lebray	FR	€257 813	5.16%	16.5	e	9 %	15.2	64	62	26	23
86	↗	89	BRL Avocats	FR	€257 143	3.69%	7.2		16 %	6.2	28	25	7	4
87	↘	84	Alerion	FR	€257 000	1.92%	12.85		-0 %	12.86	50	51	12	11
88	↗	92	Lamy & Associés	FR	€256 818	8.84%	11.3		8 %	10.5	44	44.5	16	16
89	↘	79	LMT Avocats	FR	€255 738	-2.42%	7.8		3 %	7.6	30.5	29	11.5	10
90			PDGB (NE)	FR	€255 102	14.19%	12.5		27 %	9.83	49	44	10	10
91			Normand & Associés (NE)	FR	€251 563	3.21%	08.05	c	3 %	7.8	32	32	8	8
92	↘	87	BCTG & Associés	FR	€251 220	0.00%	10.3		0 %	10.3	41	41	12	12
93 =	↘	82	Bersay Associés	FR	€250 000	-1.96%	10		-2 %	10.2	40	40	8	8
93 =	↗	95	Pinsent Masons	UK	€250 000	9.38%	10	e	25 %	8	40	35	14	13
95			EY (NE)	Big 4	€240 345		153.1				637		64	
96	↘	67	Actance	FR	€237 288	-17.39%	14		4 %	13.5	59	47	10	10
97			Granrut Avocats (NE)	FR	€234 156	2.99%	11.86		10 %	10.8	50.65	47.5	17	16
98	↘	88	BMH Avocats	FR	€232 000	-5.63%	5.8		-2 %	5.9	25	24	10	10
99			Chassagny Watrelot & Associés (NE)	FR	€231 707	31.71%	9.5	e	0 %	9.5	41	54	20	18.5
100	↘	81	Nomos	FR	€231 333	-10.80%	8.328		5 %	7.91	36	30.5	9	10.5

Source: Leaders League

Gross revenue and head count

Although the ranking of law firms by revenue has not in itself changed compared to previous years, it must be noted that the cumulative gross revenue of the law firms featured in Décideurs 100 has grown significantly, going from €3.49 billion to €3.63 this year. Results have also risen.

Rank 2016	Rank 2015	Firm	Gross revenue 2015 (€m)	Prog. Gross revenue	No. of lawyers 2015	Prog. No. of lawyers	No. of partners 2015	Prog. No. of partners	Revenue per lawyer 2015	Prog. revenue per lawyer	Revenue per partners 2015	Prog. revenue per partners
1	1	Fidal	346.1	0%	1264	0%	320	-1%	€273 813	-0.01%	€1 081 563	1%
2	2	CMS Bureau Francis Lefebvre	171.6	4%	400	3%	99	0%	€429 000	0.26%	€1 733 333	4%
3		EY	153.1		637		64		€240 345		€2 392 188	
4	3	Gide	143.5	5%	389	10%	82	4%	€368 895	-4.41%	€1 750 000	1%
5	4	White & Case	137.9	5%	183	8%	38	6%	€753 552	-2.88%	€3 628 947	-1%
6	5	PWC	130	11%	491	11%	62	7%	€264 766	0.02%	€2 096 774	4%
7	6	Bredin Prat	110	3%	153	6%	43	0%	€718 954	-2.39%	€2 558 140	3%
8	7	Clifford Chance	109	3%	166	-3%	36	9%	€656 627	6.03%	€3 027 778	-6%
9	8	Linklaters	104.4	3%	180	1%	31	3%	€580 000	1.92%	€3 367 742	-0%
10	9	Taj Société d'Avocats	92	6%	328	0%	53	4%	€280 488	5.75%	€1 735 849	2%
11	10	Allen & Overy	88	2%	147	-2%	34	6%	€598 639	4.41%	€2 588 235	-4%
12	14	Hogan Lovells	75.5	21%	139	3%	35	3%	€543 165	17.32%	€2 157 143	17%
13	11	Baker & McKenzie	74.5	-7%	130	-4%	25	-11%	€573 077	-2.21%	€2 980 000	5%
14	13	Cleary Gottlieb	68.5	2%	110	3%	15	0%	€622 727	-1.14%	€4 566 667	2%
15	12	Freshfields Bruckhaus Deringer	64.7	-15%	110	-25%	19.5	-15%	€588 182	13.32%	€3 317 949	0%
16	18	De Pardieu Brocas Maffei	62.92	16%	124	9%	31.1	-3%	€507 419	6.63%	€2 023 151	19%
17	15	Latham & Watkins	62	3%	85	8%	27	-4%	€729 412	-3.96%	€2 296 296	7%
18	16	DLA Piper	60.8	5%	164	10%	41	5%	€370 732	-4.55%	€1 482 927	-0%
19	17	Darros	56	3%	60	9%	21	0%	€933 333	-5.81%	€2 666 667	3%
20	22	Jones Day	55.5	12%	129	10%	31	15%	€430 233	1.49%	€1 790 323	-3%
21	20	Capstan	53.6	0%	193	0%	42	0%	€277 720	0.19%	€1 276 190	0%
22	19	Orrick Rambaud Martel	53.4	-1%	89	-1%	24	-4%	€600 000	0.00%	€2 225 000	3%
23	23	Weil Gotshal & Manges	52	9%	73	0%	19	-5%	€712 329	8.56%	€2 736 842	14%
24	30	Dechert	51.9	27%	68	11%	13	-7%	€763 235	14.11%	€3 992 308	37%
25	21	Dentons*	51	-3%	122	11%	43	13%	€418 033	-12.41%	€1 186 047	-14%
26	25	August & Debouzy	49.2	10%	121	4%	29	7%	€406 612	5.76%	€1 696 552	3%
27	32	Mayer Brown	48.6	26%	62.5	1%	25	0%	€777 600	25.22%	€1 944 000	26%
28	26	Herbert Smith Freehills	47.4	10%	101	10%	27	2%	€469 307	0.64%	€1 755 556	8%
29	28	Fromont Briens	46.4	11%	160	0%	42	2%	€290 000	10.56%	€1 104 762	8%
30	31	Jeanetet	43.87	11%	101	-2%	31	0%	€434 356	13.26%	€1 415 161	11%
31	29	Willkie Farr & Gallagher	41	0%	59	2%	20	33%	€694 915	-1.69%	€2 050 000	-25%
32	35	Racine	40	18%	146	9%	56	8%	€273 973	7.98%	€714 286	9%
33	33	Norton Rose Fulbright**	37	3%	101	10%	21	0%	€366 337	-6.12%	€1 761 905	3%
34	24	Ashurst	36.6	-20%	72	13%	17	0%	€508 333	-28.65%	€2 152 941	-20%
35	27	Shearman & Sterling	36.5	-13%	47	-11%	20	-17%	€776 596	-2.00%	€1 825 000	4%
36	34	De Gaulle Fleurance & Associés	36.4	2%	99	3%	32	14%	€367 677	-0.85%	€1 137 500	-11%
37	40	Lefèvre Pelletier & Associés	34.7	21%	85	-9%	28	-7%	€408 235	32.29%	€1 239 286	30%
38	36	Arsene Taxand	33	12%	102	11%	19	3%	€323 529	0.35%	€1 736 842	9%
39	41	King & Wood Mallesons SJ Berwin	33	15%	64	-15%	17.5	-3%	€515 625	35.22%	€1 885 714	19%
40	37	Simmons & Simmons	29.4	0%	67	-3%	16	-6%	€438 806	3.02%	€1 837 500	6%
41	39	UGGC & Associés	29.3	2%	75	-5%	23	-12%	€390 667	7.16%	€1 273 913	15%
42	38	Bird & Bird	29.2	1%	94	8%	24	9%	€310 638	-6.49%	€1 216 667	-7%
43	44	Barthélémy Avocats	28.63	9%	107	3%	49	14%	€267 570	6.21%	€584 286	-4%
44	43	Paul Hastings	28.4	6%	40	5%	18	0%	€710 000	0.67%	€1 577 778	6%
45	49	McDermott	27	23%	36	-18%	16	33%	€750 000	50.00%	€1 687 500	-8%
46	46	DS Avocats	26	11%	125	13%	50	32%	€208 000	-1.33%	€520 000	-16%
47	47	Franklin	25.5	13%	58.5	14%	14	17%	€435 897	-0.23%	€1 821 429	-3%
48	45	Delsol Avocats	25.4	3%	86	5%	23	10%	€295 349	-1.95%	€1 104 348	-6%
49	48	Cornet Vincent Ségurel	23.9	7%	126	14%	36	9%	€189 683	-5.58%	€663 889	-2%
50	50	Eversheds	22.1	7%	73	-6%	15	-3%	€302 740	14.08%	€1 473 333	10%
51	54	FTPA	22.05	16%	57	19%	20	11%	€386 842	-2.58%	€1 102 500	4%
52	51	Veil Jourde	20.8	4%	52	4%	19	6%	€400 000	0.00%	€1 094 737	-1%
53	53	Flichy Grangé Avocats	20.8	7%	69	6%	20	11%	€301 449	0.48%	€1 040 000	-4%
54	59	Taylor Wessing	17.7	9%	67	16%	20	0%	€264 179	-6.00%	€885 000	9%
55	58	Reinhart Marville Torre	17.5	7%	57	12%	19	12%	€307 018	-4.53%	€921 053	-5%
56	56	STC Partners	17	-1%	50	-9%	14	0%	€340 000	9.36%	€1 214 286	-1%
57	57	Hoche Société d'Avocats	17	3%	58	29%	12	9%	€293 103	-20.06%	€1 416 667	-6%
58	55	King & Spalding	16.5	-8%	25	-22%	11	0%	€660 000	17.33%	€1 500 000	-8%
59	61	Bignon Lebray	16.5	9%	64	3%	26	13%	€257 813	5.16%	€634 615	-4%
60	52	Reed Smith	15.8	-20%	55	-4%	19	0%	€287 273	-17.30%	€831 579	-20%
61	60	Altana	15.6	0%	54	-2%	16	-6%	€288 889	1.85%	€975 000	6%
62	62	Skadden Arps	15.5	6%	33	18%	4	33%	€469 697	-9.92%	€3 875 000	-20%
63	71	Simon Associés	14.6	20%	48	9%	19	27%	€304 167	9.70%	€768 421	-6%
64	82	Ginestie Magellan Paley-Vincent	14.5	48%	30	0%	11	-8%	€483 333	47.96%	€1 318 182	61%
65	63	Davis Polk & Wardwell	14	0%	21	0%	5	0%	€666 667	0.00%	€2 800 000	0%
66	65	Actance	14	4%	59	26%	10	0%	€237 288	-17.39%	€1 400 000	4%
67	68	Ayache Salama & Associés	13.2	3%	37	9%	12	20%	€356 757	-5.24%	€1 100 000	-14%
68	69	Adamas	13	2%	59	9%	21	11%	€220 339	-6.31%	€619 048	-7%
69	67	Alerion	12.85	0%	50	-2%	12	9%	€257 000	1.92%	€1 070 833	-8%
70	70	Scotto & Associés	12.6	0%	32	0%	8	-16%	€393 750	0.00%	€1 575 000	19%
71	64	Winston & Strawn	12.5	-11%	28	-10%	11	-15%	€446 429	-1.15%	€1 136 364	6%
72	81	PDGB	12.5	27%	49	11%	10	0%	€255 102	14.19%	€1 250 000	27%

* = The gross revenue of Denton's French bureau includes those of Eastern Europe partners which are strongly linked to the Parisian office.

** = Lefèvre Pelletier & Associates (LPA) merged with CGR Legal on January 1st 2016.

Rank 2016	Rank 2015	Firm	Gross revenue 2015 (€m)	Prog. Gross revenue	No. of lawyers 2015	Prog. No. of lawyers	No. of partners 2015	Prog. No. of partners	Revenue per lawyer 2015	Prog. revenue per lawyer	Revenue per partners 2015	Prog. revenue per partners
73	73	Kramer Levin	12.23	8%	33	-13%	13	-7%	€370 606	24.63%	€940 769	17%
74	80	Holman Fenwick	11.9	18%	32	19%	10	11%	€371 875	-0.59%	€1 190 000	6%
75	75	Granrut Avocats	11.86	10%	50.65	7%	17	6%	€234 156	2.99%	€697 647	3%
76	76	Lamy & Associés	11.3	8%	44	-1%	16	0%	€256 818	8.84%	€706 250	8%
77	74	Hughes Hubbard & Reed	11	1%	31	7%	9	0%	€354 839	-5.59%	€1 222 222	1%
78	123	Proskauer	10.5	128%	17	6%	4	0%	€617 647	114.83%	€2 625 000	128%
79	85	KGA	10.49	10%	36	9%	13	4%	€291 389	0.69%	€806 923	6%
80	77	BCTG & Associés	10.3	0%	41	0%	12	0%	€251 220	0.00%	€858 333	0%
81	86	CGR Legal	10.2	7%	45	45%	9	0%	€226 667	-26.04%	€1 133 333	7%
82	78	Bersay Associés	10	-2%	40	0%	8	0%	€250 000	-1.96%	€1 250 000	-2%
83	95	Pinsent Masons	10	25%	40	14%	14	8%	€250 000	9.38%	€714 286	16%
84		Michel Ledoux & Associés	10		21		6		€476 190		€1 666 667	
85	83	Chaintrier Avocats	9.9	1%	24	-8%	9	-10%	€412 500	9.44%	€1 100 000	12%
86	91	Latournerie Wolfrom & Associés	9.8	11%	44.3	11%	14.3	2%	€221 219	0.55%	€685 315	9%
87	88	Stehlin & Associés	9.53	2%	22	-8%	7	0%	€433 182	11.19%	€1 361 429	2%
88	87	Chassagny Watrelot & Associés	9.5	0%	41	-24%	20	8%	€231 707	31.71%	€475 000	-8%
89	93	K&L Gates	9.5	17%	27	23%	11	10%	€351 852	-4.44%	€863 636	7%
90		Lexavoué	9.5		55		32		€172 727		€296 875	
91	100	LLC & Associés	9	18%	45	5%	23	0%	€200 000	13.16%	€391 304	18%
92	132	Olswang	9	125%	24	71%	10	150%	€375 000	31.25%	€900 000	-10%
93	89	Vogel & Vogel	8.94	-3%	34	-3%	2	0%	€262 941	0.25%	€4 470 000	-3%
94	94	Marvell	8.9	10%	26		9		€342 308		€988 889	47%
95	97	Coblence & Associés	8.51	7%	29	4%	12	0%	€293 448	2.84%	€709 167	7%
96	98	Nomos	8.328	5%	36	18%	9	-14%	€231 333	-10.80%	€925 333	23%
97	99	Normand & Associés	08.05	3%	32	0%	8	0%	€251 563	3.21%	€1 006 250	3%
98	101	LMT Avocats	7.8	3%	30.5	5%	11.5	15%	€255 738	-2.42%	€678 261	-11%
99	92	Kahn & Associés/Harley	7.5	-12%	20	-33%	7	-13%	€375 000	32.35%	€1 071 429	1%
100	102	Clyde & Co	7.31	4%	25	19%	8	14%	€292 400	-12.78%	€913 750	-9%
101	108	Sekri Valentin Zerrouk	7.3	12%	26	0%	8	0%	€280 769	12.31%	€912 500	12%
102	103	Redlink	7.2	4%	27	13%	7	-13%	€266 667	-7.25%	€1 028 571	19%
103	109	BRL Avocats	7.2	16%	28	12%	7	75%	€257 143	3.69%	€1 028 571	-34%
104	113	Stephenson Harwood	7.13	17%	21	5%	7	0%	€339 524	11.32%	€1 018 571	17%
105	133	Osborne Clarke	7.1	78%	25	79%	6	20%	€284 000	-0.60%	€1 183 333	48%
106	106	Axten	6.8	3%	30	0%	10	11%	€226 667	3.03%	€680 000	-7%
107	107	Aklea Société d'Avocats	6.78	3%	39	5%	9	13%	€173 846	-2.54%	€753 333	-9%
108	104	Duclos Thorne Mollet-Viéville & Ass.	6.6	-1%	25	4%	8	0%	€264 000	-5.43%	€825 000	-1%
109	110	Aramis	6.6	6%	21	14%	6	-14%	€314 286	-6.22%	€1 100 000	24%
110	120	Szpiner Toby Ayela Semerdjian	6.2	29%	20		6		€310 000	-22.50%	€1 033 333	29%
111	105	Véron & Associés	6	-10%	15	-6%	5	0%	€400 000	-4.48%	€1 200 000	-10%
112	111	SBKG & Associés	6	-3%	28	-22%	11	-15%	€214 286	-24.42%	€545 455	14%
113	114	BMH Avocats	5.8	-2%	25	4%	10	0%	€232 000	-5.63%	€580 000	-2%
114	134	SLVF	5.7	43%	16.5	18%	10.5	17%	€345 455	20.91%	€542 857	22%
115	116	Moisand Boutin & Associés	5.5	0%	8		26		€687 500	12.50%	€211 538	4%
116	118	Lexcase	5.2	-4%	29	-3%	9	-10%	€179 310	-0.38%	€577 778	7%
117		Bremond & Associés	5.1		15		5		€340 000		€1 020 000	
118		Bryan Cave	5		13		4		€384 615		€1 250 000	na
119		Charles Russell Speechlys	5		23		5		€217 391		€1 000 000	
120	130	Parme Avocats	4.89	19%	22	5%	5	25%	€222 273	13.85%	€978 000	-5%
121	122	JP Karsenty & Associés	4.62	-3%	17	-11%	5	0%	€271 765	8.94%	€924 000	-3%
122	127	Genesis Avocats	4.51	2%	18	-5%	6	0%	€250 556	7.46%	€751 667	2%
123	124	Derriennic et Associés	4.5	-2%	18	20%	4	0%	€250 000	-18.48%	€1 125 000	-2%
124	135	Lérins Jobard Chemla Avocats	4.35	9%	20	18%	8	-11%	€217 500	-7.56%	€543 750	22%
125	121	Wilhelm & Associés	4.3	-10%	20	0%	3	-40%	€215 000	-10.42%	€1 433 333	49%
126	140	GGV	4.3	13%	18	6%	7	17%	€238 889	6.87%	€614 286	-3%
127	131	Laude Esquier Champey	4.1	0%	14.8	14%	5.3	33%	€277 027	-12.16%	€773 585	-25%
128	125	Morgan Lewis	4	-13%	9	-25%	4	-20%	€444 444	15.94%	€1 000 000	9%
129	137	Carakters	4	3%	19	0%	6	0%	€210 526	2.56%	€666 667	3%
130	139	Camille & Associés	3.96	2%	20	0%	7	0%	€198 000	2.33%	€565 714	2%
131	141	Adden Avocats	3.9	9%	26	0%	6	20%	€150 000	8.64%	€650 000	-9%
132	143	Earth Avocats	3.6	3%	14	0%	4	0%	€257 143	2.86%	€900 000	3%
133	145	Chatain & Associés	3.6	6%	13	18%	5	0%	€276 923	-10.41%	€720 000	6%
134		Cadj	3.6		7		22		€514 286		€163 636	
135	146	Vigo	3.56	7%	15	15%	5	0%	€237 333	-7.35%	€712 000	7%
136		Vinci Avocats	3.5		16		4		€218 750		€875 000	
137		Opleo Avocats	3.3		9		1		€366 667		€3 300 000	
138	153	BCW et Associés	3.22	19%	17	21%	7	17%	€189 412	-1.79%	€460 000	2%
139	159	Avodire	3.1	41%	15	25%	6	0%	€206 667	12.73%	€516 667	41%
140	144	TZA Avocats	3	-13%	6	0%	2	0%	€500 000	-13.04%	€1 500 000	-13%
141	151	Amadio Parleani Gazagnes	3	9%	14		4	0%	€214 286	9.09%	€750 000	9%
142	152	APG Avocats	3	9%	14	0%	4	0%	€214 286	9.09%	€750 000	9%
143	155	MGG Legal	2.88	15%	10	25%	2	33%	€288 000	-7.84%	€1 440 000	-14%
144	161	CPC	2.6	30%	10.5	50%	5	67%	€247 619	-13.33%	€520 000	-22%
145	154	Lazareff Le Bars	2.5	-4%	10	-9%	3	-25%	€250 000	5.77%	€833 333	28%
146	156	Kalliope	2.5	4%	13	0%	5	0%	€192 308	4.17%	€500 000	4%
147		Huc Morel Labrousse & Associés	2.4		6		2		€400 000		€1 200 000	
148		Schmidt Brunet Litzler	2		13		4		€153 846		€500 000	
149	164	Gilles Vercken	1.5	7%	8	0%	2	0%	€187 500	7.14%	€750 000	7%
150	160	Lexia	1.4	-35%	12		5		€116 667		€280 000	-23%

Source: Leaders League

Productivity per partner and per lawyer

Revenue per partner and per lawyer gives a different perspective on the productivity of a law firm. The ranking below features a selection of particularly mature structures, with revenue per partner of more than €3 million for nine of them. Gottlieb is the top-ranked firm for the first time, elsewhere Dechert has had a remarkable rise.

Rank 2016	Rank 2015	Firm	Revenue per partner 2015	Prog. revenue per partner	Revenue per lawyer 2015	Prog. revenue per lawyers	Gross revenue 2015 (€m)	Rank 2016	Rank 2015	Firm	Revenue per partner 2015	Prog. revenue per partner	Revenue per lawyer 2015	Prog. revenue per lawyers	Gross revenue 2015 (€m)
1	3	Cleary Gottlieb	€4 566 667	2%	€622 727	-1.14%	68.5	38	24	McDermott	€1 687 500	-8%	€750 000	50.00%	27
2	2	Vogel & Vogel	€4 470 000	-3%	€262 941	0.25%	8.94	39		Michel Ledoux & Associés	€1 666 667		€476 190		10
3	8	Dechert	€3 992 308	37%	€763 235	14.11%	51.9	40	43	Paul Hastings	€1 577 778	6%	€710 000	0.67%	28.4
4	1	Skadden Arps	€3 875 000	-20%	€469 697	-9.92%	15.5	41	51	Scotto & Associés	€1 575 000	19%	€393 750	0.00%	12.6
5	4	White & Case	€3 628 947	-1%	€753 552	-2.88%	137.9	42 =	28	TZA Avocats	€1 500 000	-13%	€500 000	-13.04%	3
6	5	Linklaters	€3 367 742	0%	€580 000	1.92%	104.4	42 =	35	King & Spalding	€1 500 000	-8%	€660 000	17.33%	16.5
7	6	Freshfields Bruckhaus Deringer	€3 317 949	0%	€588 182	13.32%	64.7	44	44	DLA Piper	€1 482 927	0%	€370 732	-4.55%	60.8
8		Opleo Avocats	€3 300 000		€366 667		3.3	45	50	Eversheds	€1 473 333	10%	€302 740	14.08%	22.1
9	7	Clifford Chance	€3 027 778	-6%	€656 627	6.03%	109	46	33	MG Legal	€1 440 000	-14%	€288 000	-7.84%	2.88
10	9	Baker & McKenzie	€2 980 000	5%	€573 077	-2.21%	74.5	47	89	Wilhelm & Associés	€1 433 333	49%	€215 000	-10.42%	4.3
11	10	Davis Polk & Wardwell	€2 800 000	0%	€666 667	0.00%	14	48	42	Hoche Société d'Avocats	€1 416 667	-6%	€293 103	-20.06%	17
12	16	Weil Gotshal & Manges	€2 736 842	14%	€712 329	8.56%	52	49	55	Jeanet	€1 415 161	11%	€434 356	13.26%	43.87
13	14	Darros	€2 666 667	3%	€933 333	-5.81%	56	50	47	Actance	€1 400 000	4%	€237 288	-17.39%	14
14	63	Proskauer	€2 625 000	128%	€617 647	114.83%	10.5	51	49	Stehlin & Associés	€1 361 429	2%	€433 182	11.19%	9.53
15	12	Allen & Overy	€2 588 235	-4%	€598 639	4.41%	88	52	104	Ginestí Magelan Paley-Vincent	€1 318 182	61%	€483 333	47.96%	14.5
16	15	Bredin Prat	€2 558 140	3%	€718 954	-2.39%	110	53	56	Capstan	€1 276 190	0%	€277 720	0.19%	53.6
17		EY	€2 392 188		€240 345		153.1	54	69	UGGC & Associés	€1 273 913	15%	€390 667	7.16%	29.3
18	18	Latham & Watkins	€2 296 296	7%	€729 412	-3.96%	62	55 =	54	Bersay Associés	€1 250 000	-2%	€250 000	-1.96%	10
19	17	Orrick Rambaud Martel	€2 225 000	3%	€600 000	0.00%	53.4	55 =	85	PDGB	€1 250 000	27%	€255 102	14.19%	12.5
20	22	Hogan Lovells	€2 157 143	17%	€543 165	17.32%	75.5	55 =	166	Bryan Cave	€1 250 000	na	€384 615		5
21	13	Ashurst	€2 152 941	-20%	€508 333	-28.65%	36.6	58	91	Lefèvre Pelletier & Associés**	€1 239 286	30%	€408 235	32.29%	34.7
22	19	PWC	€2 096 774	4%	€264 766	0.02%	130	59	59	Hughes Hubbard & Reed	€1 222 222	1%	€354 839	-5.59%	11
23	11	Willkie Farr & Gallagher	€2 050 000	-25%	€694 915	-1.69%	41	60	52	Bird & Bird	€1 216 667	-7%	€310 638	-6.49%	29.2
24	31	De Pardiou Brocas Maffei	€2 023 151	19%	€507 419	6.63%	62.92	61	58	STC Partners	€1 214 286	-1%	€340 000	9.36%	17
25	40	Mayer Brown	€1 944 000	26%	€777 600	25.22%	48.6	62 =		Huc Morel Labrousse & Associés	€1 200 000		€400 000		2.4
26	38	King & Wood Mallesons	€1 885 714	19%	€515 625	35.22%	33	62 =	48	Véron & Associés	€1 200 000	-10%	€400 000	-4.48%	6
27	27	Simmons & Simmons	€1 837 500	6%	€438 806	3.02%	29.4	64	66	Holman Fenwick	€1 190 000	6%	€371 875	-0.59%	11.9
28	25	Shearman & Sterling	€1 825 000	4%	€776 596	-2.00%	36.5	65	46	Dentons***	€1 186 047	-14%	€418 033	-12.41%	51
29	21	Franklin	€1 821 429	-3%	€435 897	-0.23%	25.5	66	110	Osborne Clarke	€1 183 333	48%	€284 000	-0.60%	7.1
30	23	Jones Day	€1 790 323	-3%	€430 233	1.49%	55.5	67	57	De Gaulle Fleurance & Associés	€1 137 500	-11%	€367 677	-0.85%	36.4
31	29	Norton Rose Fulbright*	€1 761 905	3%	€366 337	-6.12%	37	68	71	Winston & Strawn	€1 136 364	6%	€446 429	-1.15%	12.5
32	36	Herbert Smith Freehills	€1 755 556	8%	€469 307	0.64%	47.4	69	76	CGR Legal	€1 133 333	7%	€226 667	-26.04%	10.2
33	26	Gide	€1 750 000	1%	€368 895	-4.41%	143.5	70	64	Derriennic et Associés	€1 125 000	-2%	€250 000	-18.48%	4.5
34	37	Arsene Taxand	€1 736 842	9%	€323 529	0.35%	33	71	80	Fromont Briens	€1 104 762	8%	€290 000	10.56%	46.4
35	30	Taj Société d'Avocats	€1 735 849	2%	€280 488	5.75%	92	72	61	Delsol Avocats	€1 104 348	-6%	€295 349	-1.95%	25.4
36	32	CMS Bureau Francis Lefebvre	€1 733 333	4%	€429 000	0.26%	171.6	73	75	FTPA	€1 102 500	4%	€386 842	-2.58%	22.05
37	34	August & Debouzy	€1 696 552	3%	€406 612	5.76%	49.2	74 =	53	Ayache Salama & Associés	€1 100 000	-14%	€356 757	-5.24%	13.2

*The gross revenue of the French office of Norton Rose Fulbright includes those of Casablanca partners which are strongly linked to the Parisian office.

**Lefèvre Pelletier & Associates (LPA) merged with CGR Legal on January 1st, 2016.

***The gross revenue of Denton's French bureau includes those of Eastern Europe partners which are strongly linked to the Parisian office.

Rank 2016	Rank 2015	Firm	Revenue per partner 2015	Prog. rev- nue per partner	Revenue per lawyer 2015	Prog. revenue per lawyers	Gross rev- enue 2015 (€m)
74 =	86	Chaintrier Avocats	€1 100 000	12%	€412 500	9.44%	9.9
74 =	96	Aramis	€1 100 000	24%	€314 286	-6.22%	6.6
77	68	Veil Jourde	€1 094 737	-1%	€400 000	0.00%	20.8
78	72	Fidal	€1 081 563	1%	€273 813	-0.01%	346.1
79	74	Kahn & Associés/Harley	€1 071 429	1%	€375 000	32.35%	7.5
80	62	Alerion	€1 070 833	-8%	€257 000	1.92%	12.85
81	70	Fichy Grangé Avocats	€1 040 000	-4%	€301 449	0.48%	20.8
82	111	Szpinar Toby Ayela Semerdjian	€1 033 333	29%	€310 000	-22.50%	6.2
83 =	39	BRL Avocats	€1 028 571	-34%	€257 143	3.69%	7.2
83 =	99	Redlink	€1 028 571	19%	€266 667	-7.25%	7.2
85		Bremond & Associés	€1 020 000		€340 000		5.1
86	98	Stephenson Harwood	€1 018 571	17%	€339 524	11.32%	7.13
87	87	Normand & Associés	€1 006 250	3%	€251 563	3.21%	08.05
88 =		Charles Russell Speechlys	€1 000 000		€217 391		5
88 =	93	Morgan Lewis	€1 000 000	9%	€444 444	15.94%	4
90	130	Marvell	€988 889	47%	€342 308		8.9
91	78	Parme Avocats	€978 000	-5%	€222 273	13.85%	4.89
92	94	Altana	€975 000	6%	€288 889	1.85%	15.6
93	109	Kramer Levin	€940 769	17%	€370 606	24.63%	12.23
94	117	Nomos	€925 333	23%	€231 333	-10.80%	8.328
95	92	JP Karsenty & Associés	€924 000	-3%	€271 765	8.94%	4.62
96	88	Reinhart Marville Torre	€921 053	-5%	€307 018	-4.53%	17.5
97	81	Clyde & Co	€913 750	-9%	€292 400	-12.78%	7.31
98	107	Sekri Valentin Zerrouk	€912 500	12%	€280 769	12.31%	7.3
99 =	82	Olswang	€900 000	-10%	€375 000	31.25%	9
99 =	97	Earth Avocats	€900 000	3%	€257 143	2.86%	3.6
101	105	Taylor Wessing	€885 000	9%	€264 179	-6.00%	17.7
102		Vinci Avocats	€875 000		€218 750		3.5
103	108	K&L Gates	€863 636	7%	€351 852	-4.44%	9.5
104	100	BCTG & Associés	€858 333	0%	€251 220	0.00%	10.3
105	139	Lazareff Le Bars	€833 333	28%	€250 000	5.77%	2.5
106	77	Reed Smith	€831 579	-20%	€287 273	-17.30%	15.8
107	102	Duclos Thorne Mollet-Viéville & Ass.	€825 000	-1%	€264 000	-5.43%	6.6
108	115	KGA	€806 923	6%	€291 389	0.69%	10.49
109	79	Laude Esquier Champey	€773 585	-25%	€277 027	-12.16%	4.1
110	106	Simon Associés	€768 421	-6%	€304 167	9.70%	14.6
111	103	Aklea Société d'Avocats	€753 333	-9%	€173 846	-2.54%	6.78
112	119	Genesis Avocats	€751 667	2%	€250 556	7.46%	4.51

Source: Leaders League

Rank 2016	Rank 2015	Firm	Revenue per partner 2015	Prog. rev- nue per partner	Revenue per lawyer 2015	Prog. revenue per lawyers	Gross rev- enue 2015 (€m)
113 =	123	Gilles Vercken	€750 000	7%	€187 500	7.14%	1.5
113 =	125	Amadio Parleani Gazagnes	€750 000	9%	€214 286	9.09%	3
113 =	126	APG Avocats	€750 000	9%	€214 286	9.09%	3
116	127	Chatain & Associés	€720 000	6%	€276 923	-10.41%	3.6
117 =	137	Racine	€714 286	9%	€273 973	7.98%	40
117 =	143	Pinsent Masons	€714 286	16%	€250 000	9.38%	10
119	133	Vigo	€712 000	7%	€237 333	-7.35%	3.56
120	134	Coblenz & Associés	€709 167	7%	€293 448	2.84%	8.51
121	136	Lamy & Associés	€706 250	8%	€256 818	8.84%	11.3
122	129	Granrut Avocats	€697 647	3%	€234 156	2.99%	11.86
123	141	Latournerie Wolfrom & Associés	€685 315	9%	€221 219	0.55%	9.8
124	120	Axten	€680 000	-7%	€226 667	3.03%	6.8
125	116	LMT Avocats	€678 261	-11%	€255 738	-2.42%	7.8
126	138	Caraktars	€666 667	3%	€210 526	2.56%	4
127	128	Cornet Vincent Ségurel	€663 889	-2%	€189 683	-5.58%	23.9
128	122	Adden Avocats	€650 000	-9%	€150 000	8.64%	3.9
129	135	Bignon Lebray	€634 615	-4%	€257 813	5.16%	16.5
130	131	Adamas	€619 048	-7%	€220 339	-6.31%	13
131	140	GGV	€614 286	-3%	€238 889	6.87%	4.3
132	144	Barthélemy Avocats	€584 286	-4%	€267 570	6.21%	28.63
133	147	BMH Avocats	€580 000	-2%	€232 000	-5.63%	5.8
134	150	Lexcase	€577 778	7%	€179 310	-0.38%	5.2
135	148	Camille & Associés	€565 714	2%	€198 000	2.33%	3.96
136	155	SBKG & Associés	€545 455	14%	€214 286	24.42%	6
137	158	Lérins Jobard Chemla Avocats	€543 750	22%	€217 500	-7.56%	4.35
138	157	SLVF	€542 857	22%	€345 455	20.91%	5.7
139 =	132	CPC	€520 000	-22%	€247 619	-13.33%	2.6
139 =	142	DS Avocats	€520 000	-16%	€208 000	-1.33%	26
141	161	Avodire	€516 667	41%	€206 667	12.73%	3.1
142		Schmidt Brunet Litzler	€500 000		€153 846		2
142 =	154	Kalliopé	€500 000	4%	€192 308	4.17%	2.5
144	152	Chassagny Watrelot & Associés	€475 000	-8%	€231 707	31.71%	9.5
145	156	BCW et Associés	€460 000	2%	€189 412	-1.79%	3.22
146	163	LLC & Associés	€391 304	18%	€200 000	13.16%	9
147	165	Valoris	€300 000	100%	€128 571	28.57%	0.9
148		Lexavoué	€296 875		€172 727		9.5
149	162	Lexia	€280 000	-23%	€116 667		1.4
150	164	Moisand Boutin & Associés	€211 538	4%	€687 500	12.50%	5.5

Accuracy

the irresistible rise of an achiever

THE NUMBERS SPEAK FOR THEMSELVES: 300 PROFESSIONALS, 37 PARTNERS, 10 COUNTRIES. CREATED IN 2004, THE INDEPENDENT FINANCIAL ADVISOR HAS ONLY KNOWN GROWTH AND EVER-INCREASING INTERNATIONALIZATION SINCE ITS ESTABLISHMENT. THE FIRST FEW MONTHS OF 2016 HAVE ALREADY SHOWN SIGNIFICANT GROWTH COMPARED WITH 2015. LEADERS LEAGUE TOOK A CLOSER LOOK AT THE FACTORS UNDERPINNING ACCURACY'S CONTINUING SUCCESS.

Set up in Paris in November 2004 by CEO Frédéric Duponchel and six other partners, all from former Arthur Andersen teams, Accuracy was one of the first firms, outside the Big Four, to specialize in financial consultancy services. *'Providing figures to help the management decide'* is how the founders define their services.

A UNIQUE POSITIONING

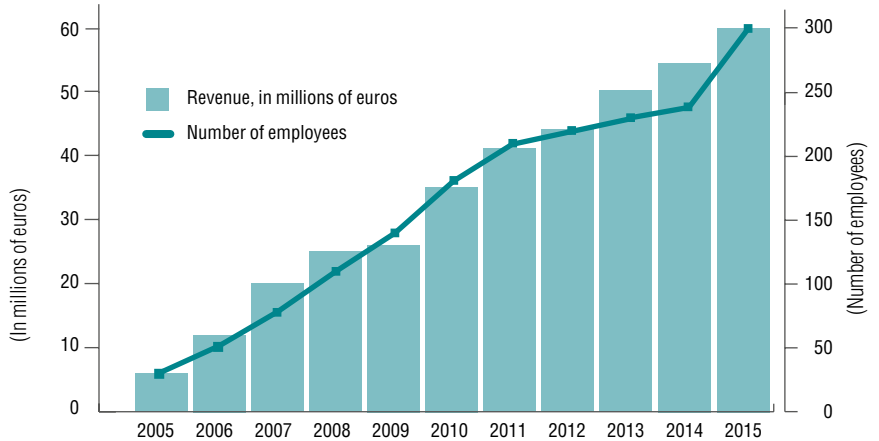
Not only do they provide figures to help out in the decision-making process, but, as Frédéric Duponchel insists, they have to grant the *right* and accurate numbers, to act professionally and in a totally independent way. The founders play the specialization card rather than the size one. Whatever their pool of expertise: transaction, arbitration and dispute resolution, decision-making or companies in difficulty, the firm's partners are always a subtle mix of skills and profiles. And over the years, Accuracy has managed to balance its four areas of activity (see Figure 2).

Whether the consultants come from an audit, financial or legal background, their unique combination corresponds with the firm's strengths. Working together, suiting the specific needs of each client, they make sure to avoid any isolation between pools of expertise.

As an example of a transaction team, working on behalf of a particular client, it comprises EBA experts - assessing the markets' size, the position of competitors, the evolution of prices, and may also include financial

1. GROWTH IN DOUBLE FIGURES

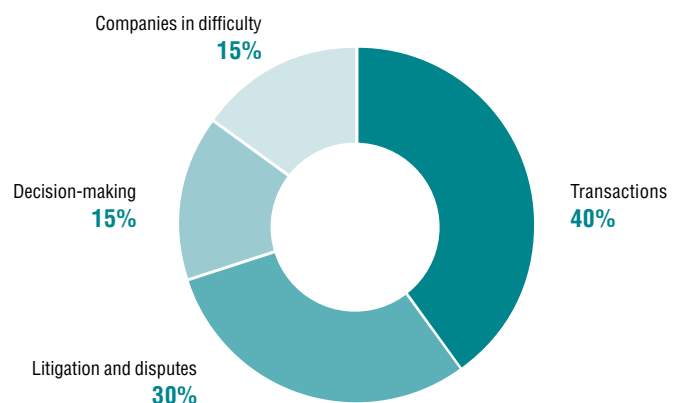
Rise in revenue (in millions of euros) and number of employees.



Rate of growth 2015: 10%

2. BALANCED ACTIVITY

Breakdown of revenue, in %, by type of activity.



Source : Accuracy



In 2016, the forecasted revenue will exceed €65 million.

Frédéric Duponchel, the group's CEO (above) is one of the masterminds behind the firm's success.

due diligence in connection with a buyout. If the same client is then faced with issues concerning post-acquisition litigation or breaches of commercial contracts, Accuracy can undertake damage assessment. Tailor-made and expert teams are a true hallmark of the firm.

Another unique feature of the firm is the special commitment that its seven founding partners have made: they cannot sell their shares. 'We're not attempting a capitalistic coup,' says the CEO, who goes on to explain that, 'the idea from the outset was to construct a model based on pure partnership and sharing, which means there is just one revenue figure for the whole firm which is not broken down to revenue per partner.' Thirty five partners later, the

3, FULL SECTORAL COVERAGE

organizational model remains the same. 'All our partners are Accuracy Worldwide partners, sharing the value created each year. We have absolutely no idea of local partnerships. There are no detailed individual performance indicators and partners cannot sell or transfer their shares, which means the firm's future and its values are safeguarded,' says Frédéric Duponchel.

AN ENHANCED SECTOR-SPECIFIC APPROACH

The financial advisor is involved in many cutting-edge industries, such as aeronautics and aerospace, and has also implemented an enhanced sector-specific approach. Accuracy has a reputation for its work in more than 12 sectors: retail, energy and utilities; infrastructure and construction; aero-

nautics, space and defence; real estate; manufacturing; media and entertainment, and banking (see Figure 3). Some sectors were recently added to this list, such as digital e-commerce, transportation, agribusiness and oil & gas. The firm, in this new approach, also features more generalist consultants, able to deal with various sectors.

The firm works with market leaders in all these sectors, with major listed groups accounting for about 60% of its client base. Next come private equity investors and family offices, which also represent a significant proportion of the firm's client base. The lawyers have the ability to recommend the firm, and, as the management concedes, they are key prescribers.

A UNIQUE QUALITY SERVICE

To provide its clients with the best possible service, Accuracy combines these various expertise pools and a sector specific approach to offer a response that is perfectly tailored to their needs. 'We offer our clients a global service based on a multi-disciplinary approach,' says Frédéric Duponchel.

Accuracy's consultants offer a whole range of skills which are highly pertinent to their clients' needs. Financial experts, engineers, assessors, economists, industry specialists, former receivers — Accuracy's experts work together to provide a highly-efficient service. In cases related to disputes, the firm can therefore provide both economic and financial experts who are able to testify before tribunals. Among the 37 partners Accuracy has today, 20 have already testified, notably within the frame of arbitration proceedings ▶

Sector	Team led by	Senior advisors
Retail	Arnaud Lambert, Frédéric Loeper and Sumit Khosla	✓
Energy and utilities	Nicolas Bourdon and Christophe Schmit	✓
Infrastructure and construction	Damien Gros and Hervé de Trogoff	✓
Aeronautics, Space and Defense	Christophe Leclerc	✓
Real Estate	Nicolas Barsalou and Nicolas Paillet de Montabert	—
Manufacturing	Stephane Perrotto and Leontine Koens-Betz	—
Media & entertainment	Elyse Salzmann and Roberto Rocchetti	—
Banking	Nicolas Darbo	✓
Digital Commerce / E-commerce	Xavier Chevreux	—
Transportation	Christophe Leclerc	✓
Agribusiness	Frédéric Loeper	✓
Oil & Gas	Edouard Saura, Christophe Schmit	✓



► around the world, before arbitral tribunals sitting inter alia in Stockholm, Paris, Geneva, Hong Kong and Singapore. Of course, consultants are not professional witnesses, and for that matter, they are trained. We set up training in the form of a mock cross-examination session during which consultants are faced with lawyers and arbitrators.

