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Switzerland Report | July 2021

Advestra: reaching for the stars

Heavyweight spin-off taking on Zurich's big players



The magic still works: another great year for Swiss elite



Exclusive: First woman to lead major Swiss law firm



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‘Let’s get visible’

Bratschi’s appointment of Sandra De Vito Bieri as managing partner marks a watershed for law firms in Switzerland



Sandra De Vito Bieri has done something rather special. In June 2021, she became the managing partner of Bratschi. Formed from the merger of three firms in 2008, Bratschi is a sizeable player in the Swiss legal market with 54 partners and just over 100 lawyers across its offices in Zurich, Berne, St. Gallen, Geneva, Zug, Basel and Lausanne.

The appointment of women to top jobs in UK law firms has become almost de rigueur. Last October, Georgia Dawson broke the glass ceiling among the magic circle firms, becoming the first female senior partner at Freshfields Bruckhaus Deringer. Over the past six months, a flood of female appointees has followed: Karen Davies as the

new chair at Ashurst; Aedamar Comiskey as senior partner at Linklaters; Marie-Aimée de Dampierre as chair at Hogan Lovells; and Rebecca Maslen-Stannage as both senior partner and chair at Herbert Smith Freehills.

But De Vito Bieri is a first in Switzerland: a country where no woman has previously been a managing partner of any prominent, full-service law firm, and where, historically, the advent of diversity has often lagged behind some of its European neighbours. Her appointment therefore marks a watershed in the Swiss legal profession.

‘The Bratschi partners know me very well so they knew what they were getting,’ she explains.

▲ **Sandra De Vito Bieri is the first female managing partner of a prominent, full-service law firm in Switzerland**

‘The reason why I decided to be a candidate for managing partner was that I had spent the last few years on the board of directors of Bratschi Limited, where I was responsible for our business development. But being a board member, you don’t have the kind of visibility that you have as managing partner. I thought: it’s time that we got the visibility we deserve. So instead of, like a lot of women do – perfect jobs, great jobs and commitment behind the scenes – I thought: okay, let’s take the challenge. Let’s get visible.’

No Master Plan

In June, following her election victory, De Vito Bieri put the following post on LinkedIn:

A woman and a man in business attire are shown in profile, looking out of an airplane window. The woman is on the left, wearing a grey blazer over a white shirt. The man is on the right, wearing a dark suit jacket over a white shirt. The background is a blurred view of the sky and clouds.

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‘Yes, I did it! The path has not always been straight until here, until yesterday’s election as Managing Partner of Bratschi, but it has been a wonderful path. About 3 weeks ago, when we celebrated our 20th wedding anniversary, my husband said I could be proud, my master plan had worked. I am indeed proud of our teamwork, but there was no master plan – looking back, I realise that I have always followed my heart – that was my master plan, to go the way I wanted to go, with all the bumps and turns that one has to accept. And I was lucky to have met people again and again who walked this path with me and occasionally removed one or the other stone from the path. This is a wonderful moment and I thank you, dear partners from Bratschi – you believe in me and trust me – I am looking forward to our common path.’

De Vito Bieri’s appointment has, however, been a quiet revolution, not much commented on by the international legal media. Nor does Bratschi’s new managing partner intend to bring revolutionary change to her firm – at least at first sight. She explains: ‘I will continue with the strategy we have established which was put in place by my predecessor, Simon Osterwalder: to continue the steady growth of our firm. We will welcome new partners of the younger generation and we will implement our BratschiAcademy, which connects Bratschi to the academic world and provides a platform for the evaluation and implementation of new technologies in the legal market.’

Plans and Dreams

She adds: ‘I will put a particular focus on dialogue. We will talk to each other more frequently – with our staff, with our clients, with the market. We will strengthen our relationship with the academic world. I rely heavily on the self-motivation

“ Instead of, like a lot of women do – perfect jobs, great jobs and commitment behind the scenes – I thought: okay, let’s take the challenge

Sandra De Vito Bieri, managing partner, Bratschi

of our lawyers at every level. My own experience shows me that talented individuals should not be prevented from achieving their potential. The whole firm benefits from this. So we support the plans and professional dreams of our staff. That is essential. In this way, we achieve a high level of motivation, not out of a diktat, but out of the conviction of each individual. That is also how we achieve outstanding results.’

As a measure both of De Vito Bieri’s popularity and her achievement, her LinkedIn post received hundreds of likes. In interview, she reiterates the point that her career has not had ‘a straight line.’ Having trained at Bär & Karrer, where she was an associate for six years, she worked for two other Swiss firms before joining Bratschi in 2012, becoming a partner and co-head of the firm’s arbitration group. She represents clients in commercial disputes in the finance, telecoms, media and tourism sectors and is a Member of the Special Committee of the Court of Arbitration of the Swiss Arbitration Centre.

‘Five or six years ago, nobody would ever have ever thought that we would have such an increase in the number of women sitting on arbitral tribunals and panels,’ says De Vito Bieri. ‘There needed to be some movement and we’ve really had a great improvement in that regard.’

Recognized by Chambers Europe and the Legal 500 as a leading arbitration counsel, her clients say that she is ‘brilliant and straight-to-the-point’, ‘a results-achiever who goes the extra mile for her clients as counsel’, ‘a very efficient practitioner, very quick and nice to work with’ and ‘a team player who understands the balance between cost and the requested results.’

More women: more natural

Clearly admired for her direct approach, De Vito Bieri poses some interesting questions: ‘How do we network? How do male lawyers network? How do they get their connections to external counsel, general counsel, or the heads of legal departments? How do women do that? Up until now, and I don’t think that this is a secret, it has been more difficult for a woman. Because you do not network in the same way as men do.’

The more women you have among your clients, or potential clients, the more natural it will become, she suggests. ‘If women become just as good as networking, will it be to the detriment of men? I don’t think so. General counsel will ultimately look at the best product and the best person for the best price.’

Commercially, she notes, Bratschi experienced ‘an incredibly strong 2020 – in our law firm’s history, the best of all years in commercial terms.’ Considering what is in the pipeline, she anticipates that this trajectory will continue.

