REPORTS LEGAL
Offshore Report | December 2024

# The gloves are off

*What a US-China trade war means for Hong Kong*

# Contents



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# The gloves are off

## Following President Trump's return to the White House, the US-China trade war looks set to escalate, potentially affecting offshore firms in Hong Kong and across the rest of Asia

**By Dominic Carman**

Trying to understand the machinations of China's complex economy is notoriously difficult, even for economists. Official Chinese government data is opaque and irregular. So, when the country's statistics agencies do publish data, commentators are invariably sceptical about its accuracy and reliability. For offshore law firms and their clients operating in Hong Kong and right across Asia, the future direction of the world's second largest economy and trying to plan with some degree of certainty on the basis of reliable information are paramount concerns. However, the fate of the Chinese economy over the short and medium term remains distinctly uncertain.

But one thing is certain: the potential of an intensified US-China trade war will increase with the White House return of Trump 2.0 – a man whose strongly held belief in tariffs is his most consistent and enduring policy position. Back in June 2018, Trump 1.0 announced 25% tariffs on $50bn worth of Chinese goods. Notably, President Biden maintained those tariffs throughout his term in office.

### Higher tariffs

If Trump 2.0 delivers on his election campaign promise to up the ante on tariffs against China when he sweeps back into the Oval Office, there will be one key question: by how much? Although lower than the 60% level he threatened during the campaign, Trump 2.0 recently confirmed that, from day one in office, Canada and Mexico would see a 25% tariff added to all imported goods, while China would face an additional 10%. Even worse, other anti-China measures could potentially include revocation of its Most Favored Nation status, which would gradually phase out all imports of essential goods from China.

Whatever revised tariff rates are eventually set, a revitalised Sino-US trade war would be further bad news for the Chinese economy, which is already creaking under the weight of a protracted property crisis and reduced consumer spending. Inevitably, Americans would buy fewer (more expensive) Chinese goods and trade would reduce.

Despite some decline in trade since tariffs were first introduced, the US remains China's largest export market, buying almost double the proportion of goods bought by Hong Kong, China's second-largest export partner. As China's largest trading partner, the US bought $427bn worth of goods in 2023, according to the National Institute of Economic and Social Research. Meanwhile, economists predict that China's GDP would be up to 2.2% lower over five years compared to no additional tariffs being imposed because of reduced demand for Chinese goods, manufacturing and labour.

China is already dealing with a prolonged slowdown: its GDP growth rate has fallen from 10.6% in 2010 to 4.8% in 2024, according to the IMF, which predicts a further contraction to 4.5% next year. In its latest forecast, the IMF suggests that China is set to have economic growth that slows to 3.3% by 2029.

**Evergrande: $300bn debt**

After the 2021 collapse of property giant Evergrande, which is now saddled with $300bn+ of debt, much of the insolvency and restructuring work anticipated by law firms – onshore and particularly offshore – has failed to materialise. But a sharp property downturn has severely dented Chinese consumer confidence and deepened deflationary pressures. In the Hong Kong domestic market, a strong uptick in restructuring work is anticipated by the local offices of offshore firms in 2025.

Property used to drive a quarter of China's entire economic output, making it one of the largest contributors to growth. But in the past five years, domestic property sales have fallen by 45% as the downturn continues to reduce consumer spending. In response, Chinese producers have cut prices and exported more goods, boosting China's global trade surplus which has doubled to $800bn+.

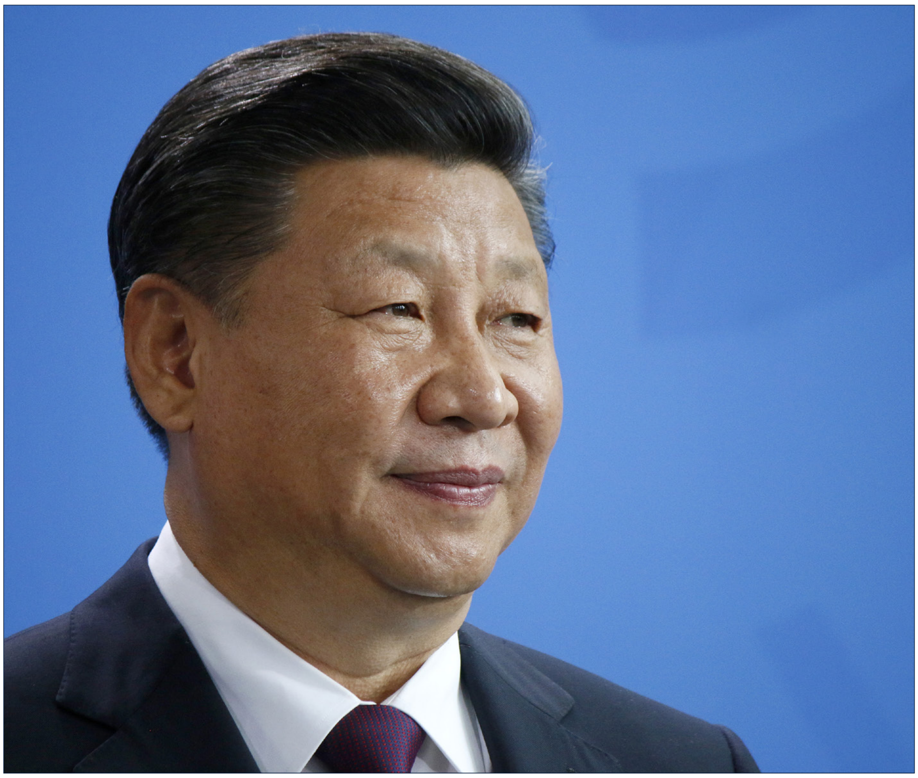
US tariffs may well exacerbate the situation, particularly in China's industrial heartlands. A trade surplus with the US provides less scope to retaliate by imposing tariffs on US goods. Instead, China could devalue the renminbi, making its goods cheaper to export. Any substantial depreciation would, however, lead to higher domestic inflation. To avoid tariffs, Chinese companies might also move jobs and investment elsewhere in Asia, such as Vietnam.

**$1.4trn stimulus**

To prevent a further slump in the growth rate, President Xi may ultimately have to deliver a major fiscal stimulus. Although the September 2024 stimulus package from the Chinese government amounted to $1.4tn of economic support, there were no concerted fiscal stimulus measures. Investors were unimpressed because the $1.4tn debt swap is designed to help heavily indebted local governments, rather than to stimulate demand. China's CSI 300 index has fallen by 12% since the stimulus plans were announced.

In December, the Chinese Communist Party's politburo, led by Xi, changed its monetary

**In December, the Chinese Communist party's politburo, led by Xi Jinping, changed its monetary policy stance to "moderately loose" from "prudent" - the first proactive shift in wording since the global financial crisis ▼**



policy stance to "moderately loose" from "prudent" – the first proactive shift in wording since the global financial crisis. The politburo also pledged "to greatly boost consumption" and thereby address weak consumer spending. The scale of any renewed stimulus very much depends on what the US does next, although the Bank of China's ability to cut rates is limited.