And it is precisely with these very technical proceedings, such as construction or oil & gas arbitrations, that the uniqueness of Accurancy comes to the fore as it combines both delay and quantum experts working together, further evidence of the special character of this integrated multi-disciplinary approach.

Client relations are based on proximity and the ability to listen and respond. To ensure an appropriate and rapid response, the firm boasts a ratio of one partner for every five consultants, which ensures the close involvement of the most experienced consultants. In advising its clients, Accurancy offers a 'commando-style' approach: sending the right people to the right place at the right time to respond effectively and efficiently to its clients' needs. This approach also enables the firm to maintain client loyalty.

A WELL-KNOWN HR POLICY

The firm is also aware that in addition to securing and maintaining the loyalty of your clients, you have to do the same for your consultants.

No glitz and glamour here – what the partners want is to build long-lasting re-

lationships based on a high standard of market ethics.

'This is one united firm, wherever the Accurancians are based' repeats Frédéric Duponchel. The consultants may work on different cases in various offices, according to their expertise, not to mention the cross-border engagements the firm has – such as Franco-German or Germano-Dutch, that naturally mixes nationalities. On the top of that, many consultants in every office may come from other countries – six Germans work in the Paris office, for example.

This means that Accurancy places the highest importance on training. Learning seminars are regularly organized for consultants to enable them to improve their skills and expertise. The 'Accurancy School' which takes place twice a year in various locations, is particularly designed to welcome newcomers – which have undergone a very strict selection process – to the firm. Its goal? To facilitate further integration as one single firm, independently of their own office.

Another specific aspect is that the firm also counts on 'Senior Advisors'. Not employed by the firm, they are either former CEOs or members of executive boards of listed companies and give us precious insights.

Ever since its foundation, the firm has striven to actively promote internal communication and the proactive, permanent provision of information, and it has always involved employees in its business plan in order to establish a participatory approach.

Although the selection process is very strict – the candidates "get to" meet eight people

during the recruitment phase – Accurancy cultivates a mix between 'high standards and consideration,' as its CEO puts it.

Thanks to this HR policy, Accurancy has an employee turnover rate of around only 5% a year. Better still, it has, for eight consecutive years, been ranked as one of the three 'Best Places to Work' in France by the Great Place to Work Institute.

INTERNATIONAL EXPANSION

Growth is not restricted to the Paris office. By expanding its international presence, Accurancy has both improved its services for existing clients and attracted new ones.

Accurancy has kept up the impressive rate of international expansion of one new office a year, beginning with Madrid in 2006 (see Figure 4), and the firm now offers total coverage of continental Europe with offices in the UK, Germany, Spain, Italy and the Netherlands. Expansion has been so rapid that, in 2012, French employees accounted for only 50% of the total, compared with 85% in 2008.

The Spanish office is emblematic of this international success (see accompanying interview with Eduard Saura, the Managing Partner of the Spanish office), even though the enthusiasm is not restricted to Spain. Accurancy opened a new office in April 2016 in Singapore, and has every intention of continuing its international expansion – the opening of offices in Dubai and Hong Kong is already on the agenda. Throughout this expansion, the quality of work remains a top priority for Accurancy. ■



EDUARD SAURA
Managing Partner,
ACCURACY SPAIN

“OUR LEADERSHIP MODEL IS BASED ON TEAMWORK AND EXPERTISE”

“European investors are turning their attention to South America”

Eduard Saura became Managing Partner of Accuracy’s Madrid office in 2006 following years of experience with cross-border transactions. He is expected to help the Spanish office grow and expand the firms’ activities in Latin America. Here, he sheds some light on Spain’s legal market and Accuracy’s ambitions for the future.

Leaders League. Accuracy’s Spanish office is celebrating its 10th anniversary this year. How was your firm able to stand out in Spain’s difficult legal market?

Eduard Saura. The opening of an office in the heart of Spain can be explained by the country’s past booming economy and the close relationship between France and Spain, as well as strong business flows. I immediately accepted the position of Managing Partner as I already knew Frédéric Duponchel, one of the founding partners of Accuracy. In this sense, it was clearly a story of friendship.

The first three years started off well as business was growing. Although, we encountered some difficulties in 2009 and 2010, we have been able to strongly recover in recent years. At a time when there was an atmosphere of fear, what saved us was our expertise in restructuring.

Last year, we concentrated our efforts on litigation and dispute resolution with higher added-value. We also developed our arbitration and project advisory practices and furthered our cross-border transactional work between Spain and South America.

Overall, the business atmosphere in Spain has improved and we have benefited from being present in the market there for some time now. Indeed, we have been able to connect with more local lawyers and companies.

Leaders League. Despite having offices mainly in Europe, Accuracy has increased its presence in North America and Asia. Is the next step to grow a network in South America?

E.S. Absolutely! We are looking forward to developing our activities in the continent. We have noticed that European investors are turning their attention to South America and more specifically Colombia, Chile and Peru given the up-and-coming oil and gas sectors. There is a need to accompany investors in their business transactions and to pursue due diligence work.

We are also excited at the prospect of creating partnerships in South American countries as they are often involved in arbitration sett-

lements before the International Centre for Settlement of Investment Disputes (ICSID). Having developed an expertise in arbitration, we feel that we are well positioned to deliver advice to states and investors working in the region. This will also be a good opportunity for our M&A and transactional support teams.

Leaders League. As a global firm, how would you describe the interactions between lawyers?

E.S. At Accuracy, lawyers come from around the world and have a range of expertise. In this way, we can be more effective regardless of whether we are in Paris, Madrid or Rome. We regularly call upon our London lawyers when dealing with project advisory matters. Other times foreign consultants, for example from Spain, are invited to our Italian offices to share their knowledge on a given subject.

The activities of our Spanish office mirror those of our French office as we both work on the same sorts of deals. However, we turn to the French offices to seek their banking expertise.

Leaders League. Is this Accuracy’s approach in gaining strong demand from your clients?

E.S. When choosing a lawyer to represent their case, clients look at both their expertise and experience in a given country. Although it is hard to be good at everything, what makes Accuracy different from our competitors is that our leadership model is based on teamwork and expertise.

Leaders League. Do you see cross-border transactions growing in Spain? What are the most attractive sectors?

E.S. Cross-border transactions will certainly continue flowing. Real estate and manufacturing naturally generate a wealth of revenue. Barcelona is an interesting city as it is a hub for startups in the food, high-tech and pharmaceutical sectors. This is why we have decided to open an office there in September 2016, where around six lawyers will help us gain visibility in other areas of expertise. ♦



ANTHONY THEAU-LAURENT
Partner, **ACCURACY**

“London is now at the forefront of Accuracy’s disputes practice”

The firm’s strong sense of collaboration has enabled it to grow a full range of services and develop innovative solutions. Anthony Theau-Laurent, a newly promoted partner based in London, tells us more about Accuracy.

Leaders League. You were promoted to partner in 2016. Can you tell us more about your career evolution at Accuracy?

Anthony Theau-Laurent. I joined Accuracy’s Paris office in 2006, just over a year after the company was founded. In 2012, I moved to London to develop Accuracy’s financial advisory services, leveraging my own experience within Accuracy and my joint French and British background. I now advise clients on a range of financial matters in the context of international disputes, fraud and transactions. I have particular expertise in the assessment of complex damages, and regularly act as an expert witness in court proceedings as well as commercial and investment treaty arbitration cases. Although I am based in London, much of my work in recent years has been in an international context, involving cross-border disputes in the United Kingdom, Europe, the Middle-East, Africa, North America and Asia. These assignments covered a wide range of sectors including mining, energy, utilities, civil engineering, aerospace, manufacturing, automotive, distribution, retail, and media.

Leaders League. What are some of the keys to the London office’s success?

A.T.L. One of the keys to the London office’s success is Accuracy’s collaborative business model. Accuracy is managed through a single partnership, with partners collectively defining and implementing the firm’s strategy. There is a strong incentive to collaborate, bringing together tailor-made teams to provide optimal value-added advice to clients across a wide variety of issues, countries, and industries. When the London office opened in 2010, with the hire of two construction-focused experts, Accuracy was offering a range of financial advisory services in other offices. Thanks to the synergies between these activities, London is now at the forefront of Accuracy’s disputes practice, and recently we have been involved in landmark

transactions in the UK, such as the £12.5bn takeover of EE by BT. Obviously, Accuracy’s success also relies on the recruitment and promotion of talented individuals. Accuracy provides an outstanding working environment for its employees, balancing challenges and career opportunities with conviviality.

Leaders League. Would it be correct to describe the services rendered by Accuracy as innovative?

A.T.L. Innovation is highly valued at Accuracy. In a market dominated by large, well-established firms and with clients facing increasingly complex situations, we see innovation as essential to achieving our strategic goals and a significant factor in our growth story to date. We cultivate an environment of collaboration, continuous improvement and initiative. We adopt a pragmatic approach to our clients’ issues and monitor both the evolution of industries and the emerging role of technology. In doing so, we find the most creative and efficient solutions for our clients. By way of example, we developed “Accur’Option®,” a tool to value management packages and other tax efficient option-based schemes.

**“RECENTLY,
WE HAVE BEEN
INVOLVED IN
LANDMARK
TRANSACTIONS
IN THE UK”**

Leaders League. Is it necessary to have an entrepreneurial mindset to become an “Accuracian”?

A.T.L. If, to date, our growth has been robust, organic and sustainable, Accuracy remains a relatively “young” and growing firm. We encourage consultants to take part in the development of the firm, regardless of their seniority. An entrepreneurial mindset is therefore synonymous with being an Accuracian - it demonstrates leadership, initiative, creativity and service. We are all driven by the same unswerving commitment to customer service and dedicated to upholding the distinctive Accuracy culture. A culture which places importance on meeting the needs of our clients first, teamwork, and thinking “outside the box”. ♦

TROPHÉES DU DROIT



ÉDITION ENTREPRISE

2^{ÈME} ÉDITION • PAVILLON D'ARMENONVILLE • PARIS

17 NOVEMBRE
2016

Toute une profession rassemblée pour féliciter ses membres d'honneur...

Partenaires :



Cercle Gödel



l'Opinion



Capstan Avocats

Figurehead of Labor Law

CAPSTAN AVOCATS HAS ESTABLISHED ITSELF AS AN INNOVATIVE LAW FIRM. ITS COMMITMENT TO THE ADVANCEMENT OF LABOR LAW, ITS INTERNAL MANAGEMENT POLICY, AND ITS COMMUNICATION STYLE ARE SHINING EXAMPLES OF THIS.



In 2015, CAPSTAN AVOCATS launched Start With Capstan, devoted exclusively to growth companies.

Our firm is committed to working with companies, hand-in-hand, and we focus on the legal and social biotope within which our clients evolve, so that labor law does not act as an impediment to employment and instead actually promotes business development,” explains Pascal Lagoutte, Managing Partner.

SIMPLIFICATION

The constant evolution of labor law requires that the voices of companies be brought into the technical arena. Therefore, Capstan Avocats advocates the simplification of labor law in midsize companies. “Company heads sometimes

mistakenly believe that the termination of an employment contract can only take place at their expense; this is an obstacle to employment that social partners and legislators should remove,” says Pascal Lagoutte. In concrete terms, Capstan Avocats is striving to transform the legal environment. The firm has two hundred lawyers in nine locations across France; it’s involved in the major cases of the financial center, and is taking part in the establishment of a labor law doctrine. In order to have leverage during debates, lawyers from the French firm regularly participate in seminars and symposia about labor relations and contribute to the discipline by publishing articles and comments

in major law reviews. Moreover, the firm has a scientific council composed of partners, a former judge from the Labor Chamber of the Court of Cassation, and leading academics. Its role is to anticipate emerging labor law issues and alert stakeholders. Through the Ius Laboris alliance in Brussels, it also has access to the heart of European law—an increasingly-important institution.

INTERNATIONALIZATION

Created in 2001, Ius Laboris gathers over 1,400 lawyers and 52 firms specializing in labor law worldwide; Capstan Avocats is one of its founding members. “We want to bring together the best lawyers from every country we operate in,” says Pascal Lagoutte. The creation of the Ius Laboris network is inscribed in the strategy of the firm; they established their key priority from the start: going international. “The lack of internationalization of French law firms is the primary cause of marginalization,” says Pascal Lagoutte. “By taking the global dimension of the economy into account, we are able to meet our clients’ needs as well as develop our internal resources.” The partners share a website (www.iuslaboris.com), a brand, and a visual identity. Each member contributes a percentage of revenue to it. The



CAPSTAN AVOCATS's partners

© Capstan

Brussels team is composed of members of executive management, in charge of marketing, IT, and knowledge management. One person is focused on the alliance's development in the Americas; the heart of Ius Laboris being historically European, the emphasis is now being placed on its expansion across the Atlantic. Not to mention the other priority axes, including Asia, the Middle East, and the United Arab Emirates.

MORE THAN A NETWORK, AN ALLIANCE

"An alliance is more than a network; it can deliver a unique service to its clients, who have access to teams of lawyers of all nationalities who are accustomed to working together on transnational legal subjects," says the managing partner. Every year, Ius Laboris releases several publications that are distributed to their clients and prospects. "Our practical thematic publications," says Valérie Lejeune, head of marketing and communication, "are proof that our lawyers know how to work together despite the distance." Ius Laboris also enables the French firm to operate on behalf of its clients in most major countries in the world on a range of topics, from CSR (corporate social responsibility) to the

establishment of European companies.

A CLIENTELE OF YOUNG ENTREPRENEURS

"The more we bring to this alliance, the more we benefit from it: working as a team with our foreign colleagues is a permanent source of enrichment," says Pascal Lagoutte. "We learn about communication and marketing, in particular, from our Anglo-Saxon colleagues, who have an edge in these areas. Learning more about the legal practices in other countries also enables us to consider new, less Franco-French approaches."

Therefore, Capstan Avocats differentiates itself through innovative communication rooted in the zeitgeist. To highlight its expertise, the firm launched *le Fil Capstan*, the first webzine devoted solely to labor law, with various types of articles, legal news, and viewpoints, as well as CAPSTAN TV with video recordings, thereby ensuring a genuinely consistent means of communication. The lawyers of Capstan Avocats can therefore provide their insight on

social measures and case law making the news, decrypt the latest trends, and take stock of the issues businesses frequently face. Its social network presence and digital communication tools are effective ways to reach a young

entrepreneurial clientele. These actions are aimed directly at startups: "Capstan TV's presentation of very pragmatic topical or fundamental subjects attracts young bosses seeking practical answers to their legal questions. Through three or four-minute videos, they are introduced to Capstan's expertise and understand that our firm also exists for them," says Valérie Lejeune. As such,

the firm launched Start With Capstan in November 2015, a specific proposition intended to provide much-needed guidance to growth companies through labor law — a source of flexibility and development for businesses.

"THE LACK OF INTERNATIONALIZATION OF FRENCH LAW FIRMS IS THE PRIMARY CAUSE OF MARGINALIZATION"

Pascal Lagoutte

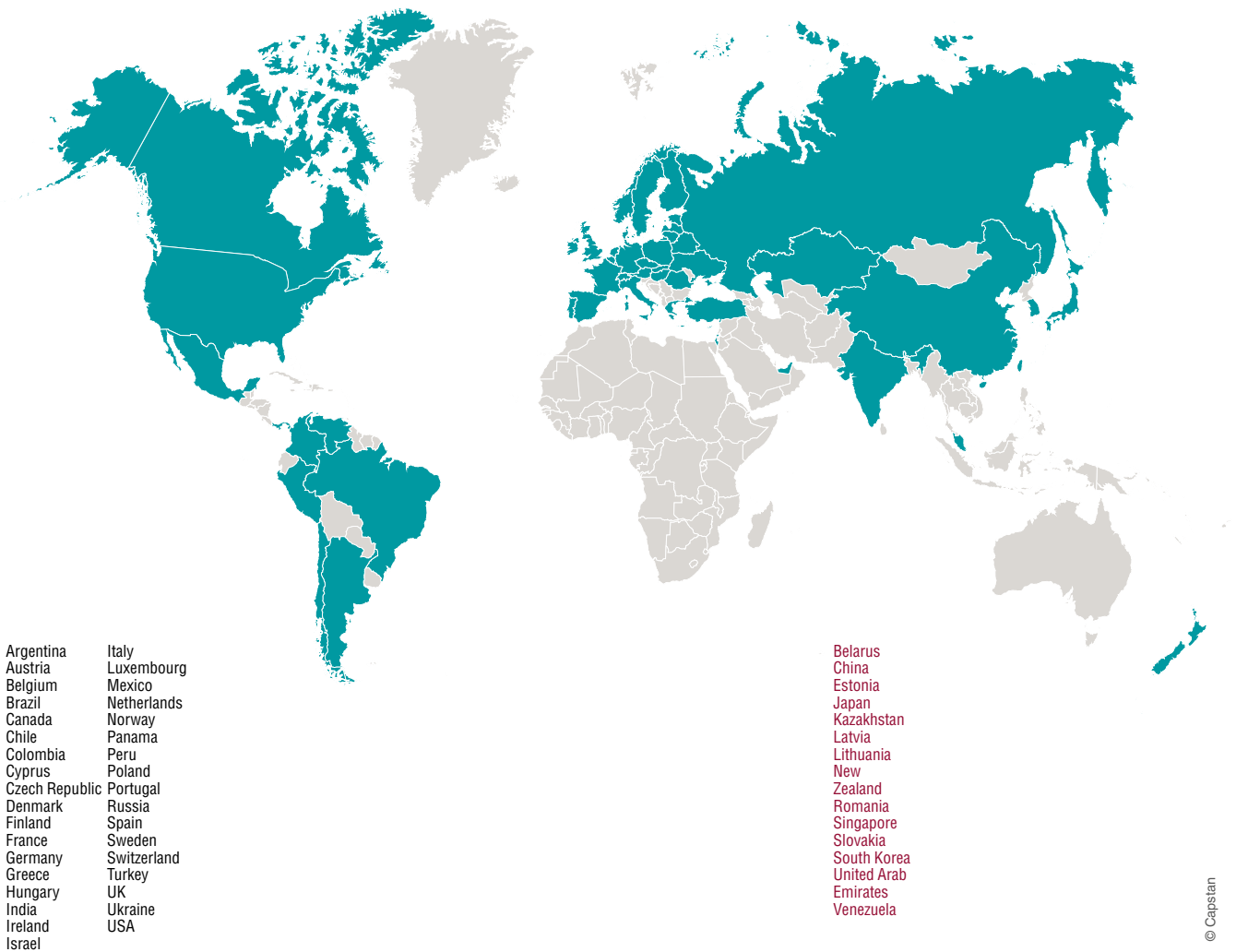
THE PROXIMITY CARD

With offices in Paris, Lille, Nantes, Marseille, Lyon, Montpellier, Saint Étienne, Sofia Antipolis, and Tou- ▶

IUS LABORIS, THE FIRST GLOBAL NETWORK OF LABOR LAW ATTORNEYS

Founded in 2001, the Ius Laboris alliance was built over time through the incorporation of new firms of reference in labor law.

- IUS laboris members
- IUS laboris affiliates



► louse, Capstan Avocats is indeed playing the proximity card. “We do not plan to open new offices in the provinces,” says Pascal Lagoutte. “Due to our presence in the major French cities, we have a sufficient network.” This extension is an asset that allows the firm to simultaneously offer clients the support of a national organization as well as close contact with local players who know the ecosystem the business is operating in. With this aim in mind, the partners are able to enjoy considerable autonomy. In fact, Capstan Avocats is an organization based on a strong decen-

tralization in accordance with clients’ needs, and built on a very flexible management vision. “Authority is observed, not imposed. Hierarchy can be sensed; it is not implemented through a flow chart, let alone in a law firm,” says Pascal Lagoutte. Only structural guidelines — identities, expertise, intellectual and international influence — are debated on a national level and subject to collective decisions. This enables the Capstan brand to provide strength in numbers, the tools of a major organization, and its international network, without ever having to overlook the flexi-

bility provided by geographical proximity. “Capstan is a collective. The partners and colleagues work hand in hand. The sharing of experiences and expertise, as well as the research and development led by our scientific council are what constitute the power of the firm,” says Pascal Lagoutte. “As for me, I spend only a third of my time managing the firm. The goal is to unite everyone around strategic guidelines without placing more emphasis than necessary on the essential part: working on the cases. The partners do not hold meetings without talking to the client.” ♦



PIERRE-OLIVIER BERNARD
Founding Partner,
OPLEO AVOCATS

“INCREASINGLY INVOLVED IN LARGE CAP LBOS, OUR CLIENTS ARE EXPANDING OUTSIDE OF FRANCE TO COUNTRIES SUCH AS CHINA AND THE UNITED STATES”

“An increasing number of clients need our assistance in broader contexts”

Leaders League. How do you envision Opleo Avocats’ future development and growth?

Pierre-Olivier Bernard. The future for Opleo Avocats depends largely on our success within the international environment because an increasing number of clients need our assistance in broader contexts. Numerous businesses are currently developing their activities outside of Paris in cities such as Lyon, Bordeaux and Nantes, not to mention in other countries.

It is therefore, my vision that our development depends on not only clients based in Paris but also in other cities, which is increasingly true. In addition, some important clients may prefer to expand their business networks outside of France, particularly in Asia or North America, instead of just in Belgium or neighboring European countries, as was the case in the past.

Leaders League. How is your firm organized to better serve international clients?

P-O.B. Today we are working closely with our ‘Best Friends,’ the majority of which are big international firms with whom we correspond. Progressively, we have also forged strong relationships with boutique firms who share the same vision with us, which helps us provide best advice for our clients on an international scale. During the selection of partners, we make a list of criteria in terms of quality, excellence, team, practice expertise, types of clients, as well as lawyers’ past career paths.

Taking a cue from our motto “Beyond decision making” we act for our clients in order to help them make the right decision. However, the right decision is just the first step, that’s why we decided that we also had to emphasize the importance of value creation. As a result, our representation of individual clients and their corporation is based on how we create value for the people as well as the corporation. One example of this is the management packages.

Leaders League. During an LBO transaction, how do you organize management packages to make sure mana-

gers are focused on business instead of being distracted by the whole LBO process?

P-O.B. In order to list the professional activities of our clients, we have developed a management package and set up information meetings to explain the mechanism of the management package to the client. Sometimes we negotiate a management package without the clients being present. A lot of these packages are conceived for cross-border LBOs, because sometimes when French investment firms make an LBO the management teams are in countries such as Australia, China, Germany or the United States. Therefore, we have to adapt the packages to these contexts, frequently in cooperation with our Best Friends on in country. Increasingly involved in Large Cap LBOs, our clients are expanding outside of France to countries such as China and the United States, so it is important for us to make sure these packages are adapted for them.

Concerning the Private Equity activities, we have worked with business angels, investment firms and managers. When we draft the tax and legal documentation, we try to have a global vision of our clients’ situations, as it is fundamental for them to be advised in the global context and not only at the level of investment.

Leaders League. How do you interpret the “virtuous circle of value creation”?

P-O.B. The objective of Opleo Avocat is to help the business community to make the right decisions. The first step is value creation, so all of our services are oriented towards either the professional activities of our clients or their investments. Three areas of practice expertise are organized around the cycle of value creation: human capital, personal capital and professional capital. There is not just one key driver, which is why it is a continuous circle. Our organization around this concept allows the individual to be the client of the whole firm instead of one particular lawyer, and we put all of our services at their disposal: corporate/contract law, tax law, property law and labor law, to name but a few. ♦

SBKG & Associates

off the beaten track

SBKG & ASSOCIATES IS A LAW FIRM THAT FOCUSES ON REAL ESTATE, PRIVATE EQUITY, AND BUSINESS LITIGATION. THEIR INGENUOUS INTERVENTIONS AND CREATIVE SOLUTIONS ENSURE LOYALTY FROM THEIR CLIENTELE—WHICH IS COMPRISED OF INVESTMENT FUNDS, COMPANIES, AND INSTITUTIONS.

This is the inspiring story of a firm that was able to empower itself with the tools to succeed. By centering its development strategy on its historical strengths, SBKG has secured a prominent place in the competitive environment of corporate law.

DECLARED AMBITIONS

“When I started working with one of the firm’s founders, David Gordon-Krief, in 2001,” says Éric Sasson, former head of Carlyle Europe and founder of Redtree Capital, a real estate fund, *“his ambition was to accompany us in all our deals, even those topping €200 million.”* To reach such plainly-declared objectives, SBKG continuously expanded its practice by bringing seasoned professionals together. *“Our objective was to increase quality in the real estate, private equity, and litigation sectors—our traditional disciplines,”* explains David Gordon-Krief. Since 2010, this strategy has led the firm to counsel Carlyle in the sale of Crédit Agricole’s headquarters for €420 million. In total, SBKG has accompanied Carlyle in approximately fifteen transactions and litigation cases.

CUTTING-EDGE SERVICE

“We call upon SBKG for complex cases and strategic litigations,” says Éric Sasson, spe-

cifying that he reserves due diligence and daily work for major brand-name lawyers. A rare approach, as very few French firms are given priority at Clifford Chance, Linklaters, or other major Anglo-Saxon firms for investment transactions and commercial litigation. *“Admittedly, SBKG is smaller than international firms, but when we call upon them, we see no difference. For us, what counts is the delivery of cutting-edge service,”* explains the head of Redtree Capital.

In 2014, the arrival of Vincent Lassalle and his team from SJ Berwin strengthened the firm’s positioning in real estate law, an area which now has about fifteen employees. *“His arrival created a real indraft in our transaction practices, real estate financing, and more specifically, real estate and hotel investments. With us, he was able to find support for his operations, qualified expertise in the domain of social law with Laurent Moreuil’s and Céline Bruneau’s teams, as well as in the domain of tax law with Damien Billet’s team,”* said David Gordon-Krief.

Since then, the firm has advised Invesco (an American investment management company) in their acquisition of the Terminus Nord Hotel in Paris and in the sale of the Pullman Hotel La Défense, KanAm Grund (a German investment management company) in the sale of a portfolio

of office buildings valued at over €900 million, and the Médipole Sud Health Group as part of the sale and leaseback transaction of three clinics to Icade Health. Clarisse Bainvel’s dual expertise in public and private real estate law permits SBKG to assist the government in lease negotiations such as the consolidation of the departments of the Minister of the Interior (26,000 m²), the Louvre Post Office (32 000 m²), and various ministries. The firm also assists the port authority, the department of public works, and a departmental council as part of estate management and project structuring.

SBKG is also involved in other large-scale cases, particularly in private equity. In March, David Gordon-Krief’s and Julien Mayeras’ teams advised HIG Capital in the sale of VM Industries (ex-Molex). Earlier, the firm assisted with the sale of Looping (a company of fifteen amusement and recreational parks in Europe).

KEY FIGURES

Date of creation:
2009

Lawyers:
10 partners
30 lawyers and legal experts



SBKG's partners in Paris: David Gordon-Krief, Laurent Moreuil, Céline Bruneau, Vincent Lassalle, Julien Mayeras, Sophie Erignac Godefroy.

DIRECT SALES

The private equity team has also operated alongside BPI France during their acquisition of Sogetre. Franck Provost's Provalliance Group is also a regular client of the firm, which provides assistance for their acquisitions. The group's success has been remarkable according to David Gordon-Krief: *"The success of Franck Provost's company is incredible: they have acquired over three thousand salons in France and Europe!"* The lawyer shows strong enthusiasm when addressing the topic of direct sales, i.e. selling to a group of people at someone's home, *"it's the sector which has experienced the strongest growth for years now!"* His commitment to this sector is due to the fact that his social law partner, Laurent Moreuil, was involved in the creation of the "independent home vendor" status. Since then, the social law team has been assisting the Federation of Direct Selling and closely monitors developments in the sector.

"ATTACHED TO OUR CULTURE OF DISCRETION"

While real estate and corporate cases can be discussed without difficulty, it is impossible to illustrate SBKG's procedural techniques with regard to complex litigations. *"We are attached to our culture of discretion,"* explains the managing partner. *"And our clients appreciate that we do not release the various steps and the results of their disputes to the public."* However, it is difficult to hide the importance of the

network the firm has established. The firm's lawyers know how to speak to the right person at the right time. *"It is rare that we need a targeted intervention to unblock a situation, but when it happens, it is practical to work with David,"* recalls Éric Sasson. The lawyer has become an essential player at the courthouse since his Paris Bar campaign, which only strengthened his reputation. *"David is at his best when in combat,"* says his client. The firm can contend with the best lawyers in the courtroom.

FROM PARIS TO MARSEILLE

The firm chose to establish dual offices, in Paris and in Marseille. Initially the office was a creation guided by opportunity; the chance to practice somewhere other than Paris. Twenty years later, it has

become a highly-successful operation in its own right.

The future of SBKG will also involve a number of strategic discipline reinforcements. The partners are actively seeking a financing specialist as well as a corporate restructuring expert in order to perfect their service offerings in the field of complex investment transactions. Business litigation, which remains the firm's trademark, will be another area of growth. This makes David Gordon-Krief very optimistic: *"Moving from thirty to fifty lawyers doesn't scare us. We won't prohibit ourselves from taking on large-scale transactions if the people who wish to join us fit our firm's philosophy."*

Ever-mindful of their assets, the partners are going to carry the SBKG brand even further. ♦



The Marseille office team: Bertrand de Haut de Sigy, Clarisse Bainvel, Damien Billet, Séverine Elie.

Sustainability according to PLASSERAUD

THE PLASSERAUD INDUSTRIAL PROPERTY LAW PRACTICE LEVERAGES ITS EXPERIENCE TO BEST SERVE INNOVATION. WITH CLOSE TO A HUNDRED PROFESSIONALS WORKING WITH TRADEMARKS, PATENTS, DESIGNS, AND MODELS, AND THE LEGAL EXPERTISE FOR THEIR PROTECTION AND INNOVATIVE OFFERS, THE TEAM IS WORKING TOWARDS LONGEVITY.

Founded in 1906, Plasseraud is an established French company. Its good fortune is due to its renown, the success of its projects, as well as its development abroad and the ambition of the people working there. In 110 years, Plasseraud has seen it all, and overcome it all: wars, a demerger, economic crises, a fire, and even a rebirth. The team's building collapsed in 2006, a few days after the office's hundred year anniversary, leaving it no choice but to bounce back without losing time.

THE EFFECTIVENESS OF CHANGE

The experience Plasseraud's partners draw from their practice's history makes them stronger. What makes Plasseraud one of the most renowned patent attorney practices in France is the strength of their structure. "When I joined the practice coming from the world of industry, recalls Didier Boulinguez, co-managing partner, the team had just undergone a rift, meaning that expertise in chemistry and biology and in brands had to be rebuilt." Joining the team in 1990 as a partner, Didier Boulinguez took on the challenge and reinforced the practice's expertise in chemistry, pharmacology, and agribusiness, then worked with the other partners at the time to put together a hiring policy that favored

young, talented, and very qualified patent attorneys. Thus, Francis Bérogin, Bertrand Loisel, EÉic Burbaud, Guylène Kiesel, Cyra Nargolwalla, Raphaél Fleurance and Albert Hassine became partners and management committee members.

There are now a total of eighteen partners at the practice, each convinced of the effectiveness of change when they feel it is needed. They also recruited partners with a variety of profiles, with professionals coming from diverse backgrounds and education in order to enrich the group with complementary perspectives. A prime example is Cyra Nargolwalla. Immersed in Anglo-Saxon culture, she is now co-manager of the company, after beginning her career at the practice, and becoming a partner after ten years of experience. Ina Schreiber, a partner since 2012, comes from Germany, and Patrick Boyle, also a partner, is British.

NOTHING CAN STOP PLASSERAUD

This open-mindedness and cultural sensitivity offers the team frequent opportunities for development. "We often let ourselves be guided by intuition, Cyra Nargolwalla ex-

plains. *Then, if we meet someone with a great project, or if a member of our team has an interesting development proposal, we can make decisions quickly.*" Definitely a strength that comes with experience. That is how the practice took root in the region starting in 1999. The opportunity first came to set up an agency in Lyon. This office started with a reunion, since Raphaél Fleurance, who now leads a team of about twenty people at Lyon, had previously worked at Roquette Frères with Didier Boulinguez.

The second French office would come to be ten years later. Plasseraud offered a lawyer and an engineer, both motivated on personal grounds, the chance to open an office in Lille. And it worked, since the practice grew very rapidly thanks to the decision to purchase an iconic patent office in Northern France, Duthoit Legros Partners. In 2010, there were therefore eight more people lending their talents to the team. So far, the Lille office has not lost a single member since the re-organization, and today employs about fifteen people. In 2012, Plasseraud continued its expansion in France by opening an agency in Toulouse with two

"OUR GREATEST ACCOMPLISHMENT HAPPENS EVERY TIME WE WIN A CLIENT AFTER HAVING DEFENDED ONE OF THEIR ADVERSARIES"

plains. Then, if we meet someone with a great project, or if a member of our team has an interesting development proposal, we can make decisions quickly." Definitely a strength that comes with experience. That is how the practice took root in the region starting in 1999. The opportunity first came to set up an agency in Lyon. This office started with a reunion, since Raphaél Fleurance, who now leads a team of about twenty people at Lyon, had previously worked at Roquette Frères with Didier Boulinguez.



The team of partners at Plasseraud's Paris practice



people. A few months later, it purchased the Morelle & Bardou practice, which was very well established in the region, bringing the Toulouse office to its current team of about fifteen people. Meanwhile, the Paris office purchased a pre-eminent practice, that of the former President of the French Company of Industrial Property Attorneys, Christian Derambure. The latest branch opened in Bordeaux in 2015, and features Sandrine Vimes, trademark attorney and authorized representative of the Office for Harmonization in the Internal Market (OHIM), Jean-Marc Coquel, patents attorney and authorized representative of the European Patent Office (OPE), and Marion Autissier, authorized representative of the European Patent Office (OPE).

INTERNATIONAL OPENINGS

Rather than limiting itself to national borders, Plasseraud is expanding abroad, starting with China. The Shanghai office opened in 2007, thanks to a Korean en-

gineer. The team now includes five professionals, all native to Asian countries. Plasseraud also has a presence in Central Europe, with an office in Prague opened by Éric Burbaud, co-managing partner. He is supported by four patent engineers. Plasseraud's vision for the career of an industrial property rights attorney doesn't stop at growing teams outside of the French capital. The practice also offers its clients innovative, expert services. This is done thanks to two tools it has developed: Fivalor and Contratak.

A GUIDING VISION FOR INDUSTRIAL PATENT ATTORNEYS

After thinking about the effective legal value of the industrial property title, in 2006 Plasseraud created a team of specialists for the financial evaluation of intangible assets (trademarks, software, and patents), the negotiation of technological licenses and transfers, and the evaluation of damages. As a result, Fivalor brings together financial

analysis with industrial property analysis. Plasseraud's clients are also very concerned with the fight against counterfeiting. Thanks to Philippe Van Eeckhout, a renowned expert in the fight against counterfeiting, and with solid experience in Canada, France, and East Asia, Contratak offers a whole arsenal of effective tools to companies battling fraud. Working directly with customs services, Contratak dispatches investigators, particularly in South Asia, and proceeds in carrying out raids, tracing supply lines, and putting a stop to the problem. Plasseraud never stops offering its clients ingenious and innovative services, like its recent offer dedicated to start-ups. But *"our greatest accomplishment happens every time we win a client after having defended one of their adversaries"*, rejoices Didier Boulinguez. This success is made possible because the team obtains a significant part of its revenue by accompanying clients in litigation files, especially in biology, chemistry, pharmacology, and IT. ♦

First goal achieved for DE GAULLE FLEURANCE & ASSOCIÉS

SINCE THE ESTABLISHMENT OF THIS “SOCIÉTÉ D’AVOCATS” (A DELIBERATELY CHOSEN TERM) IN 2001, ITS FOUNDING MEMBERS HAVE AIMED TO BUILD A STRUCTURE THAT PROVIDES A FULL LEGAL SERVICE IN BUSINESS LAW. NOW THAT THIS GOAL HAS BEEN MET, THESE ENTREPRENEURIAL LAWYERS ARE FOCUSING ON A STRATEGY OF CONQUERING NEW MARKETS AND TARGETING GEOGRAPHICAL AREAS.

Few in number are the French business law firms that compete in terms of size with their Anglo-Saxon counterparts, proposing a full-offer service, having around a hundred lawyers and specialization in a wide range of sectors. De Gaulle Fleurance & Associés (DGFLA) is one of them. In just fifteen years, the firm has become a prominent player in the market.

Since the foundation, Louis de Gaulle and Henri-Nicolas Fleurance have been the voice of the group. Their view is clear and their determination to succeed flawless. *“Our ambition is not only to meet our clients’ satisfaction in counsel and litigation, but also to anticipate developments in their sector,”* explains Louis de Gaulle. For this reason many months have been dedicated to strengthening the firm’s sector offer. *“Our aim is to be able, not only to handle the cases, but to anticipate them,”* adds Henri-Nicolas Fleurance. Besides having its own international capacity, the firm has built up a strong network of partner firms – or “best friends” – just about everywhere in the world. Now the time has come to target development in two geographical areas: Africa and Middle East.

AFRICA...

“We are working directly on cases and local implemented clients in these two regions, with the formation of a France/Africa/Middle-East triangle,” explains Louis de Gaulle. He mentions the issuing of the first Togolese “sukuk” (Islamic finance bond loan) in partnership with the Islamic Bank of Development, the implementation of a cement production line in Cameroon and to the completion of a hotel project in Abidjan, the economic capital of the Ivory Coast.

For that purpose, the firm invested in the recruitment of specialists, from related countries or sectors. Notably, they used Islamic finance mechanisms to manage Emirati investments in African projects (infrastructure, health, telecoms, roadworks, real estates, hotel, urbanistic, etc.). *“The Islamic finance mechanisms, that involve the borrower as well as the lender, fit very well to development projects in this continent”* explains Henri-Nicolas Fleurance. In this region, the best friends selected by De Gaulle Fleurance & Associés have, since then, become privileged partners for the market growth of legal counsel. This joint effort goes a lot further than a simple service rendered on a case. It is the transmission of a specific business law culture, i.e. via training dis-

pensed by De Gaulle Fleurance & Associés lawyers. Philippe Blaquier Cirelli, a partner at the firm and a real connoisseur of projects in the field of natural resources, infrastructures and advice to governments, is accompanied by Vital Mouity Ekoumé, who arrived in January 2016, an ENA graduate of Gabonese origins, and the Belgian born Laurence Vanderstraete, an expert in mining law in Kinshasa.

... AND THE MIDDLE-EAST

De Gaulle Fleurance & Associés operates in the same way in the Middle-East region. Advising European corporations with their projects in this region, the firm is also working for example on a free transport zone project in southern Iran, an area that has developed a strong petrochemical activity. *“We collaborate with local firms and strengthen our action by the direct assistance to funds and family offices for their investments in Europe and in Africa,”* explains Louis de Gaulle.

PUBLIC AFFAIRS

Opening offices abroad is considered an unnecessary investment. The firm is, however, present in Brussels, a location deemed useful, as it gives proximity to European institutions and lobbying



The entire De Gaulle Fleurance & Associés team pictured celebrating the firm's 15th anniversary

companies. This allows DGFLA to provide genuine public affairs services for any client, with lawyers supporting the process of drafting laws. The law firm provides assistance both to ARAFER (the French railways and motorways regulation authority) and SNCF (the French national railway operator) avoiding conflict of interest and working on convergence of interests. Transport is a growing specialty for the firm, as shown by the arrival of Béatrice Fleuris in September 2016 from Gide, “a real expert of this sector,” specifies Louis de Gaulle. The firm invested the same way in the field of online gaming and gambling regulation, when recruiting the former President of ARJEL (French online gambling regulation authority), Jean-François Vilotte. Another interesting case regards health data convergence and third-party payers facing the CNIL (the French data protection authority).

PROJECT MODE

So as to ensure a service which best matches its clients' expectations, De Gaulle Fleurance & Associés is organized like a company, with a hub assembling expertise for their “structure” matters (M&A, social law, tax, litigation, corporate, etc.) and another which supports

their “operations” (competition law, commercial litigation, IP/IT, public business law, etc.). “This structural organization is very explicit in the minds of our clients, it is also our trademark,” points out Louis de Gaulle, who stresses that the division of the firm is entirely in line with this original view. Consumer goods belong to the Operations Division, banking and insurance to the Structure Division and so on. This organization explains the deliberately chosen terminology “société d’avocats,” (corporation of lawyers), to mark the difference with the generic French “cabinet”. And as in a company, services are provided by teaming specialists transcending legal matters, according to each case or question. “This approach prevents us from sliding towards the easy/obvious solution,” as is stated in the firm's 2016 Activity Report. This document is another example of DGFLA's affinity with regular companies.

HIGH END

DGFLA is not worried about the rapidly changing law firm landscape, initiated by new legal tech. “There is no need to be afraid of uberization or of growing internationalization of legal skills: our clients refer to us for added value consultancy,” concludes Henri-Nicolas Fleurance. ♦



TURNOVER (IN MILLIONS OF EUROS)

2002:	6.1
2005:	10.8
2010:	23.7
2015:	36.4



39 PARTNERS IN 2016
110 LAWYERS
160 TOTAL WORKFORCE



The TV Tower in Berlin

Germany: The Old Continent's most diversified market

THE ECONOMIC LANDSCAPE AND WORKING PRACTICES MAKE THIS MARKET TOTALLY ATYPICAL AND COMPLEX, BUT THE COUNTRY STILL HAS A LOT TO OFFER. MORE THAN TEN YEARS AFTER THE ARRIVAL *EN MASSE* OF BRITISH AND AMERICAN FIRMS, GERMANY IS WEIGHING ITS OPTIONS AND HEADING FOR GREATER STABILITY.

According to the Federal Chamber of Lawyers, Germany has 162,695 lawyers (of which 54,139 are women), for a population of 80.62 million. This figure has more than doubled in the last twenty years, with the country having only 70,438 lawyers in 1994 and 126,793 in 2004. These figures show that the German legal sector is the largest in the European Union. One of the reasons for this phenomenon is that the law profession in Germany is not incompatible with other professions, such as notary, chartered accountant or auditor. Under certain conditions and standards of ethical conduct, lawyers may even continue to work as jurists.

A MAGNET FOR MULTATIONALS

Germany is the fourth ranking economy in the world and an innovative place leading Europe when it comes to filing for patents. Behind the US, Germany is the second largest research site for multinationals in the world. The European Patent Office is based in Munich and patent lawyers are positive that the long-awaited and discussed Unified Patent Court (UPC) will finally become a reality. The location of the

Central European Bank in Frankfurt is further proof of Germany's international standing.

THE HIDDEN CHAMPIONS

Little known as mid-sized companies and world leaders in their sector, the Hidden Champions alone account for 25% of German exports. The Hidden Champions concept is attracting increased attention the world over. In the last ten years, the 1,307 German Hidden Champions created one million new jobs. They increased their global market share in spite of a bigger world market and created a massive wave of innovation. Their strategy consists of defining the market narrowly and working deeply into the value chain. Their motto: "We only do one thing, but we do it right!"