De Vito Bieri accepts that she is a trailblazer in Switzerland, but she wants others to follow in her path. ‘My hope is that some other major Swiss law firms will think – the same as you have experienced in the UK – that the time is right,’ she says. ‘Because all the statistics indicate that women do a great job as leaders, so why not try it?’

54
*Number of
partners at
Bratschi*

Swiss core.
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Where are all the women?

As more female partners are being appointed, ‘Swiss law firms that are too conservative will have no chance’



Switzerland recently celebrated the 50th anniversary of universal suffrage: following a 1971 referendum, approved by 65.7 per cent of an exclusively male electorate, Swiss women won the right to vote and stand for election at a federal level. Even so, it took until 1991 before they were finally allowed to vote in regional elections in the Swiss canton of Appenzell Innerrhoden. As a benchmark of how far things have since changed,

“ It’s patriarchal. You have law firms that have a lot of 50-plus, white, male, Swiss German guys that don’t want women

women won over 40 per cent of seats in the Swiss Parliament at the 2019 federal election.

Change is also happening in the Swiss legal profession,

albeit at a slower pace. The recent appointment of Sandra De Vito Bieri as the new managing partner of Bratschi is another major victory for female representation: the first time such a role has been held by a woman at any full-service Swiss law firm. When viewed in isolation, hers is a notable achievement, but it also serves to underline how far Swiss female lawyers have yet to go elsewhere.

Take a browse through the partner lists at leading Swiss



law firms and the scale of the diversity challenge facing them becomes apparent. The table shows the percentage of female partners at each firm (see page 10). The figures speak for themselves; some are doing notably better than others.

LALIVE, a specialist international dispute resolution boutique with offices in Geneva, Zurich and London, stands above the rest. The firm's co-managing partner and leading arbitrator, Domitille Baizeau, symbolizes its commitment to diversity. Elsewhere, Bär & Karrer and Schellenberg Wittmer continue to make strides in the right direction, followed by a cluster of firms where female partners comprise around 14 per cent of the partnership cohort, which coincides with the average of the overall list: 56 women out of a total of 390 lawyers. By comparison, female partners currently approach 25 per cent of the total partnership cohort at elite law firms in London and New

“ In a couple of years, a Swiss law firm that is too conservative will have no chance

**Caroline Clemetson, partner,
Schellenberg Wittmer**

York, with most of them targeting at least 30 per cent by 2024.

Female partners ranked

Another key measure of how far some Swiss firms have to go can be seen in the individual lawyer rankings published by Chambers and Partners and the Legal 500 – both of which have themselves taken significant steps to increase female representation over the past two years. Across all areas of commercial work in Switzerland, 28 female partners are currently ranked by either directory among prominent Swiss law firms (see box opposite). Of these, only six are ranked in the top two bands.

28

The number of female partners ranked in Switzerland, either by Chambers and Partners and/or by the Legal 500

Swiss female partners ranked by Chambers and Partners and/or Legal 500

- **Bratschi** – Angela Hensch (employment), Barbara Jecklin (banking & finance), Ursula Eggenberger Stoeckli (life sciences)
- **Bär & Karrer** – Mariel Hoch (Corporate/M&A), Nadja Jaisli Kull (arbitration), Susanne Schreiber (tax), Laura Widmer (employment)
- **Homburger** – Gabrielle Nater-Bass (arbitration)
- **LALIVE** – Domitille Baizeau (arbitration), Sandrine Giroud and Simone Nadelhofer (both white collar crime)
- **Lenz & Staehelin** – Lara Dorigo (IP/patent litigation), Tanja Luginbühl (restructuring/insolvency), Cécile Berger Meyer (real estate) Astrid Waser (competition)
- **Niederer Kraft Frey** – Valerie Meyer Bahar (employment), Clara-Ann Gordon (TMT), Christina Rinne (tax) Christina Del Vecchio (capital markets), Daniela Schmucki (tax)
- **Schellenberg Wittmer** – Caroline Clemetson (investment funds), Anita Schlaepfer (banking & finance), Lorenza Ferrari Hofer (patent litigation/life sciences)
- **VISCHER** – Jana Essebier (restructuring/insolvency), Nadia Tarolli Schmidt (tax)
- **Walder Wyss** – Diana Akikol (arbitration), Andrea Meier (arbitration), Monique Sturny (competition).

When the ranked female partners at major Swiss law firms comprise such a brief list, the problem becomes self-evident. By contrast, there are 180+ male partners ranked at these firms. It is a similar problem in Germany. Out of a total of 437 German lawyers listed as a Leading Individual in the latest edition of the Legal 500, only 63 are women – also 14 per cent of the total.

Clock is ticking

For Swiss law firms, the clock is ticking. 'Look at the market: if you don't have any women in management positions, if you don't have any women on the client team, in a couple of years, a Swiss law firm that is too conservative will have no chance,' says Caroline Clemetson, head of the

Female partners at leading Swiss law firms

Firm	Male	Female	Total	% Female Partners
LALIVE	16	7	23	30%
Bär & Karrer	38	10	48	21%
Schellenberg Wittmer	36	8	44	18%
Niederer Kraft Frey (NKF)	30	5	35	14%
Homburger	33	5	38	13%
Walder Wyss	59	9	68	13%
Bratschi	48	6	54	11%
Lenz & Staehelin	41	4	45	9%
VISCHER	33	2	35	6%
TOTAL	334	56	390	14%

investment management practice at Schellenberg Wittmer.

Another female lawyer, who also appears on the above list, develops the point: 'There is a glass ceiling in Switzerland and the legal profession here is so backward in terms of

women, I could almost cry. It's really terrible, not in terms of associates, but in terms of partners who are key decision makers.' She adds: 'It's patriarchal. You have law firms with a lot of 50-plus, white, male, Swiss German guys who



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don't want women, or who don't want to make the effort to put them in the pipeline. But they are going to retire in a few years.'

In the Swiss corporate world things are already changing. More than one in five company directors in Switzerland is now female, up from one in seven in 2014. Meanwhile the Swiss government has set a target date of 2024 for women to comprise 30 per cent of board members at Swiss companies.