Ultimately, higher consumption is needed to rebalance the Chinese economy. But the crisis in consumer confidence looks set to persist so long as the property sector remains depressed: economists estimate that roughly 70% of Chinese family wealth is tied up in housing.

There is also market concern that China's economy has entered a deflationary spiral and that Trump 2.0 will enact aggressive fiscal measures to boost the US economy: US-China decoupling may further amplify the diverging economic performance of the two countries. That makes potential devaluation of the renminbi more likely.

In its annual Central Economic Work Conference held in mid-December, the Chinese Communist Party shifted its focus away from investment in technology and industry, towards boosting domestic demand and "vigorously" promoting consumption through an expansion of China's budget deficit.

> *“ There is market concern that China's economy has entered a deflationary spiral and that Trump 2.0 will enact aggressive fiscal measures to boost the US economy*

Further details of specific measures will only be released in March 2025 at the annual meeting of China's parliament.

**Consumer confidence: weak**

Some economists argue that large-scale investment in pensions and healthcare is required to give consumers the confidence to spend, rather than save. Chinese households have some of the world's highest savings rates, because urgent healthcare needs and the absence of sufficient pensions make it necessary.

Goldman Sachs economists forecast that China's "augmented fiscal deficit" — the total budget deficit including central and local governments — will widen by 1.8% to 13% of GDP next year. Meanwhile, economists at Morgan Stanley maintain a "below-consensus" forecast of 3% year-on-year growth for China's nominal GDP.

A full-scale trade war between the China and the US would, of course, blow these forecasts off course. Further fallout from China would also have a potentially significant impact on the near moribund level of transactional, fundraising, and corporate activity in Hong Kong – just as they are starting to pick up

For offshore law firms and their clients in Hong Kong, Singapore, mainland China, and throughout Asia, these are indeed interesting times in which to live. Perhaps the worst aspect of this much referenced Chinese curse is simply not knowing what is going to happen next. Maybe, it's just as well to plan as best you can. ●

# Hong Kong:
## *An anxious wait for recovery*

### As US law firms leave Greater China, the jury is still out on whether Beijing's $1.4trn stimulus package will lead to a sustained Hong Kong recovery

**By Dominic Carman**

"Hong Kong has been locked in a bad news cycle with very little to be enthusiastic about: deal flow is down; the HKSE, although recently up, has had a disastrous few years; the China stimulus package (announced in September 2024) initially led to a big rebound – then everyone realised that it completely lacked detail and structure, so it fell flat." This critique from the Managing Partner of Harneys Hong Kong office, Paul Sephton, is brutally frank and unambiguously accurate.

Benchmark the Hang Seng Index (HSI) against its international peers and it is immediately apparent just how difficult things have become for Hong Kong. In the five years to mid-December 2024, the HSI was down by 29%. Over the same time period, other major indices have pointed in the opposite direction: the FTSE100, up by 9%; the Euronext 100, up by 27%; the DJIA, up by 54%; and the NASDAQ, up by a remarkable 156%. It is therefore unsurprising that lawyer headcount at the Hong Kong offices of onshore firms has also been falling. This is particularly notable among US firms: Skadden is prominent among those which have substantially reduced their footprint, while Dechert and Winston & Strawn have closed altogether. Mayer Brown has reduced to just 20 local lawyers, having hived off 120 lawyers to JSM, which has reverted to being Johnson Stokes & Master – the name of the Hong Kong firm that merged with Mayer Brown in 2008. The gradual decline of international law firm offices, which began in 2017, has now accelerated across the board. Since mid-2023, the 20 largest international firms have cut more than 7% of their Hong Kong-registered lawyers.

**US law firms: China exodus**

Over the border, things look even bleaker. Paul Weiss, one of the first US firms to arrive in China in 1981 and now busily expanding its London footprint, decided to close its Beijing office in early December 2024. A week later, Milbank, which opened its Hong Kong office in 1977, followed suit by announcing the closure of its Beijing office, which has been in operation for 18 years. It was the 14th closure announcement by a US law firm in 2024. Such decisions are symptomatic of Hong Kong's biggest problem – in a word: China.

The list of big-name law firm exits from Beijing and Shanghai continues to grow. Morrison Foerster, Perkins Coie, Sidley Austin and Weil Gotshal & Manges are among those which decided to close their China offices in 2024, following similar high-profile closures the previous year. WilmerHale, Skadden, Eversheds Sutherland, Linklaters, Dechert, Ropes & Gray, Latham & Watkins, Baker McKenzie, Orrick, Akin, Reed Smith, Proskauer, Winston & Strawn, and KPMG (SF lawyers) are among other firms that have either shut up shop in China, or significantly trimmed their China-based teams. The reasons given are varied – from a sluggish market and enduring geopolitical tensions between China and the US (amplified by Donald Trump's re-election) to reduced profit margins and growing competition from Chinese mainland firms, which are favoured for reasons of cost and patriotism by mainland PRC clients. When Dentons broke away from its China arm, Dacheng Law Offices, in 2023, the firm cited new Chinese government rules on data privacy and cybersecurity. Since 2017, the number of international law firms with China offices has fallen from 244 to around the 200 mark – an 18% decline.

*" Hong Kong has been locked in a bad news cycle with very little to be enthusiastic about*

***Paul Sephton, managing partner of Harneys' Hong Kong office***

And then there is the Trump factor. "Much depends on what Donald Trump does in his second term," suggests Carey Olsen's Hong Kong Managing Partner, Michael Padarin. "In his first term, Trump took a very strong stance, which slowed down inbound and outbound China deals. Biden also delivered strong anti-China rhetoric and continued measures that Trump had implemented. I expect Trump will continue to take a pretty tough line on China, making life fairly difficult. That won't be fantastic for business because we're very reliant on the Chinese economy doing well." Paul Christopher, regional Managing Partner of Mourant Asia, adds: "Like much of the world, businesses in Asia are adopting a 'wait and see' approach following the recent election of Donald Trump. This cautious stance reflects the desire to assess how the new administration's policies might influence China and the broader regional landscape."

**China's economic virus**

Although they receive significant referral work from them, offshore law firms in Hong Kong are quite different from their onshore counterparts in terms of jurisdictional advice: locally, they advise predominantly on Cayman and BVI law, as well as the laws of Bermuda, and to a lesser extent, Jersey and Guernsey. Notably, about 60% of all listed companies on the HKSE are domiciled in Cayman and nearly 30,000 mutual funds and private funds are registered with the Cayman Islands Monetary Authority (CIMA). But even though many of the Hong Kong offices of offshore ▶

firms deliver an upbeat message in difficult circumstances, they are certainly not immune to the effects of the China economic virus.