A HIGHLY REGIONALIZED ECONOMIC STRUCTURE

Germany is a federation of Länder that is governed by the principles of regionalism. The market is not dominated by one city, the capital or by one region in particular. The largest enterprises in the DAX 30, Germany's stock exchange index, are located in

Stuttgart (Daimler), Düsseldorf (Eon, Henkel or Thyssen-Krupp), Cologne (Lufthansa), Frankfurt (Commerzbank), Munich (BMW, Siemens), and Hamburg (Beiersdorf). Clients choose their lawyer from local firms that are close to their headquarters. This decentralization makes the German market different from other European markets and helps to explain how the legal profession is organized in the country. Proximity is the watchword. In spite of the effects of regionalism, three cities stand out from others. Frankfurt, Düsseldorf and Munich are the winning trio for any Anglo-Saxon firm that wants to succeed in Germany.

BERLIN: THE GERMAN CAPITAL

Berlin became once again the capital following the reunification of Germany. In 1991, the German Parliament voted to move the seat of the German capital from Bonn to Berlin, a process that was completed in 1999.

Berlin's economy is dominated by the service sector. Research and development have a great significance for the city. With the euro zone, Berlin has become a center for business relocation. Many German and international

companies have offices and business centers in Berlin. Berlin has been recognized as an important center for business founders. Many startups have established in the city.

In addition, some of the biggest German companies have their headquarters in Berlin, such as Siemens, Deutsche Bahn, Deutsche Telekom, and Axel Springer. Daimler manufactures cars in the city, and BMW builds motorcycles. In the chemical sector, Bayer Health Care and Berlin Chemie are headquartered in Berlin. The city is also the headquarters of foreign rail technology leaders, Bombardier Transportation, Thales, and Stadler Rail.

Berlin has become the third most visited city in Europe, and ranks among the top three conference destinations in the world (organization of major fairs, for example the tourism fair ITB).

There are many law firms established in Berlin, with either headquarters or satellite offices there.

FRANKFURT: HOME OF FINANCE

Just behind London, Frankfurt is the second largest financial center in Europe. Commonly known as the city of banks (almost 500 banking institutions are based in Frankfurt), the city is home to the European Central Bank, the Frankfurt stock exchange (Deutsche Boerse) and the largest domestic banks. Commerzbank, Deutsche Bank, DZ Bank, Fraport, kfW have their headquarters in Frankfurt. For every firm based in Frankfurt, financial law is the most important practice.

BONN, DÜSSELDORF, ESSEN AND COLOGNE: THE CORPORATE STARS

Westfalia and Rhineland are the historical homes of the German industry. Even today, North Rhine-Westfalia has the highest amount of DAX and MDAX listed companies, followed by Bavaria and Baden-Württemberg. Lufthansa, and Lanxess are headquartered in Cologne, Deutsche Telekom, Deutsche Post in Bonn, Evonik, Thyssenkrupp and RWE in Essen, Henkel, EON and Metro in Düsseldorf. The pharmaceutical giant Bayer is based in Leverkusen. Thanks to these companies, in addition the numerous "Mittelstand" enterprises, the region is attractive for every business law firm.

MUNICH: THE PLACE TO BE

Munich is the home of many German success stories, and particularly to seven companies listed on the German DAX: Allianz, BMW, Linde, Munich RE, Siemens (which has its headquarters split between Munich and Berlin), as well as Infineon Technologies and ProSiebenSat 1, located in the Munich area. Other companies listed in M Dax, S Dax oder Tech Dax are also located in Munich, and so are the offices of many foreign companies. Munich is one of the most dynamic and prosperous cities in Germany, home of the European Patent Office, and numerous private equity and venture capital firms. In recent years more and more firms have opened offices here. Simmons and Simmons for example, opened a new office in Munich in 2013. The city also has many boutiques specializing in the intellectual property field. Most of the biggest law firms in Germany have an office in Munich.

STUTTART: HOME OF THE AUTOMOBILE

Stuttgart is the capital of the state of Baden-Württemberg in south-west Germany. It describes itself as "Standort Zukunft," "Where business meets the future." The city is considered the cradle of the automobile as it was here where Karl Benz invented the car. Today, Daimler (Mercedes-Benz) and Porsche both have their headquarters in Stuttgart, as well as automotive parts giants such as Bosch and Mahle. Other big companies are headquartered in Stuttgart, such as Andreas Stihl, Dekra, Dürr, EN BW, Lapp, Züblin, many leading companies in the financial services sector also have their headquarters in Stuttgart (such as LBBW, Wüstenrot & Württembergische, Allianz Life Assurance). In keeping with its engineering tradition, the city is also a famous place for research and innovation. Some law firms have their headquarters in Stuttgart.

HAMBURG: THE NORTHERN HUB

Hamburg is the second largest city in Germany, just behind Berlin. One of the

busiest cities and ports, the Free and Hanseatic City of Hamburg positions itself as an international business center, and is considered a Northern European hub for shipping. Firms here have always fostered close links to the UK and Scandinavia. The trend toward investment from China has led to larger emphasis on trade links.

"THE GERMAN LEGAL SECTOR IS THE LARGEST IN THE EUROPEAN UNION, WITH THE NUMBER OF LAWYERS DOUBLING IN THE SPACE OF TWO DECADES"

Many listed companies have their headquarters in Hamburg, such as Beiersdorf, Fielmann, Nordex, and also Aurubis, Evotec, Jungheinrich, TAG Immobilien. The Port of Hamburg ranks second only to Rotterdam in Europe. The famous shipyard Blohm+Voss is based in

Hamburg.

The city is also a center for media (with Axel Springer, Gruner & Jahr, Bauer Media Group). Hamburg is also, along with Toulouse, an important European location of the civil aerospace industry (Airbus).

A CHANGING ENVIRONMENT

At a time when the deal market is regaining momentum and law firms are seeing continuously high utilization rates in compliance work and disputes, lawyers should be doing well. But even though the return of an animated M&A market and more public takeovers are positive signs, law firms cannot entirely exult in their greater utilization rates due to the fact that profiting from this in advisory work is no sure thing, because at the same time, the competition for clients and price pressure have risen more than ever, particularly in the mid-range market segment. In reality, what this means is that even the busiest firms will be unable to simply react with growth and new hires – especially as the competitive situation is being fueled by new players entering the legal advisory scene.

For the majority of German firms, the financial crisis is already ancient history. Having experienced the long weak phase in the transaction market, many partnerships learned the lesson that restructuring and compliance advice, as well as litigation, can bring profitable activities. ■

THE BIGGEST INDEPENDENT GERMAN LAW FIRMS, THEIR LOCATIONS AND KEY PRACTICES

German law firms with over 100 lawyers

Firm	Number of Lawyers in Germany	Offices in Germany	Key Practices
CMS Hasche Sigle	655	Berlin, Düsseldorf, Frankfurt, Hamburg, Cologne, Leipzig, Munich, Stuttgart	Banking & Finance, Commercial, Competition & EU, Compliance, Corporate, M&A, Dispute Resolution, Energy, Funds, Infrastructure, Insolvency, Insurance, IP, International Desks, Employment, Private Equity, Public Commercial Law, Real Estate, Tax, TMC
Noerr	340	Berlin, Dresden, Düsseldorf, Frankfurt, Munich	Antitrust, Banking & Finance, Capital Markets, Corporate / M&A, Employment, IP & Media, Litigation, Arbitration, Regulatory, Insolvency, Tax
Luther	311	Berlin, Düsseldorf, Essen, Frankfurt, Hamburg, Hanover, Cologne, Leipzig, Munich, Stuttgart	Banking, Finance, Markets, Corporate Law/M&A, Employment Law, Insurance, Investment Management
Gleiss Lutz	307	Berlin, Düsseldorf, Frankfurt, Hamburg, Munich, Stuttgart	Banking & Finance, Capital Markets, Antitrust, Compliance, Corporate, Dispute Resolution, Employment, IT, Insurance, M&A, Patents, Private Equity, Public Law, Real Estate, TMT, Tax, Trademarks, Unfair Competition
Heuking Kühn Lüer Wojtek	305	Berlin, Chemnitz, Düsseldorf, Frankfurt, Hamburg, Cologne, Munich, Stuttgart	Antitrust, Banking & Finance, Capital Markets, Corporate / M&A, Employment, Energy, Healthcare, Insurance, Investment Funds, IP Media & Technology, Litigation, Arbitration, Private Equity, Public Sector, Real Estate, Restructuring, Tax
Görg	241	Berlin, Essen, Frankfurt, Hamburg, Cologne, Munich	Employment, Banking, Capital Markets, Energy, Corporate, Commercial, Competition & Life Sciences, Real Estate, Insolvency, IP, IT, M&A, Public Commercial Law, private Equity, Dispute Resolution, Restructuring, Tax
Beiten Burkhardt	231	Berlin, Düsseldorf, Frankfurt, Munich, Nuremberg	Antitrust & Merger Control, Banking Finance & Insurance Law, Capital Markets, Compliance, Energy, EU Law, IP, Unfair Competition, IT, Employment, Litigation, Arbitration, M&A, Patents, Private Equity, Restructuring, Tax
Hengeler Müller	225	Berlin, Düsseldorf, Frankfurt, Munich	Antitrust, Merger Control, Banking & Capital Markets, Compliance, Corporate, Restructuring, IT IP, Labor, Litigation, Arbitration, Alternative Dispute Resolution, M&A, Regulatory, Private Equity, Real Estate, Restructuring, Insolvency, Tax
Becker Büttner Held	178	Berlin, Cologne, Hamburg, Munich, Stuttgart	Regulation, Cartel Law, Contract Law, Public Law, Energy, M&A, Financing, IP / IT, Tax, Litigation, Mediation, Arbitration
Rödl & Partner	174	Berlin, Dresden, Eschborn, Hamburg, Hanover, Cologne, Munich, Nuremberg, Stuttgart, etc...	Corporate, Company Formation, M&A, Employment, International Business Transactions, IP, Real Estate, Renewable Energy, Tax
Flick Glocke Schaumburg	157	Bonn, Berlin, Frankfurt, Munich, Hamburg	Tax, Corporate, Employment, Real Estate, Capital Markets, Competition & Antitrust, M&A, Litigation, Arbitration, Auditing, Private Equity & Venture Capital, Restructuring, Insolvency
BLD Bach Langheid Dallmayr	145	Berlin, Frankfurt, Karlsruhe, Cologne, Munich	Liability, Property, Motor, Marine & Cargo, Life, Accident, Health, Distribution, Regulatory, Compliance, Data Protection, Reinsurance, Competition & Antitrust, International Desk
FPS Fritz Wicke Seelig	141	Berlin, Düsseldorf, Frankfurt, Hamburg	Banking & Finance Law, Commercial Law, Corporate, M&A, Energy, IP / IT, Litigation & Dispute Resolution, Public Law, Real Estate & Construction, Tax
GSK Stockmann + Kollegen	135	Berlin, Frankfurt, Hamburg, Heidelberg, Munich	Real Estate, Corporate, Banking & Finance, Projects & Public Sector, Tax, Litigation & Dispute Resolution, M&A
Kapellmann & Partner	130	Berlin, Düsseldorf, Frankfurt, Hamburg, Mönchengladbach, Munich	Construction law, Plant Engineering Law, Real Estate, Public Law, Corporate, M&A, Competition & EU Law, Commercial Law, IP, Employment, Sector Groups (Renewable Energies, Airports, Health, Tunnels)
Graf von Wesphalen	113	Berlin, Düsseldorf, Frankfurt, Hamburg, Munich	Antitrust, Bank & Capital Markets, Compliance, Corporate, M&A, Employment Law, EU Law, Insolvency & Restructuring, Insurance, IP, Litigation, Arbitration, Renewable Energies, Tax, Trademarks
SKW Schwarz	113	Berlin, Düsseldorf, Frankfurt, Hamburg, Munich	Banking & Finance, Commercial & Distribution, Corporate, M&A, Employment, Insolvency & Restructuring, Insurance, IP / IT, Litigation, Dispute Resolution, Real Estate, Tax
Schulze & Braun	110	Achern, Berlin, Essen, Frankfurt, Hamburg, Hanover, Mannheim, Munich, Stuttgart & others	Restructuring & Insolvency, Tax, Insolvency Administration
P+P Pöllath + Partner	107	Berlin, Frankfurt, Munich	M&A, Private Equity, Venture Capital, Financing, Corporate, Litigation & Arbitration, Private Funds, Tax, Real Estate, IP, Antitrust Law

Source: Leaders League



ERIC WEIL
Partner, **WEIL & ASSOCIÉS**

WEIL & ASSOCIÉS

- ◆ Founded: 1974
- ◆ Partners: Heinz Weil, Bruno Weil, Eric Weil, Mathilde Houet-Weil, Pierre Tartinville, Patricia Vincent
- ◆ Number of lawyers: 14
- ◆ Revenue 2012: Over €3.2m

“Our business minded approach comes from the origins of the firm”

Leaders League. Weil & Associés is historically a Franco-German firm. Where does this come from?

Eric Weil. The specificity of Weil & Associés is to offer, beyond a service as legal expert, strategic advice. France and Germany may be geographically close but both cultures are still substantially different. We assist our clients—foreign multinationals with economic interests in France—in setting up and carrying out their business in France. This business minded approach historically comes from the origins of our firm. The firm’s founder, Heinz Weil, was among the first Germans to come to France in the sixties to study law and contributed to the development of the Franco-German relationship. Starting his carrier as the operational managing director of the subsidiary of an American multinational, he ended this adventure when he sold this company to a competitor. His first corporate transaction was therefore from the inside. He then decided to practice law in Paris. The German economy was at the time strongly expanding its export trade and the market needed bi-cultural lawyers. This is how Weil & Associés took off.

Leaders League. Which are the areas in which the firm based its growth?

E. W. The firm first specialized in setting up French subsidiaries for German companies. We then started to build up M&A and corporate services, and also set up employment law and litigation/arbitration teams. Our strength then was to open our firm to even more international services in the nineties. Among the partners, the new generation also has an Anglo-Saxon background, which helped developing an American and English client base. Today, we are a fully-fledged firm with strong Franco-German roots, but we have seriously diversified our international client base. Our expertise expanded to other areas required for the assistance of our clients in their projects, such as competition law, patent and trademark and white collar criminal law. Litigation represents an important field for most of our lawyers, when you add up commercial, employment and criminal litigation as well as international arbitration.

“FOR GERMAN COMPANIES, FRANCE REMAINS AN IMPORTANT BUT RATHER COMPLICATED MARKET”

Leaders League. Could you describe your client base ?

E. W. Our client base mainly consists of industrial manufacturing corporations. We assist middle market companies when they expand their business in France through acquisitions, such as the German heating equipment specialist Vaillant, better known in France under its brand Saunier-Duval. Our Anglo-Saxon clients include large multinationals such as the global distributor of electronic components and software solutions Avnet. Our expertise in product liability also led us to represent insurance companies in high stakes litigations. The diversification of our client base enables us to assist private investors when they seek to invest in French ventures.

Leaders League. As Franco-German business flow has now reached a level of maturity, how has this portion of your business evolved?

E. W. For German companies, France remains an important but rather complicated market. The economic relationship took off in the fifties, rapidly expanded in the sixties and reached a peak in the nineties. Since the nineties, we have reached a maturity level and it is unlikely that it will develop much beyond its current level, even though the economic needs and the complementary relationship between the two countries remains strong.

Our client base is now roughly split in two: German-speaking countries (including Switzerland and Austria) and English-speaking countries. We feel we have found the perfect balance. Our ambition is therefore to keep the same business model without opening any office abroad. In fact, after having been in a partnership agreement with a major German firm in the nineties for a couple of years, we subsequently chose to remain fully independent as

this experience generated more constraints than growth. This is why on an international level we also prefer focusing on maintaining a loose network of best friends, rather than joining an organized network, since our past experience has shown that the synergies are often not what would be expected. ◆



The Duomo, Milan

© Simone Simone

Italy: A competitive market dominated by domestic firms

A CRUCIAL BRIDGE BETWEEN EUROPE AND THE MEDITERRANEAN, ITALY HAS A LONG HISTORY OF BEING HIGHLY SOUGHT AFTER BY INTERNATIONAL COMPANIES. THE HIGH QUALITY OF NICHE AND LUXURY “MADE IN ITALY” PRODUCTS, AND THE STRONG POTENTIAL OF ITS MARKET, HAS IGNITED THE INTEREST OF FOREIGN INVESTORS. TODAY, THE DOMESTIC MARKET IS MATURE AND LAW FIRMS HAVE TAKEN THE NECESSARY STEPS TO COMPETE IN A CONTINUOUSLY CHANGING MARKET.

Small and medium sized enterprises and family businesses dominate the economic landscape. They represent the framework of the manufacturing system. The peninsula has a smaller number of multinational corporations than other economies of the Old Continent, but one of Italy's strengths is the thriving state of its small firms, which employ more than 80% of the workforce. The north of the country is highly industrialized and diversified with good infrastructure, representing the backbone of the national industry.

PRIVATIZATION IN THE 90S: A STEP FORWARD INTO ECONOMIC GROWTH

It's important to bear in mind the reforms that started in the early 90s as key factors behind the transformations that characterize the Italian legal market. The strong deregulation process, which got underway in 1992, and the large-scale privatizations (mainly in the energy, gas, transportations and telecoms sectors), had a profound impact on the economic structure, paving the way for American and English law firms. The wave of the state divestitures hit Italy later than other euro zone countries. The privatization of state-owned enterprises increased stock market capitalization,

contributing substantially to the reduction of public debt and therefore to the convergence of the Maastricht criteria. Following the new liberal trend, the Italian business environment became more investor friendly, an ideal place for international firms looking for cross-border business transactions. The enhancement of the financial markets generated a favorable context for sophisticated and integrated legal services, which prompted local firms to restructure their internal organizations. In order to compete with the international models, domestic law firms have been obliged to adapt their capacity and meet the demands of a growing market.

A MARKET DOMINATED BY INDEPENDENT ITALIAN FIRMS

The domestic legal market is still dominated by three independent Italian firms: BonelliErede – the local giant – the prestigious Chiomenti Studio Legale with offices in Rome, Milan, London, Brussels, New York, Beijing, Shanghai and Hong Kong, and Gianni Orioni Grippo Cappelli & Partners, which has been international from its inception. Gianni Orioni Grippo Cappelli & Partners is a pioneer for the Italian legal market. The independent firm was the first to introduce a practice

structure in Italy based on the English and American models, in an attempt to combine the local heritage with the advantages of internationalization. Founded in 1988, today the firm employs 380 lawyers with offices in Milan, Rome, Bologna, Turin, Padua, Abu Dhabi, Brussels, London, New York and Hong Kong. In addition, the firm has established an alliance in China with Han Kun, a full-service law firm specializing in cross-border transactions. Despite its strategic geographical position, it wasn't until the 90s that Italy came out of its isolation, attracting foreign investors and offering internationally competitive legal services. Financial deregulation offered a real opportunity for the expansion of Anglo-Saxon law firms in the local market. International law firms followed a different development strategy after settling in. For example, the magic circle firm Clifford Chance was one of the first international law firms to land in Italy, opening its Milan practice in 1993, and played a leading role throughout the privatization process. In order to maximize market penetration, the British firm opened its Milan office in association with the local firm Grimaldi & Associati, but some years later they parted ways. The merger with Brosio Casati & Associati in 1998 allowed the British firm

Allen & Overy to become a leading player with more than 100 lawyers in Milan and Rome. The strong local roots of Italian law and the cultural differences in the approach to the profession have prevented the Anglo-Saxons from assuming leadership.

THE CHALLENGE IN THE INTERNATIONAL ARENA

Nowadays, Italian firms are emerging from their sheltered market and are seeking to strengthen their international presence in order to increase their clients' global exposure. In recent years, several firms started looking to the East. For example, Gianni Origoni Grippo Cappelli & Partners launched a new office in Abu Dhabi, which made them the first Italian law firm in the United Arab Emirates. Chiomenti, for their part, became the first to open an office in China. In 2010, the Milan based NCTM followed this strategy and opened an office in Singapore, working in conjunction with the local firm JC&Co. While firms such as Chiomenti and NCTM were looking to the East, others have explored opportunities a little closer to home. An increasing number of independent firms have opened in London in order to follow their clients from the strategic financial center. For independent local firms the goal seems to be clear: to build up their capacities in international markets whilst maintaining a leading position in the local market.

A HIGH DENSITY OF LAWYERS

Another characteristic of the Italian market is an exponential growth in the number of lawyers, which began in the 70s, following the liberalization of access to university. According to the Italian Bar Association, Italy has more than 245,000 lawyers registered at the Bar. By way of comparison, France has just 53,744 lawyers out of 65 million inhabitants. A recent reform of the legal profession has been made in order to reduce the number of new entrants into the legal market, introducing more selective tests for admission to the Bar. As Filippo Modulo explains, *"today the Italian legal market is characterized by the presence of a very high number of individual practitioners as well as by a significant number of boutiques and major players, both independent and Anglo-Saxons."* According to ASLA (Italian association of Partnership law firms), the legal market today is broken down as follows: 31% of lawyers are in cost-sharing, 27% represent partnership law firms, 23% are individual practitioners, and the remaining 19% are single-owner law firms.

MILAN: FINANCIAL CAPITAL AND ECONOMIC ENGINE

Milan is the main financial and commercial center of Italy, the fourth largest economy in Europe. It is also recognized as the world's fashion and design capital. The city is the seat of "Borsa Italiana," the Italian stock exchange, which merged with the London Stock Exchange in 2007. This gave birth to the leading diversified exchange group in Europe. Milan and its hinterland is the largest industrial area in Italy and the economic engine of the country. The city is a major center for the production of textiles, chemical industrial tools and heavy machinery. In the wake of privatization which began in the 90s, Milan became an essential financial hub for Anglo-Saxon law firms searching for new markets to invest in. All major law firms, both local and international, are based in the city. Milan is also the headquarters of the main banks, such as Banca Popolare di Milano, Mediobanca as well as financial groups, such as Mediasset. In addition, the city hosts the telecoms giant Telecom Italia. Mergers and acquisitions, corporate finance and banking law are the most important practices among the law firms based in Milan. However, the effects of the global credit crunch have reshaped the landscape of the legal sector, putting restructuring and labor law at the core of legal activities.

THE NORTH EAST: SMALL IS BEAUTIFUL

Close to Milan, with its high density network of small and medium enterprises (mostly family-owned), the North East district has long been considered a real economic engine and the symbol of Italian entrepreneurship. This area has benefited from proximity to Northern Europe's dynamic markets, such as Germany, which played a major role through import/export exchanges and through the transfer of know-how in several areas. Due to the strong family business structure in this area, law firms decided to base themselves in dynamic industrial districts such as Verona and Padua, in order to develop a full-service offering for their clients. While the big international law firms are mainly based in Milan and Rome, the Italian independent firms, such as Gianni Origoni Grippo Cappelli, Pirola Pennuto Zei, NCTM e CBA, Macchi Di Cellere Gangemi, have by now acquired a solid presence also in the local market. Furthermore, important independent law firms with an international outlook are still looking at opportunities in that area. In recent years, Gianni, Origoni, Grippo, Cappelli & Partners, boosted its offices with important lateral hires.

ROME: AT THE HEART OF ADMINISTRATIVE LAW

Rome is the seat of the Italian Parliament and important Italian regulatory authorities, such as the Italian stock market regulator) and the court of Antitrust. However the home of *la dolce vita* has transformed into an important commercial and finance center, serving as the headquarters for major Italian corporations, public service providers, construction companies and banking and financial services institutions. From a geographical standpoint, Rome also represents a strategic gateway to the entire Mediterranean region and for firms looking for business in the Middle-East, in the Balkan region, and in Turkey. The legal sectors revolving around the Roman market are focused on administrative, corporate, antitrust, litigation law, real estate and the energy sector. Over the last five years, quite a few law firms have decided to invest in opening an office in Rome, and the strategy has proven to be particularly effective. Market penetration is achieved in different ways: for example, in February 2011 the British firm Ashurst opened an office in the capital, strengthening its presence in the local market, after the Milan office opened in 2000. The difficulty of getting into the Roman market didn't discourage the international law firm McDermott Will & Emery. In 2005, the firm decided to set up its first Italian office in Rome, and as a second step opened an office in Milan. Since Matteo Renzi came to office in February 2014, at the head of a left-right coalition government designed to introduce measures that would eliminate the budget deficit, the country has changed and Renzi has gained international credibility. Indeed, Italy still needs to work on fixing its structural problems from excessive public spending to an asphyxiating bureaucracy, from a slow civil justice process to the mediocre competitiveness of business. Sovereign debt problems are unlikely to be resolved rapidly. In a bid to reform the non-competitive labor market, Italy's new Prime Minister introduced a new job act and is trying to put growth at the very top of the policy agenda. In order to speed up judicial proceedings, in 2015 the Italian government introduced a reform of the judicial system. The new measures are designed to reduce the workload of Italian courts by diminishing the average time required to obtain a decision in civil cases. This would make Italy a more attractive country for foreign investment and is a big step toward the ultimate goal of accelerating economic growth. ■



FEDERICO SUTTI
Managing Partner,
DENTONS ITALY



Before joining Dentons, Federico Sutti had been Managing Partner of DLA Piper Italia up to 2013 and then Managing Director, Europe and Africa.

“IN ITALY IT’S REALLY HARD TO ADOPT THE ‘PURE’ AMERICAN MODELS WHICH IMPOSE HIGHER FEES THAT ARE UNSUSTAINABLE FOR THE ITALIAN MARKET”

“An international outlook mixed with a strong local presence is a winning strategy”

Federico Sutti is not only the Managing Partner of Dentons in Italy but also the architect of the firm’s launch in the country. His mission? To build a full-service law firm that will be able to measure up to the quality standard of the largest law firms in the world and compete with the top players in the market. Eight months after the launch of the first Italian office we met with Federico Sutti in Milan and discussed his vision for the future of the Italian market.

Leaders League. What was the strategy that Dentons used in order to enter into the market?

Federico Sutti. The project was born in the summer of 2015. Traditionally, the Firm’s strategy has always been based on mergers with firms with strong local roots, the so called “brown field” acquisition. In Italy, for different reasons, this has not happened. Over the past few years Dentons has been looking at Italy for opportunities and our paths crossed at a moment when my vision totally diverged from the perspective of DLA Piper’s new management. A strategy based on the magic circle law firms’ model of verticalization that in my opinion can’t fit with the Italian market at all. So we decided to join forces to start this new adventure.

Leaders League. What attracted you to Dentons project?

FS. Dentons has a peculiar and unique model, which differentiates itself from the strategy of other international law firms. Its polycentric model is adapted to the local market and the local culture, permitting tailored and agile solutions. The Verein structure, with different regions represented, was really attractive to me, an innovative way where collaboration is crucial. The mix between the international outlook and the strong local presence is a winning strategy to enter the market. I believe that in Italy it is really hard to adopt the English model, as it is too bureaucratic and centralized. The same goes for the “pure” American models, which impose higher fees that are unsustainable for the Italian market. In this scenario, Dentons’ proposal sounded like a perfect solution: a global platform without all the restrictions that prevent growth. So I agreed to share this new project with enthusiasm.

Leaders League. Is there still room for international firms to enter the competitive Italian legal market?

FS. I believe there is a lot of room to fill for international law firms in Italy. If we look at other markets in Europe, such as France or in Germany, we see that international firms still maintain a leading position. In Italy it is not like that, mostly for reasons that I explained before. In the

last few months, I have had opportunities to discuss with many partners working for Italian and foreign law firms, and I learned that the Italian market is very interested in what Dentons has to offer. Due to its characteristics, the polycentric model makes the difference and it is attracting many talents, its model permits an Italian lawyer to play in Italy, with Italian rules. Organizational matters and fees are all decided on a local level but we are taking advantage of its international context. This, I think, is the added value of Dentons’s proposal.

Leaders League. How did you build your team?

FS. The team is still being put together, but there are principally three criteria: professionals must be known in the market, naturally have a high quality of work, and a client portfolio. I started with a team of eight lawyers and two staff that was the maximum number allowed under my separation agreement with DLA Piper. It was a small full-service team focusing on real estate, energy and corporate matters. Then, Aldo Calza, co-founder of a boutique after leaving DLA in 2011, joined us, managing the employment practice. Since February 2016, we have not stopped growing thanks to the arrival of Sara Biglieri (litigation and arbitration) and her team, Stefano Speroni (corporate M&A), Andrea Fiorrelli (tax), Claudio Giammarino (China desk), Luca Pocobelli (private equity) and Michele Cagnano (antitrust). Today we have a total of 51 professionals. Our next step will be expanding in the banking and finance area.

Leaders League. What are your ambitions for the future?

FS. Dentons worldwide is organized with 10 practice areas. Our ambition is to have full-service capabilities and in every practice we want to compete with the leading players in the market. In the long term we would like to have two partners in every department, maybe four or five in corporate M&A. From now until the end of 2018 we will hopefully assemble a team composed of 20 to 25 partners and 80 to 90 associates, at which point our philosophy will be to promote internal growth. ♦



LEGANCE

The first 10 years of a success story

LEGANCE WAS ESTABLISHED JUST BEFORE THE FINANCIAL CRISIS TOOK HOLD, WHEN A TEAM OF TALENTED LAWYERS FROM GIANNI ORIGONI SPUN OFF TO SET UP THEIR OWN FIRM. SINCE ITS INCEPTION, THE FIRM HASN'T STOPPED GROWING AND IS NOW WIDELY RECOGNIZED AS ONE OF THE TOP FOUR FIRMS IN ITALY. THE SUCCESS STORY CHARTS OF A LAW FIRM MADE UP BY A SOLID TEAM OF LAWYERS, WHO SHARE THE SAME BACKGROUND, VALUES AND AMBITION OF BECOMING NOT ONLY A LEADER IN THE MARKET BUT AN INSTITUTION THAT GOES OVER AND BEYOND THE FOUNDING PARTNERS.

A NEW VISION OF THE LEGAL PROFESSION

What has driven a team of successful lawyers, working together in one of the most prestigious Italian law firms, to risk a spin off, in one of the most fragmented markets in Europe? A vision: the vision of establishing an institutional firm that benefits from the efforts and recognition of the senior partners but invests on a continuous basis on the growth of talented younger lawyers. In line with the ambition of becoming an institution, when Legance was founded, the partners chose to give it a creative name rather than follow Italian tradition and name the firm after its founders. This has helped to develop a strong, recognizable brand that is now seen to compete on an equal level to BonelliErede, Gianni Origoni and Chiomenti. From the beginning, Legance has been perceived as an institution focused on human capital. Flexibility is also a part of the firm's DNA. Rigorous but flexible, the firm's professionals display excellence in legal advice combined with a strong team spirit that has permitted an incisive organizational model that,

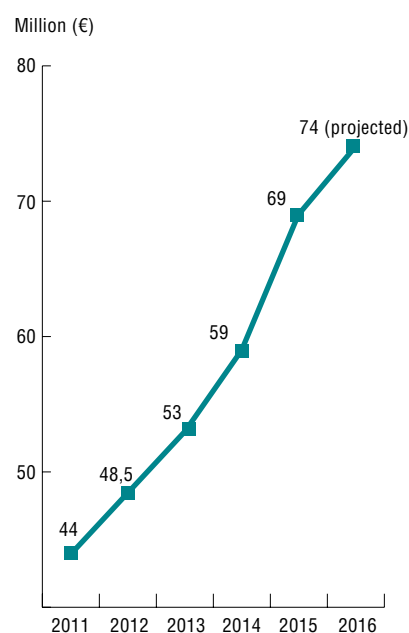
spread across departments active in all practice areas of business law, demonstrates the right balance between the lawyer as a specialist and the lawyer as a global consultant.

AN ALTERNATIVE GOVERNANCE MODEL

The firm is managed by a committee, made up of 5 partners appointed for a three-year term. The remuneration committee, which is responsible for the partners' remuneration policy, is appointed by the partners' meeting for a three-year term and is made up of 9 members, 5 of whom are also members of the management committee. Various members of the committees change after every term, so to give exposure and responsibilities to several partners. This sharing of responsibilities between different partners has encouraged the sense of being part of an institution, where individuals are important but team spirit is essential, in order to create an environment in which each firm-member has space to grow. Cross-selling is a key aspect of the firm's management and also the remuneration system awards

the partner's ability to generate a flow of work for diverse practice areas. Increasing business interaction is a key part of the firm's growth strategy.

CONTINUOUS REVENUE GROWTH



HUMAN CAPITAL AT THE CORE OF THE BUSINESS

A significant factor that distinguishes Legance from its competitors is the younger average age of its partners. Historically, the Italian market has been dominated by local law firms closely connected to their founding partners, who have often not been able to manage the passage of their firm to the second generation of partners. Even today there are several firms whose founding partners are key members of their firms, but are also close to retirement.

Legance pays a great attention in the sector in which it is involved. It does this by pursuing a policy of internal and external growth with the opportunity of lateral hiring as it has successfully done over the years and by integrating new professionals recognized in the market which have shared the same values from the beginning: Cecilia Carrara, Daniele Geronzi, Stefano Parlato and Paolo Pototschnig (Litigation/Arbitration), Alessandro Botto (Public Law), Paolo Marzano (IP), Rosella Antonucci (Project Finance), Gilberto Nava (TMT) and Marco Graziani (Tax). No less relevant for Legance is the importance of a good management structure. Highly specialized professionals, such as CFO, are essential just like in every company. Running the entire staff structure, the CFO inspects the firm's accounts. A strategic role that works on data, which, if well organized, segmented and conveniently spread, can deliver precious market analysis that helps to understand which fields Legance is doing well in and in which the firm needs to improve. For Legance people make the difference.

AN INTERNATIONAL VOCATION

Since its inception, Legance has seen international development as strategic. In 2013, in the middle of financial crisis, the firm launched an office in London in order to respond to the needs of its clients. Led by resident partner Marco Gubitosi, the London branch is not considered as a third separate office but as the international arm of a single team. Together with Marco Gubitosi and a team of 4 lawyers, the London office is supported by the regular presence of senior M&A partner Bruno Bartocci and finance and banking specialist Andrea Giannelli. Thanks to the international background of its partners, the firm has created a flexible and wide-reaching network with the most important law firms in the world: it doesn't require exclusive relations, but it

ensures the firm's capillary presence on the most important markets. To demonstrate the consolidation of the UK office, for the third year in a row, the firm has organized a conference, particularly appreciated by the business community. This event is run together with the Italian Embassy in London, in order to explain Italian reforms and opportunities for international investors.

Legance is able to choose the best professionals and the most reliable international partners for each project. As well as a base in London, Legance has allocated different country partners to key jurisdictions. These partners manage relationships with overseas clients and referral firms, so granting to the clients the best services in any jurisdiction.

The success of this international strategy is evidenced also by the fact that Legance has been involved in the most relevant cross border deals, such as Rhiag and Ferrari and the mergers of Fiat/Chrysler and Cyberonics/Sorin.

AN AMAZING GROWTH

As always, the most relevant evidence of the amazing growth of Legance is given by the numbers. As summarized the firm has constantly grown in terms of lawyers, staff, revenues and profits.

Legance offers a complete range of skills

in all areas of business law. Today the firm comprises more than 200 lawyers including 47 partners and senior counsel, working in its Milan, Rome and London offices and is the point of reference for some of the most important corporate, banking, financial and industrial Italian and foreign groups.

CONTINUOUS GROWTH

Year	Personnel	Professionals
2007	27	84
2008	43	116
2009	47	134
2010	47	146
2011	51	160
2012	51	170
2013	61	180
2014	66	188
2015	70	208
2016*	71	210

*Projected as of year end

OUR FIRST 10 YEARS AT A GLANCE

Year	
2007	Legance Foundation with 83 professionals
2008	Launch Milan and Rome Offices
2009	More than 130 professionals
2010	Best Italian Law Firm – Silver Awards – International Legal Alliance 2010
2011	Reinforcement Litigation department and constitution of TMT department
2012	Reinforcement of Project Finance department
2013	Opening London Office
2014	About 180 professionals
2015	Launch new Office in Rome
2016	More than 200 professionals, 47 of which partners*

* including senior counsels



FILIPPO TROISI,
Senior and Founding Partner,
LEGANCE

“We are the top choice for high-level and sophisticated clients”

Leaders League. Could you take stock of the year 2015?

Filippo Troisi. We are very satisfied. Last year we were expecting a revenue of €64 million but we did better than our projection with a revenue of €69 million, €10 million more than the previous year – an amazing growth. We keep improving thanks to a cost-effective structure. In 2015 we had 208 lawyers, today we have 211. 2015 was a great year because we kept receiving significant mandates for big clients. We are the top choice for high-level and sophisticated clients seeking legal advice in extraordinary transactions, which is key factor in our result.

Leaders League. What are the main trends in the Italian market?

F.T. Several events have favorably impacted the market; the Italian government is going ahead with important reforms including the reform of the judicial system. The inefficiency of the Italian judicial system has contributed to reduced investments, slow growth, and a difficult business environment. Speeding up the judicial system is certainly a very good and helpful reform because that gives more confidence to investors. The most active markets are the FIG (Financial Intermediary Group) market, insurance companies and, especially, banks. The turmoil in the Italian banking sector will also remain a hot topic, a solution needs to be found in line with EU rules. This is a market where we are heavily present and this is a plus for our firm. Private equity is another key sector. Top private equity funds are successfully investing in Italy; the most active sectors are the industrial and real estate ones.

Leaders League. You have an office in London. How will the Brexit impact their business?

F.T. My first impression is that the Brexit will have a negative impact mostly in the UK rather than in the rest of the Europe. Obviously there were a few days of panic, but I think that the important thing is to identify opportunities even during unsettling events.

The result of the Brexit vote could help to increase the strategic importance of other financial centers, such as Frankfurt, Paris and also Milan. I can't predict the consequences, but after early uncertainty we are now in a wait and see mode, but instead of getting worried let's keep doing deals. That sums up the current mood.

Leaders League. In terms of recruitment, how is the firm pursuing its growth?

F.T. This year we have appointed five new senior counsels. At Legance, a senior counsel is the equivalent of a salaried partner in other firms, in addition, all our partners are equity partners. All of our new senior counsels have been promoted thanks to internal growth. We always keep an eye on the market in order to seek opportunities but we are very careful. We make lateral hires only if we think that the person concerned has the same attitude, mentality and values as us. We are very open-minded to maximize market opportunities, and opportunities can arrive in any sector, not only the core one.

Leaders League. How have you perceived the arrival of new international players in the market, I'm thinking

of Dentons for example?

F.T. If international firms decide to enter as strongly competitive a market like Italy's, this is actually a good sign, especially for an established law firm such as us. For Legance this is a challenge and competition is always good for improvement.

Leaders League. How do you see the future for Legance?

F.T. At Legance we have great ambitions. For five years in a row now we have exceeded our expectations in terms of revenue and profit per partner and this is very important for us not from a financial perspective but because this is a tangible proof for our clients of the services we provide. If we continue in this vein it will be a fantastic way to celebrate ten years of client satisfaction, increasing revenues and record profits. This is our mission! ♦

“SPEEDING UP THE JUDICIAL SYSTEM IS CERTAINLY A VERY GOOD AND HELPFUL REFORM BECAUSE THAT GIVES MORE CONFIDENCE TO INVESTORS”



© Reinhard Tiburzy

The historic center of Luxembourg City

Luxembourg: Stability + Flexibility + Innovation = Attractiveness

IN SPITE OF THE STABLE JURIDICAL AND REGULATORY FRAMEWORK IN LUXEMBOURG, THE LANDSCAPE OF ITS LEGAL MARKET IS CONSTANTLY CHANGING, DRIVEN BY VARIOUS FACTORS: AUTHORITIES' DESIRE TO ATTRACT MORE INTERNATIONAL INVESTMENTS, LAW FIRMS' APPETITE TO BETTER SERVE THEIR CLIENTS AND LOCAL BUSINESSES' INNOVATIVE SPIRIT.

With a population of half a million, Luxembourg is one of the world's most developed economies and a key seat of the European Union (EU). Thanks to its strategic location at the heart of Western Europe, social and political stability, innovative and international orientation, as well as modern legal and regulatory framework, the Grand Duchy is the euro zone's premier private banking center and the world's second largest fund center, attracting banks, insurance companies, investment fund promoters and specialized service providers worldwide.

HIGH CONCENTRATION BUT A LACK OF SPECIALISTS

This small territory has the highest proportion of lawyers to inhabitants in Europe: in total 2,203 in September 2014, approximately 400 lawyers per 100,000 residents¹, compared to 90 in France for the same period. Highly internationalized, the Luxembourg Bar hosts 39 nationalities, with 42% of lawyers registered being French, followed by 30% Luxembourg, 11% Bel-

gian and 9% German.

In spite of this seemingly huge number, Luxembourg suffers from a lack of highly specialized lawyers in specific fields, where pronounced specialization and expertises are required: insurance and reinsurance, telecoms, personal data protection, copyrights and financial law, especially investment funds. Firms are constantly looking for senior lawyer profiles boasting specialized education and sound and substantial professional experience.

A HIDDEN GEM FOR GLOBAL FIRMS

Viewed as a land of milk and honey, Luxembourg has never stopped luring international firms. A number of Anglo-Saxon firms had to make a tradeoff between continuing working for their clients in their activities in Luxembourg through a remote platform abroad and opening a local office for more immediate proximity with clients. Some recent examples are the arrival of Bird & Bird and the merger between the global giant Dentons and local firm OPF Partners. Firms of neighboring countries such as Belgium, the Netherlands and Germany are also active in

the country: new arrivals in 2016 include German firm GSK in March and Netherlands-based AKD in June.

However confident the newcomers are, only a few firms have managed to penetrate the market, and most firms don't eat into the market of their local peers. They are often confined to working with their own clients on site, and whenever there is an issue regarding conflicts of interest or litigations, a local lawyer is called upon. Furthermore, these firms rarely practice Luxembourg law.

THE HAPPY LOCALS

As a result, most established local firms remain calm and proud of the attractiveness of the market, and even the numerous very small structures continue to have stable work volume thanks to their long-established relationships with local clients, sometimes individual or family businesses.

For Alain Grosjean, a partner at independent firm Bonn & Schmitt, their clients stay in spite of the entry of new firms and the key to remaining compe-

¹ Based on a population of 549,680 on January 1st, 2014

titive is reactivity and independency. Pierre-Alexandre Degehet, a partner at Bonn Steichen & Partners, adds that such a situation may stimulate local firms to conduct a new and thorough review of their business model and search for innovative ways to create business and new means of providing legal services, which may turn out to be a blessing in disguise. Leading local firm Arendt & Medernach, for their part, decided to provide clients with comprehensive business assistance by going beyond the legal sphere and creating Arendt Regulatory & Consulting in 2013, a consulting company specialized in the establishment of all types of regulatory procedures.