Progress has certainly been made among Swiss Market Index (SMI) companies – the 20 largest listed stocks on the SIX Swiss Exchange. This year, Nestlé appointed a Canadian, Leanne Geale, as general counsel. She follows in the footsteps of a trio of women appointed as GCs at the top of the Swiss corporate list: Karen Hale – formerly of Sidley Austin and AbbVie

“ Until more female partners are in management positions, it's not going to change, and things need to change

– at pharmaceutical giant Novartis; Marcela Kirberger at multinational healthcare provider Roche and Maria Varsellona at the Swiss-Swedish engineering giant, ABB.

'Things need to change'

One Swiss managing partner says that 'whenever there's a new GC appointment like this, it sets off alarm bells.' He explains: 'There is a generation change now in Swiss boardrooms, and also in Swiss legal teams, including the general counsel function. New appointments, more often

than not, are foreign rather than Swiss, North American rather than European, and the new appointees to senior positions are mostly female. This is a sign of the times – and frankly, in terms of the legal market that is concerning. They arrive having a relationship in place with their favourite lawyers at Kirkland or Latham.'

His fear is based on the potential loss of relationships rather than their gender. But, according to one Swiss female lawyer, the comment also points to a demise of the cosy Swiss boys' club in an international legal market that is actively pursuing diversity in response to client demand. Clemetson says: 'If you put women at the forefront, then you will be gender diverse,' she says. 'Until more female partners are in management positions, it's not going to change, and things need to change.'



Advestra: reaching for the stars

A combination of stellar lawyers and strong connections bodes well for Advestra – the most important spin-off in the Swiss legal market for a generation



Law firm spin-offs have a long history. In January 1889, William Capel Slaughter and William May left the three-man partnership of Ashurst Morris Crisp, where they were working together as trainees, and set up their own shop in the City of London. Business at the firm they founded, Slaughter and May, seems to have ticked along quite nicely ever since.

In January 2021, Advestra arrived in the Swiss legal market, setting out its stall offering specialist advice in corporate, M&A, capital markets, finance, financial services and tax. 'We created a corporate law firm

combining the power of a big law firm with the personal and lean approach of a small firm. We work as a team with no room for egos.' So proclaims Advestra's website as a mission statement to the market which it serves: investment banks and major international companies.

Beyond a variety of domestic law firm mergers that have taken place – most of them defensive – this move may arguably prove to be one of the most important to have occurred in the Swiss legal market for some years, particularly if the founders' ultimate ambition to become a major force alongside

▲ **Thomas Reutter (left) was previously a partner at Bär & Karrer for 20 years, while Annette Weber (right) is a rising capital market star according to IFLR 1000**

Switzerland's current legal elite is eventually realized.

'Very distinguished'

On any view, that will take some time. For now, six months after its official launch, Advestra is viewed primarily as a capital markets spin-off from the Zurich-based powerhouse, Bär & Karrer – by every benchmark, one of the top Swiss corporate law firms. But perhaps it may not take that long. Unlike the duo of Messrs Slaughter and May, the current Advestra team of ten partners and four associates contains several mature partners who are already seen as well-established



stars in the Swiss legal firmament, juxtaposed with rising stars at the younger end.

Chief among them is Thomas Reutter, who ‘maintains an outstanding reputation for his capital markets practice,’ according to Chambers and Partners. Another Swiss managing partner describes him in interview as ‘very distinguished and very well-known in the capital markets sphere.’

Together with fellow founding Advestra partners, Roland Truffer and Daniel Raun, he is on speed-dial with longstanding clients such as Credit Suisse and Goldman Sachs. ‘In the investment banking community, our name is already known,’ says Reutter with a smile. ‘Somebody told me that a large international investment bank proposed our name in a meeting and that the other banks, they all knew us.’

Launching a new law firm at the height of the Covid-19 pandemic might seem to be a tricky move. ‘It was easier than we anticipated,’ adds Reutter. ‘This was particularly true with some of our very large clients such as the international investment banks, who have been very supportive.’ In terms of how Advestra sees itself, he says: ‘We do not consider ourselves a full-service firm, but we do not consider ourselves a boutique either. Because we are not just

focused on capital markets, we also do a lot of M&A, we provide regulatory advice, we have two partners who are really focused on banking, insurance, regulatory matters: Rashid Bahar and Roland Truffer. So, we have a focus on transactional work. In the Swiss market, we have either full-service firms or very small boutiques, but we’re somewhere in-between.’

Old hands, young blood

Reutter and Truffer are old hands, having already been partners at Bär & Karrer for 20 and 15 years respectively. Whereas Raun is one of the next generation: Expert Guides lists him as a rising star for M&A and he is also recommended by the Legal 500 in capital markets work. Another former Bär & Karrer partner to join the Advestra team as a partner is the distinguished academic Rashid Bahar, an Associate Professor at the Law Faculty of Geneva University.

‘If you look at our team, they’re very different types – some who are great scholars, more introvert in nature, and others who are

“ In the investment banking community, our name is already known

Thomas Reutter, managing partner, Advestra

▲ Advestra is headquartered in Zurich

very outgoing, very sociable, and maybe less scholarly,’ says Reutter. ‘But this is very complementary: we work very well together as a team.’

Similar to Raun in experience, three former Bär & Karrer associates in their early thirties have become partners at Advestra: Alexander von Jeinsen, a rising star for capital markets; Sandro Fehlmann, rated by the Legal 500 and IFLR 1000 for capital markets and M&A; and Annette Weber, who is also a rising capital market star according to IFLR 1000 and a next generation partner according to the Legal 500. One of her clients says: ‘Annette is always in a good mood. She’s also technically strong, offers good support in negotiations and is well connected within the legal community, including at the international level.’

This contrasting age profile characterises the firm, with a partnership notably divided between relative youth and significant experience with little in-between. Reutter explains: ‘Most of us are former partners and associates of Bär & Karrer. We saw an opportunity in the Swiss market to create something entirely new, something that would be driven by the next generation. The core team is young – very driven and very ambitious.’

Among the firm’s young blood, Weber exemplifies that ambition.

