



JEFF LEONG, POON & WONG



JLPW ECONO LEGAL STUDIES
RESEARCH CENTRE

MANY FUTURES OF ASIAN BUSINESS & LAW

Speaker: Jeff Leong (Senior Partner)
Messrs Jeff Leong, Poon & Wong,
MALAYSIA

LAW, STRATEGY & COMMUNICATIONS

Copyright JLPW 2013. All rights reserved.



JEFF LEONG, POON & WONG



JLPW ECONO LEGAL STUDIES
RESEARCH CENTRE

Introduction

- Changing roles of law and lawyers in Asian Business
- The work of business lawyers in Asia
- Legal Education and the training of lawyers
- Law Firm Expectations and how to prepare to be a good business lawyer
- Alternative jobs for law graduates





Global Business Trends and their impact on lawyers

Over the next decade, what are the critical business trends that could impact on the strategies and operations of clients and the law firms that support them?

Answer options



Foreign Direct Investments (FDI) and Companies Venturing Abroad

MANNER OF EXPANSION ABROAD:

- Agency / Distributorship
- Foreign representative office, branch or subsidiary
- Strategic Alliance and Joint Ventures
- M&As of foreign companies
- Licensing of Technology
- Franchising



Why companies venture abroad

- Expand customer base
- Increase sales opportunities
- Better economies of scale
- Lower average costs and increase profits
- Additional product/service lines that may not have enough support in the domestic market
- Tap overseas markets to extend product/service lifecycles that may be ending at home
- Decrease sales fluctuation by selling abroad
- Greater competitiveness
- Improve image, reputation and recognition



Recent FDI Trends

- Japan's lost decade, 1997 Asian Financial Crisis and 2008 Global Financial Crisis
 - Akamatsu Kaname's Flying Geese Formation
 - Japan as lead goose with NIEs as body and ASEAN/China as goose tail
 - NIEs such as South Korea, Taiwan and Singapore competing with Japan for export led economy strategy with China fast catching up
- Impact of Fukushima power cuts, Thailand floods/military coup and Chinese tensions
 - Increasing investments in Vietnam, Indonesia and Myanmar
- Major M&A acquisitions by Japanese Buyers around the world in recent years
- Japanese investments in India, Bangladesh, Africa etc



Relationship between Business and Law

- Have lawyers been able to support the needs of Japanese businessmen?

Traditional Roles of Lawyers

- **JAPAN:** Bengoshi
- **SINGAPORE & MALAYSIA:** Advocate AND Solicitor
- **HONG KONG:** Barrister OR Solicitor
 - Barrister with unlimited right of audience before courts
 - Solicitors with limited right of audience



The Work of Business Lawyers

- Guiding businesses through birth, growth, expansion and death cycles
 - Setting Up Companies & Businesses
 - Joint Ventures
 - Mergers & Acquisitions (Buying & Selling Companies)
 - Expansion Abroad
 - Commercial Agreements – Licensing Agreements, Agencies, Distributorships, Tenancies, Franchising
 - Employment & HR Issues
 - Venture Capital
 - Initial Public Offerings
 - Corporate Finance & Capital Market transactions
 - Disputes & Litigation
 - Reorganisation, Insolvency & Dissolution



The Role of Business Lawyers

- Legal Adviser
 - Navigating complex regulations
- Drafter
 - Crafting complex deal documentation
- Negotiator
 - Securing the best deal for the client
- Investigator
 - Due Diligence and Background Checks
- Lobbyist
 - Applying for approvals





JEFF LEONG, POON & WONG



JLPW ECONO LEGAL STUDIES
RESEARCH CENTRE

Legal Expertise

- Sound knowledge of law and regulations
- Track record of past transactions
- Relevant Combinations of legal knowledge
- Teams and cross border expertise
- Depth and breadth of legal knowledge and expertise





JEFF LEONG, POON & WONG



JLPW ECONO LEGAL STUDIES
RESEARCH CENTRE

Legal Skills

- Legal Analysis
- Counseling Skills
- Drafting skills
- Negotiating skills
- Deal Management
- Team Management





JEFF LEONG, POON & WONG



JLPW ECONO LEGAL STUDIES
RESEARCH CENTRE

Clearing Obstacles

- Identifying / defining the problem
 - cause v symptoms
 - core v peripheral issues
- Problem Solving
 - avoid postbox approach
 - avoid only stating the law
 - provide strategic solutions
 - don't state the problem, solve it





JEFF LEONG, POON & WONG



JLPW ECONO LEGAL STUDIES
RESEARCH CENTRE

Deal Management

- Accomplishing the transaction
 - deal making v deal breaking
 - the problem of over lawyering
 - advise the client, let him decide
- Speed
 - management by deadline
 - turnaround time
 - team support and backup (“Pit Crews”)





JEFF LEONG, POON & WONG



JLPW ECONO LEGAL STUDIES
RESEARCH CENTRE

Intellectual Capital

- Specialist Knowledge
 - past experience
 - war chest of solutions
- Market Knowledge
 - Insider's view
 - minefields, pitfalls, opportunities





JEFF LEONG, POON & WONG



JLPW ECONO LEGAL STUDIES
RESEARCH CENTRE

Non-Legal Skills

- Independence and objectivity
 - Honest, detached point of view
- Perspective
 - Big Picture thinking
 - Frame and prioritize issues
 - Draw clients away from micro details
- Judgment
 - Assist to make difficult decisions