INNOVATION STEMS FROM STABILITY

Although the Luxembourg legal framework is very stable, judicial developments are constantly happening. A highlight is the Luxembourg Parliament adopting on July 13th, 2016 the long-expected new law on the modernization of company law, introducing the most substantial amendments for decades to the legal rules applying to Luxembourg companies. This confirms and reinforces the “business friendly” climate for which Luxembourg is well-known to investors around the globe. On the same day, a new law on the creation of a simplified private limited liability company (Sarl-S) with a mini-

mum share capital of €1 was adopted and intended to facilitate the creation of business by young entrepreneurs. Apart from the corporate law side, sectors such as banking, data protection, insurance, asset management and tax have also been constantly subjected to legislative changes or the transposition of EU directives.

A BRIGHT FUTURE

In recent years, Luxembourg has moved towards greater financial transparency and the abolition of the banking secrecy has been in effect since January 2015. The business of affluent foreign clients simply stashing their wealth in Luxembourg ►

MAIN INDEPENDENT FIRMS IN LUXEMBOURG*

The landscape of Luxembourg law firms consists of small firms with fewer than ten lawyers on one side and large structures on the other side

Firm	Number of partners in Luxembourg	Total number of lawyers in Luxembourg	Overseas representative offices
Arendt & Medernach	42	285	Dubai, Hong Kong, London, Moscow, New York, Paris
Elvinger, Hoss & Prussen	34	125	Hong Kong
Kleyr Grasso	10	43	
Bonn Steichen & Partners	10	41	
Wildgen	8	39	
MNKS	8	26	
AMMC Law	5	25	New York
Bonn & Schmitt	4	23	
Kaufhold & Reveillaud, Avocats	3	23	
DSM Di Stefano Moyse	7	18	
Molitor	6	17	
Turk & Prum	8	15	
MMS Avocats	3	15	
Thewes & Reuter	3	13	
LexField	2	12	
Schiltz & Schiltz	4	10	
Collin Maréchal	3	8	
Vanderbulcke	3	7	Brussels
Sagnard & Associés	2	7	
Brucher Thieltgen & Partners	4	6	
Deynecourt	3	6	
Chevalier & Sciales	2	6	
Wurth Kinsch	2	5	
Rutsaert Legal	1	5	
Linari Law Firm	2	4	
DCL Avocats	2	2	
SJL Jimenez Lunz	1	2	

*Firms ranked by total number of lawyers in Luxembourg, data collected from interviews, questionnaires & firms' website in mid July 2016

► bank accounts for tax evasion is largely a thing of the past. As a result, banks attract less and less small investors but more and more large fortunes as well as data center activities. Services offered by business law firms have changed accordingly, as noted by Rosario Grasso, President of the Luxembourg Bar Association: “Very strongly focused on tax and financial law, these firms are diversifying to meet the specific needs of their clients which are often large international groups searching for a complete range of legal and tax services.” Wealth management continues to thrive. According to Private Banking

Group, assets under management (AuM) in the private banking sector have increased by 10% compared to the previous year, reaching €350.6 billion at the end of 2015.

The fintech sector is another on the rise, thanks notably to the support of the government and the dynamism of start-ups. According to the Luxembourg for Finance 2020 Vision, the 2016-2017 objectives for Luxembourg are to develop further as a center of excellent in cross-border finance, to be the EU onshore financial hub of reference, and to become a digital leader in Europe.

Although the impact is still quite uncertain, the Brexit should also benefit Luxembourg, since asset managers or companies would prefer to set up shop in an EU country to continue having the passport to sell their services in this huge market, and Luxembourg has all its advantages.

Looking forward, Luxembourg unquestionably remains a world financial market with strong interests in investment projects into the country from international communities, providing both international and local lawyers with a steady flow of work. ■

INTERNATIONAL FIRMS IN LUXEMBOURG*

The legal market in Luxembourg has attracted many international firms over the time, including the global giant Dentons that merged with OPF Partners in January 2016

Firm	Origin	Opening date in Luxembourg	Number of partners in Luxembourg	Total number of lawyers in Luxembourg
Loyens & Loeff	The Netherlands	1991	12	97
Allen & Overy	UK	1990	11	78
Clifford Chance	UK	1982	8	68
Linklaters	UK	2002	12	54
NautaDutilh	The Netherlands	2002	8	38
Dentons Luxembourg	Verein	2016	7	32
Luther Luxembourg	Germany	2010	5	28
Stibbe	The Netherlands	2010	2	26
Baker & McKenzie	Verein	2010	4	25
CMS DeBacker	EU	2010	5	18
Hogan Lovells	Verein	2013	2	14
Dechert	USA	2001	5	12
Ogier	UK	2012	4	12
AKD Luxembourg**	The Netherlands	2016	3	12
Simmons & Simmons	UK	2015	4	11
DLA Piper	Verein	2013	2	11
Jeantet	France	2013	3	9
GSK Stockmann + Kollegen	Germany	2016	4	7
Tiberghien	Belgium	2010	1	7
Charles Russell Speechlys	UK	2011	2	4
King & Wood Mallesons	Verein	2015	2	4
Bird & Bird	UK	2016	0	1***

*Firms ranked by total number of lawyers in Luxembourg, data collected from interviews, questionnaires & firms' website in mid July 2016

**In collaboration with Beerens & Avocats until formal approval from the Luxembourg Bar Association

***Practicing Italian law



JEAN-MARC UEBERECKEN
Managing Partner,
ARENDET & MEDERNACH

“It’s an uncommon approach in Luxembourg to be a full service law firm”

Leading the Luxembourg legal market, Arendt & Medernach is not resting on its laurels and is constantly contemplating the profession of lawyer and the value it can create for its clients. Managing Partner Jean-Marc Ueberecken analyzes in-depth the secrets of their success.

Leaders League. What is your organizational model?

Jean-Marc Ueberecken. Unlike the widespread practice wherein each partner handles his/her own cases, we organized our firm into fifteen areas of expertise. In this way, we were able to develop our multi-disciplinary approach, and deepen our economic, financial and legal knowledge in each specific area while simultaneously increasing our performance on complex cases as a result of this cooperation. The specializations accommodate increasingly complex laws. For example, the insurance industry is currently subject to the same laws as the banking industry. While boutiques are traditionally competent in the insurance industry, they will have a lot of difficulty monitoring the evolution of the law, because from now on they will need specialists from the banking industry, which they don’t necessarily have.

Leaders League. How do you identify your new growth component?

J.-M. U. We considered opening new offices abroad and merging with other firms, but we chose to remain an independent firm on the Luxembourg market. Driven by an entrepreneurial spirit, we decided to provide our clients more than legal assistance by going beyond the legal sphere and addressing broader and more complex needs associated with the establishment and development of their business. In this way, the diversification of professions resembling that of a lawyer seemed like a natural choice, as evidenced by the creation of Arendt Regulatory & Consulting in 2013, a consulting company that specializes in the establishment of all types of regulatory procedures.

Nowadays, being in compliance with laws, regulations or simply a company’s internal rules is still a key element for our clients. During internal transformations, they need legal support as well as assistance with implementation. In this context, in addition

to providing simple guidance with implementing these complex and comprehensive regulations, they expect strategic reflection and operational solutions. Therefore, we offer an approach that integrates our two activities, which are perfectly complementary.

Ultimately, our growth driver is our position as a full-service law firm on the Luxembourg market. From a financial standpoint, this choice is less profitable than excessive specialization, but we would like to provide our clients a full range of services, as they often require side services that are inseparable from the heart of their business activity, such as accounting law, employment law, state aid, intellectual property and litigation. Our goal is to provide a comprehensive offer, which means responding to clients’ needs at all times. It’s not just rhetoric. It’s an uncommon approach in Luxembourg, and this is where our strength and growth will reside.

Leaders League. What advantages does Luxembourg have compared to other European financial hubs like Frankfurt?

J. -M. U. First and foremost, Luxembourg’s financial market has developed international cross-border expertise that benefits from its position as a founding member of the European Union/the euro zone, and operates in a multilingual environment. The financial market was built on three complementary pillars: investment funds, banking services and wealth management. In addition, the neutrality of the government, the stability of the legislative and regulatory environment, the international nature of the country, as well as genuine financial expertise are the assets that attract foreign investors, particularly from Asian countries, to Luxembourg. In terms of attracting corporations, Luxembourg is on par with some other European cities, but our country is clearly the gold standard for international bank headquarters. The six largest Chinese banks have already chosen to set up their European centers here. ♦



PIERRE-ALEXANDRE DEGEHET
Partner,
BONN STEICHEN & PARTNERS

“Independence and globality are not mutually exclusive”

This year again, international law firms are settling in Luxembourg. Pierre-Alexandre Degehet, partner of leading Luxembourg firm Bonn Steichen & Partners, decodes the attractiveness of the local legal market and what will happen after the Brexit.

Leaders League. An increasing number of UK and US based law firms are opening offices in Luxembourg. Does this threaten independent local law firms?

Pierre-Alexandre Degehet. The Luxembourg bar, which has seen the number of registered lawyers constantly increase in the past three decades, is characterized by a high density of law firms, which are polarized around seven major law firms, including magic circles firm, accounting for more than a quarter of the lawyers currently practicing in Luxembourg.

For foreign law firms the attractiveness of Luxembourg is undeniable and is not recent; some of those international law firms present in Luxembourg have been here for several years, and their presence, alongside well established local independent firms, as well as the arrival of several new actors does not threaten previously established situations.

The new arrivals certainly impact the orientations and strategy of local independent law firms which may result in a decrease in their business. This situation requires a new and thorough review of its business model. However, this research of innovative ways to create business and new means of providing legal services – which are adapted to the evermore demanding standards set by clients – may well prove to be a blessing in disguise. However, Independence and globality are not mutually exclusive. Those independent local law firms developing an international strategy will develop a strong and efficient knit network of key contacts and “best friends polices” whether exclusive or not, allowing them to provide the highest level of legal service to a client in its jurisdiction whilst liaising with a reliable, high-level, contact in any other jurisdiction.

In conclusion, this is more of an opportunity for local law firms than a threat.

Leaders League. Will the Brexit affect the Luxembourg legal market?

P.-A. D. Let’s be honest, as of today, we do not know where we go and what the potential consequences might be. The Brexit will likely impact Luxembourg, the entire question is to determine whether this will be in a

detrimental way and if yes, to which extent. For instance, funds of British origin represent approximately more than 16% of domiciled funds in the Grand Duchy and Brexit might hinder the creation and management of such funds in Luxembourg. Moreover, Brexit may also impact many other areas of the legal market such as contractual dispute resolution, M&A and antitrust. There is still some uncertainty related to how the UK is going to handle the already integrated EU law.

However, the scale of the potential repercussions on Luxembourg is still difficult to assess because the situation greatly depends on how the relations between the UK and the EU will evolve.

Leaders League. What are the latest legal innovations in Luxembourg?

P.-A. D. Two recent legal innovations are worth mentioning, namely the modernization of RCSL and the bill n°6777 on S.à r.l.- S (“société à responsabilité limitée simplifiée”) was passed on July 13th by the Chambre des Députés.

On May 10th 2016, Luxembourg’s Chambre des Députés adopted a new legislation regarding the Luxembourg Register of Commerce and Companies (RCSL). Amongst its stipulations, one could point out the abolition of the well-known Mémorial C that will be replaced by the RESA (“nouveau Recueil Electronique des Sociétés et Associations”) and the fact that costs for late filing of annual accounts can now reach up to €500 after a delay of four months. The institution of the S.à r.l.- S stems from a 2008 European Commission recommendation called “Small Business Act” already followed by Belgium (SPRL-Starter) notably. By reducing the cost of creation, the goal is to stimulate the creation of businesses. The costs of setting up a S.à r.l.- S will be €191 (minimum share capital: €1; registration fees: €75; registration at the RCSL: €15; publication at the Mémorial: €100). This initiative has however received mixed responses from the Conseil de l’Ordre des Avocats du Barreau de Luxembourg and from the Chambre des métiers. ♦



RAPHAËL COLLIN
Partner, **COLLIN MARÉCHAL**

“Lawyers also need to be entrepreneurs”

Nowadays clients expect practical and cost-efficient solutions and advice from lawyers who understand their business and with whom they have a long-term relationship. This is the vision of Raphaël Collin, founding partner at the boutique firm Collin Maréchal, who is committed to taking his firm in this direction.

Leaders League. What transformation has the Luxembourg market undergone?

Raphaël Collin. When I started my career 20 years ago at a Magic Circle firm in Luxembourg, the country was already a leader in the banking and fund industry. Over the past twenty years, it has developed authentic professionalism and expertise in all aspects of these sectors while also becoming more operational and business-focused. The world was completely different back then as well as the approach to international activities. Now groups and investors take increasing consideration of business and economic rationales, not forgetting financing, reputation, professionalism, competency and stability, when deciding on the localization of their operations. This is also corroborated by the Luxembourg government's actions that focus on attracting foreign business by offering a concrete competitive business platform rather than on a tax attractiveness basis. Apart from two slight slowdowns in 2001 and 2008, Luxembourg was not as heavily struck by the financial crisis as other countries, so an increasing number of clients have decided to set up their headquarters here: Ferrero now has 1500 employees in Luxembourg, Amazon over 1000, and for instance more companies are sending over their treasury or cash pooling teams.

Actually, Luxembourg has made great efforts in recent years to improve infrastructure and logistics in order to attract and retain fund managers, company top management profiles and their families. In an international “village” like Luxembourg City, you can benefit from the dynamism and high quality work of big cities while enjoying a secure and peaceful life at the same time.

Leaders League. How have clients' needs evolved in the recent years?

R.C. First, clients are nowadays more practical and straight to the point. Instead of a memento of ten pages, they would rather require an analysis that understands their business and offers advice and solutions that address their issues in the best way.

Secondly, as clients are becoming more cost conscious, law firms are faced with more

fierce competition. Today a small efficient team can accomplish a lot of work, so we need to control cost through different ways such as organizational structure and IT.

Lastly, clients expect closer relationships with their advisors, so lawyers also need to be entrepreneurs and go meet clients to understand them, which is a big challenge. That's also one of the reasons why I left Baker & McKenzie to launch my own firm two years ago. At big international firms people are under constant billing pressure, but I prefer to be a true legal partner, get closer to clients, understand the history of their business, management and project, and take time to build long-term relationships with them to give better advice.

Leaders League. How is your firm adapting to changes and what does the future hold for you?

R.C. Clients have changed, so lawyers also have to adapt quickly, to be quick, flexible and entrepreneurial. At Collin Maréchal, all our partners come from big firms, so we want to propose the same quality of work while remaining a boutique firm. Here we work together but can also stay independent depending on the project and case. More and more cases need team work, an M&A deal requires tax and labor advice, for instance. Although a boutique, we already have three partners covering business practices such as tax, labor, litigation, real estate and M&A/corporate finance. We are currently developing new practices starting from October 2016 and are searching for a German lawyer to further complete our offer.

Our ambition is to build a 15-lawyer full service boutique firm in the coming years, covering major business areas. We want to be on the shortlist of clients and take time to build strong relationships with them, understand their history and business and truly take care of them. And we also want work to be a fun experience, because I find lawyers too serious sometimes. Of course you need to make compromises, but it is also important to have a good work-life balance, and working 24/7 is not what we encourage at the firm if it is not really necessary. ♦

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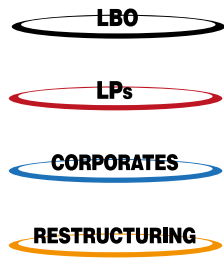
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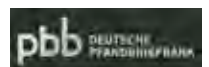
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The Netherlands: Continued growth for the Dutch legal market

THE DUTCH MARKET HAS ATTRACTED MANY INTERNATIONAL LAW FIRMS THANKS IN PART TO THE PRESENCE OF INTERNATIONALLY ORIENTED GROUPS AND A FAVORABLE TAX ENVIRONMENT. ALTHOUGH THE NETHERLANDS REMAINS AN ATTRACTIVE CENTER FOR INTERNATIONAL BUSINESS, LEGAL MARKET ENTRY HAS PROVEN TO BE DIFFICULT FOR FOREIGN FIRMS. IN THE LAST FIVE YEARS, SOME CHANGES TO THE LEGAL MARKET HAVE BEEN MADE TO ACCOMMODATE GLOBAL PARTNERS.

The Netherlands has the twentieth largest economy in the world, which relies heavily on large, internationally oriented financial, industrial and commercial groups such as Shell, Randstad, Heineken, ING and Philips. The country also has a modern and competitive agricultural industry, and significant gas resources. As the world's fifth largest exporter, the Netherlands is dependent on international trade, and the global and European economic financial crises of recent years have had a major impact on its economy. Yet in 2016 the unemployment rate decreased to 6.3%, which is the lowest it has been since November 2012 (Source: *Trading Economics*).

The national growth rate showed positive signs last year in spite of some questions about the potential impact of Russian sanctions on trade. Expectations are even more positive since the Dutch economy is expected to grow by 1.9% in 2017 according to the International Monetary Fund (IMF). The positive outlook is the result of a combination of factors, such as an increased demand for Dutch exports, increased household consumption fore-

casted for 2017, and higher levels of public spending.

A STABLE M&A MARKET

The Dutch M&A market has kept a steady pace. Although the number of deals conducted fell slightly from 562 to 556 from 2014 to 2015, the Netherlands has been keen on engaging in more valuable deals. Indeed, their overall value climbed from 51 billion euros in 2014 to 179 billion euros in 2015. The general trend is that Dutch companies stick with Dutch companies. However, this trend was reversed in 2015, 56% of mergers were led

“LAWYERS ARE FLEXIBLE AND INTERNATIONAL ENOUGH TO DEAL WITH ALL SORTS OF CLIENTS”

by foreign buyers ending, at least for now, the Dutch monopoly (Source: *KPMG*) The M&A market remains strong and lawyers are quite busy at the moment with deals in life sciences and real estate. In December of 2015, AstraZeneca announced that it

would enter strategic transactions with Acerta Pharma, a leading bio-pharmaceutical company based in California. Other notable deals, in the energy sector, include the acquisition of Royal Dutch Shell Plc (Downstream Assets in Australia) by Vitol Holding B.V. and the Abu Dhabi Investment Council. Royal Dutch Shell

were assisted in this deal by Ashurst, Clifford Chance and Herbert Smith Freehills, whereas the bidder was advised by Gilbert + Tobin, Skadden Arps Slate Meagher & Flom. Another energy deal of interest was the acquisition of Petrodelta S.A. (32% Stake) by Petroandina Resources Corporation N.V. The seller was advised by Baker & McKenzie, Baker Botts, Norton Rose Fulbright, and Shearman & Sterling. Cleary Gottlieb Steen & Hamilton advised the bidder.

CONSEQUENCES ON THE LEGAL MARKET

The legal market is transforming itself in line with the need to adapt to the clients' ever-increasing demands. In order to remain competitive, local law firms have no choice but to adapt. As one observer mentioned, either local law firms become “knowledge power law firms”, like De Brauw, or they team up with foreign law firms.

In this context, the market is now populated by a mix of law firms driven to evolve. There are the international players, well-established law firms such as Loyens & Loeff, De Brauw and Houthoff Buruma... and also more and more high-flying boutiques such as Van Campen Liem and Rutgers & Posch, boutiques created respectively in 2012 and 2013. While ►

► the first aims at “becoming one of the best law firms in the Netherlands in corporate and transactional work”, the second keeps distinguishing itself in the market with a refreshing approach to law and innovative initiatives, such as opening a pop-up office by the beach last summer.

Those top quality boutiques pride themselves on being independent and want to remain that way. A strong focus is a notable feature of these firms, wherever their focus may be - Van Campen Liem on transactional work, for example. And if they are not structured with departments, as is very often the case with business law firms, these firms dedicate themselves to high-quality service. In this way they are sometimes qualified as “small versions of big law firms,” providing the same service with more proximity and sometimes lighter fees.

Other recent openings of start-ups include Maverick Advocaten N.V. and Biesheuvel Jansen Advocaten.

Lawyers note that high-level transactions are continuing and, driven by ever more demanding players, related fees remain high. Firms are decreasing costs everyday on ongoing affairs, but are pursuing greater involvement in large transactions.

In this high-stakes environment, the brakes have been put on hiring partners. While firms have not undergone waves of

redundancy, the consolidation phase for practices has been postponed. This may also be the sign of a certain maturity in the marketplace, which has reached a high multi-disciplinary and technical level.

Another tendency of the Dutch legal market, which is spread between Rotterdam, The Hague and Amsterdam, is that many law firms are rallying to Amsterdam, leaving aside their locations beyond of the capital. For example, De Braw left The Hague and has Amsterdam as their only Dutch location. The same is true of Stibbe, which is now only located in Amsterdam.

STILL AN ATTRACTIVE ENVIRONMENT

The Netherlands still remains an attractive country for international trade thanks to the particularly favorable tax regime that it offers to businesses. Structuring of tax is made easy, and lawyers are flexible and international enough to deal with all sorts of clients.

Local law firms such as Loyens & Loeff, NautaDulith, Stibbe, De Brauw and Houthoff Buruma have been able to withstand foreign competition from global firms such as Allen & Overy and Clifford Chance, and together make up the Dutch Magic Circle. Marlous Donders, a researcher at Laurence Simons, paints a vivid picture of the legal market in her country: “Despite the change towards a more international

marketplace over the last couple of years, large parts of the Dutch economy remain very Dutch, with a focus on Dutch laws and regulations and where the Dutch language is still the main way of communication and Dutch lawyers will always be needed.”

While fewer foreign firms have decided to establish themselves in the Netherlands in recent years, it seems some are attracted by the opportunities the country offers. A new wave of international law firms have set up here such as Jones Day, which opened an office in Amsterdam in early 2013, and Osborne Clarke which arrived in 2014. More recently, UK based Harrison Goddard Foote and Integrites both made their Amsterdam debut in 2015. Russian law firm Arkitektura Prava was also able to enter the Dutch market.

In 2015, Amsterdam was named the World’s high-tech start-up capital by media site, TechCrunch. This comes as no surprise as both Netflix and Uber established their European headquarters in the city. Additionally, Amsterdam hosts home-grown start-ups like TomTom and Booking.com that have a global presence. This in part explains the increase of international law firm involvement in the country in the field of intellectual property such as Bird & Bird, DLA Piper and Hogan Lovells. ■



The Basilica of St Nicholas in central Amsterdam

THE MAIN DUTCH FIRMS















The main Dutch law firms are implemented not only in Amsterdam but also in Rotterdam and The Hague.

Firm	Number of lawyers* (global)	Number of Partners (global)	Worldwide Locations
Loyens & Loeff	807	101	Amsterdam, Arnhem, Brussels, Dubai, London, Hong Kong, Luxembourg, New York, Paris, Rotterdam, Singapore, Tokyo, Zurich
Stibbe	391	76	Amsterdam, Brussels, Luxembourg, New York, London, Dubai, Hong Kong
De Braw Blackstone Westbroek	344	62	Amsterdam, Brussels, London, New York, Singapore, Shanghai
NauthaDutilh	323	68	Amsterdam, Brussels, Rotterdam, London, New York, Luxembourg
Houthoff Buruma	280	49	London, New York, Amsterdam, Rotterdam, Brussels
AKD	240	65	Amsterdam, Breda, Rotterdam, Eindhoven, Brussels
Van Doorne	162	37	Amsterdam
Holland van Gijzen	132	16	Eindhoven, Rotterdam, Amsterdam, The Hague, Utrecht, New York, Brussels
CMS Derks Star Busmann	129	51	Amsterdam, Utrecht, Brussels
Nysingh	78	N/A	Zwolle, Apeldoorn, Arnhem
Van Diepen Van der Kroef Advocaten	70	21	Alkmaar, Amsterdam, The Hague, Haarlem, Hoorn, Utrecht
BOEKEL	53	19	Amsterdam, London
Kennedy Van der Laan	14	4	Amsterdam

* number of lawyers includes partners and associates

INTERNATIONAL LAW FIRMS IN THE NETHERLANDS

The Netherlands has witnessed the arrival of various international law firms since the establishment of Baker & McKenzie.

Firm	Origin	Date of Arrival	Number of Lawyers* (Global)	Number of Partners (Global)
DLA Piper		1916	730	270
Baker & McKenzie		1957	1345	408
Clifford Chance		1972	1010	216
Freshfields		1999	990	197
Linklaters		1999	1039	196
Allen & Overy		2001	845	192
Bird & Bird		2001	626	164
Hogan Lovells		2001	748	186
Greenberg & Traurig		2002	143	43
Norton Rose		2007	394	101
Eversheds		2008	753	219
Simmons & Simmons		2010	198	80
Jones Day		2013	365	115
Osborne & Clarke		2014	267	92

Source: The Lawyer

* number of lawyers includes partners and associates



ERIC DE BEST
Partner, **CORP.**

“EARLY ON IN THE GAME WE DETERMINED WHAT THE GROWING SECTORS WERE”

“Boutique firms are coming out of the woodwork all over the Netherlands”

Eric de Best, a partner at CORP, who specializes in M&A and private equity, sheds some light on the Dutch legal market and gives Leaders League a better understanding of what it takes to succeed as a boutique firm in a competitive environment.

Leaders League. How has CORP been able to stand out as a niche firm in the Dutch legal market?

Eric de Best. CORP was born in Amsterdam in 2006. From the beginning, what made us stand out from our competitors was that we were the first niche firm with strong expertise in M&A and private equity. At the time, the move was considered to be both bold and ambitious by other law firms. In my mind, and taking into account our track record, being a pioneer has certainly had its advantages and we have managed to stay ahead of the pack ever since.

Over the last ten years, our client roster has grown and is now made up of domestic and international clients. This is a result of the growing number of companies and private equity investors seeking lawyers with a good understanding of the local market and specificities of Dutch law.

Mid-market clients look for lawyers that deliver on their promise of achieving the best results and that are flexible in terms of fees. In essence, our offer is tailored to each and every one of our clients.

Our growing success rate and recognition explain our decision to dedicate 70% of our work to private equity. Also, our long-time experience in mid-market transactions in the Netherlands greatly explains why clients seek our extensive know-how and regard hiring our lawyers as a no-brainer.

Leaders League. Dutch lawyers seem to stay local rather than expand their offices abroad. Why is that?

E.B. Boutique firms are coming out of the woodwork all over the Netherlands in cities like Amsterdam and Rotterdam. Setting up a main office in Amsterdam made sense for CORP. Other Dutch law firms have applied the same strategy as well. The goal for us is not to swim upstream.

We're strategically located in the country's business center which serves as the epicenter for private equity transactions. Although we have clients coming in from different parts of the country, generally it is never more than a 45

minute drive, hence the trend to consolidate firms.

Leaders League. In what ways have lawyer activities been impacted with the growing number of companies settling to the Netherlands?

E.B. Truthfully, the “new economy” has been growing for a while now in the Netherlands. For this reason, early on in the game we determined what were the growing sectors but most of all, we brought in a well-equipped team of lawyers with across-the-board expertise and experience.

It certainly helps to have a better understanding of the growing tech trends and culture behind such companies in order to better advise our clients in investing in such companies.

Leaders League. What are some of the latest M&A and private equity trends?

E.B. As always, competition for good targets remains fierce. Consequently, holding times are becoming longer, prices are rising and some deals have to be aborted because of the growing disconnect between what sellers are demanding and what purchasers are willing to pay.

This being said, my overall feeling is that at the end of the negotiation process, buyers and sellers are happy with the end result and are able to reach a healthy compromise.

Leaders League. How do you see investment growing in Holland and what makes it so attractive?

E.B. The Netherlands has always been an attractive country to invest in. As a relatively small country, it is dependent on trade. For this reason, the country has opted for an open economy. Holland offers the adequate infrastructure for doing business, a favorable tax regime, high quality service sectors with good language skills and stable industrial relations.

Furthermore, its geographic location allows it to be connected to the rest of the world. As a result, given the size of its population, the Netherlands punches well above its weight compared to what one might expect. ♦

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EXTRACT OF REGULAR SPEAKERS



BRUCE SCHELKOPF
Group Senior Vice President & Chief IP Counsel
 ABB



THOMAS RUSSO
Executive Vice President and General Counsel Legal, Compliance, Regulatory Affairs, and Government Affairs
 AIG



MELISSA SCANLAN
Senior Director, Intellectual Property and Antitrust
 T-MOBILE



DANIEL FEDER
Director, Patent Portfolio Management
 BOEING



MANNY SCHECTER
Chief Patent Counsel
 IBM



STEVE REYNOLDS
Executive Vice President & General Counsel
 ARAMARK



THOMAS SABATINO
EVP & General Counsel
 AETNA

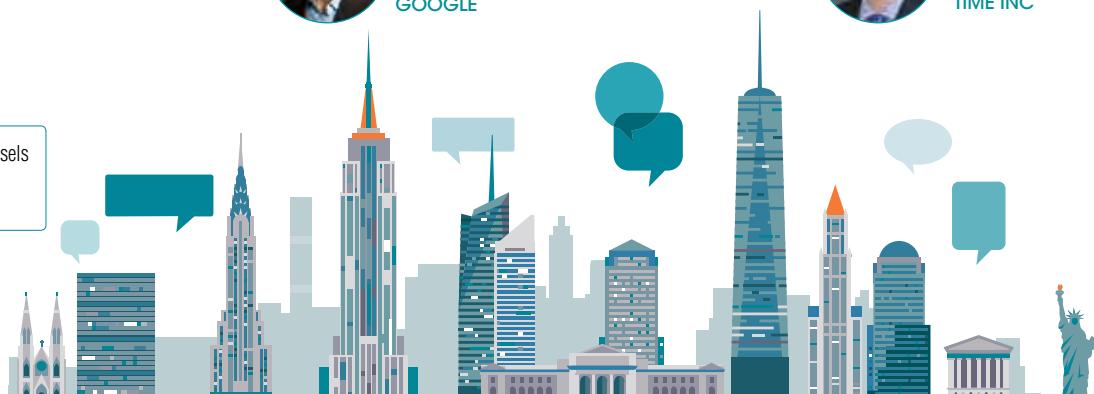


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© Sean Pavone

A typical yellow tram making its way around the streets of Lisbon

Portugal: Firms thriving in spite of economic woes

ALTHOUGH PORTUGAL WAS NOT HIT AS HARD AS ITS NEIGHBOR, THE 2008 GLOBAL FINANCIAL CRISIS UNSURPRISINGLY HAD A SIGNIFICANT EFFECT ON THE COUNTRY'S LEGAL MARKET LEADING TO MANY CHANGES IN ITS LEGISLATION. REGARDLESS, LOCAL FIRMS STILL DOMINATE THE CORPORATE AND M&A SCENE. IN FACT, THEY ARE EXPANDING THEIR REACH TO ATTRACT MORE DOMESTIC AND FOREIGN CLIENTS. PORTUGAL IS AND REMAINS AN EXCELLENT EXAMPLE OF A EUROPEAN COUNTRY THAT HAS BEEN ABLE TO TURN ITS WEAKNESSES INTO STRENGTHS AND SEE A SILVER LINING THROUGH IT ALL.

Located on the west coast of Europe, Portugal has a population of around 10,300,000 inhabitants, according to a mid-2016 estimate, and is home to some 28,850 lawyers of whom 53% are women. The Portuguese legal system is a civil law system, influenced to some extent by Roman law. Investors are advised to base their relationship on international law and plan well in advance of arbitration schemes in order to avoid legal pitfalls.

The legal market is largely-dominated by local law firms, with few international law firms making their way to Portugal. Spain was an early-mover when it came to setting up offices in Portugal. Cuatrecasas, for instance, has been present since 1928. Uría Menéndez, Garrigues and Gómez-Acebo & Pombo followed in their footsteps in the years that followed. This trend can be explained by the fact that Spain is the top export destination, accounting for \$13.4 billion dollars in revenue. (Source: OEC). Linklaters and CMS (known as CMS Rui Pena Arnaut & Associados) are two of the few global firms which were able to penetrate the Portuguese legal market.

Generally speaking however, Portuguese

firms rule the rankings of top-performing law firms operating in Portugal. Such examples include the prestigious full-service law firms PLMJ, Vieira de Almeida and Abreu Advogados. Not only do they cover every area of business law but they also take advantage of their international presence and international desks in Africa and Asia to build on powerful networks.

AN ECONOMY IN TRANSITION

“The continuing transition from an economy in crisis to a growth economy, although still awaiting consolidation, was felt clearly,” as PLMJ's Managing Partner Luís Pais Antunes puts it. Indeed, in May 2014, Portugal successfully exited the European Union bailout program when there was growth of its markets throughout the year and a steady return on foreign investment. The country officially came out of recession following GDP growth increasing from 0.6 in 2013 to 0.9% in 2014. The GDP growth forecast for 2016 is a modest 0.2% (Source: Instituto Nacional de Estatística) despite increased exports and bigger investments, notably in construction and real estate.

The collapse of the third largest bank in Portugal, Banco Espírito Santo (BES), had

an inevitable impact on Portuguese capital markets and the economy. Its downfall led other listed companies and stakeholders like Portugal Telecom to lose money. The collapse of BES both brought turbulence to Portugal's banking system and economy and created opportunities for foreign investors to acquire majority stakes in the assets held by BES.

A ROUGH ECONOMY BOOSTS LAWYER WORKLOAD

In past years, the Portuguese M&A market seemed healthy. PLMJ's Managing Partner for instance points out that *“more than 56 transactions, representing a total turnover of €2.24 billion, occurred in the opening months of 2015. These are clear signs that the market is recovering.”* One of the biggest M&A deals of 2015 was Altice's acquisition of PT Portugal, a telecommunications service provider, for an estimated value of \$7.1 billion. Although the M&A market thrived in 2015, most law firms are now turning to insolvency and restructuring matters to build up their practice. Partners at Vieira de Almeida & Associados saw an increase in transactional activity in Portugal saying that *“assets were put for sale, lots of them had to change*

hands because of the crisis and there was a boost in restructuring and regulatory work.”

Portuguese law firms have immensely profited from the struggling economy leaving many to wonder if there will still be work when the country recovers. Bernardo Abreu Mota, a partner at Campos Ferreira, raises the question as to what lawyers will do after the “clean up” work is complete. The question remains to be answered.

THE GOLDEN VISA PROGRAM

When successfully exiting the European Union bailout program, Portugal promoted themselves to foreign investors through their Golden Visa program. The measure was a success as the 2, 788 visas distributed resulted in approximately €1.53 billion in house sales. Around 80% of buyers were Chinese followed by Lebanese and Russian entrepreneurs.

The fast-track program consists in offering non-EU investors a full-residence permit in Portugal in exchange for a house purchase worth at least €500,000. This program is specifically geared at promoting investment in real estate in the country.

The prospect of applying for this visa, which allows the investor to travel throughout the

European Union, has helped to make Portuguese real estate an appealing investment. However in 2016, the Golden Visa program has been frequently criticized by investors who have bought houses but who experienced delays in visa paperwork. The Portuguese government explained the situation by stressing the need to avoid money laundering and corruption. In spite of this, the program continues to put the housing market back on its feet.

AN INTERNATIONAL NETWORK BUILT ON PORTUGUESE-SPEAKING COUNTRIES

Rogério M. Fernandes Ferreira, founding partner of RFF & Associados underlines the importance of expanding to other countries that share a common language: “We believe that the Portuguese-speaking countries’ markets currently offer one of the most promising opportunities.” Such countries include Brazil in South America and Angola, Cape Verde, Guinea-Bissau and Mozambique in Africa. It is worth noting that some law firms like Sérvulo & Associados consider that the legal market might focus less on certain Portuguese-speaking countries like Angola, which is currently facing an oil crisis.

The reverse is equally true: there is a tendency for investors from Portuguese speaking-countries to take investment interests in Portugal’s companies. The Portuguese government has recently announced that it would sell a 66% share of its national carrier, TAP Air Portugal, to an investor group led by David Neeleman, the founder of Brazil’s third-largest airline, Azul Brazilian Airlines, for an estimated \$400 million. Additionally, several private investors from Brazil have acquired a 30% stake in BRISA, a Portugal-based company engaged in construction, maintenance and operation of highways. ■

KEY FIGURES

Total surface:
92,212 km² (the 111th worldwide)

Portugal’s Population:
10,300,000 (83th country worldwide)

Number of lawyers:
28,850

Women lawyers:
53%

LAW FIRMS IN PORTUGAL

Portuguese firms dominate, leaving little room for international firms to see incentive to be in the country

Firm	Number of partners (Global)	*Number of lawyers (Global)	Offices
CMS	888	3009	Lisbon
Garrigues	285	1263	Lisbon, Oporto
Linklaters	169	1039	Lisbon
Cuatrecasas Gonçalves Pereira	213	856	Lisbon, Porto
Uría Menéndez - Proença de Carvalho	128	555	Lisbon, Porto
Gómez-Acebo & Pombo	59	269	Lisbon
PLMJ, Law Firm	56	199	Lisbon, Oporto, Faro, The Azores
Vieira de Almeida & Associados	37	164	Lisbon, Porto
Morais Leitão, Galvão Teles, Soares da Silva & Associados, RL	52	158	Lisbon, Porto, Funchal
Abreu Advogados	29	127	Lisbon, Oporto, Madeira.
Caiado Guerreiro	9	82	Algarve, Lisbon, Porto
Raposo Bernardo & Associados	7	70	Lisbon
F. Castelo Branco & Associados	10	43	Lisbon, Porto, Faro
ABBC - Azevedo Neves, Benjamim Mendes, Carvalho & Associados Sociedade de Advogados	9	37	Lisbon
Serra Lopes, Cortes Martins & Associados	11	28	Lisbon
Campos Ferreira, Sá Carneiro & Associados	11	24	Lisbon
Macedo Vitorino & Associados	5	21	Lisbon
Pedro Pinto, Bessa Monteiro, Reis, Branco, Alexandre Jardim & Associados - Sociedade de Advogados, RL	12	17	Lisbon
Sérvulo & Associados	13	14	Lisbon
CARDIGOS	4	13	Lisbon
AVM Advogados	6	9	Lisbon, Porto
AAA Advogados	5	9	Lisbon
Alves Pereira, Teixeira de Sousa & Associados	5	8	Lisbon
Carlos Aguiar, Ferreira de Lima & Associados - Sociedade de Advogados, R.L.	4	7	Lisbon
SRS Advogados			Lisbon, Porto, Funchal

*number of lawyers includes partners and associates



LUÍS PAIS ANTUNES
Managing Partner, **PLMJ**

“Behavioural, management and leadership skills are all part of our training programmes”

Leaders League. After one year as Managing Partner, what is your initial assessment and where do you want to take the firm?

Luís Pais Antunes. PLMJ has an almost 50-year history of success and sound leadership. Now is the time to consolidate our position as a full-service, independent law firm with a strong international presence, in particular in Portuguese-speaking countries, while at the same time securing our leading position in the Portuguese market.

For this, we need to focus on being even more efficient and innovative. We still have room to improve our modus operandi by taking advantage of the increasing synergies between our areas of practice and local offices, thereby improving readiness and quality in the most cost-effective way. But we also need to get closer to our actual and potential clients, listen carefully to their needs and provide them with high quality and highly efficient services.

Leaders League. What is it that differentiates your firm from others on the market?

L.P.A. Our goal is to always be one step ahead in the market. This means that we need to have the best people and the best practices, to invest in the best technologies, to get the best students from the universities and to innovate in all fields. But this also means that we must have a better knowledge of the markets and of the clients' needs, as well as solid training programmes.

To cope with the demands of actual and potential clients, we have reinvented our training programmes and place more importance on including behavioural, management and leadership skills, on exchanging/sharing practical experience between lawyers and on customised training aimed at specific groups/individuals.

Leaders League. You are one of the few Portuguese law firms with a very clear international strategy. How do you plan on reinforcing your international implementations?

L.P.A. We have gained considerable experience in advising companies and individuals who choose PLMJ as their privileged partner to set up and develop their businesses in Portugal, and this experience has brought us a better understanding of the challenges facing those wishing to invest abroad. It has also

motivated us to provide better support to our existing and future clients in their internationalisation projects. Multidisciplinary teams of lawyers specialising in different legal systems and with profound knowledge of the local culture are in a better position to provide top quality full-service solutions.

The firm has specialised teams to deal with clients from almost every corner of the world from where our international mandates originate. Just to mention a few, our firm has a China/Macau Desk, an Italian Desk, a French Desk, a German Desk, a UK Desk, a Scandinavian Desk, a Swiss Desk and, more recently, a Benelux Desk. Through PLMJ International Legal Network, our network of joint ventures and desks, clients will be able to keep the same contact lawyer in the country of origin, who will coordinate work with local teams in the various markets.

On top of this, PLMJ remains focused on reinforcing our operations in Africa, in particular, in Angola and Mozambique but will not close the door on other international markets and will continue to take a step-by-step approach. Internationalization already represents more than 20% of our annual income, but there is room to expand our presence abroad.

Leaders League. What are the recent trends in the Portuguese M&A market?

L.P.A. Although there is still some uncertainty on the evolution of the European economy, it is of the utmost importance that conditions are created to boost private investment. Following a period of political instability, it is now expected that the Portuguese market will become again a “point of interest” for investors.

Among the more recent examples of significant M&A deals, one should mention the sale of most of Barclays Bank's business in Portugal to Spanish Bank Bankinter, the acquisition by Atlantic Gateway of a relevant stake in TAP (the country's flag carrier airline), the sale by Efacec Capital of its majority stake in Efacec Power Solution to Winterfell Gestão de Investimentos, as well as the purchase by Grupo Portucel Soporcel of an additional stake in Semapa and the acquisition by Bergé Automoción of a majority stake in Mitsubishi Motors Portugal. ♦



St. Basil's Cathedral, Moscow

Russia: A nation searching for a new direction under western sanctions

BEFORE THE UKRAINIAN CRISIS, INTERNATIONAL LAW FIRMS IN RUSSIA HAD A MARKET FULL OF OPPORTUNITIES, MAINLY DUE TO THE COUNTRY'S ABUNDANT NATURAL RESOURCES. HOWEVER, RUSSIA'S ECONOMIC STRUCTURE HAS FACED DRASTIC TRANSFORMATIONS EVER SINCE WESTERN SANCTIONS WERE IMPOSED IN 2014. NEVERTHELESS, PLAYERS IN RUSSIA ARE MANAGING TO SECURE THEIR ADVANTAGES BY DIVERSIFYING THEIR PORTFOLIOS.

Today Russia has around 75,000 registered lawyers. They graduated from close to 1000 law schools, in comparison to the 52 law schools of the Soviet period. This shows the growing prospectus and ambition for this field and its future. Due in particular to its longstanding complex geopolitical situation and the western sanctions in place since 2014, Russia is going through a crucial phase. The Government has been putting efforts into reforms and enacting regulations in order to safeguard private commerce and ensure the protection of human and civil rights, while maintaining Russia's interests and image on the international scene. According to the World Bank, the Russian recovery is struggling. The country's growth rate stands at -1.2% compared to -2.7% in 2015, thanks to the price of oil. Russia's GDP is predicted to rise to 0.7% in 2016, a significant improvement compared to -2.5% last year.