‘We have an entrepreneurial spirit,’ she says with a genuine sense of purpose. ‘That drove us to set up a new law firm. As a team, despite Covid, which has forced us to mainly work from home, we have had a very good start so far in every respect.’

The Latin-sounding name Advestra is an acronym of the firm’s seven named partners who were formerly at Bär & Karrer. ‘It’s not proper Latin – it’s dog Latin,’ says Reutter. ‘It was a collective idea. We went through many permutations. It means: we’re here for you, we help you. It has the meaning of advice straight. So, we want to provide straight advice and stellar advice.’

The tax team comprises the final piece of the Advestra jigsaw. Now 65, Peter Riedweg left Homburger, where he was head of tax, in January 2020 to set up his own tax boutique before joining Advestra. His son, Laurent, followed him at each stage in that process to become an Advestra tax partner – as did the other member of Advestra’s tax trio, Markus Muehlemann.

More associates needed

On one issue facing Advestra, every member of the firm is agreed: the need to boost associate numbers. In a firm where there are 2.5 partners for every associate, that is self-evident. Weber adds: ‘On laterals, it’s really difficult: you can’t plan how many you would like to hire. Our focus is more on the associate level. But in the long term, we certainly need more people on the ground. We would like to grow as a whole and then we will need people at every level.’

The optimum annual growth in numbers is 20-30%, according to Reutter. In two years, that could take the Advestra headcount towards the 25-lawyer mark. ‘We made a conscious decision – either young, wild hopefuls, 30-35, or somebody who is very senior, who

has developed a very successful career, and who would now like to change from a lifestyle or career perspective and do something new,’ he says. The firm has had a number of approaches. ‘But they didn’t fit: that’s why we said no,’ he says.

So what do the existing players think of their new competitor? ‘Advestra is very high-end – they have a pool of very talented people,’ says one managing partner. ‘In the Swiss legal market, either you opt for size, or you go in small and niche, and then offer select services to selected clients,’ says another. ‘If they’re just doing capital markets and M&A, it’s a very interesting move. I really want to see how this develops.’

A third managing partner points to the foundation of Homburger as a comparison. ‘The Advestra spin-off has an entrepreneurial spirit, which is very refreshing for the Swiss market,’ he says. ‘We can recall a few decades ago when Homburger started out. It was lawyers from Baker McKenzie who created it and now it is one of the biggest names in the legal industry. But whether we will see a sort of Homburger scenario with Advestra, I cannot tell. Either way, it is an exceptional move.’

Some speculate as to what drove Advestra lawyers to form their own firm in the first place. Whenever departures occur, there are always two stories: official and unofficial. Differences over strategy and billings are most commonly cited by those outside the firm who have some knowledge of events. The example of Till Spillmann is also mentioned. As managing partner of Bär & Karrer for nearly three years, he left in November 2017 with the stated intention of leaving legal practice altogether. But two months later, having been actively courted by several firms, he joined Niederer Kraft Frey as a partner to be followed shortly afterwards by three former Bär & Karrer M&A



colleagues: Adrian Koller, Andrea Giger and Ivo von Büren.

Key relationships

Of much greater concern to Reutter is developing Advestra's existing relationships with international law firms in London, New York and elsewhere. He outlines the challenge, not least because of Covid: 'It has been more difficult to meet people, which tends to be a driver. Using online technology has been very valuable. We did outreach to all the major law firms where we had some previous relationships. In this context, he notes, long-term relationships with a specific key person within an international law firm usually helps.

'It's the magic circle firm's onboarding – to get on the list of the law firms they work with – has worked if you have specific pre-existing relationships,' he adds. 'But if you don't, it's much more difficult. We have an advantage because Alexander von Jeinsen is originally a German lawyer, who also worked with Hengeler Mueller (Slaughters' best friend in Germany). He has excellent relationships, not only with Hengeler, but also with other German firms.'

So what is the post-Covid outlook for Advestra? 'In terms

of capital markets, the pipeline is good, much better than last year when there were only two spin-offs listed on the SIX,' says Weber. 'We have already seen two IPOs and we have several more in the pipeline, which will come in the second half of this year. The market is recovering faster than we would have expected. In M&A, it's a bit more cautious.'

Reuter adds: 'On the M&A side, there are quite a few sell-side projects, with family-owned businesses, where they're selling to international firms. We're acting more and more for private equity firms. We have quite a lot of transactions in the pipeline – mostly US, but some out of London, and Germany.' In terms of sectors, he points to healthcare as being 'definitely strong', then banking, insurance and real estate. 'It's a mirror of Swiss industry,' says Weber. 'What you see in Switzerland generally: a strong focus on healthcare companies, banks, and other sectors, such as real estate.'

Do they have any regrets? 'On a personal level, I miss some of the people whom I see less frequently now,' says Reutter. 'I miss the gym. But apart from that, no regrets.' Weber simply echoes the last point: 'No regrets.'

Key deals

Since opening for business, Advestra has certainly been busy. The firm's current breakdown of work is approximately 40% capital markets, 30% M&A, and 30% regulatory and finance.

Advestra has advised:

- Jacobs Holding on the placement of 550,000 shares in Barry Callebaut
- Swiss Re on the update of its \$10bn debt issuance programme
- Fintech company Unifiedpost Group on the acquisition of Crossinx, valued at up to €160m
- H.I.G. Capital (a leading global alternative investment firm with over €35bn of equity capital under management), on the sale of Infinigate to Bridgepoint
- SIG Combibloc on the acquisition of its Middle East joint venture companies
- TALLY WEIJL in connection with a capital increase and the realignment of its corporate governance.





Switzerland: The magic still works

Despite the Covid challenges, Swiss law firms continue to thrive. So how do they manage it?

At the heart of a continent so badly ravaged by Covid-19, Switzerland is emerging from the pandemic in relatively good shape. And so are Swiss law firms. Compared to its much larger neighbours, France and Germany, where the economies contracted by 5 per cent and 8 per cent respectively, Swiss GDP dipped by only 2.9 per cent last year. 'This shows a robust economy,' suggests Hans Rudolf Trüeb, partner at Walder Wyss. 'Apart from tourism, events and restaurants, Covid didn't affect GDP meaningfully. Above all, it hasn't affected the legal market: rather the contrary.'