So, how are things really shaping up for the offshore elite in a challenging market?

Conyers was the first offshore law firm to open a Hong Kong office in 1985. Head of Asia and Managing Partner at Conyers Hong Kong, Christopher Bickley is recognised as a Band One practitioner by Chambers and Partners (Chambers) with specialist expertise in corporate finance, IPOs and HKSE listings.

He offers a long view. "Offshore has been generally well accepted in Asia for 40 years," he says. "We're lucky, because we have relationships going back 40 years, and a very strong client base. Others have to find their niches. That can be challenging, particularly in the current market." In litigation and conflict work, he notes, "there's a lot of discussion among firms. On the regulatory side and when the island governments come out to promote the jurisdictions, we're very much together."

Roughly 75% of the market involves offshore companies and it's very developed for offshore vehicles: people are very familiar with them, according to Bickley. "We're very much tied into where the economy and the business cycle are in Hong Kong," he says. "On the other side of the cycle, we're focused on litigation and restructuring. On the listed company side, many people are going private because of the performance of the Hang Seng over the last few years."

'So much potential'

In the property sector, he notes, a lot of fundraising was done in 2019-22. "That process has ended," he says. "Some of these companies have, unfortunately, fallen over. In restructurings, China Evergrande is well-known. But you also see listed companies having to put in provisional liquidators and trying to see if there's any way to save the day."

Bickley remains a long-term optimist on China. "It's difficult to anticipate where things are headed," he says. "Clearly, the government has realised it needs to do something – it's taking initiatives in the property market, the stimulus bazooka at the end of September. They intend to stimulate the economy. We've yet to see how that's going to translate into real work. The short-term view is wait and see. No doubt, there are some challenges, but no one I've talked to – looking medium or long term – speaks negatively about China. There's still so much potential."

*" I expect Trump will continue to take a pretty tough line on China, making life fairly difficult. That won't be fantastic for business*

***Michael Padarin, local managing partner, Carey Olsen***

Opening in 1995, Hong Kong was Maples' first international office. Its local Cayman and BVI law teams are widely recognised for their strength in investment funds, fund formation, corporate finance and disputes work. Over the past year, the firm has won an impressive clutch of regional awards. Michael Gagie, the firm's Regional Managing Partner, is ranked as an eminent practitioner by Chambers and is noted for his banking and structured finance work, acting as lender counsel, and borrower work for funds and corporates.

"Over the past 30 years, our teams across various practice groups have built significant and long-standing relationships with leading Hong Kong, Chinese and international law firms advising across a broad range of mandates," says Gagie. "Additionally, we have a substantial fund and investor client base alongside our relationships with Asian and international banks and financial intermediaries. Our track record in terms of executing the biggest and most high-profile mandates involving Cayman Islands and British Virgin Islands issuers is second to none."

In response to the issue of local challenges, he plays an equally straight bat: "We provide clients with strategic advisory services to navigate economic uncertainties and capitalise on opportunities arising in the market," he says. "Furthermore, we are strengthening client relationships and offering tailored solutions to address specific challenges faced by clients in the current economic environment."

### IPOs up

As evidence, he points to notable deals where Maples has advised. Among the green shoots, Hong Kong IPOs are showing signs of a modest recovery, as more Chinese companies choose Hong Kong to raise capital, leading to improved investor sentiment. After three consecutive years of decline, IPO deal values and additional follow-on share sales were up in 2024, according to Dealogic.

Maples' advisory work in 2024 included:

- Pantarei Asset Management Limited, a Hong Kong-based investment manager, in connection with the launch of its inaugural funds
- Cirrus Aircraft Limited, on its HKSE IPO for approximately HK$1.5 billion (US$193m)
- Horizon Robotics – at US$700m, the second largest Hong Kong IPO in 2024
- SciClone Pharmaceuticals on its privatisation for HK$8.79 billion (US$1.13 billion).

> *❝ Like much of the world, businesses in Asia are adopting a 'wait and see' approach following the recent election of Donald Trump*
>
> ***Paul Christopher, regional managing partner, Mourant Asia***

In addition, Maples advised on prominent restructurings:

- China Evergrande Group restructuring of offshore bonds – the largest restructuring in the Asian market
- Sunac's US$10.2 billion debt restructuring, the largest debt restructuring by a PRC real estate company
- Modern Land's US$1.34 billion debt restructuring

Walkers has been in Hong Kong since 2003 and is recognised as a top tier offshore firm across Asia.

Having launched with a Cayman and BVI law capability, Walkers has expanded to include the laws of Bermuda, Jersey, Guernsey and Ireland. Highly rated funds partner, James Gaden joined Walkers in 2018, having previously spent eight years at Maples. He is also recognised for his expertise in Cayman and BVI law for private equity, hedge funds, real estate and crypto managers.

Gaden is definitely a glass half full lawyer. "Although fundraising in China has slowed, it's created opportunities for restructuring work, particularly around distress in the real estate space," he says. "Clients heavily invested there need help from lawyers."

On China's stimulus package, he notes "Part of the focus here is on investment in new productive forces – tech, clean tech, solar, hydrogen. These markets have traditionally been very attractive to private equity investors. Although it may not be overnight, there should be positive activity in that space on the back of the stimulus as it gains traction. China has been fairly subdued around private equity, but it's starting to get busier. Exits should generate fundraising activity. "

### The next big thing

In other areas, he is similarly upbeat. "We're always horizon scanning, looking for the next big thing and making sure we put appropriate time into where opportunities exist. You can see that in our global FinTech practice and specialist Regulatory practice – we were one of the first movers in these spaces. There's an incredibly high demand for regulatory lawyers across the region, so having a dedicated team of regulatory specialists in region is a real strength for us," he says.

"There's definitely going to be more growth across the entire gamut of the investment funds market," he adds. "However, this may take more time in certain areas than in others." And in terms of hedge fund raising, he notes: "As a destination for capital on the hedge fund side, a series of very good raises are a sign that Asia and Hong Kong are coming back."

Harneys Hong Kong opened in 2005. It now has one of the largest local lawyer headcounts among offshore firms, alongside Maples, Walkers and Ogier. They all stand out by virtue of size, but there are competing claims as to which is the biggest. Harneys is known for its IPO and listings work, debt capital markets, and offshore debt restructuring. Sephton is recognised as an expert in banking, debt finance, and take-private financing issues.

"In Hong Kong, it's quite close between us and our main competitors, but we believe we're currently slightly larger in terms of lawyer head count – definitely a sign of our Hong Kong office success," says Sephton. Like other big offshore players, Harneys has litigation, disputes, insolvency and restructuring teams alongside transactional teams: funds, banking, corporate, regulatory, and private wealth. Between transactional and litigation, there's a 50:50 split in headcount.