“INVESTORS FROM SANCTION-FREE COUNTRIES, NOTABLY SINGAPORE AND CHINA, ARE KEEN TO FILL THE GAP CAUSED BY WESTERN SANCTIONS”

TURBULENT TIMES FOR INTERNATIONAL LAW FIRMS

For a long time now, energy has been one of the prime components in the Russian economy. As sanctions have raised the cost of using and borrowing technology for complex oil projects, energy corporations in Russia such as Transneft, Novatek and Rosneft have been badly hit. The imposed

limits have caused higher interest rates, descending oil prices and the currency crisis, profoundly impacting the confidence of investors when looking at Russian capital. As a result, international law firms in Russia, which were designed for an economic structure dominated by giant corporations with

constant global interactions, were profoundly impacted by the consequences. Although there is a continued need for legal services for foreign clients who have assets and investments in Russia, there are a number of international firms considering altering the structure of their firms to adapt to the changing status quo.

Since the Government is currently conducting a reform of the legal profession that would allow only the members of the local bar (advocates) to practice law, the regulation places international lawyers at a serious disadvantage. These advocates only account for a small portion of legal practitioners in Russia, and only they can represent clients during criminal trials. The upcoming reform could favor Russian domestic law firms staffed with registered advocates and decrease the potential profitability of international law firms in Russia. Thus, staff downsizing is becoming the norm, just like at Clifford Chance Moscow, where 10 staff members, including five lawyers, were laid off.

DIVERSIFICATION IN RESPONSE TO OBSTACLES?

Despite the obstacles, there are still opportunities. Sanctions have had upsides for international corporate lawyers in Russia, they spend a lot of time and effort to secure their clients' interests and to ensure that business functions normally with foreign partners despite the sanctions. Furthermore, having expertise in working with and around sanctions has given ►

► firms added value. “While conducting due diligence or working on structuring a deal, we must now seek input from our dispute resolution colleagues who have expertise in sanctions to make sure the target company is compliant, or a particular corporate structure of the deal will not raise any sanctions and liabilities issues,” according to Oxana Balayan, the Managing Partner of Hogan Lovells in Moscow.

Another impact sanctions have brought to the legal market is the shift of core services to Asia. Investors from sanction-free countries notably Singapore and China are keen to fill the capital gap caused by sanctions, while Russian investors are looking at those countries as substitute markets for investment. Although the 2015 KPMG analysis shows that M&A activity in Russia fell by 29%, transaction volume fell by 19% and average deal size shrank by 11%, foreign direct investment from China did had increased proportionally since the sanctions, according to The Central Bank of the Russian Federation.

The increase in Asia-focused activities also benefits the legal market since Singapore has become, alongside London, a go-to arbitration destination for Russian corporations. To further improve the quality of Russian arbitration the government there has made

an amendment effective September 2016 seeking to make Russia a more favorable place for arbitration. Some still consider the Russian arbitration system impractical since the latest amendment only allows corporate disputes to be settled via institutional arbitration instead of ad-hoc arbitration. Yet the modification does address some current problems in Russian law. For example, one of the main reasons for the modification of Federal Law No. 382-FZ on Arbitration (arbitral proceedings) is to prohibit the reoccurrence of so-called “pocket arbitrations”. Pocket arbitrations happen when one of the parties created the arbitral institution and therefore lacks independence and impartiality. For example, some Russian corporations in energy industry such as Sberbank and Gazprom have their own arbitral institutions and prefer to resolve disputes through them.

REGULATION FOR INTERNATIONAL TAXATION

2015 was a year during which a series of new laws and amendments were passed. Effective January 2015, a new law was passed amending the Russian Tax Code in relation to taxation of foreign controlled companies and profits of organizations and Russian citizens living abroad. After Russia’s ratification on the OECD Convention on Mutual Administra-

tive Assistance in Tax matters, an agreement to provide the 85 signatory states (including offshore jurisdictions) with tax information on residents went into effect for Russian tax residents, ensuring that there is accurate implementation in resolving profit shifting and tax base erosion problems. On the one hand, transparency is a good goal for any government looking to maximize and restore a country’s well-being, on the other hand, the international taxation for deoffshorization, together with the horizontal monitoring system, is a disadvantage for keeping business owners’ interests and safeguarding internal commercial confidentiality.

One of the challenges these new regulations for deoffshorization may bring is that tax authorities may have the ability to use practical consideration to override the law, which may bring about more tax disputes by tax lawyers (Source: Simmons & Simmons and the British Russian Law Association). Additionally, since tax authorities are learning fast, they will have the tools to prove what they need, creating less enthusiasm for Russia’s business entities in the future.

All in all, despite the difficulties of operating under US-EU sanctions, Russia’s legal market is getting back on track by developing brand-new opportunities. ■

LOCAL LAW FIRMS IN RUSSIA









































Although there are many law firms that work with international clientele, Russian law firms rarely open offices internationally

Firm	Number of Lawyers in Russia*	Number of Partners in Russia	Offices in Russia
Egorov, Puginsky, Afanasiev & Partners	155	22	Moscow, St. Petersburg
Pepeliaev Group	160	21	Moscow, St. Petersburg, Krasnoyarsk, Vladivostok, Yuzhno-Sakhalinsk
Vegas Lex	100	7	Moscow, Volgograd, Krasnodar
Alrud Law Firm	80	7	Moscow
FBK Legal	70	6	Moscow
Andrey Gorodissky & Partners	23	14	Moscow
Liniya Prava	40	7	Moscow
Monastyrsky, Zyuba, Stepanov & Partners (MZS)	34	8	Moscow
YUST	31	15	Moscow
Kachkin & Partners	25	3	St. Petersburg
Nektorov, Saveliev and Partners	20	5	Moscow
KIAP	30	10	Moscow
Lidings	17	7	Moscow
Muranov, Chernyakov & Partners	14	6	Moscow
BBH Legal	13	3	Moscow
Capital Legal Services	13	4	Moscow, St. Petersburg
Lemchik Krupskiy & Partners	7	2	Moscow, Kaliningrad
RULF LLC	6	3	Moscow

* Lawyers include partners, all counsels and associates

INTERNATIONAL LAW FIRMS IN RUSSIA

A few international firms introduced and maintained their presence in Russia during the USSR (1922-1991). However, many others have set up in Russia since.

Firm	Origin	Opening in Russia	Number of lawyers in Russia*
Akin Gump Strauss Hauer & Feld		1994	30
Allen & Overy		1991	20
AstapovLawyers International Law Group		2008	8
Baker & McKenzie		1989	37
Baker Botts		1993	19
Borenus		2013	20
Brandi Parters		2014	9
Chadbourne & Parke		1990	12
Cleary Gottlieb Steen & Hamilton		1991	19
Clifford Chance		1991	46
CMS		1992	16
Debevoise & Plimpton		1992	24
Dechert		2009	12
Dentons	 	1991	63
DLA Piper	 	2005	58
Freshfields Bruckhaus Deringer		1992	54
Gide Loyrette Nouel		1993	8
Goettsblat BLP		2009	84
GRATA Law Firm		1992	5
Herbert Smith Freehills		1999	48
Hogan Lovells	 	1994	39
Jones Day		2004	11
Kennedys		2015	2
King & Spalding		2011	16
Latham & Watkins		1992	15
Linklaters		1991	59
Magnusson		1994	8
Mannheimer Swartling		1990	5
Morgan Lewis		2012	33
Noerr		1994	26
Norton Rose Fulbright		1991	34
Orrick		2005	10
Skadden, Arps, Slate, Meagher & Flom		1992	10
Squire Sanders		1995	18
White & Case	 	1991	53
Winston & Strawn		2005	4

*Number of lawyers includes partners, associates and counsels
Data gathered July 2016 by interviews or from firms' websites

“More Russian lawyers are leaving international law firms to join local firms”



ALEXANDER EGORUSKIN
Partner, **ANTITRUST ADVISORY**



EVGENY KHOKHLOV
Partner, **ANTITRUST ADVISORY**



IGOR PANSHENSKY
Partner, **ANTITRUST ADVISORY**

Leaders League. How do you see the Russian legal market in the next couple years following these major changes?

Alexander Egoruskin, Evgeny Khokhlov and Igor Panshensky. In addition to the many changes on the international scene, there are also certain factors driving domestic changes. Currently, there is a strong trend towards reforming the legal profession itself. Clients, especially local companies, have become more sophisticated, while their legal budgets have in some cases been reduced due to the economic crisis, sanctions, etc. All of that has resulted in more Russian lawyers leaving international law firms and joining existing or establishing new local law firms. The market has already become very competitive, and we feel that the only way to survive and thrive in it is to apply the best quality and ethical standards, those of the major US and European law firms, and provide more business-oriented advice to clients.

Leaders League. What are Antitrust Advisory’s advantages as a boutique firm in one of the biggest emerging countries in the world?

A.E., E.K. and I.P. At this time we are celebrating our fourth anniversary. All the partners and most of our associates worked for international law firms with first-rate global antitrust practices before joining our firm.

At the start, we had certain doubts as to whether some of our historic clients, primarily large international corporations, would be ready to switch to a relatively small local startup. However, those doubts have proven to be unjustified. Not only were we able to keep our longstanding clients, but we have also significantly expanded our client base, which was facilitated by our ability to keep legal conflicts, which are unavoidable in large international firms, to a minimum. We are a specialized firm which gives us many benefits. Competition law is what we have been doing for many years. Our primary focus on one area of legal practice is instrumental in addressing clients’ needs quickly and efficiently. Moreover, such a format gives new possibilities of working with

a wider range of clients, including other law firms. Neither before nor after establishing our firm, did we doubt that the specialized firm format was best for practicing competition law in Russia.

Leaders League. Can you tell us what changes have occurred in competition practice in Russia in the restricted market following western sanctions, and how are you going to alter your competence to assist your clients?

A.E., E.K. and I.P. We cannot say that sanctions have significantly affected our practice. The Russian Federal Antimonopoly Service (“FAS”), the Russian competition agency, consistently demonstrated no bias in the application of competition rules to companies from the countries that introduced sanctions against Russia. Many foreign corporations continued doing business in Russia. Given our specialty, we do not provide advice on sanctions and trade law restrictions, however, we have advised a couple of clients on potential antitrust risks related to their compliance with sanctions. We see that many foreign companies have started taking antitrust risks in Russia more seriously, but we feel that this is primarily because of FAS becoming a more sophisticated competition authority rather than sanctions.

“THERE’S A STRONG TREND TOWARDS REFORMING THE LEGAL PROFESSION ITSELF”

Leaders League. Once London cannot clear euro-denominated trades due to the Brexit, do you think Moscow will be in a position to take a share of this business?

A.E., E.K. and I.P. We do not consider ourselves to be experts in financial matters, but from where we stand we must regretfully admit that Moscow has a long way to go before it becomes a credible and reliable financial centre. In the past the authorities have had a project to develop a world class financial centre in Moscow, but it appears that it is not a top priority for the government at the moment. Having said that, it is widely accepted that Russian companies and assets are significantly undervalued. Some foreign investors even argue that it is a good time to invest in Russia. ♦



NIKITA KOUZNETSOV
Partner, **KAMS**



TEIMOUR AGAEV
Partner, **KAMS**

“Legislators are attempting to reconcile the need to encourage investors with the need to bridge shortfalls resulting from the slump”

Leaders League. The western sanctions have been extended. How does this affect your firm’s activity? What trends have you noticed on the market?

Nikita Kouznetsov. In this uncertain environment, our European clients are faced with a difficult decision – either withdraw their investment with the least possible damage, or consolidate their activities in order to fill the niches that are freeing up, and take off from a position of strength once the situation improves. We advise clients who decide to reduce their activity to have a detailed outline of the various stages of liquidation of their Russian assets – their final margin is contingent upon it. In contrast, we also assist those who see the current environment as an opportunity. This includes supporting them as they restructure their activity, so as to reduce costs and cope with the crisis.

Leaders League. How are Russian legislators attempting to mitigate the negative effects of this crisis?

Teimour Agaev. Russian legislators are attempting to simultaneously reconcile the need to encourage local and foreign investors to produce locally with the need to bridge the state’s budget shortfall that resulted from the market slump; this likely explains the intense legislative activity in practically every sphere.

Leaders League. Which Russian legislative changes in 2015 do you consider to be the most important?

N. K. One could cite the federal law on public-private partnerships that was passed in July and took effect on January 1, 2016. The legislature aims to promote private participation in large infrastructure projects, whose completion must be accelerated due to the approaching 2018 World Cup. If the private partner invests the majority of funds, he assumes ownership upon completion of the final project. One

could also mention the law that took effect in September 2015; it is a cause for concern among our international clients, as it requires entities to identify the personal data of Russian citizens on national territory. Finally, let us note the ongoing reform of the civil code, with the adoption of a number of significant changes.

Leaders League. Could you tell us more about the reform of the civil code?

T. A. It affects civil law in its entirety. In terms of securities, independent guarantees which can be granted by any commercial entity, these will henceforth be added to existing bank guarantees. With regard to contract law, creditors have been given the right to modify the order of debt payments and their proportions. Contract typology has been extended and clarified with the introduction of rules about framework contracts, contract promises (options), as well as subscription contracts.

There are new rules which clarify the role of the parties’ declarations to a contract on the determining factors and strengthen the guarantees for victims of false declarations. The civil code now specifies the calculation of the damage to creditors who have been the victim of breach

of contract or poor contract performance. They also introduced the possibility of providing for a penalty clause in professional contracts, which has the possibility of being activated even in the absence of a breach of contract.

Leaders League. Are you expanding into other markets?

Olga Melnyk. Our firm has cultivated a close partnership with Ukrainian law firms. The agreement between the European Union and Ukraine as well as the privatization program promote an expansion of the activity in the region, and consequently, our associates are assisting investors who are interested in this market. ♦

“THERE IS AN INTENSE LEGISLATIVE ACTIVITY IN PRACTICALLY EVERY SPHERE”



© Shchiptkova Elena

The Gran Vía, Madrid

Spain: A legal market historically centred on local giants

SPAIN IS THE BIRTHPLACE OF ONE OF THE OLDEST LEGAL MARKETS IN EUROPE. ALTHOUGH THE COUNTRY HAS EXPERIENCED ITS FAIR SHARE OF FINANCIAL STRUGGLES IN RECENT YEARS, LOCAL FIRMS CONTINUE TO ATTRACT RECOGNITION FROM INTERNATIONAL INVESTORS. WITH SPANISH COMPANIES EXPANDING THEIR OPERATIONS IN OTHER COUNTRIES, THE LEGAL MARKET HAS WELCOMED A GROWING NUMBER OF INTERNATIONAL OFFICES.

A REGIONAL ECONOMY

Much like Germany, Spain is a decentralized state. It is important to bear in mind the existence of autonomous communities in order to understand the framework of the country's economy and, therefore its local legal market. While Madrid is undeniably the seat of political and financial power – all the banks are headquartered in the capital – the regions have developed their own local economy, thanks to their independence in terms of legal and tax legislation. For law firms it is therefore essential to be present in the different provinces and to develop a full-service offer in order to assist their clients. Garrigues, the number one Spanish firm, has, for example, 26 offices spread throughout the country, with many specialized professionals in-house. As a general rule, most of the lawyers are based in the Madrid area, followed by Barcelona, Valencia, Seville and Malaga. Most of the British and American law firms are located in the capital and some, such as Baker & McKenzie, Clifford Chance and Allen & Overy also have offices in Barcelona. Some even have offices in Alicante, which is home of the OHIM, the EU office that registers trademarks and designs. With

its team of renowned intellectual property lawyers, Hogan Lovells has recently opened an office in Alicante.

THE INDEPENDENT FIRMS: A GLOBAL STRATEGY

In 2016, the Spanish law market is still dominated by three independent local law firms: Garrigues – the local giant with its 2000 lawyers – Cuatrecasas Gonçalves Pereira and the prestigious Uría Menéndez. Strong Spanish roots and significant international presence are key elements that shape the identity of these three firms, internationally recognized as leaders in the market. The trio has expanded their presence in North Africa, South America, and even Asia to keep up with local companies' plans to expand their activities around the world like Telefónica, Repsol and Ferrovial. Considering the geographic proximity to Portugal and Morocco, it comes as no surprise that firms have knitted close partnerships abroad. Aziz El Atiaoui, director of the Moroccan Investment Deve-

lopment Agency, assures that "more than 800 Spanish companies in Morocco have been a big success" consequently increasing cross-border transactional work for Spanish lawyers. The same could be said for law firms enlarging their presence in South America in order to accompany investors in countries such as Mexico and Peru. This was for example Garrigues' strategy when they merged with Chilean firm Avendaño y Merino Abogados in 2016. As for the

"IN 2016, M&A IN THE ENERGY, TELECOMS AND REAL ESTATE SECTORS WILL BECOME INCREASINGLY HIGHER"

Asian continent, Cuatrecasas made an original move by opening an office in Shanghai. Finally, like in past years, Spanish law firms like Cuatrecasas and Perez-Llorca have demonstrated their commitment to the banking sector by boosting their corporate practices in Paris, London

and New York.

Alongside this trio, the leading market players include other domestic firms such as Gomez-Acebo & Pombo Abogados, Perez Llorca and Ramon y Cajal Abogados, Roca Junyent and Cremades & Calvo-Sotelo, all with around 100 lawyers, respec-

tively. Despite the dominant position of the domestic firms, Anglo-Saxon competitors have been in Spain since the 1990s.

AN ATTRACTIVE MARKET FOR INTERNATIONAL FIRMS

Foreign law firms remain interested in the Spanish legal market. The 1990s and early 2000s saw a big influx of legal players from abroad filling the gap in their European coverage. And despite the economic slowdown in recent years no major firms have closed their Spanish offices so far (although for some downsizing has been inevitable). Spain continues to be an attractive legal market. The importance of the Spanish economy is significant for Anglo-Saxon practices. Some of their customers are of Spanish origin while others are investing in the region. Britain's Watson Farley & Williams were drawn to Spain by the importance of Madrid in the field of renewable energies and infrastructures. 2013 saw the arrival of two new international firms in Spain: American firm White & Case and British firm Clyde & Co, who set up shop in Madrid with a team of 18 lawyers specialized in insurance and complex litigation matters. There is a saying that Anglo-Saxon law firms only open in new locations when they are guaranteed success and most important of all major profits. This

goes to show that the Spanish legal market remains attractive today. Spanish-speaking countries are also attracted to Spain's legal market. Bello Gallardo Bonequi & Garcia (BCBG) became a pioneer by opening up one of the very first Mexican establishments in Europe. Héctor Guzmán who is the Managing Partner of the Madrid office has extensive knowledge of both Mexican and Spanish law. Miguel Gallardo Guerra, a lawyer at the firm acknowledged that with these means at their disposal, they will be able to get more Spanish clients as opposed to relying on Spanish outsourcing while at the same time being in a better position to help Mexican investors seeking to invest in Spain and Spanish investors investing in Mexico.

A MARKET ON THE MOVE

There has been a lot of movement between firms with numerous instances of key partners crossing to rival offices. Most notably, perhaps, two co-founders of Ramón y Cajal (Alberto Alonso Ureba and Francisco Bauzá) left for Baker & McKenzie along with 20 other lawyers, five of whom were partners. In another development Allen & Overy has launched its Barcelona office hiring the corporate private equity partner Antoni Valverde from Freshfields. In terms

of mergers the Catalan firms Iuris Valls y Fornesa and Prada y Fernández also decided to merge, founding Formesa; a boutique aimed at providing legal solutions on corporate, tax, labor and litigation and arbitration matters.

GAINING MOMENTUM

Very low interest rates, new access to credit, liquidity accumulated during the last few years, and a positive economic outlook are making it possible for Spanish companies to not only be targets but also bidders carrying out acquisitions both in Spain or abroad. Private equity houses are investing again, and an increase in M&A activity is expected. With less restructuring and insolvency work and more M&A transactions in different sectors such as real estate, industrial and infrastructure, after some complicated years the tide has turned for Spanish law firms. During the Spanish M&A and private equity forum held on May 24th, 2016 in Madrid, Javier Villasante (Cuatrecasas) stated that in 2016, M&As would become increasingly frequent in the energy, telecommunications and real estate sectors. Some examples include supermarket chain Dia which bought El Arbol and the English telecommunications giant Vodafone which acquired Spanish cable operator Ono. ■

THE MAIN INDEPENDENT LAW FIRMS IN SPAIN

Local largest firms ranked by total lawyers

Firm	Number of lawyers*	Number of partners (Global)	Year created	Offices
Garrigues	1263	285	1941	La Coruna, Alicante, Barcelona, Bilbao, Burgos, Caceres, Granada, Las Palmas de Gran Canaria, Leon, Logrono, Malaga, Murcia, Oviedo, Palma de Mallorca, Pamplona, San Sebastián, Santa Cruz de Tenerife, Sevilla, Toledo, Valencia, Valladolid, Vigo, Vitoria and Zaragoza.
Cuatrecasas, Goncalves Pereira	856	213	1917	Alicante, Barcelona, Bilbao, Girona, lleida, Malaga, Madrid, Palma de Majorca, San Sebastian, Seville, Valencia, Vigo, Vitoria, Zaragoza
Uria Menendez	555	128	1940	Barcelona, Bilbao, Madrid, Valencia
Gomez-Acebo & Pombo	229	59	1971	Barcelona, Bilbao, Madrid, Malaga, Valencia, Vigo
Broseta Abogados	94	14	1975	Madrid, Valencia
Roca Junyent	72	54	1996	Barcelona, Madrid, Girona, Lleida, Palma de Majorca
Cremades & Calvo Sotelo	66	25	1994	Malaga, Madrid, Barcelona, Granada, Marbella, Palma de Mallorca, Pamplona
Ramon y Cajal Abogados	52	32	1865	Madrid, Barcelona, Pamplona
Lener	43	17	1982	Madrid, Barcelona, Vigo, Valladolid, Oviedo, Sevilla
Elzaburu	41	27	1865	Madrid, Alicante, Valencia
CMS Albinanán & Suarez de Lezo	32	18	1927	Madrid, Barcelona, Sevilla
Ventura, Garcés & Lopez-Ibor	29	14	1952	Madrid, Barcelona
Rousaud Costas Duran	28	28	2003	Madrid, Barcelona
Pérez-Llorca	150	29	1983	Madrid, Barcelona

*Number of lawyers includes partners and associates



IGNASI COSTAS
Partner, **ROUSAUD COSTAS DURAN**

“OUR MAIN ATTRACTION FOR NEW TALENT IS TO BE PART OF ONE OF THE MOST EXCITING AND FAST-GROWING PROJECTS IN THE SPANISH LEGAL MARKET”

“Our professionals are our greatest asset”

Leaders League. What is your positioning in the Spanish market?

Ignasi Costas. RCD is a leading independent, dynamic and innovative law firm and a reference for providing comprehensive legal advice. The people-oriented firm is known for its technical capacity, whose professionals have a passion for what they do and believe in team spirit. Thanks to our high level of technical and business knowledge, only 13 years after our foundation we are among the top 15 Spanish law firms, and are the fastest growing firm in recent years. We are currently one of the most active Spanish firms: In the first quarter of 2016, RCD was ranked in the top three by Bloomberg in transaction volume in the Iberian market and throughout 2015 was; among the top firms in TTR's ranking of most active legal advisors by number of transactions; lead the private equity and venture capital ranking; and ranked second in M&A. Our development and consolidation has been possible thanks to a team of over 200 professionals, led by 28 partners. Our professionals are our greatest asset; our experienced team consists of internationally-focused professionals, most of whom have strong global backgrounds.

Leaders League. How has the firm evolved over the years?

I.C. Our activity began in 2003 with three partners and 10 professionals, all committed to a distinctive philosophy. We were born to innovate in a sector that traditionally has been conservative and rigid; our vision was to offer our clients a different legal assessment based on proximity, proactivity and flexibility. RCD was one of the first firms to offer legal advice to entrepreneurs and innovative projects, and we continue to maintain a strong, dedicated commitment to this sector. Since our foundation, we have offered a specialized and high-quality assessment in Corporate and Commercial, Litigation, Innovation & Entrepreneurship and Tax. Thanks to our internal growth and the incorporation of leading professionals in the main areas of practice, we have become a point of reference for comprehensive legal advice.

Leaders League. Describe your client base.

I.C. A diverse profile of companies and institutions rely on our services. We advise organizations of different types and sizes, both domestic and international, including multinational companies, SMEs, startups and family businesses, as well as public entities and individuals. Thanks to our extensive legal and business knowledge,

we cover 20 legal practices and offer each client a tailor-made optimal legal solution. We customize our advice depending on the needs of each client and matter. We are organized in legal practice areas which are led by experts in each field, who collaborate between each other using an agile and multi-disciplinary approach.

Leaders League. What are the firm's forthcoming projects?

I.C. We advise many clients on their internationalization processes as well as foreign companies on their investments in Spain. We advise on foreign investments, for instance, in the technology, real estate and sports industry, where there is a trend of increasing M&A. We deal with foreign companies and investors from Germany, France, China and USA, among other countries.

Leaders League. How do you attract talent?

I.C. Our main attraction for new talent is to be part of one of the most exciting and fastest-growing projects in the Spanish legal market. In 2015 we were the number ten law firm in Spain in terms of hiring, with a 23% of our staff newcomers. Being able to work on challenging matters and to have close contact with the partners and clients are appealing factors for those considering joining RCD, be they new graduates or experienced lawyers. We offer the chance to be part of a competitive and innovative law firm where they can begin and consolidate a long career. They are also attracted by the possibility of promotion, which is truly meritocratic. Proof of this is the fact that former interns have become partners. If you are ambitious and exert yourself, you have a career at RCD.

Leaders League. What tips would you give those wanting to enter the Spanish market?

I.C. It is important for them to understand the Spanish startup ecosystem, but what they will need the most is someone to be close to them and meet their needs, especially when taking their first steps. As a pioneer law firm assessing startups and entrepreneurs, we offer comprehensive legal advice: from the initial phase of analysis and founding of the company, through the negotiations with investors, right up to the moment they face IPOs and internationalization. Our assessment is aimed at defining and ensuring key aspects for the legal and economic viability of companies so that they can grow and attract public or private investment, ensuring compliance and both legal and economic security. ♦



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The city of Geneva with Lake Geneva in the background

Switzerland: Stable against the winds of change

TIMES ARE CHANGING FOR THE BANKING PARADISE THAT SERVED AS A SAFE HAVEN FOR PRIVATE CLIENTS THROUGHOUT ITS HISTORY. WHILE INTERNATIONAL AND DOMESTIC FIRMS COMPETE FOR RECOGNITION, AN UPCOMING IMPORTANT TAX REFORM AND A DYNAMIC M&A MARKET ARE CHANGING THE LANDSCAPE.

Known for its prosperous and modern market economy with a low rate of unemployment and a per capita GDP among the highest in the world, one would be surprised to learn that change is in the air for Switzerland's financial paradise. Recognition of its banks and international clientele has made Switzerland an attractive location for international law firms seeking to counsel international corporations. With major legal hubs in Zurich and Geneva, firms have split between these two cities, as each city is specialized in different sectors. Zurich is home to the principal stock exchange and the leading banks as well as capital market lawyers. While Geneva, the country's largest city, is known for international organizations and the large presence of international arbitration lawyers. Combined with a desire to establish and grow in Switzerland, international law firms continue to compete against well-

“THE LOCAL LAW FIRMS ARE AWARE THEY NEED TO TEAM UP TO FIGHT THE EVER-INCREASING COMPETITION FROM INTERNATIONAL FIRMS”

established domestic firms like Lenz & Staehelin, Homburger and Bär & Karrer. Added to this, as international pressure builds to disclose information about the accounts of private clients, changes related to tax transparency will affect the inflow of assets, in turn affecting lawyers and the longstanding relationships they have with Swiss banks.

THE END OF BANKING SECRECY

For a country like Switzerland, which is known to be one of the most developed banking centers around the world, the end of banking secrecy will be a step into the unknown. In 2013 the Swiss parliament approved a law known as FATCA, which requires Swiss banks to cooperate with the United States tax authorities, while this year the EU signed a deal with Switzerland signifying that from the year 2018 no EU resident will be allowed to hide undeclared income. As a result, this transparency has increased the work-

flow of litigation and tax lawyers, with increased advice to law firms coming from auditors and forensic accountants. Already, banks have experienced challenges with a rising rate of outflow activity on assets and low return on equity. Some Swiss bank account holders are choosing to either repatriate or move their assets elsewhere. According to a study conducted by KPMG and the University of St. Gallen in 2013, 59 out of the 94 banks analyzed reported that they either stabilized their poor performance levels or they continued ►

KEY FIGURES

GDP (2016):
\$60,491 per capita

Inflation 2015:
-0.1%

Population:
8.1 million

Life Expectancy at birth:
82.9 years

Unemployment Rate (August 2016):
4.5 % of labor force (2015: 3.1%)

► to decline. In terms of International Market volume (IMV), Hong Kong ranked highest with an increase of 47% from the period 2012-2014 while Switzerland increased only by 2% of their IMV (source: *Deloitte Wealth Management Ranking of 2015*). Banking lawyers were long forecasting that the decline in the performance of Swiss banks would compel a number of them to change their business strategies, and increase their M&A activity via ‘asset deals’ but the recent Brexit might reshuffle the cards.

INTERNATIONAL FIRMS & LOCAL MERGERS

Beginning in the 1980s, many international firms began to establish themselves in Switzerland. Today, the main areas of practice for the firms are arbitration, international trade and private-client business, investment management and tax. However, the very specialized international firms tend to become general practitioners after a few years on the market and this is especially true for Geneva.

2016 witnessed the arrival of Anglo-Saxon law firms, both in Geneva and Zurich, with Curtis Mallet-Prevost, Curt & Mosle and Quinn Emanuel, respectively.

Nevertheless, the experience of international firms in Switzerland has sometimes been difficult as it is the Swiss firms that influence how they operate and grow. Consequently after 22 years Winston & Strawn closed their office in Geneva in September 2015. Although Swiss firms do work closely with a number of British, American and German firms, it is difficult for an international firm to grow bigger than its local counterparts. Daniel Daeniker, Managing Partner of Homburger added that “in addition to receiving continuous training to broaden their expertise, Swiss lawyers also have the advantage of being fluent in several languages.”

Local law firms in Switzerland, however, are increasingly feeling competition from international firms as they advise their clients to avoid legal counsel from Swiss firms for cross-border transactions. Claiming Swiss firms tend to have little presence in the international market, they recommend that contracts be governed by British or American law firms instead. Unsurprisingly, local law firms

have responded to this situation: there have been quite a few mergers recently, notably between firms in French and German speaking Switzerland. The most emblematic examples being the merger of Kellerhals and Carrard in 2015, as well as the arrival of WalderWyss in Geneva, which resulted in the realignment of part of the Froriep teams. Today, local law firms are aware they need to team up to fight the ever increasing competition from international firms.

Another reaction by Swiss law firms is to have extra specialization, with the opening of new boutique firms, such as Akikol Béguin or Oberson Abels.

Last but not least, some local law firms are also rethinking their geographic coverage and expanding internationally, such as the recent arrival of Python in Tehran, “the first Swiss law firm to ever cover this market,” as Pierre-Yves Gunter, Managing Partner of Python puts it.

In other words, in this news landscape, local law firms are faced with an important positioning choice to make without further delay.

But competition from international firms essentially leaves Swiss lawyers outside of the loop for international commercial arbitration, although some law firms, such as Schellenber Wittmer, which was successful in its Geneva/Zurich merger, has a very good reputation in this sector. And as Pierre-Yves Gunter points out “international arbitration remains a very *intuitu personae practice*.”

ARBITRATION AND LITIGATION

Whether it is litigation or arbitration, most lawyers in Switzerland who practice in these areas are familiar with and have experience of both. In Geneva however, the specialty is arbitration as the setting and neutrality make it an attractive location. There are several factors that put Geneva ahead of any other destination, Zurich included: these include the presence of many international institutions and organizations, the freedom to retain counsel of your choice, the compatibility of its rules on arbitration with other institutions (i.e. LCIA, the ICC, the ICDR, UNCITRAL)

and the power of arbitral tribunals to issue measures of protection. Aside from Schellenber Wittmer, Geneva is home to Bär & Karrer, Lalive, Lenz & Staehelin and Python all of whom have outstanding reputations for arbitration and dispute resolution.

According to the Swiss Chambers’ Arbitration Institution, this year, 104 cases were submitted for arbitration procedures, of which, 23% were from Switzerland while 51% originated in Western Europe indicating the popularity of choosing Switzerland as a main location for arbitration in dispute resolution. However of

those cases, 71% of the arbitrators were Swiss nationals and only a minority were from foreign countries, which goes to show the competition that international lawyers and/or law firms must face against Swiss lawyers and firms of longstanding repute.

“WHETHER IT IS LITIGATION OR ARBITRATION, MOST LAWYERS IN SWITZERLAND WHO PRACTICE IN THESE AREAS ARE FAMILIAR WITH AND HAVE EXPERIENCE OF BOTH”

A DYNAMIC M&A MARKET WITH TAX REFORM TO COME

The last few years have witnessed important M&A deals. As Daniel Daeniker, Managing Partner at Homburger noted, “there has been a shift in the last two years,” and a lot of investments are made from the East. The biggest deal of 2016, the acquisition of Syngenta by ChemChina underlines this. So far so good for local top-tier firms, which remain well positioned in these deals.

The Swiss law firms remain optimists about the future of the local M&A market: “the Swiss market is going to become even more attractive with the tax reform to come.” Indeed, on June 17th, 2016, the Swiss parliament passed the final step of the corporate tax reform – also called CTR III. This reform is aimed at strengthening the competitiveness of the country as a major European place for business. The tax reforms include measures related to both federal and cantonal tax laws and international companies doing business in the country which could be directly concerned. These reforms may have come just in time in the present context, right after the British public chose Brexit in June 2016. ■

SWISS LAW FIRMS ARE RELATIVELY SMALL COMPARED TO THOSE IN OTHER EUROPEAN COUNTRIES

















Ranking of Swiss domestic law firms by number of fee earners

Law Firm	Number of partners	Total number of qualified lawyers*	Offices
Lenz & Staehelin	44	220	Zurich, Geneva, Lausanne
Homburger	33	150	Zurich
Walder Wyss	44	130	Basel, Berne, Geneva, Lausanne, Lugano, Zurich
Bär & Karrer	42	125	Zurich, Zug, Geneva, Lugano
Kellerhals Carrard	50	117	Basel, Berne, Binningen Lausanne/Sion, Zurich, Shanghai
Schellenberg Wittmer	42	115	Zurich, Geneva, Singapore
Niederer Kraft & Frey	33	89	Zurich
Pestalozzi	27	89	Zurich, Geneva
Vischer	28	86	Zurich, Basel
Bratschi Wiederkehr & Buob	46	75	Basel, Berne, Lausanne, St. Gallen, Zug, Zurich
Froriep	32	72	Zürich, Geneva, Lausanne, Zug, London, Madrid
Meyerlustenberger Lachenal	33	72	Zurich, Geneva, Zug, Lausanne, Brussels
Python	28	67	Geneva, Lausanne, Bern, Sion, Zug, Brussels, Tehran, Tokyo
Lalive	17	65	Geneva, Zurich
CMS von Erlach	31	59	Geneva, Zurich
Wenger Plattner	20	58	Basel, Berne, Geneva, Zurich
Oberson Abels	16	53	Geneva, Lausanne, Neuchâtel, Sion
SwissLegal Dürr + Partner	n.c	47	Aarau, Basel, Berne, Chur, Olten, St. Gallen, Zollikon, Zurich, Zug
Wenger & Vieli	18	40	Zug, Zurich
FBT Avocats	10	36	Geneve, Paris
Borel & Barbey	14	35	Geneva
BCCC Avocats	8	33	Geneva, Lausanne
Tavernier Tschanz	5	31	Geneva
Prager Dreifuss	14	30	Berne, Brussels, Zurich
Staiger, Schwald & Partner	13	29	Zurich, Berne
Altenburger	9	27	Geneva, Lugano, Zürich
Rentsch Partners	9	21	Zurich
Badertscher Rechtsanwälte	9	20	Zug, Zurich
BMG Avocats	8	19	Geneva, Lausanne
Burckhardt	7	12	Basel
Simonius Pfrommer & Partner	6	9	Basel
Böckli Bodmer & Partner	4	9	Basel
ThomannFischer	n.c	8	Basel
Gillioz Dorsaz & Associés	11	8	Geneva, Hong Kong
Mathys Schmid Partner	4	6	Basel
Naegeli & Partners	3	6	Zurich
ID Est Avocats	2	5	Lausanne
Eulau Oppliger & Glauser	3	3	Basel
Times Attorneys	4	2	Lausanne, Zurich

*Lawyers comprise all registered lawyers and partners. It does not include paralegals and trainees.

SEVERAL INTERNATIONAL LAW FIRMS HAVE TAKEN UP THE CHALLENGE OF ESTABLISHING IN SWITZERLAND

International law firms generally serve through local firms and have limited M&A activity in Switzerland. Listed alphabetically

Firm	Origin	Number of lawyers in Switzerland	Arrival in Switzerland (Year)	Offices in Switzerland
Akin Gump Strauss Hauer & Feld		8	2010	Geneva
Baker & McKenzie		93	1957	Geneva, Zurich
Charles Russell Speechlys		12	n/a	Geneva, Zurich
Collyer Bristow		n/a	2004	Geneva
Curtis, Mallet-Prevost, Colt & Mosle		n/a	2016	Geneva
Etude Couderc / STCPartners		3	2014	Geneva
Eversheds		31	2008	Bern, Geneva, Zurich
FGS Flick Gocke Schaumburg		2	2012	Zurich
Holman Fenwick Willan		8	2010	Geneva
King & Spalding		8	2010	Geneva
Loyens & Loeff		2	2015	Zurich
Orrick		2	2015	Geneva
Quinn Emanuel		2*	2016	Zurich
Sidley Austin		22	2002	Geneva
White & Case		4	2009	Geneva
Withers		10	2010	Geneva, Zurich

* An associate will be joining the firm in October 2016.

Source: Leaders League

NINE SWISS LAW FIRMS PLACE IN THE TOP 100 EUROPEAN LAW FIRMS

Like Swiss banks, a few of the country's law firms reveal their financial results

European ranking 2015	Firm	Total revenue for 2015 (Euros)	Qualified lawyers	Qualified partners
32	Homburger*	98,300,000	150	33
36	Bär & Karrer	93,700,000	125	42
37	Lenz & Staehelin	86,600,000	179	43
48	Schellenberg Wittmer*	72,700,000	115	42
57	Walder Wyss	62,000,000	130	44
62	Niederer Kraft & Frey	57,000,000	89	33
79	Pestalozzi*	41,600,000	89	27
91	Vischer*	35,500,000	86	28
92	Froriep	35,000,000	72	32

*revenue estimated

Source: The lawyer, Leaders League



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THROUGHOUT ITS ALMOST 50 YEARS OF HISTORY, BÄR & KARRER HAS NEVER COMPROMISED ON QUALITY TO ACHIEVE GROWTH BUT BUILT UP ITS PRACTICE ORGANICALLY. TODAY IT IS A FULL SERVICE FIRM PRESENT IN ALL LANGUAGE AREAS OF SWITZERLAND WITH AN OUTSTANDING TRACK RECORD AND ONE OF THE STRONGEST PLAYERS IN THE COUNTRY.

In 1969 two brothers, Robert and Martin Karrer, joined forces with Thomas Bär to create a private practice. Little did they know that their firm, based in Zurich, would become a fast-paced legal powerhouse and a serial winner of the title «Switzerland Law Firm of the Year» at international awards and well known by law firms all over the globe.

FROM A PRIVATE CLIENT BOUTIQUE TO A BLOOMING FULL-SERVICE FIRM

At the beginning, Bär & Karrer's focus was on private clients. In the 1990s and early 2000s, the firm's M&A practice grew significantly and became the "engine room of the firm." Now approaching its 50th anniversary, Bär & Karrer is a full-service firm with a sector focus on banking & insurance, life sciences, energy, logistics, media, technology and real estate.

The firm is also particularly reputed in the sports and entertainment areas. This team is led by Michele Bernasconi, who frequently acts as an arbitrator at the Court of Arbitration for Sport. For the latter he was selected as an arbitrator for the London 2012 Olympic Games ad hoc division.

Throughout the firm's progression, the steady rate of high-caliber cases remains a common denominator. For example, Bär & Karrer acted as Swiss counsel to Lafarge in its €40 billion combination with Holcim, for ACE in its acquisition of Chubb for €28.3 billion in 2015 and for Syngenta in its successful defense against Monsanto and the subsequent all cash offer by ChemChina of \$43 billion. In 2016, it made media headlines by advising Ge-Neuro on its first Swiss IPO on Euronext in Paris.

AN ACCLAIMED FIRM BEYOND SWITZERLAND

Domestic firms dominate Switzerland's legal market. Some of the larger firms have offices in all of the country's major cities (Zurich, Geneva, Berne, Lausanne and Basel) other firms operate from one or two cities only. Bär & Karrer's implementation strategy focused on the country's linguistic diversity. By setting up offices in Lugano, Zug and Geneva, Bär & Karrer increased its client base in the Italian, German and French speaking regions respectively. Being present locally has proved to be an advantage, particularly in complex transactions with a national dimension

and matters that require action in various cantons. As an example, Bär & Karrer has been advising Swissgrid on acquiring the entire high voltage transmission grid in Switzerland, a transaction where local presence was particularly important.

Having offices in the Italian and French speaking regions of Switzerland positively affects the flow of cross-border matters and transactions with Italy and France.

The firm's unique track record, its ability to provide thought leadership and its experience in seamlessly working together with international law firms on cross-border matters make it a trusted advisor for global corporations with headquarters in Switzerland, like Credit Suisse, Novartis, Swiss Life, UBS or Swiss Re.

CONTINUOUS INNOVATION AND IMPROVEMENT AS A CORE ELEMENT OF STRATEGY

Bär & Karrer is a pioneer in many regards. In 2008, the firm was the first in Switzerland to hire an experienced lawyer exclusively for knowledge management and development. Each of



SWITZERLAND: A PERFECT EXAMPLE OF LINGUISTIC DIVERSITY

Bär & Karrer has offices across Switzerland and is composed of multilingual teams

the firm’s practice areas is reflected in a know-how database which is in the responsibility of a key partners active in their respective fields. Senior Partner Daniel Hochstrasser, for example, head of the firm’s arbitration practice and a member of the ICC Court of Arbitration in Paris, is in charge of files pertaining to his arbitration practice. As a result of involving the top practitioners in knowledge sharing and developing, the firm’s efforts in knowledge management have borne fruit.

Bär & Karrer invests more than any other Swiss firm in the development of its lawyers: Since 2010, in a partnership with the renowned University of St. Gallen, the firm has run the Bär & Karrer College (BKC) to train associates not only in technical legal areas but also with respect to business and soft skills. Credits earned at the BKC count towards an Executive MBA.