Described by Fitch Ratings as 'very diversified and high-value added, with a flexible labour market,' the Swiss economy has certainly been hit less severely than others, confirms Daniel Hoschstrasser, senior partner of Bär & Karrer. 'One has to distinguish: there are certain sectors which have been hit hard, such as tourism, hotel and airlines, although the impact has been partly mitigated by the fact that instead of foreign tourists, many Swiss stayed in Switzerland,' he says.

Daniel Daeniker, senior partner of Homburger, adds: 'The limitations on travel and going

out put a mental strain on people, rather than bogging down the economy. That's what really made the difference, especially in a place like Switzerland, where people think it is their God-given right to jump on a plane and fly to a South Sea paradise. It's really a luxury problem.'

Freeze mode

Things certainly seemed much worse in March 2020 when the pandemic first swept across Europe. 'Everybody was very worried for about a month,' says Guy Vermeil, managing partner of Lenz & Staehelin. 'It was a difficult decision for the firm:

whether we should put some staff on a government-subsidised unemployment scheme. Some firms did that; we decided not to and not to take any loan from the government as other firms did. We had a worst-case scenario, which was extremely severe. But in the end, both in terms of liquidity and in terms of business, it was a good year.'

Stefan Brunnschweiler, managing partner of CMS Switzerland, notes that M&A activity was 'almost down to zero – as a corporate M&A lawyer, it was not an easy time.' Ben Christ, partner at VISCHER, adds: 'During the first wave, there was a hiatus, a rupture. Everybody almost went into a freeze mode before business resumed and, luckily, we came out rather quickly.'

The management team at Bär & Karrer was swift to act. 'We had calls with every partner to find out how dramatic they believed the effect could be, whether their team size was appropriate, and whether they thought they would have too many people,' says Hochstrasser. 'Based on our contingency planning, we implemented some immediate measures that we believed were appropriate.'

Philippe Weber, managing partner of Niederer Kraft Frey (NKF), arguably speaks for many of his counterparts, as well as for his own firm. 'It's been a very tough time, but also very rewarding – not only financially, but also being close to clients in difficult and challenging markets,' he says. 'I have the impression that our work became more appreciated and it certainly helped in fostering relationships with our clients.'

Quick rebound

The bounce back in activity was both swift and sharp. 'Business caught up very quickly,' says Vermeil. 'Everybody was extremely busy, the transition to working from home went rather well: we



“ The limitations on travel and going out put a mental strain on people, rather than bogging down the economy

Daniel Daeniker, senior partner, Homburger

managed to switch the whole firm in one week. We got some very interesting mandates in restructuring and refinancing, linked to the crisis. We work a lot in Geneva with the banks. The finance industry has done extremely well in the past year; assets under management grew. Most large law firms have been very busy and Lenz & Staehelin did even better than in 2019, which was a positive surprise for all the partners.'

Daeniker identifies another 'big surprise' during the pandemic: 'Unlike a normal crisis, investment simply continued as usual,' he says. 'People are still willing to buy and sell businesses at high valuations today because they don't think they will go down in the next two or three years.' The current M&A cycle – the longest in history – has simply not abated, he adds. 'This cycle started after the global financial crisis, and business

picked up in 2012,' he says. 'We now see the tenth year in a row, whereas you normally have only five or six good years. On top of that, in 2020, we did Covid-related restructuring and financing work. So, there was a marvellous confluence of two positive factors, which gave us an extremely robust year.'

Trüeb notes that 'Covid gave a boost to our employment practice: their numbers skyrocketed. It also helped other sectors, in particular our commercial practice.' Caroline Clemetson, head of investment management at Schellenberg Wittmer, adds: 'At the beginning of lockdown, from a markets perspective, there was a bit of a crash in the stock exchange with very little liquidity. Then things took off and it was business as usual. The banking and finance sector, it's booming.'

According to Thomas Goossens, managing partner at BianchiSchwald, 'There were a lot of financing, employment and insolvency law questions regarding the pandemic, but not that many insolvencies or bankruptcies – so far. It is likely that what we didn't experience last year might come this year, although we certainly hope that this will not happen.'

Thanks to several Covid-related mandates, BianchiSchwald's revenues last year were 'pretty

good, if not very good' he says. 'In particular, we assisted the Swiss Confederation in its support of all airline-related industries operating in Switzerland deemed to be of systemic importance. That triggered a lot of work for our corporate, commercial, regulatory and employment teams. But although the outcome was pretty good in terms of legal work and turnover, this does not mean that our clients did not suffer from the pandemic and its economic impact.'

Pestalozzi's managing partner, Urs Kloeti, suggests that because Swiss state aid programmes are still operating, there was much less restructuring work than anticipated. 'But it's a question of time,' he says. 'When these state aid programmes stop, this will be one of the more active areas in certain sectors. If not this year, then next.' Trüeb is sceptical about Covid loans. 'Some will be paid back, some not,' he says. 'We have helicopter money for businesses which clearly cannot survive. They will not be saved by these symbolic cash injections, rather their agony will be delayed by 6-12 months. We are essentially doing locally what the European Central Bank does on a national level: investing in failure.'

Deals aplenty

By contrast, success is the buzzword among Swiss law firms. Clemetson summarises the general mood. 'We had a super year, loads of business coming in,' she says. 'For the law firm industry, last year was a really good year. It did not slow down at all.' Brunnschweiler concurs. 'There is a lot of M&A activity: people making up for what they did not conclude a year ago,' he says. 'There's also been a streamlining in certain industries – restructuring in the retail sector, for example.' Kloeti adds: 'The whole finance and refinance area have been pretty active; transactional business was



“ The huge deals... have not been around. What we see more is in the area of CHF100m to CHF1bn. That is our bread and butter

Philippe Weber, managing partner, Niederer Kraft Frey

also surprisingly strong given the pandemic.' Christ concludes: 'Business is really good; we have been very busy. There really is a disconnect between our world of work and the real world outside.'

