



SUMMER 2012 NEWSLETTER

Funds Investing in China: What You Need to Know about Tax, FATCA, Structuring and RMB Funds

On May 31, 2012, CBLA, Akin Gump and Rothstein Kass co-hosted a seminar on the topic of "Funds Investing in China: What You Need to Know about Tax, FATCA, Structuring and RMB Funds."



Left to right: Kerry Berchem (Akin Gump), Deirdre Joyce (Rothstein Kass), Mark Barth (Akin Gump) and Daniel Bryne (Rothstein Kass)

As with many other things, China has been the center of attention for private equity firms around the world. Its rapid economic growth and flourishing private sector have lured private equity firms from London to New York to come and invest in the country. The expert panel of senior attorneys and tax consultants in this area discussed with the audience a variety of issues

concerning funds with an investment focus in China.



Left to right: Ingrid Cheng (Akin Gump) and Meng Ru (Akin Gump)

Mark Barth (Partner, Akin Gump) and **Daniel Byrne** (Principal, Rothstein Kass) discussed the legal and tax issues relating to structuring an offshore fund for investment into China. In addition to offshore funds, renminbi private equity funds are the world's fastest-growing major pool of discretionary investment funds, with over \$20 billion raised in 2011. **Ingrid Cheng** (Counsel, Akin Gump), through video conference from Beijing, gave the audience a thorough overview of the legal framework, types, foreign exchange restrictions and investment limitations of RMB private equity funds. **Deirdre Joyce** (Senior International Tax Manager, Rothstein Kass) shared her insight on how the new withholding and reporting obligations imposed by the Foreign Account Tax Compli-

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ance Act might dramatically change the way funds operate.



About 80 guests attended the event. The event also received media attention from the Hedge Fund Law Report.

Beijing and Shanghai Parties for Newly Admitted JD and LLM Students

On May 25 and May 27, 2012, CBLA hosted parties for newly admitted JD and LLM students at Barbarossa in Shanghai and The Malt in Beijing, respectively. The parties attracted approximately 80 people in Shanghai and 50 in Beijing, most of whom were newly admitted students and alumni from top U.S. law schools.



Left to right: Zhe Yu (CBLA), Simon Mui (CBLA), Justin Flowers (Lateral Link), Jennifer Shi (Baker McKenzie), Jenny Wang (General Steel) and Ripple Guo (Franshion Properties)

During the events, Simon Mui (director, CBLA) and Zhe Yu (vice president, CBLA) introduced the history and development of CBLA. Wendy

He and Lei Shi (vice presidents, CBLA) and other CBLA volunteers shared their experience on U.S. legal education and career planning. Justin Flowers from Lateral Link also shared his insights on the China legal market at the Beijing party. The events provided excellent opportunities for participants to connect with future law school classmates and alumni before they commence their studies in the United States. We have received a lot of positive feedback from participants who expressed not only their appreciation of the parties, but also their interest in future CBLA events in the United States and in China.



The Shanghai and Beijing parties show CBLA's continued growth and commitment to our members and friends in China, and our determination to bring the organization to the next level. The events were generously sponsored by Lateral Link.

Fireside Chat

On March 20, 2012, **Ko-Yung Tung**, Senior Counselor resident in Morrison & Foerster's New York office, hosted a chat entitled "Everything You Wanted to Know about Things you were Afraid to Ask - An open conversation on international business, politics and legal." Mr. Tung is an eminent international lawyer, practicing in both the public and private sectors. He counsels sovereign governments as well as multinational corporations and is a visiting lecturer at Yale Law School. Mr. Tung served as Vice President and General Counsel of the World Bank and as Secretary General of the International Centre for the Settlement of Investment Disputes (ICSID). During the two-hour

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chat, Mr. Tung shared his life and work experience, as well as his observations of various issues in both public and private sectors. Participants raised questions on political, legal and cultural issues arising from cross-border investments and disputes. Mr. Tung discussed the role of lawyers in advising sovereigns and multinational companies, and shared candid and practical advice regarding challenges faced by Asian American lawyers and other minority groups. The chat was co-organized by CBLA's **Esther Chiang** and **Pearl Hou**.

CBLA 2012 Lunar New Year Banquet

On January 19, 2012, CBLA hosted its annual Lunar New Year Dinner at the Radisson Hotel in New York City. More than 100 CBLA members and friends gathered for a sold-out banquet. CBLA was honored to have guests from the Asian Financial Society, as well as prominent business leaders, accountants, journalists and lawyers join the celebration.