Currently, Bär & Karrer pushes document automation, the switch to a completely paperless office, equipping all lawyers with an iPad Pro, and CRM, having rolled out industry-leading soft-ware. The firm is on the shortlists in the categories “Most innovative non UK-headquartered firm,” “Best firm wide use of IT” and “Innovation in CRM” for The Lawyers Business Leadership Awards 2016. No other Swiss firm is shortlisted in any category ■



A FULL-SERVICE FIRM

In total, Bär and Karrer has 26 practice areas led by big-name lawyers

Sector	Key Contact
Mergers & Acquisitions	Rolf Watter, Christoph Neeracher, Dieter Dubs, Ralph Malacrida
Banking & Insurance / Financial Services	Eric Stupp, Peter Hsu, Rashid Bahar
Financing / Capital Markets	Till Spillmann, Thomas Reutter
Litigation	Matthew Reiter, Saverio Lembo
Arbitration	Daniel Hochstrasser
Internal Investigations / Cross-border Proceedings	Andreas Länzlinger
Real Estate	Corrado Rampini
IP & Technology	Markus Wang
Life Sciences	Markus Wang, Markus Schott
Energy	Phyllis Scholl
Tax	Susanne Schreiber, Daniel Bader
Private Clients	Tina Wüstemann



DANIEL HOCHSTRASSER
Partner, Head of Arbitration,
BÄR & KARRER

“Most of our work has an international component”

Senior Partner and Head of Arbitration Daniel Hochstrasser gives some insights about the prominent Swiss law firm Bär & Karrer, focusing on its international network, innovation and the careers of women within the firm.

Leaders League. Bär & Karrer currently has four offices. Would you say that you have all your bases covered to compete with both domestic and international law firms?

Daniel Hochstrasser. With our offices in Zurich, Geneva, Lugano and Zug we are present in all language areas of Switzerland and well positioned to advise clients on domestic and cross-border matters. We will continue to grow these offices organically and – if an opportunity arises – with carefully selected lateral hires.

Leaders League. Over the years Bär & Karrer has developed a strong network of lawyers from the US, the UK and Continental Europe. In what ways has this helped the firm gain worldwide recognition and increase workflow?

D.H. Since most of our work has an international component, we have broad experience in handling cross-border proceedings and transactions. We built our strong global network and our reputation by always performing and by matching or exceeding the expectations of corresponding law firms from all over the world. Our frequent involvement in high profile transactions and disputes also makes us stand out internationally.

Leaders League. Innovation has been a major priority. What's currently on your agenda?

D.H. We are currently focusing on five projects of strategic importance: Firstly, we are improving quality, speed and efficiency of standard document production by introducing automated document assembly. Secondly, we are improving client know-how development and cross-selling opportunities by introducing a CRM tool. Thirdly, we are increasing efficiency in matter management with a new system to manage documents and emails. Fourthly, we are building a new management information system by integrating the principal functions of a com-

prehensive business intelligence strategy into a single application. This will improve the information and data available to Bär & Karrer's management team. And last but not least we are in the process of switching to a paperless system wherever possible to improve the firm's ecological footprint.

Leaders League. Law firms have a reputation for being male-dominated. This statement however doesn't ring true as many of your female counterparts have taken on some of the most complex transactional and litigation work (i.e.: Tina Wüstemann, Susanne Schreiber, Mariel Hoch, Nadja Jaisli and Phyllis Scholl). Tell us more about the firm's inclusion and diversity efforts.

D.H. We do our best to support our female talent in pursuing their career by offering flexible working and partner track models. However, all female partners you mentioned achieved their success based on their own outstanding performance, not because of a special inclusion and diversity program favoring women.

“WE DO OUR BEST TO SUPPORT OUR FEMALE TALENT IN PURSUING THEIR CAREER BY OFFERING FLEXIBLE WORKING AND PARTNER-TRACK MODELS”

Leaders League. Switzerland is home to many arbitration centers (the World Trade Organization, the World Intellectual Property Organization and the Court of Arbitration for Sport etc.). In what ways has this helped your firm in developing its arbitration desk?

D.H. The fact that Switzerland is an international hotspot for arbitration certainly helped – and continues to help – our firm to develop our arbitration practice. We are particularly strong in this field, with growing teams of arbitration specialists in Zurich, Geneva and Lugano. We will further strengthen our practice by adding two high-profile partners in 2017. Whereas I am one of two Swiss arbitrators at the ICC Court of Arbitration in Paris, one of my partners frequently sits as arbitrator in the Court of Arbitration for Sport in Lausanne. ♦



DANIEL DAENIKER
Managing Partner, **HOMBURGER**



FRANK GERHARD
Partner, **HOMBURGER**

“THE SWISS LEGAL MARKET IS WELL COVERED BY DOMESTIC LAW FIRMS”

“Banking regulation will bring law firms more work in regulatory and compliance areas”

Daniel Daeniker and Frank Gerhard, Managing Partner and M&A Partner respectively at Zurich-based law firm Homburger, give us their insight on both the Swiss market and the strategy of one of that market’s major players.

Leaders League. Switzerland’s legal market is unique in Europe due to the small number of international law firms. What is your take on this situation?

Daniel Daeniker. Indeed, there are few international law firms or networks operating in Switzerland, even though we have recently witnessed international law firms opening new branches. We see two main reasons. Firstly, Switzerland is a mid-sized market. Its situation is close to those of the Nordic countries. The volume of M&A activity is contained and there are no signs that it will take off in the near future.

At the same time, the Swiss legal market is well covered by domestic law firms providing high quality work. International law firms generally serve their clients through local partners when carrying out their business in Switzerland but independent firms forge a better connection with companies, governments or regulators. International law firms cannot therefore be considered as competitors.

Leaders League. What is the international strategy of Homburger?

D. D. We have been advising clients for more than 20 years now on international matters, both on inbound and outbound deals: we are well positioned on the international market and we fit international strategies. However we have no intention of establishing ourselves outside of Switzerland. We prefer to conserve our ability to choose the right advisors for our clients. We team up with the most appropriate law firms outside of Switzerland whenever we need to. We are not and will not be part of any exclusive networks. In the US for example, we do have some great relationships with peers such as Cravath, Swaine & Moore, Sullivan & Cromwell or other top New York firms, depending of course on the particulars of the activity requested by our clients.

Leaders League. Switzerland is preparing for the end of banking secrecy in 2018. How will this affect the country’s attractiveness?

Frank Gerhard. For a country like Switzerland, which is one of the most developed banking centers in the world, the end of banking secrecy is a tough time. Since 2008 banks have been facing new regulations and this will not end in the near future.

By 2020 the banking landscape will have been totally reshaped. The rise of regulations and the rise of technology also come with increased pressure on the margins of banks, which will automatically lead to concentration in the sector, especially in private banking. The forthcoming automatic exchange of information has also contributed to an acceleration of this trend.

Certain business leaders contend that Switzerland will lose one third of its banks in the near future. This will certainly bring to law firms some domestic or cross-border deals. By 2018, banks will also face new regulations with Basel III. This in turn will bring law firms more work on regulatory, compliance or even financing matters for their clients.

However, transparency and tax compliance of assets is a worldwide trend, so we believe that in the long run Swiss banks will get stronger after this catharsis.

Leaders League. There are two major financial centers in Switzerland: Zurich & Geneva. Where should an international investor choose to go?

F. G. The Swiss landscape is divided into several areas: Zurich first, which is the economic capital of the country with great incentives for international clients to land here: capital markets, financing and, of course, investors. Some other regions like Geneva also have a lot of assets such as a strong historical international position for private banking, and have also attracted investors operating in commodity trading, essentially due to tax optimization possibilities. Furthermore, the Geneva region has a strong portfolio of startup companies due to the presence of major institutions of higher education. That being said, the coming into effect of Corporate Tax Reform III (by 2019) will make certain tax privileged regimes disappear, which might affect, for example, commodity traders in Geneva. It will still be an interesting place for private banks and attract some wealth, especially from middle-eastern countries. Last but not least, Basel is also very attractive for technology and life sciences companies. There they can enjoy an extremely innovative ecosystem helping a wide range of companies from the large, such as Roche or Novartis HQ, to startups. ♦



Guy Vermeil
Managing Partner Geneva
and Lausanne



Stefan Breitenstein
Managing Partner Zurich

While Lenz & Staehelin is acknowledged by most as Switzerland's leading law firm, its connections and expertise span the globe. With over 200 lawyers, its ability to innovate and adapt to the ever-changing complexities of legal and regulatory environments in Switzerland and beyond, has attracted many of the world's top corporations as well as private individuals.

Continuity, stability and a pragmatic understanding of the big picture have all played a significant part in the firm's development and success - and in its ability to attract the best young talent. Swiss-orientated but globally attuned, Lenz & Staehelin is rightly recognized in Switzerland and abroad as 'The world's Swiss law firm'.

Our approach

Lenz & Staehelin has played an active part in the biggest deals in recent Swiss business history.

Our approach combines breadth, depth and focus. Due to a unique blend of specialist knowledge and the ability to understand the issues affecting different professions and industries, we are able to find solutions that are comprehensive yet also work in practice. Each project is led by an experienced partner who serves as a personal contact, fully understands your objectives and can expertly represent your needs.

To this end, we cover the entire spectrum of business law services without having to rely on external experts.

Our scope

National borders apply to legal systems, but not to business. And especially not to us. As a proven specialist in Swiss business law, over the years we have built successful relationships with leading law firms abroad. This way our clients receive effective advice and representation inside and outside Switzerland. At the same time we are the first point of contact for foreign clients in Switzerland. We keep a very close eye on the implications of EU legislation for companies in this country.

In Switzerland, the style of doing business is reserved and consensus-orientated, and in our experience humility and restraint often lead to the quickest results. This basic attitude helps us build long-term relationships with our clients. The ability to nurture relationships with clients as varied as banks, corporations and families over decades or even generations is one of the key strengths and distinguishing features of our firm. And is, of course, the basis of our reputation.

Our offices

A highly motivated team of lawyers, tax experts and other specialists is ready to advise you at our offices in Geneva, Zurich and Lausanne. We will be happy to offer you advice and support in a number of languages including English, German, French, Italian, Spanish and Russian.

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URS KLÖTI
Managing Partner, **PESTALOZZI**



MICHAEL KRAMER
Chairman, **PESTALOZZI**

“THE MARKET IS STILL DOMINATED BY STRONG LOCAL LAW FIRMS”

“Only a few Swiss law firms are able to deal with complex international transactions and proceedings”

Pestalozzi is one of the few local law firms able to take on international cases. The firm’s Managing Partner Urs Klöti and its Chairman Michael Kramer give us their insight into this dynamic legal market.

Leaders League. What are the particularities of the Swiss legal market?

Urs Klöti. There is the business law market and the overall market where you have all the other smaller local players. Only a few Swiss law firms are able to deal with complex international transactions and proceedings. Any important local companies such as Novartis and Nestlé have their cases taken care of directly by the magic circle firms in London. The segment of mid-size firms dealing with international matters is quite small. Of course, the particularity of Switzerland is that we have two different places, Geneva and Zurich, that have – beyond the fact of being in different parts of Switzerland – various legal focuses within their legal markets. Geneva is known for institutional organizations, commodity traders and – decreasingly – for private banking, whereas Zurich is especially known for banking and finance. Both Geneva and Zurich are traditional places for international arbitration.

Michael Kramer. Since we have chosen to have offices in those two cities, we are particularly suited to working all over the country, in all its different regions and in each of the official languages.

As one of the main Swiss law firms, our goal is to remain independent in this evolving market. Of course, it is also our aim to serve our international clients in the best possible fashion. We have the necessary strength and skills to serve the international clients according to the highest international standards. For those clients, there is actually no specific need to mandate such big international law firms. We have recently witnessed international law firms setting up offices in Switzerland but so far these have been small boutiques. The market is still pretty much dominated by strong local law firms.

Leaders League. Some law firms – or sometimes entire teams – have merged recently. What is your view on this phenomenon?

U.K. On the market, what has been witnessed recently is that many small and mid-sized law firms have merged in order to grow

headcount. This is something quite new in Switzerland. Often such mergers are rather ‘franchisings’, meaning they work together under one brand but are not fully integrated. But the number of lawyers should not be mixed up with their capacity to work on an international scale. For some of them, even though they may reach a critical size through these mergers, they will not manage to attract complex international matters. That, only five or six law firms working in the country are in a position to do. In other words, even after merging some of these new law firms don’t get to compete with the biggest local players, those who are established on the international scene. What is certainly driving these changes is the fact that with global international law firms merging and growing themselves, smaller law firms need to be of a certain size to survive. Mergers of entire teams, practices or law firms may be a valuable strategy, but if you do it through franchising it may not help and actually have the reverse effect.

Leaders League. Your ambition is to remain independent. How do you plan on achieving this goal?

U.K. Indeed, as much as we want to keep being a top-tier law firm in the market, being attractive for both the national and international clients, we also want to focus on some of the core practices, such as corporate/M&A, banking and finance, and litigation-arbitration.

M.K. To some extent, this will lead us to reinforce some of our practices, as has been the case with the recent arrival of Thomas Legler and Beat Mumenthaler in litigation-arbitration in Geneva. To achieve this goal not only do we need to recruit young talent, but also to educate them and make them stronger. We have established a sound and efficient education program within each of the practice groups. These internal education programs, topped off with seminars and external education, as well as participation in international events and panels, should not only allow those young talents to be visible but should also increase the firm’s visibility. ♦



PIERRE-YVES GUNTER
Managing Partner,
PYTHON

**“WE ARE THE SWISS
LAW FIRM WITH THE
LARGEST EXPERIENCE
WITH IRAN SO FAR”**

“Though stable overall the Swiss market has been changing recently”

Now operating under the name of Python, the originally Geneva-based law firm is evolving as evidenced by the recent opening of an office in the Iranian capital Tehran. Managing Partner Pierre-Yves Gunter gives a brief on developments in the Swiss legal market.

Leaders League. How has the Swiss legal market evolved over the last few years?

Pierre-Yves Gunter. Though stable overall, the market has been changing recently. We have observed two concurrent phenomena, with both the establishment of new partnerships between French-speaking and German-speaking Switzerland – which had already happened a few years ago and has seen a resurgence recently – and the increase in Anglo-Saxon law firms settling in particular in Geneva.

Anglo-Saxon law firms which have recently established offices in Geneva, such as King & Spalding, Orrick and Curtis Mallet Prevost demonstrate that Geneva remains an important location for arbitration. Indeed, those newcomers tend to favour Switzerland in order to reinforce their arbitration practice. However, what often happens after a while is that they decide to cover other practices.

Another interesting question for Swiss law firms is whether they choose to only cover the local market – a question that is true for any type of law firm, or if they decide to position themselves on the international market.

At Python, we are part of those Swiss law firms that also believe in opening offices abroad. We are the only Swiss law firm present in Japan. We also made the choice of settling in Brussels. Our recent opening in Tehran, with Homayoon Arfazadeh as the main driver, is also a good example of our willingness to develop on the international scene. Permanent associates will be based in Tehran and will support both the litigation-arbitration and corporate practices. We are proud to say we are the Swiss law firm which has had the largest experience with Iran so far, and have been involved in some of the most important arbitration proceedings related to Iran.

The Iranian market is opening up following the lifting of international sanctions and we wanted to position ourselves among the first European law firms to settle there.

Leaders League. What, then, is the exact position of your law firm in the ever-evolving Swiss legal market?

P.-Y.G. As confirmed by our recent openings aboard, we want to play a key role on the international scene and are one of the few Swiss players that are in a position to do so.

Another key question common to law firms of our size is whether we need to keep on focusing on a few practices or if we need to cover all fields. We are currently thinking about this with the partners.

As far as arbitration is concerned, the size matters differently depending on whether you act as arbitrator or as counsel.

As an arbitrator, no huge structure is needed to successfully perform the task, whereas as a counsel it is important to have a critical size in order to be able to deliver the best service possible.

The whole subtlety of the Swiss market is that very often lawyers act both as arbitrator and counsel. In that sense, our firm is planning on reinforcing the team in order to get to this critical size.

Leaders League. How do you envision the Swiss legal market in the medium term?

P.-Y.G. Of course, the progressive end of banking secrecy may have an impact. However the Swiss legal market has performed well so far and has been able to resist exterior pressure.

There are new markets now, such as the Middle-East, Asia, and even Africa which are all emerging.

In such an international practice as arbitration, the competition is ever increasing and ever more global.

What happens in these situations is that the client-lawyer relationship ends up being very much *intuitu personae*. We still have a lot of work but the international market is becoming very competitive with a lot of pressure and we need to be present with offices abroad. ♦



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The Palace of Westminster, London

The United Kingdom: An uncertain future in an eroding market

THE LEGAL SERVICES SECTOR IN THE UK, AFTER SEVERAL YEARS OF HIGH GROWTH AND HEAVY ACTIVITY, SUDDENLY FINDS ITSELF IN A POSITION OF UNCERTAINTY OWING TO THE RECENT BREXIT. WITH THE ECONOMIC POSITION OF THE EUROPEAN UNION'S FINANCIAL CENTER HAVING ALREADY TAKEN A HIT IN THE MONTHS FOLLOWING BRITAIN'S VOTE TO LEAVE THE EU, WHAT CAN BE EXPECTED FROM THE NEXT FEW YEARS?

WHAT IS THE BREXIT AND WHY IS IT SO IMPORTANT?

According to the results of the referendum published on June 24th 2016, 51.9% of UK voters opted for a future outside the EU. This was the first time in the history of the 28-nation bloc that a member country decided to leave. This unexpected decision instantly provoked a frantic reaction in the financial markets with the Pound suffering its largest depreciation in the last 30 years. The Financial Times Stock Exchange saw £100+ billion disappear from the stock markets in a matter of 30 minutes. The entire socio-economic condition of Europe has been shaken up, and what some critics have labelled selfish, power hungry moves on the part of a few powerful politicians could affect the lives of many hard-working taxpayers. Although the actual negotiation process to determine the terms of the exit will last two years from when Article 50 of the Lisbon Treaty is triggered, the fallout has been immediate and not just financial. The markets have already been plunged into chaos, with a UK market recession (or stagnation) looming. Oil prices fell by 5% within the first hour of the declaration, and owing to the trade relationships that UK has with the rest of the EU, the entire

Union may witness one of the worst economic downturns in recent times, which is going to make it that much harder to recover from its debt crisis. If other member nations decide to follow suit and dump the Euro and/or leave the EU, it will result in further destabilization of an already struggling Europe, riddled with poor economies, an unprecedented refugee crisis and high levels of unemployment.

THE LEGAL SERVICES SECTOR IN THE AFTERMATH OF THE BREXIT?

In the short term, law firms in London are most likely to have a heavy workload, owing simply to the fact that any split results in a lot of paperwork, division of assets, contract renegotiation and the like. As a member state of the EU, the UK has enjoyed all the advantages of being part of the single market. With its divorce from the EU, the UK needs to iron out the details surrounding how it wishes to participate in the market, if at all. Clearly, the terms and conditions of the Brexit will not be resolved in one day, which will result in a massive workload for law firms, primarily in terms of re-examination of current employment contracts for non-UK citizens working in the UK. The aforementioned two-year transition period will

also entail renegotiations on behalf of the British Parliament, in order to define the UK's new trade relationship with the EU. All the associated paperwork will result in short term benefits for local lawyers. Interestingly, some law firms had taken measures early on to mitigate an impending Brexit and the subsequent increase in demand. Pinsent Masons set up a Brexit team in September 2015 to help clients manage potential fallout and be prepared to answer all queries post-Brexit. Dechert took no chances either and set up a dedicated Brexit hotline for clients, which is another example of an action taken by a law firm to support its clients through the whole process. This goes to prove that an increased workload for law firms in the immediate aftermath of the event was always certain.

THE CALM BEFORE THE STORM

The positive effects of the Brexit on the legal services sector in the UK will not last forever. As trade restrictions start getting tighter, some firms may start relocating to countries with looser restrictions in order to conduct their businesses more efficiently and in a hassle-free manner, and with this jobs might start to disappear. With a drop in economic activity, jobs in legal

businesses could also start to diminish. Additionally, if the UK decides not to participate in the single market anymore, then those people from the other 27 member states working in the big law firms in London might face severe bureaucratic difficulties, which could further reduce the skilled workforce in the financial hub.

FURTHER FALL IN MERGER MARKETS

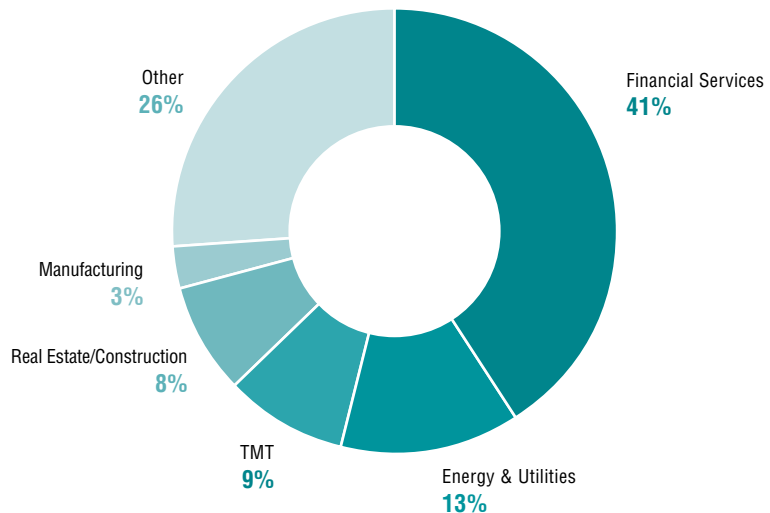
According to data compiled by financial services provider LDF, in 2014 there were 174 mergers between UK law firms, down from 196 the previous year. Although, this represents an 11% decrease from 2014, the number of law firm mergers is still significantly higher than in the US, which saw 82 law firm mergers during the same period (Source: Altman Weil). In the UK, the total number of registered firms remained steady in the first half of 2015, at around 10,300, which was a decrease from the 10,875 firms in 2013 (Source: Solicitors Regulation Authority). However, the subsequent economic recovery meant that mergers were increasingly being used by firms to expand service offerings. But it has not been going very well for big businesses in general in 2016, with economic activity in the UK experiencing some of the worst times in recent years. According to a report from Dealogic, the volume of M&A deals was down by 65% in the first half of 2016, compared to a 27% fall in the global M&A market. The fact that on any merger or acquisition investment banks require the expertise of a law firm's corporate team shows that there are implications for the legal sector as well. In the immediate aftermath of the Brexit, conditions could get worse, with businesses testing out the waters carefully during the transition period, before looking at new business opportunities in the UK.

A NEW REGULATORY FRAMEWORK

Owing to the unprecedented nature of the split, nobody can really say to what extent the various economic sectors will be affected. The uncertainty associated with the Brexit could affect all sectors or businesses to a certain degree. The regulatory aspects of businesses are most likely to take a hit during the two-year transition phase. A proper understanding of the potential impacts of existing bilateral investment treaties and the protections they afford can help firms mitigate losses in the post-Brexit reality. In terms of Intellectual

DISTRIBUTION OF TOP 50 LAW FIRM DEALS IN VALUE BY INDUSTRY IN 2015

Financial services account for the majority of deal value



Source: Law Society / Legal Monitor, City Legal Index

Property, there might be a major change in trademark policies, with many trademark owners wishing for a UK trademark to preserve rights, instead of the former EU trademarks. Apart from the employment contracts discussed earlier, laws surrounding cross-border transactions, antitrust regulations, data protection and the environment would have to be dealt with responsibly, in order not to hamper current levels of growth and stability in European markets. A very well thought out and well implemented legal framework is currently required. Topics ranging from jurisdictional matters in injunction awards for arbitration cases, to rules on investments for non-UK firms willing to invest in sensitive areas such as energy or defense within the UK, need to be addressed.

WHAT LIES AHEAD?

According to a report published by the Global Financial Centres Index, 90% of finance professionals predicted that the Brexit would severely hamper the competitiveness of London as a financial center. While we don't yet know that for certain, what we do know from the market reactions and their subsequent effects does point us in that direction. The legal profession, being the cornerstone of a cluster of services which have helped transform the UK into a leading global financial hub

will obviously also be affected. In the UK, legal services contribute over £20 billion to the GDP, employ over 300,000 people and remain one of the biggest recruiters of the country's graduates. An independent analysis carried out by Oxford

“PINSENT MASON'S SET UP A BREXIT TEAM IN SEPTEMBER 2015 TO HELP CLIENTS MANAGE THE POTENTIAL FALLOUT. DECHERT TOOK NO CHANCES EITHER AND SET UP A BREXIT HOTLINE”

Economics for the Law Society has concluded that because of how intricately the legal sector is woven into other sectors, it could result in the sector losing up to £1.7 billion in output annually by 2030, the equivalent of the combined UK Revenue of the UK's four biggest firms. Additionally, the tax money that comes

in from immigrant workers amounts to almost £20 billion more than what they take in benefits. This was being used to cut the budget deficit. The potential loss of this income is another possible reason for the UK to rethink its immigration policies, even for EU citizens residing in the UK, following the Brexit. Most of the reasons cited by people voting for the Brexit have had less to do with the economic ramifications, and more to do with non-economic ideologies. While this is indeed commendable, an unbiased analysis of the whole situation leads us to the fact that the Brexit was probably not the best way to achieve this. But there is no point crying over spilled milk. The way that the world's fifth largest economy and the home of common law handles itself in the next two years, will surely change the course of history. ■

2016 Top 50 British Firms

The past financial year has been less profitable for the top 50 British law firms, than the year before. The total number of deals in the first quarter of 2015 was 6.2% lower than the first quarter of 2014 (Source: Legal Week). On the other hand, the average value of deals increased significantly during this period, which could be owing to large one-off deals and/or the depreciation of the pound against the dollar.

Rank	Rank of previous year	Firm	Revenue (£m)	Change in revenue	Average PEP (£k)	Change in PEP	Total lawyers (£k)	Revenue per lawyer (£k)	Total partners	Total equity partners
1	5	DLA Piper ^{1,9}	1502.8	-5.4%	901	6.3%	3702.9	405.8	1236.5	448.2
2	1	Clifford Chance	1350	-0.7%	1120	-1.8%	2495	541.1	569	403
3	3	Allen & Overy	1281.2	3.8%	1210	8.0%	2172	589.9	527	440
4	2	Linklaters	1266.7	0.9%	1416	1.8%	2180	581.1	449.9	419.1
5	4	Freshfields Bruckhaus Deringer	1245	1.1%	1369	-7.5%	2090	595.7	424	419
6	10	Norton Rose Fulbright ^{1,3,9}	1120.9	-4.1%	n/a	n/a	3066	365.6	1168	n/a
7	7	Hogan Lovells ^{1,9}	1077.9	-1.9%	737	-4.6%	2360	456.8	788	509
8	6	Herbert Smith Freehills ¹	815	1.9%	801	8.1%	1869	436.1	454	324
9	21	CMS ^{1,3,9}	753.9	5.5%	471	-3.3%	2522.1	298.9	782.1	513.9
10	8	Ashurst	561	-4.3%	747	-6.7%	1459	384.5	413	264
11	9	Slaughter and May ²	476.1	10.0%	2216	15.0%	485	981.6	117.8	113.5
12	12	Clyde & Co	395.3	8.3%	660	10.0%	1238	319.3	303	165
13	11	Eversheds	380.7	-0.3%	741	1.6%	1211	314.4	332	118
14	13	Pinsent Masons	362.4	12.1%	538	32.8%	1357.5	267	371	156
15	14	Simmons & Simmons	290.1	8.0%	650	17.3%	675.1	429.7	241.2	145.7
16	16	Berwin Leighton Paisner	259.2	5.2%	659	21.6%	612.8	423	201.7	83.3
17	15	Bird & Bird ¹⁰	256.3	-0.6%	443	2.8%	962	273	276	91
18	33	Taylor Wessing ^{1,3}	239.8	-0.6%	n/a	n/a	809	296.4	338	n/a
19	17	Irwin Mitchell	210.6	3.9%	603	5.6%	612.7	343.7	209.2	73.9
20	18	DAC Beachcroft ⁴	198.9	-0.2%	310	17.9%	982	202.5	241	109
21	20	Addleshaw Goddard	192.5	12.3%	491	25.3%	609	316.1	173	96
22	19	DWF	191	1.6%	325	-20.9%	1097	174.1	262	65
23	(n/a)	Wragge Lawrence Graham & Co ⁵	180.4	n/a	376	n/a	580.4	310.8	164.1	137.4
24	23	Macfarlanes	159.6	14.2%	1553	29.5%	297.2	537	79.9	52.6
25	32	Osborne Clarke ^{1,3}	151	6.3%	n/a	n/a	581	259.9	189	n/a

Rank	Rank of previous year	Firm	Revenue (£m)	Change in revenue	Average PEP (£k)	Change in PEP	Total lawyers (£k)	Revenue per lawyer (£k)	Total partners	Total equity partners
26	27	Stephenson Harwood	145.2	20.0%	763	42.1%	384	378.1	123	70
27	22	Holman Fenwick Willan	139	-3.5%	496	-9.0%	371.5	374.2	145.3	79.1
28	(n/a)	Charles Russell Speechlys ⁶	134.5	n/a	320	n/a	479	280.8	167	82
29	25	Withers	134	8.7%	367	-2.4%	359.5	372.7	143.3	76.1
30	24	Kennedys	129.9	1.1%	424	1.4%	549	236.6	164	58
31	28	Olswang	126.7	7.7%	490	0.0%	351	361	115	50
32	30	Nabarro	126.1	8.1%	576	21.3%	409.6	307.9	103.1	68.8
33	29	Watson Farley & Williams	125.2	7.0%	520	8.3%	426	293.9	130	64
34	35	Mishcon de Reya	116.7	11.6%	950	-2.6%	277	421.3	91	35
35	36	Fieldfisher	113.3	8.9%	506	21.6%	416	272.4	150	52
36	37	Bond Dickinson	107	8.0%	284	26.2%	473	226.2	141	67
37	38	Travers Smith	105.9	9.0%	937	6.2%	248	427	64.4	45.4
38	34	Hill Dickinson	104.4	-6.5%	260	-4.4%	429	243.4	146	59.3
39	40	BLM	104.1	16.8%	265	8.2%	548	190	193	57
40	39	Shoosmiths	102.7	10.4%	416	42.0%	406.8	252.5	133.6	34.3
41	43	RPC	94.4	12.2%	403	22.1%	304.7	309.8	77	77
42	41	Weightmans	89.2	2.5%	308	-1.3%	504	177	170	40
43	44	Mills & Reeve	81.6	2.6%	341	2.4%	365.2	223.4	112.7	61.5
44	46	Burges Salmon	80.8	5.6%	488	11.4%	281.5	287	75.7	57.7
45	48	Gateley ⁷	80	11.6%	n/a	n/a	448	178.6	150	100
46	42	Ince & Co ⁸	79.4	-8.1%	275	0.4%	260.4	304.9	92	92
47	45	Trowers & Hamlins	79.4	2.8%	326	1.9%	269.9	294.2	118.5	59.9
48	(n/a)	Blake Morgan ⁹	71.9	n/a	175	n/a	358	200.8	126	126
49	49	TLT	62.5	7.8%	230	-23.3%	300	208.3	98	32
50	(n/a)	Browne Jacobson ¹⁰	58.7	17.2%	370	n/a	410	143.2	95.3	17.2
Averages			350.2	-2.2%	627	7.9%	913.1	341	268.7	140.9

Source: Legal Week

¹ The Legal Week UK top 50 now ranks firms by global revenue. The position of these firms in the table has changed to reflect this.

² Firm did not disclose any financial data. Numbers are estimates.

³ Firm did not disclose global PEP, net profit and/or equity partner numbers

⁴ Firm was not fully transparent with all of the requested data. Some numbers are estimates.

⁵ Wragge & Co and Lawrence Graham merged in May 2014 so there are no comparable numbers for 2013-14

⁶ Charles Russell and Speechly Bircham merged in November 2014 so there are no comparable numbers for 2013-14

⁷ Gateley listed on the London Stock Exchange in June 2015 and did not provide any profit figures for 2014-15. Figures provided include the firm's unlisted Scottish arm HBJ Gateley.

⁸ Blake Laphorn merged with Morgan Cole in July 2014 so there are no comparable numbers for 2013-14.

⁹ Firm operates to a calendar year end. Figures were converted from dollars to sterling at a rate of 0.6058 and from euro to sterling at 0.8068

¹⁰ Firm operates to a fiscal year end. Figures were converted from euro to sterling at a rate of 0.7874

¹¹ Firm only provided figures on a constant currency basis.



RAY BERG
UK Managing Partner,
OSBORNE CLARKE

“ALL WE WANT TO DO IS CREATE A DIVERSE AND ENRICHING ENVIRONMENT FOR OUR PEOPLE SO THEY CAN FLOURISH IN THEIR RESPECTIVE ROLES”

1748

Date founded

1200+

Number of total employees

20

Number of offices, worldwide

“We have always had a very international flavor to our practice”

Ray Berg, the Managing Partner of Osborne Clarke’s UK office speaks to Leaders League about the impact of the Brexit and tells us what his firm is doing to keep pace with its Magic Circle competitors in the globalization process.

Leaders League. How have your roles and responsibilities changed from being the Head of Business Transactions Group, to being the UK Managing Partner?

Ray Berg. As Head of the Business Transactions Group I was in direct connection with the clients and I had day-to-day contact with them. My present role is different in that it is more global and gives me more collective responsibility. I am in charge of managing, leading and recruiting for the firm for the whole of the UK business as opposed to just one of the practice groups. I also have a very significant role to play in terms of the international operations. I still try to maintain a client-facing role, but this is now more along the lines of maintaining relationships with them and not executing deals like I used to. I get to spend more time with our lawyers now, understanding their needs and challenges, and it involves a lot more leadership and managerial qualities on my part. I am required to take strategic decisions on behalf of the firm, understand both the clients and the lawyers, and participate in activities like budgeting and reviews, which is not something that I had to do before.

Leaders League. Could you briefly describe your firm’s international future under your leadership?

R.B. We have always had a very international flavor to our practice. But our international strategy is really driven by our clients’ interests and where they need us to be so we can service them in the market they are in. Accordingly we recruit across the sectors, in order to maintain a consistent quality in our services. We have a very clear focus about what we want to do, which involves strengthening our international practice and this has been a continuous process. At the end of the day, all we want to do is create a diverse and enriching environment for our people so they can flourish in their respective roles in order to deliver the best services to our clients.

Leaders League. What are your views on the Brexit, and how do you think it will affect the legal sector in the UK?

R.B. It is clearly one of the biggest issues facing the UK at this time, and we have been watching the markets very closely. Nobody really has a clear idea of how the post-Brexit situation is going to pan out. Businesses in different sectors will be affected in different ways and we have been constantly trying to analyze the various possibilities using a section of our website that we developed solely for this purpose. One of our biggest hopes is that the economy doesn’t come to a standstill but rather keeps developing. We can only speculate as to what is going to happen in London regarding the future of all EU residents who currently work there. The good thing is that the change is not going to be instantaneous and one would hope that the government works towards making the biggest positive impact for all citizens and residents of the UK.

Leaders League. According to your UK Diversity Report published in 2015, women outnumber men as associates and in legal support, but only 20% go on to become partners. What can be done to improve diversity?

R.B. Diversity and inclusion in the workplace is of paramount importance to us, and not just on the basis of gender. We recently appointed our first Diversity and Wellbeing Manager to ensure that we are able to convert our beliefs into practice and incorporate them into the system. Her job revolves around areas like work-life balance, female careers, underrepresented groups and people with disabilities. We are putting in place a series of programs to support the progression of female talent and recognize some of the issues and challenges that they face. It is an issue that all law firms in the city need to address and thankfully there is now a lot more importance being given to this subject. To me it’s about more than the statistics: people need to feel included and supported, and we at Osborne Clarke are working towards this every day. ♦



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THE ASIAN MARKET

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METHODOLOGY

Quantitative and qualitative data used for the tables of each legal market focus were collected in the following ways:

- Questionnaires and submission forms, sent out to law firms annually, that allow for accurate and up-to-date data.
- Phone calls made directly to the communication department of each law firm in order to get clarifications and verifications.
- Law firms' websites allowing the number of associates, partners and offices to be tallied.

Readers should be aware that:

- Table content may vary according to the features of each law firm and the legal market of each country. Focus is made on the number of partners and associates and generally does not take into consideration the number of legal assistants and paralegals.
- Numerical data is based on data collected during the 1st semester of 2016. It does not take into account changes made after July 2016.



© chuyass

A traditional shopping area in Shanghai

China: Reshuffling the deck

THE GROWTH STORY OF CHINA'S LEGAL MARKET IS BOTH A PRODUCT AND A TESTIMONY OF THIS COUNTRY'S ECONOMIC TRANSFORMATION: CHINESE FIRMS HAVE BEEN GROWING AT AN EXTRAORDINARILY RAPID PACE IN SOPHISTICATION AND SCALE, WHILE MOST INTERNATIONAL FIRMS ARE STILL TRYING TO GRASP THE MOON IN THE WATER. THE DECK IS BEING RESHUFFLED, AND IN ORDER TO SURVIVE AND THRIVE IN THIS GAME, EVERYBODY NEEDS TO BE CONSTANTLY RESPONDING, RETHINKING, RESHAPING AND READJUSTING.

THE NEW NORMAL

The deceleration of world's No.2 economy is no longer headline news in the global press and has become the new normal, leaving behind decades of noteworthy double-digit growth. Weighed down by sluggish demand at home and abroad, faltering investment and massive industrial overcapacity, China's economy grew by 6.9% in 2015, its slowest pace in a quarter of a century. The Institute of International Finance (IIF) expected a capital exodus of \$538 billion of global investors from China in 2016, and the instability in its currency RMB, coupled with the drastic volatility of its stock market just added insult to injury.

But if you feel somewhat pessimistic about China's economic outlook, think again. The country's growth rate is still comfortably the fastest among major economies; its political stability and overall security outperform some of European or Latin American countries; its rising middle class is gaining purchasing power – in a nutshell, although not without challenges, China is transiting from an investment and export focused economy to one based more on services and consumption. During the annual national parliamentary meeting in March 2016, Premier Keqiang

Li conceded the increasing downward pressure and the tough battle to keep the country growing by at least 6.5% annually over the next five years, but reiterated the government's determination to defend the country's economic stability, avoid any mass layoffs or hard landing and restructure State-Owned Enterprises (SOEs).

TOWARDS FURTHER LIBERALIZATION

Due to historical reasons, China has a tightly-controlled legal services market. Although in the 70s a handful of foreign experts based in Hong Kong could provide legal advice related to Foreign Direct Investment (FDI) in China, international law firms were not officially permitted to open a branch or a Representative Office (RO) in mainland China until 1992. Furthermore, subject to a number of restrictions, foreign law firms are barred from advising on local law and representing clients in Chinese courts, and they can only employ locally-qualified Chinese lawyers under the condition that these lawyers suspend their Chinese practicing licenses. Neither can they be owned by qualified Chinese lawyers.

At its WTO accession in 2001, China committed to further opening its legal services industry for international competition. An

encouraging sign of the long-awaited liberalization was the experiment of the cooperative mechanisms initiated in late 2014 by the newly-established China Shanghai Pilot Free-Trade Zone (SFTZ), allowing a foreign law firm and a Chinese one to set up joint operations and mutually dispatch lawyers between their firms under certain conditions. Baker & McKenzie (with FenXun) and Holman Fenwick Willan (HFV) (with Wintell & Co) are the only firms to stake a claim so far.

In the future, China is likely to follow the example of its Asian peers such as Singapore, Japan and South Korea, all of which opened up their markets gradually and step by step, as Shanghai Bureau of Justice official Yi Ma clearly put it: *"If we open the market all at once, it will have adverse impact on the domestic legal industry, which is only 30 years old."*

BETWEEN DREAMS AND DISAPPOINTMENTS

In the early years, the first group of international firms in China enjoyed robust business as FDI flooded into the country. With Chinese firms gaining maturity and competitiveness, things quickly changed at the beginning of the 2000s.

"International firms were hit hard by the fi-

nancial crisis as their primary source of revenue, inbound work, was significantly reduced, coupled with their disadvantage in terms of price, these firms are experiencing a downturn and have largely reduced to a dozen or even a few head figures, and the existing firms are shifting from inbound to outbound work,” Warren Hua, ex-Gide partner in Beijing who works for JunHe now, analyzed, “the survival space of international firms is shrinking, which limits the quality of cases and the career development of lawyers, so an increasing number of Chinese lawyers in international firms returned to Chinese firms after the credit crunch.”

According to the latest official list published in August 2014 by China’s Ministry of Justice, 170 foreign firms operated 225 representative offices in mainland China, down from 178 firms and 232 offices of the previous year, numbers that have dipped for the first time in history.

In spite of the tough competition, no large-scale retreating from China has been observed. Dr. Su Li, Research Methodologist and Statistician of Empirical Legal Studies at Berkeley Law, described this as a “dilemma of outposts”: “the rarity of exit reflects perceptions that presence in China is a valuable symbol of global commitment and a worthwhile bet on future growth.” Given the difficulty in obtaining regulatory approval to launch an office and peer pressure, most firms are more likely to maintain a leaner presence and hope for more flexible regulatory changes that could add flexibility and a more favorable economic climate. All things considered,

everyone admits that this market is tough but important and that they simply cannot afford not to be part of it.

FROM UGLY DUCKLING TO BEAUTIFUL SWAN

Chinese law firms, on the other hand, tell more of a starting-from-scratch story. By April 2016, the number of licensed Chinese lawyers and registered law firms had surpassed 297,000 and 24,000 respectively, marking a 38% and a 20% increase separately compared to 2012 data, according to figures released at China’s ninth National Lawyers Congress concluded in March 2016. Furthermore, over the past four years, Chinese lawyers have handled ¥10 million RMB litigations and ¥3 million RMB non-litigation cases. Lawyers were hired as legal counsel by around 500,000 government agencies, generating a total revenue of more than ¥200 billion RMB.

Although Chinese firms are making impressive progress and working on more sophisticated and complex deals, it would be unreasonable to make an apples-with-apples comparison if we were to evaluate Chinese firms by western standards. Don’t forget that they are extremely young: 1980 marked the reinstatement of the legal profession in China, but it was only in 1988 that private law firms were allowed to set up, and most of today’s leading firms were established in 1992, meaning that the oldest firms have barely crossed their 25-year mark, not to mention that the few top Chinese firms only truly began to take

a more substantive role in inbound work around 2001.

Following a decade of rapid scaling up, many local firms have started shifting from pure expansion to cultivating their firm culture, strengthening their capability and quality in specialized practices and developing organizational excellence. The management has been focusing on the integration between practice groups and offices, as well as on improving the quality and consistency of client services.