However, at Prager Dreifuss, managing partner Daniel Hayek suggests that this picture is not uniform. 'Larger firms had a sharp drop in their M&A practice and that has hit one or two firms by up to 20 per cent,' he says. 'For us, it's less of a problem because our M&A practice is more a consequence of our large restructuring business.'

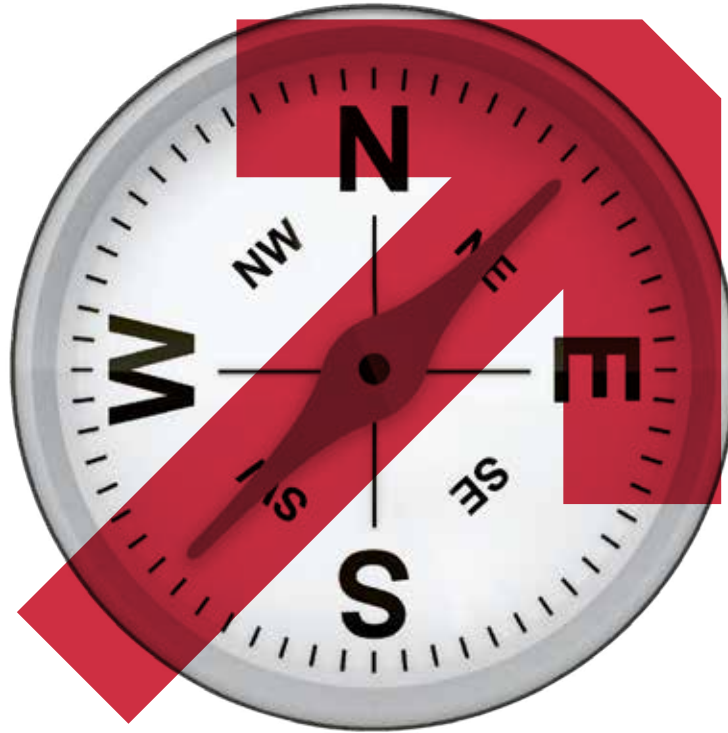
Restructuring was certainly a major issue, agrees Weber. 'There were some very interesting developments such as the first time use of UK restructuring plans and UK schemes of arrangement

for Swiss-headquartered groups like gategroup and Selecta, where we acted on the company side,' he says. gategroup, the leading global travel catering business, and Selecta, Europe's leading route-based unattended self-service retailer, were heavily impacted. 'The same is true for Dufry, the Swiss-headquartered global travel retail business, where we acted for the underwriters in a CHF800m rights offering,' he says.

NKF also advised on three IPOs in April/May 2021: the CHF850m IPO of PolyPeptide, the first real Swiss IPO since 2019; Montana Aerospace with a market capitalisation of c.CHF1.2bn; and the first IPO of a Swiss company on the NASDAQ, VectivBio, which had a market capitalisation of \$824m on its first trading day. NKF also advised Coop on its acquisition of Jumbo from Maus Frères, which was advised by Lenz & Staehelin. The Mathys family is currently being advised by Lenz & Staehelin on the pending sale of Swiss orthopaedic company, Mathys AG Bettlach, to the NYSE listed Colfax Corporation. Homburger is advising Colfax. The transaction is expected to close in the third quarter of 2021.

M&A is doing well, suggests Weber. 'But the huge deals, like the CHF40bn takeover of

€6bn
Value of Homburger's biggest deal last year – the acquisition of Sunrise by Liberty Global



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Syngenta and the CHF30bn takeover of Actelion, have not been around,' he says. 'What we see more is in the area of CHF100m to CHF1bn. That is our bread and butter.' Swiss companies do make large acquisitions abroad, he adds. 'You see the likes of Roche, Novartis or Nestlé making very significant acquisitions and disposals. But although the ultimate owner may be a Swiss company, they're not really Swiss deals.'

Swiss Magic

In 2018, Homburger advised Johnson & Johnson on its acquisition of Actelion and China National Chemical Corporation (ChemChina) on its acquisition of Syngenta. Foreign investment into Switzerland has been steady, says Daeniker, meaning that M&A advisory work has not diminished. 'Switzerland's main investment locations – inbound and outbound – are Germany and the US,' he says. 'Plus, there are a lot of financings out of the UK. Five years ago, as in most of western Europe, we experienced a shopping spree coming out of China; in the meantime, this has slowed to a trickle.'

Homburger's biggest deal last year was the €6bn acquisition of Sunrise, Switzerland's number two mobile phone operator, by Liberty Global. Lenz & Staehelin advised Sunrise while Homburger advised Liberty Global. 'That kept us very busy,' says Daeniker. 'We had a lot of medium-sized acquisitions, the usual roller coaster of midsize industrial listed companies that spin off divisions and buy other divisions; a good mix of everything. Valuations are high, the Swiss franc is expensive, but somehow the magic still works, which is good for us. For large incumbent law firms, any crisis delivers an excellent year.'

The magic still works at Walder Wyss too. The firm advised Boehringer Ingelheim in



“ There’s so much money sitting around, waiting to be invested, so much confidence and so many resulting transactions, maybe it’s good that Covid hit in 2020

Hans Rudolf Trüeb, partner, Walder Wyss

its €1.18bn acquisition of NBE-Therapeutics; KLAR Partners private equity funds (its debut fund has a hard cap of €600m) on its acquisition of ISS Kanal Services; and gene editing company CRISPR Therapeutics on its \$600m share sale program and other share offerings.

'Surprisingly, the 2020 deal flow was similar if not stronger than 2019,' says Trüeb. 'There's so much money sitting around, waiting to be invested, so much confidence and so many resulting transactions, maybe it's good that Covid hit when it did. If the virus had surfaced in 2009/10, it would have been a disaster. But it hasn't been; we grew about 5 per cent above budget last year. We were very lucky; we had a very good year. Who knows whether it would have been better without Covid.'

In an extensive deal list covering the past 12 months, Bär & Karrer advised: Lonza on the CHF4.2bn sale of Lonza's specialty ingredients business to Bain Capital and Cinven; H2 Energy Holding on an investment by and joint venture with Trafigura Holding; Castik Capital on the sale of Acrotec Group; Temasek on the recapitalisation of gategroup; Microdiamant on the acquisition of Eminess Technologies; Avaloq and Warburg Pincus on the sale of Avaloq to NEC; SIG Combibloc Group on its €1.85bn refinancing; and Saint-Gobain on the sale of Sika shares for CHF2.56bn.