"Restructuring is hot: it's taken on a domestic shape," says Sephton. "There was an expectation with the mainland China property market that there would be a wave of restructurings. That's not really yielded the anticipated work. More interesting is the huge Hong Kong domestic property market – there's a lot of distress, some real workouts and insolvencies coming down the pipeline. A growth area for litigation, restructuring and insolvency."

Harneys' client base is "extremely varied", he notes. "US and European private equity, international banks, domestic corporates, Chinese businesses and Chinese investment vehicles. A real mix between Eastern and Western clients – a good hedge, while Western businesses, particularly private equity, is changing its appetite to China business. Most transactions and cases we work on have some sort of Chinese nexus."

*" Offshore has been generally well accepted in Asia for 40 years... We're lucky, because we have relationships going back 40 years, and a very strong client base*

***Christopher Bickley, head of Asia and managing partner, Conyers Hong Kong,***

**Exceptionally busy**

Sephton adds: "Investment banks we work for are very dependent on big-ticket M&A transactions, the IPO market is a huge driver of work in the region. Inevitably, you see law firms dropping headcounts, repositioning themselves away from Asia. There's a really pessimistic view of how things are playing out. We have to divorce ourselves from that, to an extent: our own levels of busyness have been exceptionally high, as high as they've ever been. Our own reality: work is still out there, transactions are still being done, there's still litigation, it's not entirely doom and gloom."

Ogier opened in Hong Kong in 2006. According to the directories, the firm distinguishes itself through innovative investment funds and private equity work, litigation and private wealth. Nick Plowman, Practice Partner in Hong Kong and Head of Investment Funds, is very highly regarded.

"The vast majority of work we do through Hong Kong is Cayman and BVI," says Plowman. "We're seeing more Luxembourg work and huge growth in Jersey and Guernsey structures on the private wealth side – the preferred domicile for many family office structures. On the corporate M&A, banking finance side, almost 100% of it is referred from international, UK, and US law firms, based in Hong Kong. Funds – there's a split between direct approach from managers and referrals from law firms."

In lawyer numbers, "we're the largest offshore firm in Hong Kong," he says. "But the market has struggled. Onshore firms are cutting numbers because of China, less outbound work going through, particularly international firms. There's a growth of PRC law firms based in Hong Kong with US-qualified lawyers who speak Mandarin moving to them. Many of those firms also build their US offices, taking talent from US firms.

"Private equity in China is really tough. We've seen lots of the secondaries market – not that busy, and definitely not that liquid. Things need to change in the Chinese economy before that market turns around. People speculate how long that will take with hope that the current liquidity push will inject some confidence and optimism in the economy.

"Until that does change – at least in Hong Kong with China as its primary PE market – it will remain very depressed. Many PE clients in Hong Kong are diversifying away from China. PE is going to take time to come back, at least in Hong Kong and China because of: the lack of liquidity, market confidence, and regulatory stability, particularly in China, around how their investments are going to be dealt with."

**Diversifying away from China**

The consequence, Plowman explains: "We've had to diversify away from China." But he also expresses optimism. "When China is good, Hong Kong is good," he says. "Hong Kong is still number three as a financial centre, it was number four, it's gone back to number three, Singapore's dropped to number four. Hong Kong is reasserting itself as an important financial centre for Asia. It used to call itself Asia's world city – that will remain the case because of the depth of service providers and legal provision."

*❝ Our teams across various practice groups have built significant and long-standing relationships with leading Hong Kong, Chinese and international law firms*

***Michael Gagie, regional managing partner, Maples***

Mourant is noted for its expertise in investment funds, banking and finance, corporate, insolvency, and restructuring. Paul Christopher is recognised as an expert in M&A, joint ventures, and privatisations. The firm opened its Hong Kong office in 2012, two years after the Channel Islands merger which created Mourant Ozannes.

"Our lawyers are specialist BVI and Cayman practitioners," says Christopher. "Cayman tends to be used for investment fund structures, listing work on the HKSE, and Chinese businesses that might list on US exchanges. BVI is used in certain circumstances for investment funds, and extensively for business holding companies – as is Cayman. Sometimes, they're used interchangeably. BVI can also be used for listing companies, but it's less common."

He turns his attention to China. "Everyone's very aware of China's economic slowdown, which has a significant impact throughout the whole of Southeast Asia – as do higher interest rates and geopolitics, although the economic outlook across the region remains stable," says Christopher. "Our most significant (Asian) office is Hong Kong: We don't see that changing in the short to medium term."

Christopher points to Bain reports: "Fundraising is a tough environment globally, probably even tougher if you were/are best known for having a China focus," he says. "It's very difficult to get pure China deals through investment committees based in other parts of the world than investments in the rest of Asia."

It's a challenging environment to make forecasts, suggests Christopher, who also switches to a more positive outlook.

"We try to be as prudent and reactive as possible, and maintain high quality teams doing good quality work which is still out there, with opportunities to build relationships," he says. "We've just signed a new lease on our office in Central (Hong Kong), so we've got confidence in the region. There will be a significant upturn at some point, but lots of law firms and professional services businesses are reviewing their business needs in the region."

He is equally positive about the potential of China's stimulus package. "Things can change very quickly: such changes could have a profound impact," he says. "One aspect that often remains underappreciated, particularly from a Western perspective, is the extent of control exercised by the Chinese government. For those raised in Western countries, this level of centralised influence can be challenging to fully grasp."

**Pounding the pavement**

The most recent big offshore player to have a Hong Kong office, Carey Olsen is noted for its strong dispute resolution and private equity offerings. As the local Managing Partner, Michael Padarin also heads the corporate and investment funds group, and is highly respected.

"We opened Hong Kong and Singapore offices simultaneously in November 2016," says Padarin. "In 2019, we had a reboot, Carey Olsen 2.0. I joined in Hong Kong to grow the corporate practice. Both offices are full service in corporate and litigation, covering BVI, Cayman and Bermuda. Brand recognition has been our greatest challenge: some competitors have been here a very long time. Although Carey Olsen is 126 years old, we weren't particularly well known regionally. We did meetings where people asked: are you Mr. Carey or Mr. Olsen?"

*❝ On the corporate M&A banking finance side, almost 100% of it is referred from international, UK and US law firms, based in Hong Kong*

***Nick Plowman, practice partner in Hong Kong, Ogier***

He recalls "lots of business development trips, pounding the pavement, trying to position ourselves with key referring intermediaries, primarily onshore law firms – often, very small bits of work. To get our foot in the door and build relationships, we did anything and everything. Deals and transactions have since grown in size.

Padarin describes the local situation and recent events: "The 2019 Hong Kong protests bled into 2020, then COVID. Many expats left for Singapore, the UK, or Australia and were ghosting: pretending to be in Hong Kong working remotely, which annoyed local referring lawyers. All our local partners stayed – beneficial in growing the business because it demonstrated loyalty to the market."

