

April Stockfleet

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To: Columbia Law School, 2L Students

From: April R. Stockfleet

Re: The London Legal Market, May 2018

It is always a pleasure to work with Columbia students and especially with those interested in international practice. I am happy to make appointments to speak with students individually, please e-mail me at april@stockfleetglobal.com to set up a time. I am happy to meet with students on Skype or Facetime, as well as by phone.

This handout is meant to be a companion piece to my podcast on the Career Services website. A few general pieces of advice regarding the London market for U.S. J.D.s are:

- While London is a very large city and has a very large number of U.K.-qualified solicitors and barristers, the market for U.S. J.D.s is much smaller. Therefore, it is important that you always have a back-up plan of another city during the on-campus interviews. Given that the number of firms interviewing for the London market during the Early Interview Program is limited, you still have plenty of room in your schedules to do a full round of interviews in another city. As a U.S.-trained J.D., you are likely to have a limited choice of practice areas (please listen to the podcast for more details). The best places to find rankings of particular firms and particular individuals in each practice area are online at [Chambers & Partners](#) or at [Legal 500](#).
- The vast majority of American J.D.s working in London will be doing capital markets work, with a few doing general corporate work, including M&A or project finance/energy work, and very few practicing in international arbitration. With some rare exceptions, most other areas will be staffed with British law graduates, who are trained in the local system, are also native English speakers, and are usually willing to work for a slightly lower salary and benefits package. When looking at a firm and imagining what type of work you could do there, look through the firm's website bios and see what J.D.s already working in London are doing. If you look at a particular practice area at a firm and see only non-U.S. lawyers working in it, it is unlikely that you will be hired to work in that area.
- When considering working in any foreign market, it is especially important to show some connection to the city. If you have any connection with London, e.g. past studies in the U.K., relatives or a significant other in the U.K., or work experience in the U.K., then you should highlight it on your resume and in interviews. If you have no specific connection to London, then you should highlight any other international living/studying/working experience that you have had. The reason why I say that is, quite often, attorneys who have not spent time working abroad have a romantic view of the idea. However, the hours expected of a law firm associate make living in London, Paris, or any other city significantly less romantic. Lawyers who are not used to or not committed to living abroad are likely to want to return stateside if they do not have experience abroad or personal connections to the city to hold them there, because they soon realize that it is even harder to visit family and friends in the U.S. when visits require a lot of additional travel time. The people who enjoy living abroad long-term the most are those who either have personal connections to the city or who are true internationalists who just find everything more exciting if it has an international or cross-cultural component.
- Do not underestimate the role of foreign language skills in the U.K. market. Even though you are likely to work mostly in English in the U.K., other languages can be very advantageous, as London legal work tends to be very international. Make sure to quantify and describe your language skills. "Fluent" is not enough of a description, as there are too many definitions of it. Consider adding some more details/qualifiers regarding your language skills, e.g. "Raised bilingually in English/Spanish" or "Fluent in French – 7 years of high school and university study, as well as homestays in France/Belgium". If your language is one that may be difficult to write, specify that you are able to write, e.g. "Fluent in spoken and written Mandarin". While I would generally not encourage law students to put high school experiences on their resumes, if you did study abroad during high school, consider adding it to a language section or to a personal interests section, e.g. "Fluent Italian, studied Italian in school for five years, one-year exchange at an Italian high school in Milan".
- While online surveys of attorneys regarding the London market are interesting to read, please keep in mind that the majority of respondents to these surveys are U.K.-trained attorneys, and your experience as a U.S.-trained lawyer will likely differ. U.S.-trained attorneys in London are likely to have a somewhat different situation than their British peers, both in workload and in salary and benefits, which will vary from firm to firm. However, there is something to be said for joining a firm in which your British peers are happy, as bad morale can be contagious, regardless of the jurisdiction in which you are barred. Note also that some of these "Roll on Friday" (a British legal website)

surveys and articles, however, are so British-attorney centric that top U.S. firms like Cravath, which consist of U.S.-qualified lawyers, are not even mentioned on their charts and rankings.