Hochstrasser notes: 'Large parts of the economy continue to operate where it's basically business as usual: the financial sector to a large extent, manufacturing in areas where products are still sold, and certainly industrial production, so far, has not really suffered that much. Pharmaceuticals haven't suffered. And those are the areas where our major clients come from.'

Disputes surge

Predictably, the pandemic boosted the number of disputes across multiple sectors. But Vermeil suggests that things were much more difficult for smaller litigation firms because the Swiss courts stopped hearings for several months. 'They are not well

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Susanne Schreiber
Partner, Bär & Karrer

equipped from an IT perspective,' he says. 'It's difficult to work from home, and if you specialise in litigation, it's very difficult to work without having the files.' Although that may have been true for some litigation boutiques, it did not apply at larger firms.

Hayek points to the insurance market, which he suggests, has become more complex. 'Insurers are no longer just paying claims, they are litigating them. Our insurance team has been litigating large arbitration claims for two or three years. In the aftermath of Covid, business interruption insurance policies are being heavily litigated. We have 20 to 25 new cases in this area.' Clemetson says that, in aggregate terms, litigation did not slow down. 'The courtrooms were closed during the first lockdown and some hearings were postponed,' she says. 'But then it all started over again. We were very surprised: it was business as usual and even more. Arbitration and litigation didn't stop.'

At LALIVE, Switzerland's largest disputes specialist firm, former co-managing partner Domitille Baizeau saw disputes increase in several sectors. 'We also found clients taking steps to avoid or contain disputes, leading to a rise in pre-disputes advisory work,' she says. Particularly active areas included advising HNW individuals and family offices on their exposure to certain investment products. 'Our international arbitration team is extremely busy on a variety of disputes (investment treaty claims, contractual disputes, and post-M&A disputes) in energy, mining, pharmaceuticals and construction,' says Baizeau. Asset tracing, insolvency and white-collar crime have also been active.

The vast majority of LALIVE's work is cross-border, representing non-Swiss parties. Its London office, which opened in 2018, is growing so fast, she says, that



“ The firm was already busy coming into the pandemic, but it has grown around 15 per cent in terms of headcount in order to meet client demand in the last year

Domitille Baizeau, partner, LALIVE

'last summer we moved to new premises, despite the pandemic.' It now has almost twenty lawyers who specialise in international arbitration. 'This success has meant even higher visibility as a multi-jurisdictional firm and has allowed us to secure several very large cases for clients who value the link to London as an international disputes hub, even if the cases are not seated in London,' says Baizeau. Tapping into the London talent pool for associates has enabled LALIVE to increase its international arbitration team to 50+ lawyers across three offices.

'The firm was already busy coming into the pandemic, but it has grown around 15 per cent

in terms of headcount in order to meet client demand in the past year,' she explains. 'However, there are other reasons for certain disputes, such as government actions (giving rise to treaty arbitration), post-M&A disputes and white-collar crime. In that sense, it would be inaccurate to view the pandemic as having created a surge of work from a low base.'

Merger and spin-off

The pandemic proved to be no barrier for major developments in the Swiss legal market. Last December, Meyerlustenberger Lachenal (MLL) and Froriep announced their plan to merge, creating a combined firm with 155 lawyers across four Swiss offices in Zurich, Geneva, Zug and Lausanne, as well in London and Madrid. For MLL, the move creates a larger footprint; for Froriep, it provides an obvious route to achieving growth following the sustained loss of lawyers to Walder Wyss, among others, in recent years.

'The Swiss market is attractive because of the small number of top tier firms, but there's limited margin for growth,' explains Weber. 'If you look at the 2020 growth rates of leading US firms,

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they are almost impossible to achieve in Switzerland, unless you merge, but then it's not organic growth.' That is the consensus view among Swiss law firms. But it is not how Froriep's managing partner, Jean Marguerat, described the merger as it took effect at the end of June 2021.

'The idea of the merger came just before the pandemic,' he says. 'It's a strategic growth merger. We thought there was something new to build with MLL and Froriep. And then Covid hit, while we were having our first talks with our partners at MLL. We met once physically in Berne, and after that, there was quite a lot of video/telephone conferences. But it's worked really well. Covid has reinforced our common will to do something together.'

Marguerat is distinctly upbeat. 'We want to be innovative, to be



“ Everyone is looking forward to being able to go back to restaurants and to normal life

*Guy Vermeil, managing partner,
Lenz & Staehelin*

the Swiss business law firm of the future,' he says. 'We have a growth strategy. We both pursue the same goals. Moreover, we both value the human element very much. The core values of both firms are the same. That's why it made things easier during the pandemic. Our goal is not really to make a bigger firm, it's to make a better firm.'

The combined firm is full-service. 'We will position ourselves as one of the largest leading Swiss business law firms with a focus on technology, innovation and regulated industries,' says Marguerat. 'Regulated sectors will benefit a lot from innovation, in particular life sciences, telecommunications, and financial services. We will also continue to have the more traditional sectors, such as private client, litigation and arbitration. We will have quite

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Switzerland may pay the price if new EU deal cannot be agreed

Being outside the EU has been quite successful, even though it brings some challenges,' suggests Clemetson. Discussions over Switzerland's future relationship with the EU recently crystalised, creating the biggest challenge so far. At the end of May, the Swiss Federal Council finally announced that it would not sign the Institutional Framework Agreement with the EU, thereby ending seven years of negotiations to try and create a common framework for the agreements that govern Switzerland's access to the EU single market.

On any view, this impasse is problematic. Hampered by unbridgeable differences over salary protection, state aid rules, access to social security benefits and immigration – together with the prospect that a new EU deal would be rejected in a legally required referendum – the Swiss government's decision to pull the plug potentially creates significant consequences for Europe's fourth-biggest trade partner. In a terse response, the European Commission warned of an inevitable deterioration in co-operation.