And then the main event. "The Chinese economy has impacted deal activity and capital raising; domestic M&A is pretty dead," he says. "The needle will turn when the stimulus starts to bite. In the meantime, our insolvency and restructuring teams are going absolutely gangbusters. Rewind 12 months, many people were kicking the tyres on transactions or JVs, but no one was pulling the trigger.

"Recently, those challenges have gathered pace. We repositioned by beefing up our litigation insolvency restructuring capability; that will continue. We've dealt with struggling businesses. Chinese tech companies looking to list, particularly in the US – geopolitical reasons meant they couldn't. Major shareholders demanding money back with a contractual obligation to pay has generated litigation work – for us, and around town. For litigation, the Chinese market will be busy. The distressed real estate market will reverberate for years: there'll be a huge amount of insolvency and restructuring work." ●

# Safe harbour

## *Robert Moore*, Director – UK, Jersey Finance, talks to *Reports Legal* about supporting families and high-net-worth individuals with their investment strategies during tumultuous times

**Q: How do international finance centres (IFCs) demonstrate stability in the current climate of geopolitical turmoil and global market volatility and why is this important in the private client market?**

Recent economic and geopolitical instability has prompted a noticeable shift towards operating through and with IFCs that can confidently lay claim to being safe harbours. While Jersey has long ranked highly among individuals and families of great wealth, its reputation for stability and certainty has taken on further resonance for international clients when set against this tumultuous backdrop.

Notably, tax is simply not the driver it once was and jurisdictions able to combine the requisite stable outlook with structuring flexibility and a deep pool of local expertise will be of particular demand.

From a regulatory perspective, one way in which IFCs can evidence their stability credentials is through meeting the demands of international standard setters while not compromising their commercial or innovative advantages. In this regard, Jersey fairs particularly well having emerged positively from reviews by the IMF, Financial Action Task Force (FATF) and the OECD, to name but a few.

The current climate is also resulting in greater emphasis on both family and corporate governance; the roles and responsibilities of key players and executives are being clearly outlined while succession planning and family charters are achieving a more homogeneous view of what the future should look like and how to achieve it.

Of course, at volatile times, the need to adapt is also key – a fact that advisers operating from quality jurisdictions must be cognisant of. Jersey, however, has a long history of supporting the wealth management industry to help navigate such times while also having the cross-border capabilities and forward-thinking approach to help clients pivot in an evolving environment.

▲ **Jersey has a long history of supporting the wealth management industry to help navigate challenging times**

**Q: What conclusions can we draw from the recent MONEYVAL report on Jersey about the future for IFCs in the drive to effectively tackle financial crime?**

The MONEYVAL assessment provides an important benchmark as to how a jurisdiction is meeting its claims of combatting financial crime and is indicative of the direction of travel towards ensuring all financial centres do not tolerate or support business activities which operate in an unscrupulous manner.

The report published in October 2024 (almost a decade on from the island's previous assessment), gratifyingly concludes that Jersey's effectiveness in preventing financial crime is among the highest level found in jurisdictions evaluated around the world and that Jersey is one of only three jurisdictions globally with a 'high' rating for risk understanding and national cooperation.

The Island also received no low ratings from the MONEYVAL assessment and was commended for its approach to beneficial ownership, its legal framework and effective use of financial intelligence.

It is a positive and welcome outcome following a two-year extensive review and engagement process but more than that, it sends a powerful message to investors around the world that they can be confident in Jersey's current and future standing.

**Q: What are the milestones celebrated in Jersey this year relevant to the wealth management sector, especially when considering family office activity and philanthropic strategies?**

Jersey has more than 60 years of experience delivering private wealth management whether that be via trusts, succession planning or supporting philanthropic endeavours.

The Island's standing in the sector, however, has not been reached by resting on its laurels and the collaborative approach taken between industry, regulator and government has ensured the jurisdiction remains relevant, especially when set against greater digital requirements and environmental concerns.

Consequently, in terms of milestones, 2024 has been particularly significant as it marks 40 years since the introduction of the Jersey Trusts Law. Over the past four decades there have been a series of enhancements to ensure the law remains fit for purpose and meets the needs of a dynamic world of wealth creation and asset protection. This year industry again is being consulted to identify how to best continue meeting those needs. It's also the 15th anniversary since the introduction of the Jersey Foundation, another key structure in wealth management strategies and 10 years since a Charities Law was added to the statute book.

Meanwhile, 2024 has also been marked by changes to the UK tax rules for so called 'non-doms', which may prompt those benefitting from the arrangement to reconsider their residency situation or potentially exit to other jurisdictions.

However, in actual fact and despite popular belief, the residency decisions of ultra-high-net-worth individuals and families are about more than just tax.

Instead, stability, reputation, structure flexibility, cross-border capabilities and expertise have risen to the fore especially as the role of the next generation, geographically dispersed family members, the broadening of business activities, the diversification of investments, philanthropy, ESG and digital assets rise in influence.

Technology and innovation, in particular, are only set to increase in significance with digital platforms and connectivity playing a key role in the minds of families and the fact that Jersey benefits from the fastest broadband speeds in the world is something not lost on those looking for an IFC partner.

Consequently, when it comes to residency and wealth structuring, the increasingly global nature of family ambitions has moved the dial away from tax significantly. By combining substantive international capabilities and stability with an innovative mindset, jurisdictions like Jersey can complete an attractive part of the puzzle.

**Q: How important has the Trusts Jersey Law been to the long-term success of the jurisdiction as a leading location for family office and/or philanthropic business?**

The Trusts (Jersey) Law 1984 has truly been the bedrock underpinning the Island's international appeal for the private wealth sector.

The certainty of the Trust Law has embedded stability into the Island's make-up, providing distinct appeal to high-net worth individuals and families residing or operating in jurisdictions with a less stable outlook.

To maintain its ongoing appeal, the law is currently subject to a Government of Jersey consultation with five draft amendments being proposed – developed in consultation with a number of local, expert practitioners – and indicative of the continued commitment to ensuring the Island's private wealth offering remains competitive and compelling.

It is an approach that has meant Jersey has remained the leading IFC globally for the administration of trusts since the 1960s.

And with structures like the Jersey Foundation offering flexibility for both charitable and non-charitable goals adding to that appeal, the Island is more than equipped to meet the philanthropic ambitions of the individuals and families it supports. ●

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Jersey Finance

# Japan rising

## The land of the rising sun has finally re-appeared on the investment horizon, as offshore law firms beat a path to Tokyo in search of golden opportunity

**By Dominic Carman**

As the lure of China continues to recede, at least for now, so attention continues to focus on Japan. After more than three decades of economic and market stagnation, investor interest has been reignited by the opportunities presented in the world's fourth largest economy. Offshore lawyers, particularly in Hong Kong, are enthused by Japan's paradigm shift and the growing stream of advisory work on behalf of financial clients, which is keeping many of them increasingly busy.