HUNTING FOR THE RIGHT ALLY

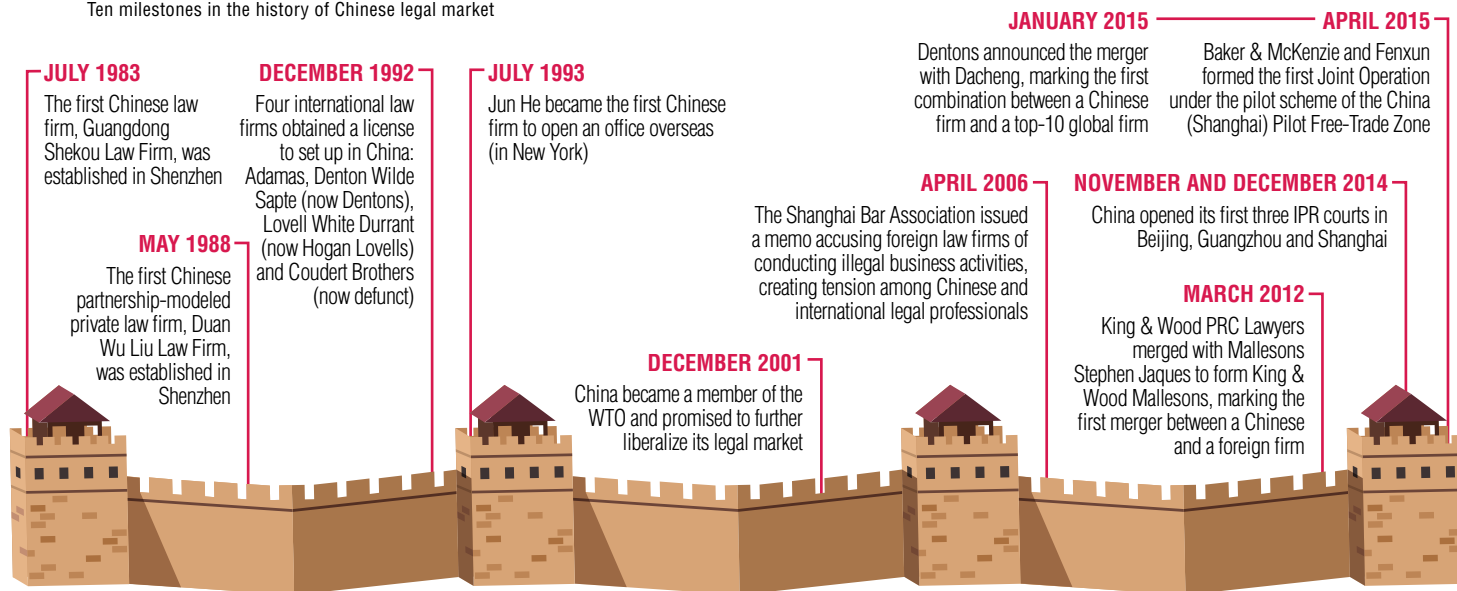
Considering the respective advantages and needs of both parts, it is natural for international firms and their Chinese counterparts to get closer to each other. Swiss Verein, Closer Economic Partnership Arrangement (CEPA) allowing Hong Kong located international firms to gain a PRC law capacity via association, or more recently joint operations under SFTZ rules are the common options, but the Greenfield strategy is emerging: Linklaters set up a spinoff firm in May 2016 in the hope of building a 20-lawyer firm in three years and establishing a relationship with this new entity under the SFTZ joint venture scheme.

So far, international firms seem to prefer to partner with local boutiques, partly due to the difficulty in attracting well-established elite Chinese firms, partly to the facility to take control; SJ Berwin and Dentons being the exceptions.

The combining of King & Wood Mallesons and SJ Berwin in November ▶

CHINA’S LEGAL MARKET HAS EXPERIENCED EXPONENTIAL GROWTH WITHIN A SHORT TIME

Ten milestones in the history of Chinese legal market



20 LARGEST INTERNATIONAL LAW FIRMS IN CHINA

Large Anglo-Saxon firms dominate the international firms' marketplace

Rank 2015	Change from previous year	Firm	Number of partners	Number of associates	Total number of lawyers*
1	+3	Clifford Chance	11	36	88
2	-1	Baker & McKenzie	20	53	82
3	+2	Freshfields Bruckhaus Deringer	5	N/A	>60
4 =	-2	Hogan Lovells	13	47	60
4 =	+1	Linklaters	9	32	47
6	-3	DLA Piper	7	40	47
7	=	Pinsent Masons	8	37	45
8	+4	Jones Day	20	17	39
9	=	Mayer Brown JSM	8	30	38
10	New	Clyde & Co	7	17	34
11	New	Dentons**	5	21	31
12	-2	Herbert Smith Freehills	6	23	29
13	New	Simmons & Simmons	7	14	27
14 =	=	Norton Rose Fulbright	10	16	26
14 =	+7	Reed Smith	6	7	26
16 =	-5	Allen & Overy	8	14	25
16 =	-9	CMS, China CMS	5	20	25
18	-3	Sidley Austin	7	13	24
19	-2	White & Case	4	15	22
20 =	New	Orrick, Herrington & Sutcliffe	6	9	20
20 =	-5	Taylor Wessing	4	16	20

*Total number of partners and associates, as well as other counsel, consultants and foreign counsel; excluding paralegals, trainees and pupils
 **Merger with Dacheng announced but still under integration in July 2016

Source: Asian Legal Business: Asia's Top 50 Largest Law Firms 2015 Report

► 2013 was a head-turning moment for the global legal community, but less than one and half years later, in January 2015, the world got excited again at the announcement of the tie up between Dentons and Dacheng, which formed the largest law firm in the world by lawyer head count: over 6,500 lawyers and professionals in 120 locations in more than 50 countries. The integration process is still ongoing, but the future seems promising.

PRACTICES ON THE RISE

In recent years, the Chinese government has taken a tougher stance against corruption and commercial bribery, triggering investigations into both multinationals' and large Chinese companies' practices. Consumer industries such as food, pharmaceuticals, petroleum and telecommunications have been highly targeted, as the Chinese public's interest in food safety and healthcare is at an all-time high. Facing greater regulatory scrutiny and potential dawn raids, companies in China are in

need of greater legal assistance and advice in compliance.

Outbound M&A transactions are also picking up pace. Fuelled by increasing financial strength and a desire to internationalize and compete on a global basis, Chinese companies are increasingly bidding for assets overseas, and their investment sectors and locations have largely diversified from the early stage when they concentrated on the resources and energy sector and mature markets. In addition, the profiles of Chinese investors have also extended from SOEs to large and medium-sized privately-owned companies and sovereign wealth funds. In 2015, Chinese non-financial FDI surged to \$118 billion, a 14.7% increase from 2014.

In addition, the initiative of "public innovation" or "grass-roots innovation" proposed by the government, as well as the setting up of three Intellectual Property (IP) courts, is likely to boost China's future IP development. Other hot topics include anti-monopoly, Public-Private Partnership (PPP), the securitization of

corporate equity, equity management of banks and corporates, red-chip return, to name but a few.

NAVIGATING UNCERTAIN TIDES

The many issues that firms are facing in China are characteristic of an important developing market. This is a long and inevitable development process as China becomes a more sophisticated jurisdiction and an international powerhouse. It's possible that many challenges and obstacles occur during the journey, and only those who have a clear strategy and great flexibility will flourish in this changing landscape. To navigate these uncertain tides, it is important for firms to recognize the differences of China from other markets and never assume that business development strategies or internal management practices that have worked well in London or New York will work in Shanghai or Beijing. Don't accuse or grumble, but stay alert to early signs of changing market trends and competitors, and take proactive action. ■

20 LARGEST DOMESTIC LAW FIRMS IN CHINA

Many Chinese firms have an impressive number of professionals

Rank 2016	Change from previous year	Firm	Number of partners	Number of associates	Total number of lawyers*
1	+1	Dacheng Law Offices**	1197	1015	4311
2	-1	Beijing Yingke Law Firm	1053	2150	3203
3	=	Zhong Yin Law Firm	222	999	1221
4	+1	DeHeng Law Offices	373	485	1182
5	+3	AllBright Law Offices	306	776	1082
6	+1	Zhong Lun Law Firm	220	780	1000
7	-3	Grandall Law Firm	276	718	994
8	+5	Guanghe Law Firm	141	256	645
9	=	Long An Law Firm	202	413	615
10	New	Tian Yuan Law Firm	78	>500	>578
11	-5	King & Wood Mallesons	245	138	550
12	+3	Guantao Law Firm***	100	400	500
13	+1	Beijing DHH Law Firm	70	64	471
14	New	Jointide Law Firm	121	79	466
15	-3	Tahota Law Firm	81	383	464
16	New	Sichuan Mingju Law Firm	52	369	421
17	-6	Zhong Lun W&D Law Firm	207	196	403
18	-9	JunHe	186	150	353
19	+4	Jincheng Tongda & Neal	126	213	339
20	-1	Fangda Partners	59	268	327

*Total number of partners and associates, as well as other counsel, consultants and foreign counsel; excluding paralegals, trainees and pupils
 **Merger with Dentons announced but still under integration in July 2016
 ***Merged with Zhongmao Law Firm in April 2016 after the survey of ALB

Source: Asian Legal Business, Asia's Top 50 Largest Law Firms 2016 Report, Leaders League

GLOBAL REACH OF MAJOR CHINESE LAW FIRMS*

Most Chinese firms' expansion is map-dotting



*Non exhaustive list

Source: Leaders League



SAMMUEL ZHAO
Partner, Member of
Management Committee,
JUNHE

“We need to get bigger to serve the huge Chinese market, but we will never trade quality for size”

Since its establishment in 1989, JunHe has grown into a leading full-service Chinese law firm with a team of over 600 lawyers and has never ceased its pursuit of quality and innovation. Its analysis of strategy, current challenges and choices of future development are the epitome of a pioneer in the ever-changing landscape of modern China.

Leaders League. An increasing number of Chinese companies are investing overseas. How does JunHe accompany this clientele?

Sammuel Zhao. As outbound investments also involve domestic investment procedures such as obtaining the approval of Ministry of Commerce (MOFCOM) and studying targets, which requires the intervention of foreign law firms, in order to accompany large-sized State-Owned Enterprises (SOEs) and private companies, our firm is able to leverage our strong coordination capacity thanks to our Best Friends network, LexMundi, as well as our extensive knowledge of other international firms.

During the coordination, apart from routine work such as due diligence and negotiation on contract agreements, we also need to issue legal opinions and play a bridging role to help Chinese companies communicate with foreign law firms, as Chinese companies prefer Chinese firms to issue legal opinions because of language and cultural considerations.

Leaders League. Anglo-Saxon firms are strongly present in high-profile Chinese outbound deals. Is it a market segment that your firm wants to target?

S.Z. Indeed! One reason is that for the moment insurance companies such as Anbang and Ping An are very active in outbound investments, and they target a lot of assets in London, Europe and the US, so it's natural that they use Anglo-Saxon law firms. Another reason is that the Chinese representative offices of these firms do a good job of targeting these clients.

Since the majority of the deals use English or American law, as a Chinese law firm we have an inherent disadvantage as we lack western firms' mastery of those legal systems. In recent years we have brought in many senior associates with qualifications or work experience abroad, but there is still some way to go to catch up. At the current stage, we are focusing on strengthening our coordination capacity and improving our cooperation with international law firms, and in the medium term we want to attract more talents who have foreign qualifications and experience to further improve our ability to compete with western firms.

Leaders League. What can Chinese law firms do to catch up with their western peers?

S.Z. Chinese law firms have the advantage of having the world's second largest economy as backing. Another advantage is that laws are quite unified across China. One point we can improve on is documentation. Since Chinese businesses have traditionally had a weak comprehension of contracts - many company decision makers prefer to read a contract of two pages instead of hundreds of pages as it the norm in the West - so Chinese law firms are weaker in the logic and structuring of documentation. At JunHe, we have successfully attracted many senior associates from international law firms, and have also cooperation agreements with foreign law firms such as Slaughter & May and some Japanese law firms to train ourselves on this aspect.

Leaders League. What are the challenges for JunHe as you develop?

S.Z. I can see two challenges. First of all, faced with competition from some other law firms that pursue their development by scaling and easily have three to four thousand associates, we want to pioneer emerging niche sectors and constantly cultivate our leading capacity in such areas. In addition, the impact of the Internet compels us to review our strategy. For instance, we are considering offering standardized legal services via the Internet.

Leaders League. What does the future hold for JunHe?

S.Z. Currently we have around 900 employees, including over 600 legal professionals. In the future we'd love to double the number of lawyers to reach the 1000 mark while maintaining our excellent quality and reputation like a strong boutique firm. We need to get bigger to serve the huge Chinese market, but we will never trade quality for size. Although we won't exclude the possibility of a merger, which is the fastest way to achieve this objective, similar sized firms or international law firms are not on our radar at the moment. A merger with a boutique firm might be interesting, why not? But first of all we need to ensure that anyone who joins us is compatible with our unique culture. ♦

“THE IMPACT OF THE INTERNET COMPELS US TO REVIEW OUR STRATEGY”

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MELISSA SCANLAN
Senior Director, Intellectual Property and Antitrust
 T-MOBILE



DANIEL FEDER
Director, Patent Portfolio Management
 BOEING



MANNY SCHECTER
Chief Patent Counsel
 IBM



STEVE REYNOLDS
Executive Vice President & General Counsel
 ARAMARK



THOMAS SABATINO
EVP & General Counsel
 AETNA

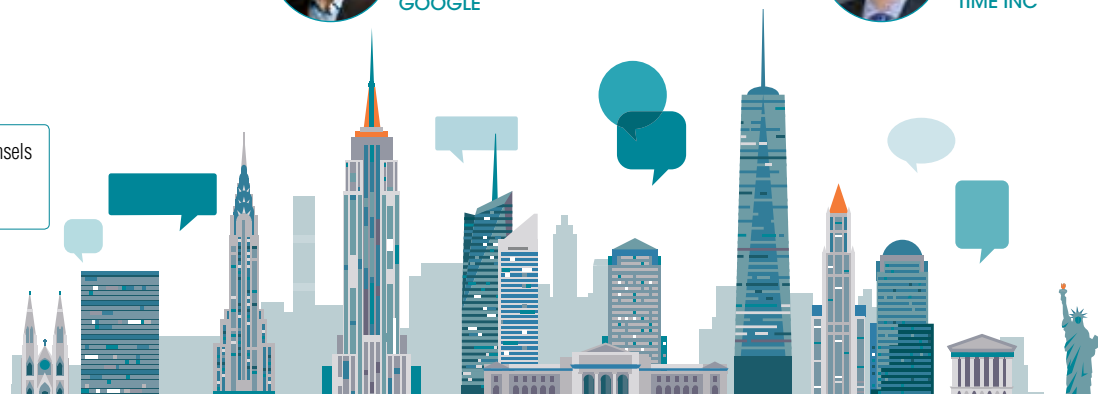


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Sikh gurdwara Golden Temple, Punjab

© iStockphoto

India: An immense legal market on the verge of opening up

IN THE LAST FEW YEARS, INDIA HAS SIGNIFICANTLY DEVELOPED INTO AN ACTIVE CENTER FOR GLOBAL INNOVATION. THIS HAS MADE THE REQUIREMENT FOR EFFECTIVE, INTERNATIONAL-STANDARD LEGAL SERVICES AN ABSOLUTE NECESSITY. THERE HAS PERHAPS BEEN MORE CHANGE IN TERMS OF MARKET LIBERALIZATION IN 2015 ALONE THAN THE TWO PRECEDING DECADES. THE FUTURE CAN ONLY BE BRIGHTER FROM THIS POINT ONWARDS.

Ever since the Bharatiya Janata Party won the biggest election mandate in three decades, under the leadership of Narendra Modi in 2014, the new government has made quite an effort to attract investment, including easing the rules, especially for foreign investments. Political stability and a favorable economic situation thanks to the reforms laid out by a very capable Governor of the Reserve Bank of India, Mr. Raghuram Rajan, have not only enabled India to implement a number of growth-boosting measures, but also to accelerate the liberalization of the Indian legal market.

Business confidence in India has been rising steadily. In the newly released projection for global growth in 2016-2017, the International Monetary Fund (IMF) has retained its forecast at 7.5 percent GDP growth in India, largely driven by private consumption. With the Rupee undergoing further stabilization, inflation has eased the current account balance, in spite of weaker exports and sluggish credit growth.

RESTRICTIONS ON THE INDIAN LEGAL MARKET

India has 1.2 million lawyers, which puts it on par with the United States.

The country is set to be one of the largest legal markets in the world. However, quite a few obstacles exist, which are restraining further development of the Indian legal market.

Unlike retail, entertainment, aviation and other sectors, legal services are banned from advertising in India, as per the lawyer advertising restrictions specified in the Advocates Act of 1961. In its Rules

on Professional Standards, the Bar Council of India clearly states that “an advocate shall not solicit work or advertise in any manner.” In 2008 the rules were relaxed to a certain extent, allowing firms to have simple websites, with basic information, though many firms have found ways to bend these rules.

Therefore, officially speaking, the majority of clients rely on oral referrals

TOP 10 INDIAN LAW FIRMS

There has been little change at the top since the RSG India Ranking began in 2008

Firm	2015 ranking	Number of partners	Number of lawyers*
Amarchand & Mangaldas & Suresh A Shroff & Co**	1	84	655
AZB & Partners	2	20	295
Khaitan & Co	2	81	354
J Sagar Associates	4	79	337
Luthra & Luthra	5	42	292
Trilegal	6	23	172
S&R Associates	7	8	53
Economic Laws Practice	8	25	129
Desai & Diwanji	9	27	187
Talwar Thakore & Associates	10	4	26

*Number of lawyers includes partners, associates and of-counsel

**Split into two separate firms in 2015: Cyril Amarchand Mangaldas and Shardul Amarchand Mangaldas

Source: RSG India

for their legal requirements. The legal profession works more by the introduction of a client to a “friend of a friend” than by any standardized criterion for grading lawyers. Currently, some of the more adventurous Indian law firms have used foreign-based publications and directories as a way of advertising themselves to prospective clients and referral partners, and some big firms advertise through other means such as sponsoring events, putting smaller firms at an obvious disadvantage.

Under such circumstances, the lifting of restrictions will help level the playing field and democratize the legal market.

EFFORTS AT REINVENTION

The Indian legal market is no longer strictly top-heavy and set in stone, as was the case even a couple of years ago, when six of the biggest local law firms controlled a majority of the market. Now, many smaller firms are carving out reputations as top-tier in terms of quality. India’s largest firm Amarchand & Mangaldas & Suresh A Shroff & Co. has been split into two independent firms after a mediation process that lasted for six months. Ever since, there has been a mad rush in the market, with the two managing partners (and brothers) Cyril Amarchand Mangaldas, in a bid to retain its market position by rapid expansion, went on to hire more than 61 fresh graduates from the top law schools in India, a 30% hike over 2015.

With the push from lobbyists in the new government to liberalize the legal market, alongside the increasing ease of attracting Foreign Direct Investment (FDI) for businesses, one thing seems sure – the Indian legal landscape is set for major upheaval in the next few years.

THE TIMES THEY ARE A CHANGIN’

According to a series of changes proposed to the Companies Act of 2013, startups in India are exempt from all tax liabilities for the first three years including, but not limited to third party

MEMBERS OF UKIBC

Increasing numbers of UK law firms are trying to find a footing in the Indian legal market, many are getting support from the UK India Business Council (UKIBC)

Firm	Origin
Allen & Overy	
Ashurst	
Baker & McKenzie	 
Bird & Bird	
Clifford Chance	
DLA Piper	 
Eversheds	
Field Fisher Waterhouse	
Herbert Smith Freehills	 
Mishcon De Reya	
Nabarro	
Pinsent Masons	
Stephenson Harwood	
Taylor Wessing	

Source : RSG India

tax, compliance duties, form filing and tax on additional funding, starting Feb 1st, 2016. This has already resulted in an influx of investors and goes to show that the country as a whole is very forward-looking and in need of a more structured, internationally effective legal framework.

Despite a decade-long discourse about liberalization, the Indian legal market has remained largely closed to international law firms for all practical purposes. The consistent opposition from legal juggernauts such as Mr. Lalit Bhasin, president of the Society of Indian Law Firms (SILF), has not helped the cause. So when he recently wrote an opinion piece in The Business Standard, saying that Indian law firms were now “*much better placed to face the entry of foreign law firms, although in a phased manner, subject to the approval of the regulatory body, the Bar Council of India (BCI)*” and suggested a timeline for the entry of foreign law firms over a period of five-seven years, it was met with equal amounts of joyful surprise and puzzling confusion.

Additionally, with over 150,000 cases pending in the Kolkata High Court and more than 90,000 cases awaiting trial in the Bombay High Court, the Indian legal

services sector could definitely do with some external help to reach the point of self-sufficiency, in order to truly benefit from this renewed energy in the work environment. Anubhab Sarkar, an associate in the Project Finance department of Indian law firm Krishnamurthy & Co. believes that although the margins on individual cases in Indian courts are lower than say in the UK, foreign firms could definitely benefit from economies of scale and help ease pressure on local legal bodies, once barriers to entry are successfully removed. The entry of foreign law firms will help the country explore foreign markets from the perspective of Indian law.

Presently, under the Advocates Act enacted in 1961, foreign law firms can’t perform liaison activities in India without being enrolled as lawyers under the Indian statute. In 2009, the Bombay High Court verdict upheld a ruling that foreign law firms can’t open liaison offices in India, and to this day foreign law firms are still barred from opening liaison offices in India.

It is not as if there has been a lack of attempts at reform in the past. In April 2015, the Supreme Court sought a response from the Bar Council of India ►

► on an appeal filed against the Bombay High Court's 2009 verdict. Earlier, when the Indian government first opened the economy to foreign investment in 1994, White & Case, Chadbourne & Parke and Ashurst first gained licenses and set up liaison offices in India as foreign law firms. However, Indian lawyers reacted strongly toward these operations and in 1995, the Mumbai High Court ruled that local lawyers have a monopoly on practicing law in the country. White & Case and Chadbourne & Parke pulled out voluntarily after the ruling and only Ashurst stayed on in New Delhi. No new licenses are presently being issued. But Clifford Chance has managed to open up an offshore LPO in Gurgaon to provide IT-enabled processed legal services and help themselves penetrate the Indian market faster through its existing presence, when the market finally does enable them to officially operate in the country.

For the past decade, India, Asia's third-largest economy, has been growing at the fastest pace since it achieved independence in 1947. India has emerged as one of the strongest performers in the deal-street across the world in terms of mergers and acquisitions. The number of private equity and M&A deals has seen an increase of 18% to 141 since

2015. In the next 15 years, over 2,200 Indian firms are expected to invest in markets overseas. Foreign lawyers are betting India will be a growth market for them once they're allowed to practice here.

With businesses getting more and more globalized and international mergers becoming commonplace, the need for foreign firms to practice home law in India is on the verge of losing its importance. Some lawyers in the UK and US are gambling their careers and their firm's growth structure waiting for the tables to turn in their favor, when the markets open up.

CALLS FOR LIBERALIZATION

An closed-market situation has restricted both foreign and domestic firms from exploiting the growing opportunities in India. Under such a secular conservative arrangement, even the best friend referral relationship is less lucrative. Due to these factors, in 2011, AZB & Partners broke off the relationship with Clifford Chance after only a year. A few months later, ALMT Legal broke with Clyde & Co. for the same reason. In 2012, Allen & Overy ended a five-year relationship with Trilegal due to lack of progress on liberalization. Constraining this stagnant liberalization is India's booming

economy. FDI soared after Modi's election and estimates suggested India could attract its highest ever FDI inflows in 2015. With India becoming a top destination for multinational disputes, the espousal of legal liberalization grows ever stronger.

Shailesh Vara, the UK Justice Minister, said in a visit to India that "*many countries like the UK are keen to do business with India and Indian companies.*" He emphasized that opening up the legal market wouldn't push Indian lawyer out of jobs but would instead bring benefits such as the creation of new work opportunities, reduced business cost and removal of practical complications that may be disincentives to attracting foreign investments in India.

More and more Indian attorneys are starting to feel it might be a myopic view to frown upon the entry of foreign lawyers, and that by doing so they are missing out on the opportunity of practicing with the best in the world.

People are monitoring developments in the Indian market with bated breath, waiting for the rigid ideas to change and the legal market to be reinvented. ■

A house boat in backwaters at sunset, Alappuzha, Kerala



© Pfliscoo.kz



ASHWIN RAMANATHAN
Partner, **AZB & PARTNERS**

“Our mantra is ‘Go slow and steady’”

Leaders League. What has AZB done differently in order to consistently retain its position in the top bracket of Indian law firms?

Ashwin Ramanathan. Internally, our firm is structured in a very unique way. It is almost flat with not a lot of hierarchy. Partners don't usually have teams working under them. Our founding partners never felt the need to move to a rigid team structure, and that has worked wonders for the firm. There is a very informal working culture, and people refer to each other on a first-name basis. There is a lot of cross-team collaboration that happens on a regular basis. Also, our associates get to work with multiple partners, which gives them hands-on as well as hands-off experience in helping partners with different work ethics and this has resulted in much higher retention of our associates. Externally, we are not essentially very different from all the other major law firms in India. We don't think that we have necessarily done anything differently, but you can say that we have focused on our primary job in providing legal services and we have done it well. We have a quick turnaround rate and we make a point of meeting client expectations to the fullest. As a firm, our strongest collective motto is getting the basics right.

Leaders League. What are your views on the liberalization of the Indian legal sector, in terms of the entry of foreign law firms?

A.R. AZB & Partners has never been against liberalization of the legal sector. As a firm that puts a lot of importance on providing a good environment for associates, we believe that allowing foreign firms to enter would guarantee even better training and placements for them. One cannot ascertain the actual impact of this decision on the legal industry as a lot of it depends on the local working conditions in different countries. Even a country like Australia did not see a lot of success

in terms of legal liberalization. We have had an interesting, albeit short-lived, best friend relationship with Clifford Chance. Overall, we are not too concerned about the process and if it helps the industry as a whole while ensuring that the clients are happy at the end of the day, then why not?

Leaders League. How has the Amarchand & Mangaldas & Suresh A Shroff & Co split affected the Indian legal landscape?

A.R. Other than creating an additional competitor, I don't think the split will have any other long term effects. Considering that fact that it was one of the largest law firms in India, it had the ability to attract a lot of talent. Hence, after the split there was a flurry of activity and it created a lot of movement between the resulting two firms and some of the other top-tier/middle-tier firms. Some of these very talented lawyers headed to our firm too, and in the end we benefitted somewhat from the whole thing. Overall the legal sector has not been negatively affected, other than a few split league tables in terms of top law firms and now the initial uncertainty has settled down, things are almost back to normal again.

Leaders League. What is your firm's strategy for the next five years?

A.R. We don't necessarily believe in change as a way to move forward. We are quite bullish about the future and want to keep doing the same things we have done in the past. Our mantra is 'Go slow and steady'. We don't indulge in 50-partner hire spurts like some other competitors. We believe that flexibility is important, and our non-team approach has helped us adopt flexibility into practice. We don't see the point in biting off more than we can chew, and having to downsize later. So in the next few years we are going to stick to the basics and keep working hard, while adapting to new changes in the market. ♦

“OUR FOUNDING PARTNERS NEVER FELT THE NEED TO MOVE TO A RIGID TEAM STRUCTURE, AND THAT HAS WORKED WONDERS FOR THE FIRM”



© Naitee Chalemitragool

The Floating Torii gate in Miyajima

Japan: A mature market capitalizing on the emergence of neighboring countries

A SOPHISTICATED MARKET, JAPAN HAS MANAGED TO LEVERAGE ITS GEOPOLITICAL ADVANTAGES TO ACHIEVE GROWTH, NEVERTHELESS, THE ENVIRONMENT FOR FOREIGN LEGAL PRACTITIONERS REMAINS DIFFICULT DUE TO IN-COUNTRY REGULATIONS.

From December 2012 until recently much excitement had been generated by the “Abenomics” program put in place by Prime Minister Shinzo Abe to kick-start the Japanese economy. Aggressive monetary easing devalued the yen, bolstering earnings at big companies and the surging yen is considered a key component in the recovery of the Japanese economy. Ever since Tokyo was selected in September 2013 to be the host city for the 2020 Olympics, the government has been looking to increase to 20 million the number of tourists visiting the country annually by the time of the Games. The figure was 13.41 million in 2014 but grew to 19.73 million in 2015. Despite some doubts, the legal market is anticipating the potential synergies.

The Japanese economy has been in stagnation ever since the 2014 recession and GDP growth has stalled from mid-2015 onwards, according to data released in May 2016. The strong dollar, however, accompanied by low commodity prices, provide a great opportunity for Japan to export its industrial and electronic products.

Japan’s legal market had a rather active 2015. Greenberg Traurig Maher’s office in Japan was reopened. Ashurst relocated its Asia managing partner to Japan, Norton Rose Fulbright joined the rush of international firms eyeing the recuperating

market. Withers also set up a tax office in Tokyo to test out the Japanese market. In 2016 Debevoise took the initiative by launching a Tokyo office, followed by Linklaters advising Nissin Food in the tie-up with Premier Foods. Japanese law firms have also attempted to stimulate growth by horizontal cooperation or by setting up oversea desks, such as the alliance between Shusaku Yamamoto and Bank of Tokyo-Mitsubishi UFJ (BTMU) to strengthen the support for innovative technology SMEs, the opening of Mori Hamada & Matsumoto’s Jakarta office in January 2016, and Anderson Mori & Tomotsune’s new Bangkok office opening in May 2016.

MINORITY PRACTITIONERS ENJOY GRADUALLY PROGRESSION

Globalization is having an increasing effect on some local markets, forcing them to provide services to an international

standard or that meet the demands of multinational businesses. Among the countries affected is Japan, where over the last decade the legal market has grown more flexible and open to international cooperation. Prior to 2005, *gaikokuho jimusho* (foreign lawyers registered with a Japanese bar association, *gaiben* for short) firms were forbidden to hire local lawyers or enter into joint ventures with Japanese firms. Nowadays, foreign firms are allowed to both hire and form alliances with Japanese lawyers, although they are still required to notify the Japan Federation of Bar Associations when doing either. Following the lobbying for deregulation in regards to foreign lawyers practicing in Japan, an amendment effective since 2014 allows a foreign law firm (*gaiben firm*) to incorporate itself as a corporate (*hojin*), thus permitting foreign law firms to set up more than one branch. Those amendments have made

NUMBER OF LAWYERS LICENSED TO PRACTICE WITH LOCAL BAR ASSOCIATIONS

Only 1% of the lawyers registered with Japanese bar associations are foreigners

Local Bar Associations	52
Member Attorneys	36,466 incl. 6,618 female members (18%)
Registered Foreign Lawyers	380
Legal Professional Corporations	743

Source : Japan Federation of Bar Associations

things easier for foreign law firms, however given the current sophisticated criteria to get permission to work as a *gaiben*, the Japanese market remains locally dominated. In its latest white paper, the European Business Council made several recommendations concerning the status of the market as well as potential win-win solutions for both foreign and local lawyers, including lifting the barriers to recognition and approval of foreign lawyers in Japan.

Another trend is the rising proportion of female attorneys in Japan. Traditionally a male-dominated job, law has become a profession favored by an ever-increasing number of women, partially due to Prime Minister Shinzo Abe's "Womenomics," which urges companies to adopt a minimum 30% of females in leadership positions by 2020. According to JFBA's statistics, female lawyers accounted for 1% of all lawyers in 1950, compared to 18% in 2015 suggesting the industry has become more accessible to women. Although the

average percentage of female partners in leading law firms in Japan is still lower than that in the US or Europe, it may be a somewhat positive sign for both the Japanese legal market and Japanese economy.

HIGH ENTRY BARRIERS FOR FOREIGN NEWCOMERS

Apart from a market dominated by local firms, another distinctive feature of the Japanese legal market is the tendency of lawyers to practice alone or in small groups: 9,125 of the 15,331 firms surveyed in 2015 are single-member practices (i.e. sole practitioners) and 14,347 firms, 93% of all firms, have fewer than five attorneys. The situation may be explained by several social, cultural and regulatory factors.

According to the data collected by Japan's Ministry of Economy, Trade and Industry (METI) in April 2016, small and medium business enterprises (SMEs) account for more than 99% of the total

registered business entities. Regardless of the mature economic performance, the majority of those SMEs do not generate enough profit, nor do they need to hire large law firms. Secondly, due to legal regulations set by the Japanese government, law firms had to be run by a single lawyer until 2002, the year when the present Legal Professional Corporations (LPCs) system was introduced. Lastly, the rather conservative society valuing trust and credibility leads to long-term, close relationships between those SMEs and boutique firms.

Cultural barriers also play a fundamental role. While foreign law firms have been allowed to recruit local professionals since 2005, they have had little success in doing so. Conservative working methods, which differ considerably from those in Anglo-American culture, as well as the strongly hierarchical social conventions raise difficulties for foreign law firms seeking to thoroughly blend into the market. ▶

FOREIGN LAWYERS REGISTERED WITH A JAPANESE BAR ASSOCIATION, BY NATIONALITY

Americans make up the largest contingent of foreign lawyers registered in Japan

Home country	Number of lawyers registered with a Japanese Bar Association
US	137
Japan	73
UK	44
China	33
Australia	28
Canada	18
Germany	9
France	6
Brazil	5

THE TEN LARGEST LAW FIRMS IN JAPAN (BY NUMBER OF ATTORNEYS)

Local firms dominate the Japanese top ten

Firm	Number of partners	Number of attorneys	Head office	Foreign attorneys
Nishimura & Asahi	122	542	Tokyo	40
Anderson Mori & Tomotsune	124	418	Tokyo	19
Mori Hamada & Matsum	103	380	Tokyo	23
Nagashima Ohno & Tsunematsu	96	370	Tokyo	17
TMI Associates	82	375	Tokyo	23
Baker & McKenzie	44	151	Chicago	27
Adire Legal Professional Corporation	1*	152	Tokyo	0
City-Yuwa Partners	45	134	Tokyo	5
Oh-Ebashi LPC & Partners	51	134	Osaka	7
Atsumi & Sakai	47	111	Tokyo	10

*leading practitioner

Source: Law firms' official sites and interviews, data gathered in May 2016 by interview or taken from firms' website

Source: Japan Federation of Bar Associations

► Yet most Japanese law firms have realized the importance of cultivating an international environment during the past decade. Laurent Dubois, partner at TMI Associates, relates “Japanese law firms realize that broadening their global horizons could help them attract elite lawyers from abroad and break down cultural barriers between local and foreign lawyers.”

Consequently, most foreign law firms focus on advising foreign enterprises with ties to businesses in Japan, or local investors willing to search for opportunities outside of Japan. For that they find it challenging to leverage their competitive advantages in such a sophisticated market, as well as having to put disproportional effort to conduct localization while major Japanese local law firms are busy setting up overseas offices.

OUTBOUND INVESTMENT, A WHOLE NEW OPPORTUNITY

According to a UN report, Japan’s population is to shrink from 126 million to 83 million by 2100, with more than 35% of them older than 65 years old. The shrinking population, and the shrinking market that goes with it, will

force Japanese businesses to search for a brand new customer base outside Japan. Law firms too will increasingly look overseas. Although the Chinese market is attractive, tensions and cultural barriers between China and Japan have led major Japanese corporations to choose Southeast Asian countries such as Thailand, Vietnam and Indonesia instead. It started as a diversification strategy in 2011 due to the 3/11 Tsunami, yet following the strained political relationship between Japan and China since 2012, ASEAN countries have become ideal places to invest. Many economies in the area have great potential to grow thanks to lower per-capita incomes and inexpensive labor costs. Thus SMEs in the region have become popular choices among Japanese conglomerates. Recently, even Singaporean banks have been looking for lending opportunities by using the increasing capital inflow caused by the activity. For example, United Overseas Bank, a Singapore-based bank, reported a considerable increase in deposits made by Japanese investors. Data from the Japan External Trading Organization shows that since 2011 the country’s outward

FDI to ASEAN countries surpassed its amount to China. A survey conducted by the Japan Bank for International Cooperation (JBIC) also suggests that 47% of Japanese firms utilize free trade agreements and other economic partnership agreements in the ASEAN market, a dramatic increase compared to a figure of less than 20% in 2007.

Japanese firms like Nishimura & Asahi and Mori Hamada & Matsumoto have also set up numerous overseas offices in the region in the last decade to follow the trend. “The Japanese market is getting smaller and companies need to find a solution,” stated Mr. Yoshinobu Fujimoto, partner in M&A practice, Nishimura & Asahi. The setting up of offices in emerging markets has allowed those firms to invest in long-term development in Southeast Asia and gain further competitive advantages on international law firms. For the time being, cross-border transactions are some of the most frequently conducted deals in the region, however, partners are also optimistic about the potential for monetization in dispute resolution and other corporate matters in the foreseeable future. ■

Colorful signs in Akihabara, Tokyo



© Sean Pavone



LANDRY GUESDON
Foreign attorney (Gaikokuho Jimu Bengoshi), **IWAATA GODO**

“JAPANESE CORPORATES ARE STILL ACTIVELY LOOKING FOR OUTBOUND INVESTMENT OPPORTUNITIES BUT THE DOMESTIC LEGAL MARKET IS VERY ACTIVE, THOUGH NATURALLY CROSS-BORDER DEALS CATCH THE EYE”

“The Japanese paradox: an aging population creates new opportunities for the Japanese economy”

Leaders League. What are the obstacles registered foreign lawyers (Gaiben) and global law firms may encounter in Japan?

Landry Guesdon. There are few obstacles at present. It has been a painstakingly slow process but numerous reforms have taken place since World War II. In 1987, Japan opened up its legal services market to foreign law firms by allowing foreign lawyers to qualify as foreign legal consultants (gaikokuho jimubengoshi). In 1998, foreign lawyers were allowed to form joint ventures with Japanese lawyers. Since 2002, lawyers can form corporations. Legislation was passed in 2014, permitting a gaiben law firm to incorporate itself as a legal person and thereby become eligible to open more than one branch. However, foreign and Japanese attorneys may not together establish a corporation. Having moved from a Magic Circle firm to the oldest Japanese law firm, I am fully aware of a difficulty foreign firms are yet to overcome which is to establish long-term relations with Japanese corporates. There is a clear division between local and international firms. Many Japanese companies have been relying on the same local firm for decades and although certain foreign firms have an impressive track record, because their business model mainly hinges on purely transactional work (making a quick buck), Japanese corporates still prioritize local firms as their long-standing partners. Fees are also a key factor in this context.

Leaders League. How has the foreign investment market influenced the Japanese legal market in the recent years?

L.G. 2016 has been a quieter year for industrial players compared with 2015. FDI does not dramatically impact the Japanese legal market, foreign private equity involvement is comparatively nominal. Japanese companies are still actively seeking cross-border investment opportunities. International law firms and more aggressive domestic firms compete for outbound M&A work. Investment is occurring primarily in the ASEAN, moving away from the PRC. India and Africa are relatively new jurisdictions for certain industries, yet attractive markets. The US and the EU remain traditional destinations.

Leaders League. Nowadays numerous Japanese companies actively invest in South-East Asia. Why has this strategy become a norm and is there any uncertainty in the foreseeable future?

L.G. Decisive factors behind international expansion are an aging population and a shrinking domestic market. Proximity is another factor. Another attractive feature are the lower production costs and this has prompted many Japanese companies to relocate their manufacturing facilities in the region. China’s rising payroll costs and the occasional political tension have also put off a number of Japanese investors. Although trying hard to become more international including by hiring more foreign staff, Japanese companies still have their unique business model and management structure. As a result post-merger integration is always challenging. Implementing the ideal strategy to maximize synergies is a complex exercise for groups sometimes without much international exposure. There is a lot of handholding needed from lawyers who help clients navigating turbulent waters outside Japan and act as cross-cultural advisors.

Leaders League. What major industries are receiving the most attention from foreign investors in Japan?

L.G. Many industry sectors are concerned, like life sciences, pharmaceutical and medical device industries. The demographic structure attracts these industries and new drug applications are now processed expeditiously. The luxury industry has bounced back due to the influx of tourists, mainly from the PRC. Retail and construction, considering the country will host the 2019 Rugby World Cup and the 2020 Olympics attract a number of foreign players. A project worth mentioning is the privatization of the Kansai regional airport with French conglomerate Vinci teaming up with Orix. In certain niche sectors where foreigners may have a leading edge like Fintech, Japan is also a good place to be. Foreign players adopt a variety of strategies including alliances, acquisitions, distributorship or co-marketing to get their share of the Japanese market. Patience is a must. ♦



© Viadyslav Danilin

The Blue Mosque, Istanbul

Turkey: Still an attractive market for investors

DUE TO MONETARY AND BUDGETARY DISCIPLINE COUPLED WITH THE FORTIFICATION OF THE BANKING SECTOR, THE COUNTRY OVERCAME THE SEVERE ECONOMIC CRISIS IT SUFFERED AT THE TURN OF THE 21ST CENTURY. ALTHOUGH IT HAS SLOWED DOWN A LITTLE, THE TURKISH MARKET HAS EXPERIENCED RAPID ECONOMIC DEVELOPMENT IN RECENT DECADES. POTENTIAL THAT HAS NOT BEEN OVERLOOKED BY CORPORATE LAW FIRMS, NOTWITHSTANDING THE RECENT POLITICAL TURMOIL.

It's a fact: over the last ten years, Turkey has been attracting more and more foreign companies. Why is this? Because the legal framework is close to European standards, and the Turkish market is appealing and comprehensive. Firstly, its young population – over half of its 77 million inhabitants are under 25 – has given rise to a boom in consumption. Secondly, the country has significant needs in the infrastructure, automotive and financial services sectors. The healthcare and insurance industries look promising, and strong growth is creating energy requirements. The country is rich in natural resources (wood, coal, iron, zinc, chromium, copper, silver), but the exploitation of these resources is still underdeveloped, providing opportunities in heavy industry there as well. GDP increased 9.2% in 2010, and while growth has slowed in recent years, it rose to 2.9% in 2014. In addition to the simplification of business creation regulations for foreign investors, high local demand and development perspectives are also appealing assets. When Turkey opened itself up to foreign markets at the end of the 1980s, many companies gained a foothold there: ArcelorMittal, Coca-Cola, Adi-

das, Shell, Peugeot, Nestlé, Microsoft, and L'Oréal (hair products) are a few of the foreign multinationals already present on Turkish soil. There are now over 30,000 foreign companies, a large portion of which are subsidiaries. In December 2015, Japanese manufacturer Konica Minolta announced that its Central Asia/Middle-East/Africa headquarters would be transferring to Istanbul, the country's economic lifeblood. As for Turkish and foreign firms, the majority are already present there. Despite being the capital city, Ankara has only six million inhabitants, whereas twelve million people live in former Constantinople.