The evening started with a cocktail hour, followed by a full banquet that included a delicious Peking duck wrap. Throughout the evening, guests enjoyed beautiful musical performances by violinist Nancy Liao and pipa player Byron Wu. CBLA's **Shiukay Hung** and **Jun Ge** served as hosts for the evening and **Catherine Pan** and **Xiaoyan Zhang** gave the welcome speeches. CBLA's **Meng Ru** presented the 2012 CBLA Special Award to **Xiaowen Qiu** of Sidley Austin in recognition of her support for CBLA over the years.



The night ended with a raffle and a karaoke after-party for CBLA's young professionals. CBLA's **Esther Chiang**, **Jun Ge**, **Pearl Hou** and **Shiu-Kay Hung** organized this event.



Career Focus

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Kathy Togni and Laura Zhao are co-founders of Togni & Zhao Limited, a Hong Kong based executive search and selection firm serving the Asia Pacific region's international law firms, investment banks and financial institutions. With the "Enquire Asia"

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column below, we answer your questions about building legal careers in Asia.

ENQUIRE ASIA

Head East: Insights on Legal Practice in Asia

Overview

Candidates frequently ask us how lawyers who have already made the move to Asia have found the experience. How is Asian practice different from legal practice in other jurisdictions? How will the move enhance my career prospects? To answer their questions, we asked 30 lawyers who have returned or relocated to Asia in recent years to tell us about their Asian practice experience. This article begins with a profile of our respondents, sets out their answers to the questions posed, and concludes with the advice they would give to those looking to make the move.

Profile of the Respondents

All of the interviewees are currently working as lawyers in Hong Kong, Beijing, Shanghai, Singapore, Seoul or Tokyo. The majority are in private practice at levels ranging from junior associate to managing partner. Four of the respondents are working as in-house counsel in financial institutions. Our respondents have an average of 5.5 total years of practice experience, with 3.5 years of practice experience in Asia on average. Twenty of the lawyers interviewed say they are “returning” to Asia, while the remainder considers his or her move a “relocation” from an overseas country of origin. Just over half of the respondents are native speakers of an Asian language and all but four of them speak an Asian language at some level and use it in the workplace.

Motivation for Move

The top motivation for the move was increased career opportunities. Tied for runner up were the perception that the Asian economy is and will remain the global growth engine for the foreseeable future, and a desire to be closer to family or roots of origin. Other reasons often

cited included, better work experience with early responsibility and client contact, increased money from tax savings and generous housing allowances, and better social opportunities. For those lawyers who have relocated, the driver was often the desire to live and work abroad.

Asia is Different

The main practice difference cited was increased responsibility on deals, including more client contact. As one respondent told us, “I am stretched above and below my level... the nature of my work ranges from partner to paralegal.” The number two response given, particularly by respondents at the more junior level, was surprise at how difficult it can be to find a mix of work at any given time. As one lawyer told us, “the work is market driven and associates must do whatever is hot at the moment.” However, the more senior lawyers who have been in Asia for relatively longer periods of time believe that their work has been more diverse than it would have been in other jurisdictions. The legal market in Asia is still developing compared with London and New York and practice focus shifts over time as new types of transactions and client needs come to the forefront. Consequently, many successful lawyers who have been in Asia for an extended period of time find that their practice experience has been much broader in scope than it would have been in London or New York where specialization is the norm. And the ability to handle whatever deal comes through the door is prized here. As one respondent noted, “being a ‘utility infielder’ is more valuable in Asia than it is in New York.” Thus, less experienced lawyers are advised to keep an open mind and be ready to retool to keep up with market trends, or better yet, to stay ahead of the curve.

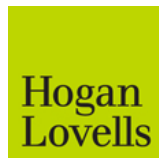
Practitioners in some specialty areas, such as tax and structured finance, told us that these are nascent areas in Asia and there is not enough work to keep them busy full time. Practitioners in these areas have used this as an opportunity to branch out into other practice areas...

Please visit <http://www.tognizhao.com/advice-info/> for the full content of this article and our advice.

Our Institutional Members



Through our global network of offices, **Akin Gump** advises leading enterprises in a wide variety of industries on matters involving policy, trade, dispute resolution, transactions and project development activities. We have a long history of advising an array of clients doing business in China. In 1977, founding partner Robert Strauss took a temporary leave from the firm to head the Office of the Special Trade Representative (STR) for President Jimmy Carter, where he negotiated the first trade agreement in history between the U.S. and China. Today, the firm's Beijing office is home to a multidisciplinary team comprising U.S. lawyers, U.S.-trained Chinese lawyers and Chinese legal counsel. We frequently advise Chinese companies in a variety of transactional activities, including global investments and business combinations, as well as companies and investment vehicles doing business in China.