The Head of Carey Olsen's Hong Kong office, Michael Padarin, offers an institutional investment and fund perspective on the state of play in Asia. "Historically, a pan-Asian fund might have invested 90% in China and a smattering across Japan, Korea, India," he says. "They've shifted: some funds are deploying 10% in China and much bigger chunks in Japan, Korea and India. We've seen a real uptick in Japan. Other economic factors are at play: lower interest rates and a depressed Yen make assets fairly cheap. We've shifted our focus: much less on China and working on deals in these jurisdictions. The Japanese market for investment fund formation, and for deals getting done by funds, looks pretty bright."

**'Indicators all flashing green'**

The Japanese funds market, he suggests, is going to be "an exciting driver of growth. It's continued to be buoyant despite regional headwinds: all the indicators are flashing green." So, what is driving the enthusiasm? "Japanese investors prefer stability, repeatability, to volatility and anything unexpected," he says. "They want funds to do the same and look the same as the last one they invested in, even if the returns are a fraction of what some other jurisdictions offer. Externally, for big international private equity players coming in, looking to do deals, stability is really very important."

Another Japan enthusiast is Paul Sephton, Managing Partner of Harneys Hong Kong office. "Clearly, we have to pivot away from a traditional client base," he says. "We've looked more broadly at what we can do. I've spent a lot of time in Japan this year – I'm learning Japanese, not very successfully. It's a fascinating market that we can service quite ▶


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*The Japanese funds market is going to be an exciting driver of growth. It's continued to be buoyant despite regional headwinds: all the indicators are flashing green*

***Michael Padarin, local managing partner, Carey Olsen***

well from Hong Kong. The low Yen, interest rates and the investment appetite from US and European investors moving funds out of China and landing in Japan, has been a great flow of work. The Japanese market is very familiar with Cayman, particularly on the fund side. They're comfortable with it as a product. Within a down market, there are counter cyclical opportunities."

Japan, he suggests, is a completely different market, "culturally and execution wise. China is very much: let's get things done as quickly as possible, doesn't matter if sometimes it's a bit slapdash. Whereas Japanese bengoshi (lawyers) are highly academic and very cautious. Deal flow is much slower; everything takes more time."

**Exponentially bigger**

"But in establishing relationships, the Japanese are very good at making time," he says. "On business trips there, it's always: please come to our office, give us a presentation. They're always interested in what you have to say. They even humor me when I try and say something in Japanese. It's a challenging market, slower paced, but very open and exponentially bigger than a few years ago. The challenge: we've had to try and pivot more towards Japan, everyone's trying to do the same."

Harneys opened a Tokyo representative office in 2015, only to close it again a few years later. Ogier was the first offshore firm to establish a Japanese presence in 2008.

"We get work from Japan, Korea, and Taiwan," says Nick Plowman, Ogier's Practice Partner in Hong Kong. "Japan is a big market for us, serviced out of Hong Kong. It doesn't make sense to have a full-service office in Japan: our Japanese clients are comfortable with work being done here, which lends itself to that 'Asia's world city' approach from Hong Kong. Singapore would love to take that role, but it's not geographically positioned to do that."

He also points to "a redirection of capital from China towards Japan: the real estate and stock markets have rallied and that's expected to continue. We used to do primarily outbound work, particularly for Japanese asset managers. Now we're seeing Hong Kong and PRC companies looking to invest back into Japan. To tap that work, you absolutely need to have a Japanese speaker. We do – the guy who runs our

*We used to do primarily outbound work, particularly for Japanese asset managers. Now we're seeing Hong Kong and PRC companies looking to invest back into Japan*

***Nick Plowman, Hong Kong practice partner, Ogier***

Tokyo office, which we've had for 16 years: we're well entrenched there, particularly on the asset management side. It takes time to build up trust. Japanese clients are very loyal, but it takes time to build relationships – lots of visits."

**Significant driver of growth**

Michael Gagie, Regional Managing Partner of Maples' offices in Hong Kong and Singapore, offers his perspective. "The overall economic growth in Asia has been a significant driver of growth and our teams are currently working closely with clients in China, Japan, Korea, India and across Southeast Asia," he says.

Specifically on Japan, he notes: "Our Japanese Funds practice has market-leading experience in structuring private equity type unit trusts, and traditional private equity investment funds and venture capital funds, supporting the delivery of a seamless solution tailored to the unique needs of these funds. We have been active in the Japanese funds industry for the past two decades. We advise and provide funds services to the industry's heavyweights, as well as new entrants to the market, on the structuring and establishment of Japanese Funds."

*" Japan is a challenging market, slower paced, but very open and exponentially bigger than a few years ago*

***Paul Sephton, managing partner of Harneys' Hong Kong office***

The Maples team, he adds, "has advised some of the most successful managers in Asia on not only multi-billion-dollar fund launches, but also on high-profile portfolio investments and divestments, secondaries deals and top-tier restructurings. A number of Partners have also managed a portfolio of innovative new product launches across the ESG and virtual assets space and being known as market leaders in the area." Maples' notable Japanese Funds deals include advising a US$500 million fund formation by a ▶

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>
> ***Michael Gagie, regional managing partner of Maples' offices in Hong Kong and Singapore***

Japan-focused private equity firm (Sunrise V fund), and UBS on the launch of Nuveen Churchill Private Capital Tokai Tokyo Access Fund in Japan.

Walkers is also heavily focused on Japan. Hong Kong funds partner James Gaden provides some context.

"Ten years ago, private equity in Japan was nascent," he says. "It's been one of the highest growth areas of the asset management market over the last three years. We are strongly committed to the private equity and venture capital markets in Japan. This commitment over an extended period, together with an unmatched bench of lawyers that focus on this market (across both our Hong Kong and Singapore offices), has enabled us to establish ourselves as a market leader and we are optimistic about the future of this market. The heat in the Japan private equity scene should continue unabated: the appetite for that product, and the number of quality managers coming to the fore, is going to drive demand for Japan managed private equity funds."

**Hot fundraising environment**

"As fundraising slowed down in certain parts of the region, we saw a large increase in allocations towards funds managed in Japan, particularly in the private equity space. But difficulties fundraising in one jurisdiction weren't necessarily the cause of the hot fundraising environment in Japan. Part of it can be explained by the Yen trading at historic lows and interest rates in the jurisdiction being relatively low, making it a good market for buyout activity. A number of established managers had also reached a point in their existing funds' lifecycles where they could go to market and raise successor funds.