A "EUROPEANIZED" BUSINESS

In 2013, there were officially 81,554 lawyers in Turkey (spread over 79 bars), many of whom studied law in Switzerland before returning to practice in their country. This phenomenon can be explained by exploring the roots of Turkish law. In 1926, Turkey adopted a civil code and a code

of obligations directly inspired by the Swiss model; the Swiss civil code was the most recent at that time. There are very few large Turkish organizations; the market is primarily composed of firms with an average of thirty lawyers (*see chart*). Most of these firms were founded in the 1990s and later. A notable exception is Deriş (*see interview on page 183*) one of the oldest firms in Istanbul, which celebrated its centenary in 2012. The supply of corporate law firms is diversified, and some firms, like Aksan and Moral, have offices abroad. Foreign corporate law firms are attracted to Turkey's "Europeanized" business as well as the large number of companies already present there. There are approximately ten foreign firms, including Baker & McKenzie, Gide, Dentons, CMS, Clifford Chance, DLA Piper, and Allen & Overy. Most organizations have fewer than ten partners. However, Baker & McKenzie is an exception. Present in Turkey since 2012, its association with the Turkish firm

"TURKEY'S YOUNG POPULATION – OVER HALF OF ITS 77 MILLION INHABITANTS ARE UNDER 25 – HAS GIVEN RISE TO A BOOM IN CONSUMPTION"

Esin has propelled it to the top of the list of largest corporate law firms, with over sixty lawyers. The development of international firms has accelerated since 2010, with the notable exception of USA-based White & Case, which has been present since 1985. In January 2015, for that matter, the firm was involved in one of the first public-private partnerships in Turkey, in the domain of social infrastructure; namely, a hospital complex in Adana. But the Turkish market does have certain criteria that foreign organizations must meet in order to set up offices there. First, foreign firms must employ Turkish nationals or have a Turkish partnership – an obligatory condition for establishing a business. They then receive a license to practice international but not local law. For example, the firm Gide, established in Istanbul for almost twenty years, is affiliated with the firm Özdirekcan Dündar Şenocak. The three Turkish partners (who the firm was named after) were joined by a fourth, Ali Osman Ak, in November 2015. They practice alongside a French lawyer, Matthieu Roy. CMS is one of the last foreign firms to be established in Turkey in 2013, with the UK-based Locke Lord, which practices under the name Edwards Wildman Palmer. These firms are often full service, though corporate M&A and project financing are the most represented disciplines.

2016 ACTION PLAN

In addition to companies, investors are another important client for international firms, because cash flow is particularly important to them. The major economic reforms introduced during the 2001 financial crisis enabled the financial sector to remain fairly stable, leading to an increase in flow. A study conducted by the United Nations Conference on Trade and Development (UNCTAD) revealed that Turkey is one of the top recipients of foreign direct investment (FDI) in Western Asia, with \$12.5 billion in 2014. The state created the Investment Support and Promotion Agency of Turkey (ISPAT), and in December 2015, Prime Minister Ahmet Davutoğlu released the 2016 action plan to improve the investment environment. Reducing costs in orga-

nized industrial areas and facilitating licensing procedures for investors are also planned. While up to 80% of cash flows from Europe, Turkey's 75 bilateral investment treaties have taken effect and define the framework of foreign investment protection for the signatories. In the Mediterranean basin, these bilateral conventions have been signed

with Egypt, Spain, Greece, Lebanon, Morocco, Portugal, and Tunisia. A country located at the crossroads of several continents, Turkey's geographic position further enhances the attractiveness of its market. Its proximity to the major markets in the Commonwealth of Independent States (CIS), the Middle East, and Nor- ▶

MOST OF THE LOCAL CORPORATE LAW FIRMS ARE SMALL ORGANIZATIONS*

Only two firms operate outside the Turkish border: Aksan (with offices in Azerbaijan, the United Kingdom, and Japan) and Moral Law Firm (in London)

Firm	Number of employees	Year of creation	Location of offices in Turkey
YükselKarkinKüçük YKK	110		Istanbul
Goksu Safi Isik Attorney Partnership	107		Istanbul
Hergüner Bilgen Özeke	98	1989	Istanbul
Aksan	80	1984	Almaty
Moral Law Firm	75	1968	Istanbul, Ankara, Antalya, Izmir
Gün + Partners	65		Istanbul
Balcioglu Selcuk Akman Keki	60	2007	Istanbul
ELIG	60	2005	Istanbul
Birsel Law Office	50	1997	Istanbul
Bener Law Office	49	2001	Istanbul
Esin Attorney Partnership	49		
Paksoy	40	1971	Istanbul
Pekin & Bayar Law Firm	39	1946	Istanbul
ASC Law Office	36		Istanbul
Gür Law Firm	35		Istanbul
Kolcuoglu Demirkan Koçakli	35		Istanbul
Moroglu Arseven	35	2000	Istanbul
Bezen & Partners	34		Istanbul, Ankara et Mersin
Akol Avukatlik Bürosu	33		Istanbul
Pekin & Pekin	30	2001	Istanbul
Verdi Avukatlik Ortakligi	28		Istanbul
YaziciLegal	26	2011	Istanbul
Akinci	25	1984	Istanbul
Deris	25	1912	Istanbul
Güner Law Office	25	1996	Istanbul
Cukur & Yilmaz	25	1993	Istanbul et Izmir
Yegin Ciftci Attorney Partnership	21		Istanbul
Baspinar & Partners Law Firm	20		Istanbul
Cerrahoglu Law Firm	20	1966	Istanbul
Cosar Avukatlik Bürosu	20	1969	Istanbul
Pelister Atayılmaz Enkür	20	2010	Istanbul

* Figures collected in 2015

Source : Décideurs

► th Africa provide access to nearly 1.5 billion potential consumers. The country is an increasingly important natural link. Energy commodities from Azerbaijan, Northern Iraq, and Russia pass through it. The synergies between the continents could be further strengthened by the major projects Turkey has undertaken. A new two-story tunnel, completed this summer and incorporated into the Eurasia Tunnel, allows automotive vehicles to travel between Asia and Europe under the Bosphorus. Other projects have been put forward by President Erdogan: Istanbul's pharaonic canal, which would link the Black Sea to the Sea of Marmara, or a third giant airport in Istanbul. The country has set its sights on having 10,000 kilometers of high-speed rail lines by 2023. Finally, the EU-Turkey Summit that took place in November 2015 focused on relaunching the country's bid to join the EU. In addition to opening a new chapter of negotiations in December 2015, the European Commission held discussions during the first trimester of 2016. ■
Article originally published in February 2016

THERE ARE VERY FEW INTERNATIONAL FIRMS ON TURKISH TERRITORY

International firms that do not employ any Turkish lawyers can only practice international law.

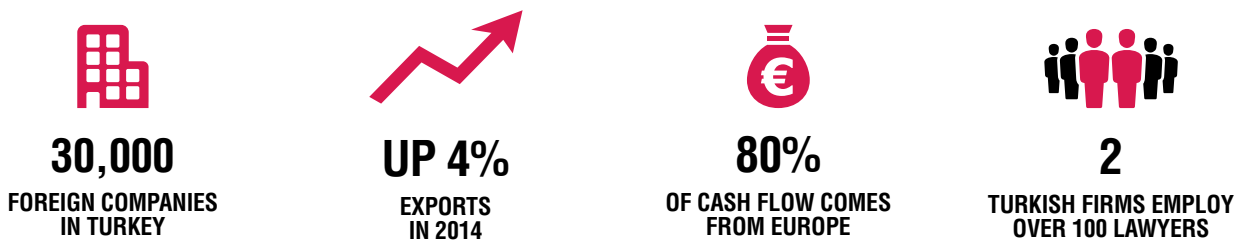
Firm	Year began practicing in Turkey
White & Case	1985
Gide	1995
Dentons	2003
Curtis, Mallet-Prevost, Colt & Mosle	2007
Clifford Chance	2010
DLA Piper Alliance*	2010
Baker & McKenzie**	2012
CMS	2013
Edwards Wildman Palmer***	2013

Source : Décideurs

*Alliance with YükselKarkinKüçük **Partnership with Esin Attorney Partnership ***Locke Lord

EXPORTS DRIVING GROWTH IN THE TURKISH ECONOMY

Turkey is developing an economic policy that is oriented towards the market economy, with public finances under control. Construction companies continue to fare extremely well, and are placed second worldwide behind China, but many industries are thriving. In November 2014, the country's largest food-processing company, Yildiz Holding, bought the British company United Biscuits for €2.6 billion. In June, Tofas, the joint venture between Koc Holding and Fiat-Chrysler, invested \$520 million in a Bursa factory which is manufacturing the Italian company's new compact car. The industry has diversified and the effort is paying off – exports rose 4% in 2014, despite the environment in Syria and Iraq and the economic crisis affecting European partners. In addition to the healthy exports of textiles, agricultural products, iron, steel, vehicles, and pharmaceutical products etc, precious metals, including gold, are also on the rise this year.



The Grand Bazaar, Istanbul

Source : M.V. Photography



BANU BARBUR
Partner, **DERIS**



E. KERIM YARDIMCI
Partner, **DERIS**

“Since the creation of the customs union, Turkey has become a very important market for foreign companies”

Leaders League. Created in 1912, Deris is one of Turkey’s oldest corporate law firms. How do you account for this longevity?

E. Kerim Yardimci. Deris is one of Turkey’s oldest law firms, but more importantly, one of the oldest firms to specialize in intellectual property in the country. Over the last hundred years, our profession has evolved considerably. We were able to adapt by transforming a family practice into a rapidly expanding firm of partners that has advised major multinational companies since its creation, which is why we are the leader in our field. For these companies, we handle more complex cases that require meticulous work while still maintaining a comprehensive approach with regard to their business in Turkey and in neighboring countries. Since 1996, when a series of decrees were introduced pertaining to intellectual property law and the customs union, Turkish companies have been operating abroad with increasing frequency, and foreign companies have been increasingly active in the Turkish market. The longevity of our performance is largely due to our long-term involvement in raising the awareness of public authorities, international associations, and academics about the importance of innovation, technology, and intellectual property.

Leaders League. Are you affected by all the competition cropping up with the recent arrival of foreign firms?

Banu Barbur. The international firms, the majority of which arrived in the last five years, are not really our competitors. None of the foreign firms practice solely intellectual property in Turkey. While the international firms that operate in our country do occasionally handle intellectual property cases, it’s always in the context of a far broader group of expertise. Our firm has been linked to a patent

and trademark office since 1959. It is located in our offices. We do, however, have competition from other companies for these activities. Nevertheless, we are one of the few firms able to intervene in all aspects of intellectual property rights and litigation.

Leaders League. You have a very strong international presence. How do you operate outside Turkish borders?

B.B. Our foreign clientele have developed business activities in Turkey in areas as diverse as banking, energy, technology, industry, food processing, automobiles, pharmaceuticals, telecommunications, etc. We are used to traversing jurisdictions for our clients. To be able to practice internationally, we have, over the course of the years, developed a network of partner law firms in many countries that are as specialized as Deris. We have an over thirty-year alliance with Sedin, our best friend in Geneva – the location of the World Intellectual Property Organization. The fact that our partners and lawyers are active members of international organizations enables us to stay informed about all the latest international developments so as to better assist our clients.

“WE ARE ONE OF THE FEW FIRMS ABLE TO INTERVENE IN ALL ASPECTS OF INTELLECTUAL PROPERTY RIGHTS AND LITIGATION”

Leaders League. What are Deris’ development projects?

E.K.Y. We are increasingly involved in e-commerce, data protection, patents, technical standards, technical licensing, subcontracting agreements, etc. We are evolving from a boutique format into a model that provides complete services to industries that touch upon intellectual property. We are counseling an increasing number of capital-risk financial companies that are capable of investing in innovative organizations. They see us as a partner, with a customized service that fits their needs – for the protection, defense, and valuation of their intangible assets. ♦

THE AFRICAN MARKET



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METHODOLOGY

Quantitative and qualitative data used for the tables of each legal market focus were collected in the following ways:

- Questionnaires and submission forms, sent out to law firms annually, that allow for accurate and up-to-date data.
- Phone calls made directly to the communication department of each law firm in order to get clarifications and verifications.
- Law firms' websites allowing the number of associates, partners and offices to be tallied.

Readers should be aware that:

- Table content may vary according to the features of each law firm and the legal market of each country. Focus is made on the number of partners and associates and generally does not take into consideration the number of legal assistants and paralegals.
- Numerical data is based on data collected during the 1st semester of 2016. It does not take into account changes made after July 2016.



Cape Town, South Africa

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Africa: An exciting story in the making

WITH A VAST CONTINENT COMPRISING 54 COUNTRIES AND 1.1 BILLION OF THE WORLD'S POPULATION, AFRICA OFFERS A WEALTH OF OPPORTUNITIES FOR BOTH LOCAL AND INTERNATIONAL INVESTORS. WITH NUMEROUS FINANCIAL HUBS BEING BUILT IN THE MAGHREB AND SUB-SAHARAN REGIONS, ALL EYES ARE ON THE GROWING TECHNOLOGY, TELECOMS AND AGRIBUSINESS INDUSTRIES. INDEED, THE LEGAL MARKET IS NO LONGER SOLELY CONCENTRATING ITS EFFORTS ON NATURAL RESOURCES SUCH AS THE OIL AND GAS SECTORS LIKE THEY WERE IN THE PAST.

THE NORTH AFRICAN LEGAL MARKET

THE MOROCCAN AND ALGERIAN LEGAL MARKETS

While these neighboring countries have kept their sense of competition with each other, in the past few years the legal market has blossomed in both Morocco and Algeria. However, the respective leaders have taken different approaches in opening up their markets to the rest of the world.

Morocco has time and again demonstrated its desire to become an international financial center by passing laws that place international investors in an enviable position at the negotiation table. This has led to numerous law firms wondering if Morocco is a good place to build partnerships or even set up offices. According to a study conducted in 2015, 75% of the firms seeking to open an office in North Africa looked at Morocco as their next destination (*Source: Legal Business*). Some of the most influential law firms like Baker & McKenzie, DLA Piper, Dentons and Clif-

ford Chance have already selected Casablanca as their new home.

Morocco has been able to establish strong connections with global firms for two main reasons one of which is its capacity to adapt its legislation to the needs of lawyers. For instance, many tax incentives have been enacted and both visa and work permit procedures have been simplified under the reign of Mohammed VI. In addition, Casablanca made a name for itself as a major financial hub for local banks such as Attijariwafa Bank and the Banque Centrale Populaire along with international banks like BNP Paribas and AIG. Saïd Ibrahim, CEO of Casablanca Finance City Authority for example explains his dream to “offer international investors and major actors of the global economy a stable and perennial entry point towards African economies and an investment platform with the best standards that favor their investments and their activities in North and West Africa”. Several multinational companies such as Renault made headlines following the announcement that they would relocate a part of their activity to Tangier and Casablanca in or around 2020. Law firms believe that such mo-

ves are a good sign for their business. Well-equipped in common law, civil law and local law, lawyers are confident that they have what it takes to enable their clients to conquer the Moroccan market.

Contrary to Morocco, Algeria has taken a more cautious approach. Few international firms have been able to open an office in the country. For instance, Algiers has been the home of CMS and Gide since the early 2000s and welcomed DS Avocats earlier in 2016. Lawyers wanting to enter the Algerian market usually consider building partnerships which are in fact more frequent. One such example is that of DLA Piper which signed an exclusive partnership deal with Bouchemla Lanouar & Associates. The objective of this alliance was that international clients investing in Algeria would be able to directly seek out a lawyer that didn't rely on outsourcing to answer their questions.

One of the main challenges that the Algerian legal market is witnessing is the lack of legislation that would allow for an open economy. Prohibiting investors from holding more than 49% ownership

of a state-owned company is one of the many restrictive rules in place. In order to capture more investments, the government is progressively opening up its market. In June 2016, it was made clear that a new investment code was being put in place to remove such restrictions. This has made investors feel more at ease in investing in Algeria and consequently lawyer activity has increased. Having strong oil and gas, infrastructure and consumer goods sectors, law firms are sticking to Algeria to create long-lasting ties. Many countries are investing in Africa, including France, Spain, Italy and now China, the latter being heavily engaging in public-private partnerships. This has created a lot of work for lawyers especially regarding arbitration matters between major companies like Saipem and Sonatrach. More work is expected to come with the country's plan to diversify its economy.

THE TUNISIAN, LIBYAN AND EGYPTIAN LEGAL MARKETS

The Tunisian, Libyan and Egyptian legal markets are not in the same league right now. The recurrent revolutions that struck a part of North Africa are making law firms think twice before setting up offices in the region. In Tunisia, the scars from the Jasmine Revolution are still fresh. Nonetheless, this hasn't stopped law firms from doing business there, like Gide who has been present on Tunisian soil since 2011. Tunisia is also home to

many local firms – Ferchiou & Associates and Jurismed to name a few – who have made it a priority to help investors smoothly enter the Tunisian market despite its current state. In Egypt, local firms dominate the legal market such as Zulficar & Partners which has both international corporate law and arbitration practices. Others, like DLA Matouk Bassiouny, solely work with clients from abroad by way of partnerships with international firms.

THE SUB-SAHARAN LEGAL MARKET

THE CENTRAL AND WEST AFRICAN LEGAL MARKETS

Central Africa, more commonly known for its rich natural resources is currently developing its telecoms and financial sectors. With the growing flow of foreign direct investment, many European, North American and now Asian law firms are in discussions with local professionals.

Portugal's Miranda & Associates has to date a close network of lawyers located in ten countries on the continent, for example in Angola and Mozambique. As well as the construction of alliances with foreign partners, African lawyers are also taking the next step in shaping the future of the continent. Nigeria is also a top contender in the legal market. In that regard, AELEX, headquarter-

red in Nigeria, is relatively well-present in Ghana, having offices in the country. Bigger networks are also being formed, the most important being the African Legal Alliance and LEX Africa. LEX Africa came into being in 1993 and is composed of top-tier law firms from 20 countries. Its mission statement entails that: "LEX Africa effectively covers the entire African continent and provides a valuable resource for businessmen and investors in Africa".

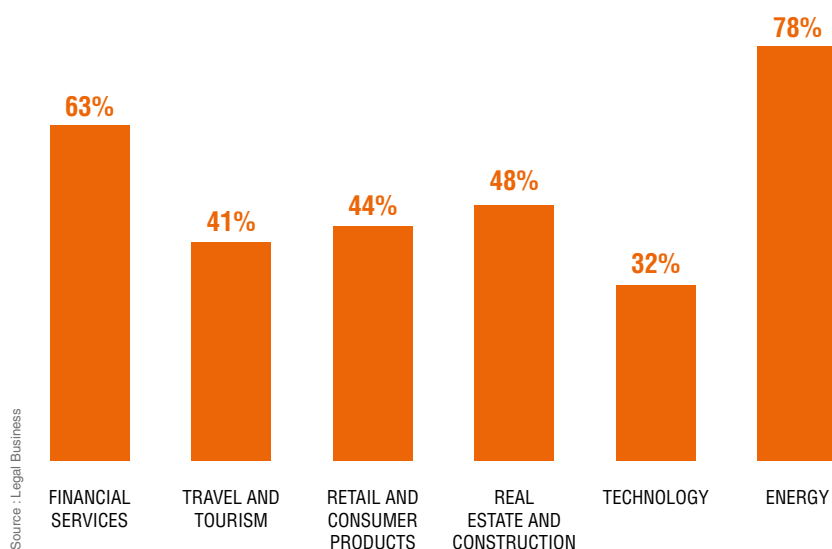
West Africa has seen many law firms set up offices in the region. This trend is not surprising as firms were already operating in Africa, only it was from their firms abroad. Orrick for instance came to the Ivory Coast in 2014 to better assist African and international clients with their investments on the ground. Abidjan has been able to attract firms as it serves as the headquarters for many businesses and institutions including the African Development Bank. Cameroon could be the next top destination for law firms as the African Intellectual Property Organization is based in Yaoundé.

As most of the member states are French speaking countries, it has naturally attracted many French firms like Lefèvre, Pelletier & Associés which entered Cameroon in 2016. Franck Soutoul and Jérémy Giacopazzi of Inlex Africa, saw in the West African legal market a great opportunity to "fill a gap." Indeed, according to these French men, 90% of African lawyers are generalists. Specialists are thus more and more sought after. The Central African legal market is now hiring African-born lawyers who completed their law studies abroad and who are bringing the knowledge they gained back to their home countries.

What can be expected in Central Africa in the future is a spike in the number of local firms working with each other. This trend is perfectly summed up by *The Lawyer*: "Across Africa, lawyers see the market for legal advice developing significantly over the next few years as countries continue to develop, harmonize and become more sophisticated." West Africa, in particular, has developed many regional institutions like the West African Economic and Monetary Union and the Organization for the Harmonization of Business Law (Ohada) in Africa. Trade

PRACTICE AREAS IN WHICH CLIENTS ACTIVE IN NORTH AFRICA HAVE THE MOST INTEREST

International law firms present in North Africa revealed which of their practice areas were most in demand



Source: Legal Business

and commerce have greatly benefited from the provision of a common economic and legal framework amongst member-states. Investors feel a sense that they can now operate with more fluidity in the area as their interests will be better served. Additionally, arbitration practices are flourishing providing quicker and more efficient solutions should a problem arise.

THE SOUTH AFRICAN LEGAL MARKET

The South African legal market is regarded as the most mature on the entire continent. With \$350.6 billion dollars in GDP per capita, South Africa is second only to Nigeria when it comes to attracting law firms from the four corners of the world.

The country is home to prestigious international firms like DLA Piper, Hogan Lovells, Allen & Overy along with Baker & McKenzie. Upon opening an office in Johannesburg, Mark Rigotti, CEO of Herbert Smith Freehills, stated: *“Africa is a core feature of our global strategy. With clients from across our international network looking at the tremendous growth opportunities, the opening of an office in Johannesburg is an important step in how we provide a pan-African offering.”*

However, the most sought after firms in South Africa, referred to as “The Big Five”, are Bowman Gilfillan, Cliffe Dekker Hofmeyr, ENSafrica, Norton Rose Fulbright and Webber Wentzel. This comes to no surprise since most of the firms listed have a vision to create a pan-African alliance. Bowman Gilfillan, for example, has offices in Kenya, Tanzania and Uganda but also has close ties with Nigerian firm Udo, Udoma & Belo-Osagie.

What makes the South African legal market different from the others is that many corporate legal departments which came to life as rising companies are now becoming international giants. Food distribution companies Shoprite and Massmart have respectively teams of 6 and 15 lawyers working in-house. Today, more countries are installing legal counsel departments outside of South Africa. An example worth mentioning is that of Nigerian energy company, Oando, which has a team of 15 lawyers working alongside them (Source: Irish Rule of Law). ■

MEMBER-STATES OF ORGANIZATION FOR THE HARMONIZATION OF BUSINESS LAW IN AFRICA (OHADA)

Ohada currently encompasses 17 West-African countries whose common aim is to harmonize their legislation in business law to facilitate trade amongst member states.

Member-States of the Ohada
Benin
Burkina Faso
Cameroon
Central African Republic
Chad
Comoros
Ivory Coast
Democratic Republic of Congo
Equatorial Guinea
Gabon
Guinea
Guinea-Bissau
Mali
Niger
Republic of the Congo
Senegal
Togo

MEMBER-STATES OF THE AFRICAN INTELLECTUAL PROPERTY ORGANIZATION (OAPI)

The Oapi is comprised of 17 countries in Sub-Saharan Africa, most of which speak French. It aims to harmonize their intellectual property legislation.

Member-States of the Oapi
Benin
Burkina Faso
Cameroon
Central African Republic
Chad
Congo
Ivory Coast
Equatorial Guinea
Gabon
Guinea
Guinea-Bissau
Mali
Mauritania
Niger
Senegal
Togo
Comoros

OFFICES OPENED IN SUB-SAHARAN AFRICA IN THE PAST FIVE YEARS

Many global law firms are expanding their offices to Sub-Saharan Africa. South Africa was for a long time the unrivaled destination. This year, firms are setting up in other countries.

Year	Firm	Office
2012	Baker & McKenzie	South Africa
2014	Allen & Overy	South Africa
2014	Hogan Lovells	South Africa
2014	Orrick	Ivory Coast
2015	DLA Piper	South Africa
2016	DS Avocats	Senegal
2016	Lefèvre Pelletier & Associates	Cameroon

Source : Leaders League



Stéphane Brabant
Co-Chairman of the Africa Group
HERBERT SMITH FREEHILLS



Nina Bowyer
Co-Head of the Africa group
HERBERT SMITH FREEHILLS



Bertrand Montembault
Partner, Energy and Infrastructure
HERBERT SMITH FREEHILLS

“Africa is and has always been at the heart of our global strategy”

Leaders League. What is your approach and strategy for development on the African continent?

Stéphane Brabant, Nina Bowyer and Bertrand Montembault. Herbert Smith Freehills boasts one of the largest teams of lawyers trained in common and civil law dedicated to Africa. Over the past thirty years, this has enabled us to establish a leading position in Africa.

With our exceptional positioning, we are able to assist our clients (industrial actors, investors, lenders) in any country on the continent. For some time now, we have wanted to establish a presence in Africa, to boost our practice through a local office – thus also satisfying a request frequently heard from our clients. South Africa was the obvious choice for us. It is one of the most promising (and most complex) emerging markets on the continent; for many, its level of infrastructure development and diverse natural resources make it one of the economic drivers in Africa.

With partners from the firm who are experts in Africa and our office in Johannesburg, we are more determined than ever to maintain our positioning as a firm focused on excellence and on assisting our clients with their investments in Africa, as well as on the fast-growing sector of intra-African investments.

Leaders League. Can you give us a brief overview of your office in South Africa?

S.B., N.B. and B.M. Africa is, and has always been, at the heart of our global strategy. In October 2015, we announced the opening of our first office on the African continent. Our Johannesburg office (our 24th in the world and the first in Africa) will have no less than four partners.

Brigitte Baillie is a renowned lawyer specialised in project financing in the energy and infrastructure sectors. Rudolph du Plessis is a well-established and respected practitioner in the South African M&A market, and Peter Leon is considered one

of the top twenty mining lawyers in the world. Alongside Stéphane Brabant, Peter Leon is also Co-Chair of the firm’s Africa group.

They will be joined by two other partners: Edward Baring (Head of the firm’s banking and finance practice in Moscow) and Bertrand Montembault (Head of the Paris energy & infrastructure practice). Several South African lawyers with recognised expertise will complete the team.

Our aim is to combine the strength of this Johannesburg-based team with that of our teams based in Paris, London, the Middle East and Australia, in order to offer a pan-African practice conducted in French, Portuguese and Spanish-speaking countries,

while remaining fully integrated with the firm’s Africa specialists located across our international platform.

Leaders League. What advice can you give companies and entrepreneurs concerned with organising their growth on the continent?

S.B., N.B. and B.M. Business opportunities in Africa are sometimes wrongly compared to those once available on the emerging Indian and Chinese markets. We believe it is inaccurate to view Africa as a large and homogeneous entity. Africa is highly diverse, with 54 countries and more than 2,000 languages and dialects! We feel it is essential that each investor fully grasps this reality and analyses the specific features of each host country and those of the region before making any investments. That being said, Africa contains similarities as well as differences – the continent is diverse, but it also has common institutions based on shared principles, such as the African Union.

Our aim is to support investors on all aspects of their projects, not only by offering them the highest quality legal services, but also by helping them to understand the environment in which they wish to operate, thereby ensuring their presence on the continent has staying power.♦

“BUSINESS OPPORTUNITIES IN AFRICA ARE SOMETIMES WRONGLY COMPARED TO THOSE ONCE AVAILABLE ON THE EMERGING INDIAN AND CHINESE MARKETS”

Trusted advisors for investments in Africa

Corporate/Litigation

Hubert Segain, Managing Partner and Head of Corporate, Paris office, and
Jonathan Mattout, Partner, Dispute Resolution



The impact of compliance processes on mergers and acquisitions in Africa

Compliance – the set of rules and procedures whereby companies ensure they comply with laws and regulations and manage the risk of non-compliance – is a concept that initially grew out of the banking and finance sector. Mergers and acquisitions have long remained impervious to these rules, which would seem to be incompatible with the need to move fast and close deals quickly.

In the wake of several scandals, however, the role of compliance in mergers and acquisitions has become more and more important, leading to new awareness among stakeholders.

Tighter extraterritorial legislation (including the US Foreign Corrupt Practices Act in the and the UK Bribery Act), the increased risk of sanctions from multiple regulators, and pressure from banks – not least in the area of human rights – have

also contributed to these changes.

These developments have significant practical consequences. Compliance issues are now raised very early on, during due diligence. Likewise, investors concerned with protecting themselves from potential risks are pushing to have standard clauses included in acquisition contracts.

A delicate balance must be struck between the parties' need for protection and their desire to close deals. This balance will depend on the parties' appetite for risk, the complexity of the transaction, the local environment and the sector involved. Africa is no exception to this trend. As a result, all stakeholders involved in transactions in Africa must take note of this new situation, which will entail better collaboration between them at all levels.



Louis de Longeaux,
Partner, Head of Finance, Paris

Finance

The impact of the fall in crude prices on oil financing in Africa

Rising crude prices encouraged the oil industry to make bigger and bigger investments in developing drillings of increasingly technical complexity that were expected to be profitable in view of high oil prices.

At the same time, the upward trend in prices encouraged less protection provided to lenders in financing documents: everyone thought the borrowers' business plan was sound, given the predicted scarcity of resources and the growing needs of emerging countries. Surely prices could only go up?

With the 2008 liquidity crisis and the growing importance of compliance issues for banks, traders appeared on the market, acting as intermediaries between producers and lenders by way of so-called prepayment financing structures. Boasting balance sheets that were often healthier than those of the banks, they drove further changes in financing conditions.

Unfortunately, history rarely follows a straight course. Crude prices have been falling since the summer of 2014, and are now at levels that were last seen some seven years ago. The business models of many producers are struggling.

For example, the Nigerian company Afren declared bankruptcy in 2015, and other financing deals have already been (or are currently being) renegotiated, in particular in Chad and Tunisia.

The prepayment structures set up with state-owned companies that don't extract crude oil themselves, but simply market the share of production reserved for the state, illustrate a good example of the difficulties encountered in this environment. With prices falling, they suffer two disadvantages: the allocated production share and the value of that share are both decreasing. At the same time as the fall in price generates the need for more oil than expected to be supplied, in order to reimburse the prepayment, the ability to deliver more oil decreases.

Accordingly, lenders find themselves in a difficult situation, as they often have very limited recourse against the intermediary trader. Moreover, they depend on the trader to negotiate with the operator, with which they have no direct relationship, unless they exercise the step-in right they generally hold in an event of default.

Energy & Infrastructure

Christophe Lefort et Leïla Hubeaut,
Partners in Energy and Infrastructure, Paris



Redirecting the energy mix in Africa

The “Énergies pour l’Afrique” (Energies for Africa) initiative launched by Jean-Louis Borloo has raised awareness among the general public that African countries need to provide their populations with reliable, affordable electricity to support their nations’ long-term growth.

Major investment and energy mix choices need to be made:

- The African Development Bank’s 2015 report highlights the fact that more than €60 billion in annual investments is required to meet this energy challenge.
- According to the Africa Progress Panel’s 2015 report, “we have not yet built two-thirds of the energy infrastructure that will be in operation by 2030.”

Until now, the approach has been to set up large electric power plants operating with a central grid.

Large-scale projects based on the use of heavy fuel oils or gas are still on the agenda for major urban centres. Egypt and

South Africa are also turning to nuclear energy, whereas Cameroon and Gabon are developing major hydro-electric projects. However, this approach fails to reach a large portion of the population spread across large areas that are not connected to the grid. The use of less powerful plants running on renewable energies could meet this requirement as well as the challenges addressed during the COP21.

Just like the technological leap towards mobile telephones in Africa, renewable energies could drive electrification by eliminating the need to establish a central grid to cover entire regions. African countries have already begun to shift their energy mix towards renewable energies: new tenders for solar energy are underway in Senegal and Mali, wind power is being developed in Morocco, Ghana and Kenya, and there are calls for expressions of interest spanning various types of renewable energies in Côte d’Ivoire.



Alexandra Neri,
Partner, Head of IP/TMT, Paris

IP/TMT

Combatting trademark infringement in Africa

According to the World Customs Organization, Africa is currently the hub for counterfeit goods networks. In 2013, three billion counterfeit products were seized, with health and beauty products topping the list of commonly pirated goods due to their high prices and the ease of distribution. Copyright and related rights are not immune: television channels are particularly affected, through illegal capturing of satellite signals, and software, due to the rise in computer sales. Despite an attempt at harmonisation between member states of the African Intellectual Property Organization in the Bangui Agreement of 2 March 1977, internal disparities remain. Several actions need to be taken to neutralise these trends: criminal proceedings should be filed to trigger international letters rogatory and contacts with Francopol for French-speaking Africa; raising awareness among local authorities; and voluntary involvement by trade unions and associations like Convergence, created by the former President of the Burkina Faso High Council of Communication in 2015, and which includes Canal + Afrique and soon Orange among its members. Systematic coordination between these actions can then take place to ensure negotiations with offenders are not the only option.



Rebecca Major,
Partner, Energy and Infrastructure

Asia

The growing role of Asian investors in Africa

Given the fall in mineral and oil prices, many African projects are seeking potential investors. A number of Asian companies are well placed to take advantage of these opportunities. They are relatively sound financially (often with direct or indirect support from their respective governments), and/or have different priorities from companies based in the West (interest in investments in coal, major infrastructure projects, etc.). However, asset price and quality are still key factors.

Our recent experiences have taught us that new technologies are developing fast in Africa, and this has applications in particular to the renewable energy and water treatment sectors.

Moreover, as African countries are looking to diversify their resources, many governments are encouraging agricultural projects, and Asian companies are also well positioned in these sectors.

Furthermore, although for the moment income growth in the African middle class may be slower than expected, there are still a wide range of interesting opportunities to be had for Asian companies involved in the consumer goods sector.



Lassiney Camara
C.L.K.A.

“The Ivory Coast economy is among the top ten that have made the most progress”

Leaders League. In your opinion, what are the characteristics of the Ivorian legal market for corporate lawyers?

Lassiney Camara. In the Ivory Coast, legal services are mainly provided by law firms, many of which are individual firms focused on local litigation. Alongside them are also some human-sized firms internationally oriented both in counseling and litigation especially in the socio-economic and industrial development operating segments. According to investors, these firms are the best partners since they are likely to fully meet their expectations. This group of about ten law firms is made up of two generations. The first generation's business law firms, long considered nationally as the best in this field, and for ten years now the second generation to which C.L.K.A belongs. This intermediate generation of law firms is especially attuned to globalization and its implications, since it's managed by bilingual lawyers (English and French) open to the world, mastering technological tools and also reactive and sensitive to the client's need.

Leaders League. C.L.K.A. is an independent law firm. What is your position in the country's legal market?

L.C. We offer legal and judicial assistance in a broad vision which wants the law to be an effective tool for business and development. We are experts in corporate law, contracts, public procurement, distribution and competition law, financing, taxation and customs. Given the quality of our clients and our record, C.L.K.A. seems to be positively perceived by WAEMU countries in each of its expertise areas. This is the result of our thorough knowledge of the business environment and the sub-region's local legal culture. Additionally, our working methods are consistent with the best international standard practices making CLKA a reliable partner.

Leaders League. How would you define your firm's culture?

L.C. Our approach could be summarized as follows: providing high quality services adapted to our clients' needs and means. Our dynamic approach and commitment to developing innovative solutions always leads us to

structure in new ways each case that we are in charge of. In line with this, C.L.K.A members are at the center of our actions and development strategy. They are integrated to the firms and are truly fulfilled by assisting our clients. In an increasingly competitive African market, such a solid team makes a great difference for the firm as well as for our clients.

Leaders League. What are the high-growth sectors in Central and West Africa?

L.C. We observe a high growth in demand especially in the fields of construction, public works and infrastructure, agribusiness (local processing of cocoa, oil palm, rubber, etc.), distribution, banking, insurance, telecommunications and new technologies. The big “boom” of public infrastructure gives a stronger impetus to all economic activity. This improvement is being consolidated by the authorities' efforts to improve the business environment, as evidenced by the World Bank in its last Doing Business report, ranking the Ivory Coast as the most attractive economy in Sub-Saharan Africa

Leaders League. What has been the impact of Anglo-Saxon firms' arrival on the market?

L.C. This is not a new phenomenon. These firms were already operating in Africa, either from their headquarters or through local firms. The new development is their direct presence in Africa which doesn't seem to be in accordance either with the local regulation or with the profession's traditions and practices. As a member of the Ivory Coast Bar Association, I would strongly recommend to those colleagues that they comply with the rules of our profession. Apart from this grey area, the continent's attractiveness and economic development require the contribution of all actors of good will and especially experienced and highly skilled lawyers. This contribution will be beneficial for all only if it complies with the rules and is done in a spirit of cooperation and mutual respect. As for C.L.K.A we believe in this movement and we welcome it. We believe in “win-win” cooperation and remain open to this possibility. For the rest, we wish to remain an independent firm providing quality customized services to our clients. ♦



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FLORIAN GUAIS
Partner, **STEERING LAW FIRM - ARAGO LEGAL CONSULTANTS**



ELIAS BOU KHALIL
Partner, **STEERING LAW FIRM - ARAGO LEGAL CONSULTANTS**

“Dubai truly acts as an assembly point to Africa”

Florian Guais, the partner in charge of the law firm's African activities, and Elias Bou Khalil, partner in charge of the law firm's activities in the Middle East, have had long-standing experience in the UAE. The recently established Steering Law Firm structure will be active in the Gulf Cooperation Council in partnership with Arago Legal Consultant which has been providing services in the Middle East and North Africa (MENA) region since 2009.

Leaders League. You moved from Arago to Steering. What changes does this entail for you?

Elias Bou Khalil and Florian Guais. Our first international practice was launched from the Middle East in 2009 by Elias Bou Khalil, with an office in the United Arab Emirates.

We have ever since consolidated our presence and practice in the United Arab Emirates by adding local lawyers to our teams and have established affiliations with local law firms in the region (such as Arago Beirut Law Firm) to spread our geographical scope.

We started out our practice in the Middle East from scratch and have finally developed an established legal consultancy practice, able to assist and advise clients throughout the Middle East in different areas of laws. In the UAE, we have been known as Arago Legal Consultants.

Thus, we did not want to change. However and in order to take into account our new brand (i.e. “Steering”), we decided to operate the MENA practice under the name of Steering Law Firm in partnership with Arago Legal Consultant.

Our Middle Eastern entity, called Arago Legal Consultants, has followed an independent development for quite a number of years now and we wanted to focus on this.

This recent structural change occurred in France simply translated the change which has been going on for years, the Middle Eastern entities becoming more and more independent from the French entity.

Steering will operate throughout the Middle East in exclusive partnership with Arago Legal Consultants.

Leaders League. The activities of Steering Dubai's office are quite dedicated to Africa. Why this choice of implementation in the Middle East?

F.G. Dubai's legal system is close to ours and its banking system is very efficient. Also, Dubai truly acts as an assembly point to Africa. Same for Beirut, where we will be operating as well: it is easy to reach both Europe and Africa from Dubai and Beirut. That is why a lot of trade companies are based in Dubai; there is a huge consumer market – FCC and commodities reach through Latin America and sub-Saharan Africa.

Like other jurisdictions such as Hong Kong and Singapore, Dubai is really international, structured and the big corporations trust this location. Our clientele consists in big corporations, broadly Western based corporations, with a considerable portion of French companies, who perceive the UAE as a convenient hub for their expansion and international activities. We thus advise them from their implementation, through

their M&A, general corporate law and tax aspects.

E.B.K. Indeed, Dubai works very well as a hub with an easy access to any country in the world through its strong airline carrier - Emirates Airlines and a lot of routes are direct from Dubai to the African continent, at very attractive prices. This position has clearly helped out developing our activities from the Emirates to Africa, or directly from Europe to Africa throughout Dubai.

If Morocco once appeared as an attractive gate to enter Africa, Dubai has definitely become an alternative. Beyond the fact that it is a lot more international, there is no exchange control provision.

“WE ARE A CLIENT FOCUSED FIRM”

Leaders League. Can you tell us more about your African activities?

F.G. I have been developing our activities in Africa since then. We have put in place a partnership with Kadri Law firm at Niamey in Niger. Very soon we understood that when developing activities to Africa, it is crucial to partner with a local law firm that knows both the local culture and has connections, and obviously, it is necessary to have really good knowledge of OHADA law.

The choice of Niger has been a question of encounter. We got along well and Oumarou Sanda Kadri is an excellent lawyer, very proactive and able to plead in all WAEMU (UEMOA by its French acronym) zone.

We have therefore developed projects and operations from the Emirates to Africa and directly in Africa.

Leaders League. How are the Middle East offices structured and what are your practices?

E.B.K. In the UAE, our legal status is “legal counsels” and not advocates. The difference is that only advocates can appear in courts. The advocacy activity is reserved in the Gulf and throughout the Middle East to nationals of every country. We have thus developed a network of affiliations and have added local lawyers to our team to be able to assist in courts whenever it is required. Our practice in the Middle East is focused

on the client rather than on departments and activities. We are a client focus type of firms. Whenever a client becomes a client of our firm, we endeavor to cater all of its legal needs in a way as its general legal counsel. Whenever we are able to provide the service ourselves, we do it (for M&A, corporate law, contracts etc...). Whenever the need requires the adjoining of a specific skill or capacity, we find it or hire it.

F.G. Our organization is such that Elias is mostly based in the Middle East (mainly Dubai), and for a little part in Beirut and Paris. I moved in the Emirates in 2013 and I am still present in Paris some time of year. Our clientele consists of French and European clients. We help them in all markets of the region and connecting

them in order for them to find out new opportunities.

Though our primary focus definitely is corporate, private equity and tax matters, we are also brought by our clients to explore other practices such as contract law, litigation, arbitration or employment law. We want to be the point of reference for our clients, whether we directly act as counsel or indirectly, through local lawyers – mostly Emiratis or Lebanese in the Middle East.

We have complementary skills: I act as counsel for the French clients with my corporate and tax background, and Elias, with his dual French/Lebanese culture and background helps out the clients in the MENA region.

Leaders League. How do you envision the future developments of your firm?

F.G. At this point, we can deliver any service a Parisian law firm can deliver. Like we said, our expertise relies on the client's needs rather than on departments.

E.B.K. We are a law firm free of debt. We have had a step-by-step progression, with a rational development.

At the very beginning of our Middle Eastern adventure we were two international, adventurous and entrepreneurial lawyers. This is our philosophy. We want to keep expanding that way. For now, we do not plan to open new offices. It is not a priority, but we never know - it depends whether we meet the right

“WE DEFINITELY ACT AS A TOOLBOX FOR OUR CLIENTS. THIS IS PART OF OUR DNA”

person to do so.

We believe a lot of international developments are still possible. There are good opportunities in Africa. We have really been focusing on mining and oil & gas but there also new opportunities regarding railway installations with Bolloré Africa Logistics' project to implement railways in West Africa. We also have business opportunities in both the agribusiness and the mining sectors.

F.G. For the French part with Steering we have projects and new developments in the outlying regions.. There are truly dynamic and interesting SMEs outside of Paris and we want to help them out grow internationally. They can take advantage of our international network. We consider it is necessary to let the provinces regions have the interest they deserve. ♦

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