JEFF LEONG, POON & WONG



JLPW ECONO LEGAL STUDIES
RESEARCH CENTRE

Value Adding

- Unexpected problem solving
 - Innovative solutions
 - Thinking out of the box
- Connection
 - Connect clients to useful people
 - Connect clients to valuable information
- Deal making
 - Sifting deals
 - Bringing deals to clients



Changes in the Role of Business Lawyers

- **IN-HOUSE LAWYERS**

- **JAPAN:** Many companies hire in-house lawyers and start training them once they graduate from undergraduate law school. Now more are hiring Bengoshi as well.
- **MALAYSIA & SINGAPORE:** Many companies require in-house lawyers who have experience in practice for a minimum of 3 years.
- **HONG KONG:**
 - There are Malaysian and Singaporean lawyers who have moved to Hong Kong as they get higher pay working there.
 - 2 ways:
 - i. Registered Foreign Lawyer
 - ii. Paralegal/ Legal Manager

Changes in the Role of Business Lawyers *(Cont'd)*

➤ JAPAN:

- Assisting clients to expand business overseas.
- Collaborating with foreign law firms to support the needs of clients.
- Opening foreign offices
- Proficiency in English has increasingly become more important.

➤ INDONESIA:

- Big local law firms normally do not handle court cases and mostly deal with matters from overseas.
- **WHY?** Concerns over bribery in the courts and injustice.



Legal Industry in Japan

OBSERVATIONS:

- Most law firms in Osaka are focused on domestic work.
- Matters involving foreign legal problems are handled by big law firms in Tokyo and Osaka.
- Japanese law firms opened offices in China earlier
- Recent trend of opening offices in South East Asia
 - Singapore, Vietnam, Myanmar
 - Postings of Japanese lawyers to other Asian nations
- Japanese SMEs
 - Tend not to use lawyers and often get into trouble
 - Frequent use of “consultants” without legal training
 - Approach foreign law firms directly without going through law firms in Japan



Legal Industry in Japan

- Japanese Conglomerates
 - Inhouse legal department
 - Used to appoint and deal direct with foreign lawyers overseas without going through Japanese law firms
 - Use of Japanese Law Firms to deal with matters outside Japan increasing
- Big Japanese law firms might start to take in 2 types of graduates:-
 - i. With excellent results for domestic Japanese work
 - ii. With good results, but with good English and problem-solving skill for regional postings outside Japan



How Legal Education in Japan can be Improved?

- Allow students to have more exposure to business law such as Commercial Transactions, Company Law, Contract Law, International Arbitration, International Business Transactions etc.
- Allow students to learn basic practical legal skills such as legal research, writing, advocacy, mooting, negotiations and mediation.
- Encourage critical and creative thinking.
- Encourage internships and foreign student exchanges



How Legal Education in Japan can be Improved? *(Cont'd)*

- Enhance communication skills of the students - both oral and written, especially in English.
- Allow and encourage exposure to other disciplines such as economics, finance, management, accounting etc.
- Increase commercial awareness of the students – how businesses work and how it may affect the clients.
- Teach Interdisciplinary Analysis and Problem Solving.



Alternate Routes for Law Graduates

- **TO WORK OUTSIDE JAPAN**

- Sharpening communication skill especially English and other foreign languages.
- Culture Crossers - Able to understand local culture.
- Walk out of comfort zone – mix with local people.
- Cross-cultural understanding as invaluable skills for Japanese business

*** People who are able to move in and out of different cultures are valuable ***



Alternate Routes for Law Graduates *(Cont'd)*

- **INTERDISCIPLINARY
STUDY**

- Enhancing problem-solving skills.
- Value creation.

*** People who are able to cross, interpret and communicate between different disciplines are invaluable ***

PROBLEM



Alternative Jobs for Law Graduates *(Cont'd)*

- **CONSULTANT**

- Consulting projects, regardless of their nature, always originate from a PROBLEM.
- Identifying, analysing and solving clients' problems.
- Applying knowledge, skills and experience to clients' problems.
- Cross Cultural Consultants - Econo-Legal Consultants?
- Good salaries for First Year Consultants
 - Western Consultancy Firms: JPY 5 to 6 million
 - Japanese Consultancy Firms: JPY 3.5 to 4.5 million
- No need to pass Bar Exam!



You Should Try.....

- **READING MORE BOOKS**
 - Not only limited to reading law books.
 - Example of good books: stories about companies' failures / success.
- **IMPROVING ABILITY IN MASTERING ENGLISH AND OTHER FOREIGN LANGUAGES**
 - Practise more in speaking English.
- **TRAVEL AND CULTURE CROSSING**
 - Travelling, working and living abroad, learning new cultures





JEFF LEONG, POON & WONG



JLPW ECONO LEGAL STUDIES
RESEARCH CENTRE

Q & A

Discussion

LAW, STRATEGY & COMMUNICATIONS

Copyright JLPW 2013. All rights reserved.



JEFF LEONG, POON & WONG



JLPW ECONO LEGAL STUDIES
RESEARCH CENTRE

Contact:

jeff.leong@jlpw.com.my

LAW, STRATEGY & COMMUNICATIONS

Copyright JLPW 2013. All rights reserved.