"Other factors continue to make Japan attractive as a fundraising market: an emerging cultural shift in Japan has seen a slow but steady embrace of the private equity business model and a start-up mentality. Some clients talk about this generational shift towards entrepreneurship, which is inspiring a lot of fundraising activity, domestically and internationally, bringing more creativity into the investment management space." ●

> *The heat in the Japan private equity scene should continue unabated: the appetite for that product, and the number of quality managers coming to the fore, is going to drive demand*
>
> ***Walkers is also heavily focused on Japan. Hong Kong funds partner James Gaden***

# Singapore Shines

## Singapore is having ‘a real moment in the sun’ according to offshore lawyers, but it is still unlikely to eclipse Hong Kong – at least for now

**By Dominic Carman**

For offshore law firms, Singapore has long been an attractive addition to Hong Kong, serving as a hub to reach the ASEAN markets and beyond. Its many attributes are well-documented: political stability, a robust legal framework and a well-regulated financial sector, excellent infrastructure, pro-business policies, favourable taxes, a highly skilled workforce, cutting edge innovation and technology. And so on. Everything works in harmony to attract and retain foreign investment. But over recent years, Singapore has increasingly become not just an Asian addition to a Hong Kong base, but a genuine alternative. The exodus of international law firms from Hong Kong to Singapore has not yet reached a tipping point, nor is it likely to: even in hard times, China is simply far too important and too big a market to ignore. But the influx of offshore lawyers into the Lion City looks set to continue with Mourant being the most recent arrival.

Bedell Cristin first established a Singapore office in 2012. Local managing partner Kristian Wilson explains: “As one of the first wave of offshore firms in Singapore, we made the strategic decision to come here rather than Hong Kong,” he says. “In 2012, China was a big engine of growth for Asia and globally, but Hong Kong was a saturated market. Many people had been there a long time, it was expensive. Southeast Asia, particularly Singapore, was still growing. There were only a few other firms: it made sense because we have a conservative, prudent approach to growth. We thought: a good new market with growth potential, it's not saturated."

**Wise decision**

Twelve years later, Wilson believes it was a wise decision. "Data shows the growth of Singapore and the legal economy, and the relative decline of Hong Kong," he says. "It's been sensible in various ways – not only has Singapore become the preeminent financial hub in between the West Coast and Dubai, but more and more people are coming here. More importantly, it's a regional hub for 11 Southeast Asian nations and nine other Asian nations. You've got a collective market of 20 countries, whereas Hong Kong is just devoted to the PRC."

He enthuses about Singapore. "I've been here 12 years, I'm pretty Singaporean, my background and my languages – I've got very clumsy Bahasa as well as Mandarin," he says. "That gives you good relationships with local firms. I'm a permanent resident, my wife's Singaporean, I'm devoted to the region, I speak Mandarin, my degree is in Asian politics, I travel the region. You know everyone in the market, you build a rapport, and you understand the various markets, which are all radically different. As a lawyer, the potential referral market is very wide. It's more enriching to be a lawyer in Singapore.

"In the regional legal market, Singapore acts like the BVI, Cayman, Jersey and Guernsey: a common law jurisdiction, a small island left behind by the British Empire, like other offshore jurisdictions, it's got the rule of law. In the region, many are civil law jurisdictions with their own nuances and legal issues – regulation, contractual enforcement issues, which gives a really good platform for both offshore jurisdictions and Singapore, where people are desperate for legal protection, the rule of law, tax neutral investment structures."

*❝ China was a big engine of growth for Asia and globally, but Hong Kong was a saturated market. Many people had been there a long time, it was expensive. Southeast Asia, particularly Singapore, was still growing*

***Kristian Wilson, local managing partner, Bedell Cristin***

Preetha Pillai, Head of Conyers Singapore office, says: "Conyers opened in Singapore in 2001 – we were the first ones here, as we were in Hong Kong. When we set up in Singapore, we had a clear field for several years; we built up goodwill with clients. Our people have studied here, grown up here, have their own networks, they've worked in local law firms. Local connections, local knowledge is our strength. Offshore companies are well used in group structures – government linked and private companies, and Singapore fund managers routinely set up Cayman rather than Singapore funds. Cayman is far and away the most recognized product for funds."

**Very open economy**

She notes: "Singapore is a very open economy, tied to the fortunes of what goes on in China, India, and America. Singapore also looks to ASEAN, as that's where a lot of growth is expected to come from, with younger populations and greater consumer demand for services. We've had less exposure to China. In the mid 2000s, much of the listing work we did was China originated: Chinese companies setting up Bermuda companies listing on the Singapore Stock Exchange. That's fallen away. This office relies more on Singapore and ASEAN work. For example, we get quite a bit of work from Malaysia such as M&A, banking transactions, and we might get involved in listings because the listing group has BVI or Cayman subsidiaries, and they need us to assist with the due diligence."

Lishi Fong, Managing Partner of Harneys' Singapore office, adds: "The Singapore government has done a good job encouraging ▶

businesses to come here: a funds hub, a digital asset hub, an arbitration hub. A good mix of businesses in Singapore creates a lot of offshore work. Everyone in transactions does banking, funds, private wealth and trust, and regulatory. Two litigation partners do a lot of crypto, shareholder and probate disputes and anything BVI, Cayman, Bermuda law related. Our clients – family offices, funds, UHNW, corporates and law firms – are predominantly based in Indonesia, Malaysia, Singapore, Vietnam, Korea and the Middle East.

According to Fong, "The media say everyone's moving to Singapore; that's not the case. Everyone has set up Plan B in Singapore. It will be a while before Singapore gets to the same position as Hong Kong. Our capital markets are much smaller. The government has done very well to attract businesses into Singapore – there are many opportunities to develop. But Hong Kong, given its place, history, the relationship with China, is still a very big part of our Asia growth story. "

Paul Sephton, Harneys Managing Partner in Hong Kong, is keen to offer a counternarrative. "People and capital have moved to Singapore from Hong Kong," he says. "There's a slight flow of people coming back, particularly lawyers. There's always been a logic that you can do your Hong Kong work in Singapore, or take your practice from Hong Kong and base yourself in Singapore. Many people made the move on that basis, and maybe struggled. Singapore is a really horribly over-lawyered market. The local law firms are massive and really good. Everyone's got a huge office there, all the international firms, nearly all the offshore firms are trying to build up there. It's hugely competitive. I'm not sure every lawyer that's going to end up there is going to prosper."

**Seamless connectivity**

At Maples, which opened in Singapore at the same time as Bedell, the firm's Regional Managing Partner of Asia, Michael Gagie offers a perspective which is very much regional, rather than jurisdictional, or local.

"The growth of the Hong Kong and Singapore offices of the Maples Group can be attributed to several key drivers," he says. "Firstly, both Hong Kong and Singapore serve as major financial hubs in Asia, providing access to a vast network of the Group's international clients and business opportunities. Their strategic locations facilitate seamless connectivity with other major markets in the region and indeed across the Maples Groups network of 16 offices worldwide.

"Secondly, the financial services sectors in Hong Kong and Singapore are highly developed, attracting a significant number of multinational corporations, financial institutions, and investment funds, which creates a strong demand for offshore legal services. Additionally, both jurisdictions offer a stable and business-friendly regulatory environment, which is conducive to the growth of legal and financial services, and their regulatory frameworks are well-regarded for their transparency and efficiency."