Uncertainty is poisonous

Trüb offers some historical perspective. 'As a colleague recently wrote: the Swiss only feel at ease when at home. We've had issues with everyone: we sent the Habsburgs away, the dukes of Milan and Burgundy, Napoleon eventually occupied the country before he was finally sent to Elba. We've always had an issue with being integrated into larger empires or unions. Given the progressive integration into the legal framework of the EU, the progressive adoption of EU law, and the recognition of the EU court is unacceptable for a majority of Swiss citizens, it was only logical that the Federal Council recently ended negotiations on the institutional agreement – this step was overdue.'

Hochstrasser addresses the impact on business: 'Uncertainty is always poisonous for managers and executives who are planning the future of their company or their group,' he says. 'Any regime or situation which contains an element of uncertainty creates concern and is risky. From that perspective, it would be extremely helpful to know a bit more about where things are going – the major cornerstones of our relationship with the EU, free movement of goods, free movement of people.' In the short term, answers will not be forthcoming since talks are not expected to resume in the near future.

Stubborn Swiss

Among lawyers, views differ as to what may happen. 'The EU believes the Brits learned that the EU does not give in, and that the Swiss will also have learned that lesson. Nobody realises that the Swiss can be more stubborn than the Brits, so it's a difficult one,' says Kloeti. 'Since there is a



“ It would be extremely helpful to know a bit more about where things are going – the major cornerstones of our relationship with the EU, free movement of goods, free movement of people

Daniel Hoschstrasser, senior partner, Bär & Karrer

popular vote in Switzerland, it's going to be a very difficult situation,' agrees Weber. 'The EU will struggle to make concessions, because every concession they make to us, the UK will want to have as well, or vice versa. If I have learned something over the years, it's that things can change very quickly and unexpectedly. But I'm not very optimistic.'

Marguerat takes an opposing view. 'I'm quite optimistic that we will find a pragmatic solution,' he says. 'Pragmatism is one of our key values. It's part of Swiss DNA.' Daeniker concludes, also on a DNA theme: 'There is no parallel between Swiss-EU relations and Brexit. Switzerland is connected to the hip with Europe, always has been. This doesn't only apply to trade flows, it also applies to things like research facilities that are shared by the top universities around Europe, student exchange programmes and the like. The average Swiss is much closer to western European DNA than the average Brit ever would have been.'

Whether DNA or effective diplomacy will ultimately determine how Switzerland resolves its differences with the EU remains to be seen.

a big IP practice: we see IP as being related to our technological focus.'

Almost simultaneous with the MLL-Froriep merger came the announcement that Thomas Reutter, whose outstanding reputation in capital markets work is universally acclaimed, had decided to leave Bär & Karrer with a team of partners and associates. Hochstrasser says: 'We were disappointed to see them go.' Reutter's new firm, Advestra, is profiled in this report. Historically, spin-offs of this significance have not happened in the Swiss market.

Conscious that they have another strong competitor, managing partners at other firms are keenly watching to see how Advestra's 14-lawyer team develops and what market share of business it will secure in capital markets and M&A. 'Competition in the legal market is getting stronger and stronger,' says Vermeil. 'I am positive that the people at our firm, who are in the same field, will be able to convince the market that we are still as good as we were in that area,' says Hochstrasser.

Cautious optimism

Looking ahead, Vermeil reflects the common desire for normality to return. 'The outlook is very positive with everybody very busy,' he says. 'Everyone is looking forward to being able to go back to restaurants and to normal life.' Hochstrasser adds: 'We had excellent years in 2018-20. And so far, 2021 is a good year. Whether it will be as good as 2020, we will have to see. But we certainly hope that in those areas where we were very strong in 2019 and 2020, we will continue to be strong and will have a lot of work.'

The outlook for this year is good, driven by a number of factors, says Christ. 'There is a lot of money out there, lots of dry powder for private equity and government measures are



“ We are careful, but we have no reason to believe, given the indications from our clients and from the markets, that this year will be very different from last year

Thomas Goossens, managing partner, BianchiSchwald

pumping new money into the economy, so there's even more money around that is looking to be invested. Ultimately, it's a global phenomenon.' Hayek thinks strategically. 'We expect the M&A business to pick up,' he says. 'That's where we want to strengthen our practice, be it coming from the private equity firms, or as a consequence of restructuring deals.'

Goossens is more guarded. 'We're still relatively positive for the year ahead,' he says. 'That means we are careful, but we have no reason to believe, given the indications from our clients and from the markets, that this year will be very different from last year. The type of Covid-related mandates that we managed to

get last year are now being, slowly but surely, replaced by projects or transactions which had been frozen or delayed during Covid.'

Caution is also Weber's watchword. 'I don't think we can continue to grow at this pace,' he says. 'Last year we had a lot of tail wind, one could almost call it the "perfect storm" for top tier firms, which helped us to achieve our best year ever. For 2021, we stay prudent and we expect some consolidation.' By contrast, after Walder Wyss' phenomenal expansion in recent years, Trüeb anticipates further growth in numbers and quality. 'No breathing through, no consolidation,' he says. 'We have to continue along the same path of growth for the next five years. We have a young and hungry team, all hardworking lawyers, and we still can go a long way.'

Taking a medium-term view, Daeniker is circumspect. 'Our down cycles are always during the two or three years after a crisis. So, assuming that business gets back to normal within the next 12 months, I would anticipate 2022 to 2024 to be rather slow in comparison to the last five years. Our success not only depends on a very strong industrial base, but also on an extremely vibrant stock exchange and on a number of Swiss based banks that still have a strong investment banking arm. If one of the three were to fall away, the rest would suffer as well.'

Caution and conservatism are well-established hallmarks of the Swiss character. It is part of the reason why Swiss law firms have been so successful for so long. Despite their prudent management of expectations about how things may evolve in Switzerland, there is no reason to believe that those other Swiss characteristics – ingenuity, flexibility, pragmatism and thrift – will not serve them well in adjusting successfully to whatever the future may hold.

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James has extensive experience in dealing with international law firms. Previously at *Legal Business*, where he spent five years engaged in producing a wide variety of reports on diverse legal markets, he understands the commercial objectives of law firms in a challenging, competitive market.

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