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Hogan Lovells is a global legal practice that helps corporations, financial institutions, and governmental entities across the spectrum of their critical business and legal issues. We have over 2,300 lawyers operating out of more than 40 global offices. We are one of the largest full-service international law firms in China, and have an established relationship with many government agencies in China, including SA-SAC and MOFCOM. Our Corporate, IP, Litigation, Arbitration and Employment, and Regulatory practices in China are considered outstanding in a range of independent surveys. We are one of the few international law firms in China with genuine multi-disciplinary industry skills in the financial institutions, infrastructure, life

sciences, real estate, technology, media, and telecommunications sectors, in each of which we are recognized leaders in the field.



Kaye Scholer provides strategic counsel and legal services to Fortune 500, middle-market companies and government entities on a full range of U.S. and international matters. In 1998, we became the first New York law firm to obtain approval to establish an office in Shanghai. Today, our China practice is distinguished by our unparalleled ability to provide excellent around-the-clock, China-focused advice and counseling to clients from our offices in China and the United States. We counsel major U.S., Asian, European and Latin American companies, financial institutions and individuals on inbound China matters, representing clients in mergers and acquisitions, corporate, operations and compliance, foreign direct investment, technology and outsourcing, renewable and alternative energy, intellectual property and other litigation issues. In addition, we advise a number of Chinese companies with respect to their outbound investments and activities.



Lateral Link is a full-service legal recruitment firm devoted to assisting our network of top attorney candidates and employer clients in making the right choices. Our diverse and talented team includes former practicing attorneys, recruiting directors and legal search professionals who share a commitment to high-quality, efficient service. Because our recruiting consultants have been in the shoes of our candidates and clients, Lateral Link understands the issues that attorneys and recruiting personnel face when making employment decisions. Lateral Link has successfully placed hundreds of attorneys throughout the United States, Europe and Asia. We leverage our status as one of a very few true "go-to" recruiting firms for non-public positions with major U.S.-based and international firms and companies with the localized on-the-ground connections necessary

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to get our candidate members expedited attention during their job search.

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Founded in 1873, **Shearman & Sterling** is one of the world's leading global law firms with approximately 900 lawyers based in 20 major financial and commercial centers in Asia, Europe, Latin America and North America. In China, Shearman has offices in Beijing, Hong Kong and Shanghai. We have been on the forefront of the region's most dynamic and innovative transactions for over 30 years. Many of our attorneys in China are from the region, or are long-time practitioners in China, and speak Mandarin and various Chinese dialects. Attorneys in Shearman's China practice are qualified in U.S., UK and Hong Kong law and have expertise in a wide range of practice areas. In 2010, Shearman expanded our pan-Asia capabilities further with the launch of a dedicated Hong Kong law practice.



Sidley Austin has an established presence in the Greater China region and with offices and professionals in Beijing, Hong Kong and Shanghai, we are well placed to offer a full range of services to all those involved in doing business in China. Sidley's professionals in China are capable of handling a broad range of corporate, finance, litigation, regulatory and industry-specific matters and are qualified to advise on U.S., Hong Kong and English law. The firm represents global, U.S. and European companies, financial institutions, funds, life science companies and others establishing business operations in China, as well as many Chinese companies establishing operations and dealing with regulatory schemes in the EU, the U.S. and elsewhere. The firm's Asia-Pacific practice has received numerous honors, including "Most Innovative U.S. Law Firm" by IFLR earlier this year.

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Sullivan & Cromwell has been committed to clients and transactions in Asia since the 1920s. We are a recognized leader in the region's capital markets, M&A, private equity, privatization and project finance work. With more than 35 lawyers in our Hong Kong, Beijing and Tokyo offices, we provide the highest quality legal services to a wide spectrum of clients, including many of the world's largest financial institutions, multinational companies, governmental and sovereign entities and private equity firms. We have consistently been cited by regional and international publications for our service to clients in Asia, including "M&A Law Firm of the Year in Asia" by IFLR and "Capital Markets Law Firm of the Year in Asia" by AsiaLaw. On November 1, 2011, S&C expanded its dedication to the Asian market by launching its Hong Kong law practice.

About CBLA

Chinese Business Lawyers Association, Inc. (www.cblalaw.org) is a New York non-profit organization founded in early 2009. CBLA is a unique global forum of professional and social exchanges for legal, finance and other professionals with an interest in law and business in U.S. and China, without regard to location, ethnicity and language. If you have information to contribute to our newsletters, including the "Movers and Shakers" and "Community Bulletin Board" sections, please email media@cblalaw.org. Please note that CBLA has not verified and cannot be responsible for third-party statements contained in this newsletter.