Maples principal practice groups in Asia are Funds & Investment Management; Dispute Resolution & Insolvency; Corporate and Finance. "We have the largest Offshore Funds & Investment Management team in the Asia Pacific region, providing innovative solutions to some of the most groundbreaking multi-jurisdictional matters," says Gagie. "Overall, we now have nearly 400 lawyers and professionals in the region who work closely with the Maples Group's 3000 professionals worldwide." This dispels any lingering perception that offshore ▶

*❝ Singapore is a very open economy, tied to the fortunes of what goes on in China, India, and America. Singapore is also looking to ASEAN, as that's where a lot of growth is expected to come from*

***Preetha Pillai, Head of Conyers Singapore office***

law firms are always relatively small and boutique.

Gagie adds: "Both Hong Kong and Singapore serve as major financial hubs in Asia, providing access to a vast network of the Maples Group's international clients and business opportunities. Their strategic locations facilitate seamless connectivity with other major markets in the region and indeed across the Maples Group network of 16 offices worldwide."

### Grateful for support

John Rogers is Managing Partner of Walkers' Singapore office, which opened in 2009. "Having worked alongside firms in the Asia region, we recognised the potential value of having two hubs in Asia, Hong Kong and Singapore," he says. "We were therefore an early adopter of this two-hub model within the offshore legal community in Asia."

He outlines a historic frustration, shared by several offshore players. "For the early years of our Singapore office, the key legal directories, Legal 500 and Chambers, tended to focus on the offshore legal market in Hong Kong in recognition of the greater prevalence of offshore law firms there, in contrast to Singapore," he says. "Over time, this has evolved. Now, we see market rankings for offshore law firms with a presence in Singapore, as well as in Hong Kong. We are fortunate to have been well supported by clients and instructing law firms in relation to the research undertaken by the key legal directories in relation to the offshore legal market in Asia. We're grateful for that support and very proud of the recognition for our firm and our lawyers within those directories over a sustained period."

> *" The media say everyone's moving to Singapore. That's not the case. Everyone has set up plan B in Singapore. It will be a while before Singapore gets to the same position as Hong Kong*
>
> ***Lishi Fong, Managing Partner of Harneys Singapore office***

Rogers also provides a more regional perspective. "Our Hong Kong and Singapore offices are structured along consistent practice group lines," he says. "This enables each office to offer expertise in relation to banking and finance, structured and asset finance, investment funds, corporate, insolvency and dispute resolution and regulatory. We see great value in operating regionally, consistent with how many of our clients operate within the Asian region. One advantage of having offices in key financial centres such as Singapore, Hong Kong and Dubai, is that we can develop strong and collaborative relationships with instructing lawyers. We're invested in being available in convenient time zones to work with them to deliver high quality and responsive services. Our aim is to operate at level of professionalism that creates confidence and trust with onshore firms."

Ogier Global serves asset managers, institutional clients, and corporates in Singapore, but does not provide offshore legal advice there. "Whether we do something with the law firm in Singapore is unclear," says Nick Plowman." The last real jurisdiction for the law firm in Asia would be Singapore; that's a watching brief. It's a competitive little market; offices are not huge."

### Family office work booming

Plowman notes that "many clients who moved to Singapore during COVID have now come back (to Hong Kong). Anecdotally, when China passed regulations to ban crypto, lots of crypto players moved to Singapore. They're now moving back because Hong Kong is becoming quite crypto friendly." He is keen to point out that family office work has boomed in Singapore, which is an important market for Ogier Global. "We can provide a full suite to Singaporean clients, many of which are international family offices," he says. Pillai adds: "Chinese and Hong Kong money has come to Singapore. What's changed is the setting up of family offices – many ▶

have set up Singapore companies because of the tax incentives."

It's a competitive business, as Michael Padarin, Managing Partner of Carey Olsen's Hong Kong office, explains. "The Singapore government has pushed very strongly for family offices setting up, giving tax breaks and making it easier for people to move from an immigration perspective," he says. "Singapore has also benefited from an influx of cash assets, particularly when people were moving money out of Hong Kong banks to Singapore. There's a lot of personal wealth sitting in Singapore that needs to be managed."

He notes Hong Kong's response. "The Hong Kong government has also been making a push on the family office side. In 2022, it pushed quite heavily into the Middle East, but beyond plenty of photo opportunities with local Sheiks, there was not much follow up. Whereas now, there's a more persistent push: a Hong Kong government department has been set up, looking to work closely with the IRD (Inland Revenue Department), to work out local tax breaks.

"Both jurisdictions are competing against each other for a share of the wealth management pie. Understandably, much of that is very wealthy Chinese individuals and families looking to move their wealth outside China because of capital restrictions, and starting to plan their family's future. We're seeing these families becoming much more sophisticated in succession planning and multi-generational wealth planning, whereas before, things were done on a handshake or the back of an envelope."

### Slight serendipity

Mourant's Singapore office, which launched in October 2023, provides Cayman and British Virgin Islands legal advice. Paul Christopher, Managing Partner of Mourant Ozannes Asia, outlines the rationale. "With Singapore, there was a slight serendipity in the timing," he says. "Even when we launched Hong Kong (in 2012), we always wanted a Singapore office – not an if, but when.

"As we move beyond the pandemic, it's important now to have these two offices and be able to capitalise on the benefits of having an additional presence in the region. We work as one team across both offices, we're certainly not separate teams: our Singapore colleagues may have clients in Hong Kong, and vice versa. Singapore does have a slightly different focus, when you're on the ground there, you have different discussions compared to those you have in Hong Kong.

"Singapore has always had a more Southeast Asian focus, less China focus. It's had a lot of positive press – a real moment in the sun, attracting some very high-quality business and high-quality people there, including from Hong Kong. Relocation decisions often extend beyond professional considerations, especially for those with families. If you've moved to Singapore and your kids are settled in school, you're not necessarily going to want to return to Hong Kong, even if you may prefer it.

"There are some great things about Singapore. However, its success has led to challenges, including a rising cost of living, partly driven by the influx of Hong Kong expatriates, which has brought increased economic activity, but also heightened competition in housing and other sectors." ●

*"We see great value in operating regionally consistent with how many of our clients operate within the Asian region. One advantage of having offices in key financial centres such as Singapore, Hong Kong and Dubai, is that we can develop strong and collaborative relationships*

***John Rogers is Managing Partner of Walkers Singapore office***

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Reports Legal is managed by Dominic Carman and James Air, both of whom have considerable experience in these markets. In recognising that most legal publishers now operate behind a paywall, they decided that everything published by Reports Legal will be free for lawyers to access online. There is no paywall.

Dominic has been involved in legal publishing for 30 years in London, New York and Hong Kong. A regular media contributor, he was a legal feature writer for *The Times*. Dominic undertakes diverse projects for international law firms, speaks at events, and judges the British Legal Awards and the Legal Week Innovation Awards.
See more about Dominic on **LinkedIn**.

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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