- Regarding finances, you should not start asking about pay and other benefits until you have an offer in hand. Once you do have an offer in hand, you should ask not only about the salary, which is likely to be New York standard, but also about the cost of living allowance (COLA) and when it phases out. In some firms, you will get a generous cost-of-living allowance for being an expat attorney, but firm policies regarding how long this COLA lasts vary. Some firms may offer it only during the first few years of employment, phasing it out as the attorney gains more seniority. Additional financial issues, such as getting some guaranteed exchange rate if the dollar is weak, may make a difference in your pocket and in your ability to make progress on your loan debt. Do be aware that sometimes U.S.-qualified attorneys are officially hired at a dollar salary, which is converted to pounds for actual payout. This conversion rate, sometimes fixed by the firm, can be advantageous or disadvantageous, so it is something to consider if you have several offers.
- After you have an offer, make sure to ask if you can speak with a U.S. summer associate who worked there last summer and, ideally, also with a current U.S. junior associate who worked there as a summer associate. In addition to asking them about the work environment and salary, ask about taxes and whether the firm arranges advice for its associates and summer associates on any issues with U.K. tax compliance/internationally-earned income. You do not want to find out in your 3L spring that you owe unexpected taxes. You may also want to ask a general question like, “Is there anything else you wish you would have known when interviewing for London?”

I am attaching some articles and information about the London legal market to this memo, in hopes that they are helpful to you while preparing for your London interviews. Please note that I am sharing this information for educational purposes only and do not necessarily share all the opinions of the authors thereof; I merely include it so that students have some materials to give them an overview of developments and news regarding the legal market in the U.K. Please note also that these materials were prepared in mid-May 2018, so they include no developments afterwards.

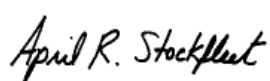
Articles attached are:

- Chambers Student, American and Transatlantic Firms in the U.K., January 2017, pp. 3-14
- Chambers Student, Capital Markets Explained, pp. 15-18
- Law.com – The Strange Tale of How Elite U.S. Firms Surpassed Their U.K. Counterparts, August 2017, pp. 19-36
- Legal Week – U.S. Firms Ramp Up City Presence, May 4, 2018, pp. 37-41
- The Economist, Brexit Could Deprive British Law Firms of Business in Two Ways, November 23, 2017, pp. 42-45
- Legal Week, Money Talks, Partners Walk: How the Pay Gap Between Elite U.S. and U.K. Firms Became a Chasm, June 2017, pp. 46-59
- The Lawyer, The Magic Circle’s Succession Problem, April 12, 2018, pp. 60-69
- The Lawyer, A Manageable Deal: Market Reacts to A&O - O’Melveny Talks, April 9, 2018, pp. 70-73
- The Law Society, Brexit and the Law, pp. 74-107
- Practical Law: Debt Securities Overview, From West, pp. 108-122
- Legal Week, Q1 M&A Rankings See Resurgence of U.K. Firms, April 5, 2018, pp. 123-126
- Mergermarket, Global and Regional M&A: Q1 2018 (including legal advisors), pp. 127-201

No one will expect you, as a 2L, to be a complete expert in any legal field. However, to help you get familiar with relevant legal terminology, I would suggest a few more resources. First, the Latham & Watkins free e-book/app called the *Book of Jargon*, not only has a [European Capital Markets and Bank Finance](#) version, but also one for [Project Finance](#). Mayer Brown’s [Issuer’s Guide to High Yield Bonds](#) also provides a helpful overview for those trying to understand the field. Skadden’s [High Yield Bonds: An Introduction to Material Covenants and Terms](#) may also be helpful.

I am happy to speak to students who are trying to make a decision between working abroad and working in the U.S., as I do placements worldwide. I hope these articles, as well as the podcast, help you in your preparation for the early interview program. I wish you a very successful interview season, and I look forward to speaking with you!

All the best,



April R. Stockfleet

From <http://www.chambersstudent.co.uk/law-firms/types-of-law-firm/us-firms-in-the-uk>

US firms in the UK

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American and transatlantic firms in the UK

With many of the 'US firms' in London offering training contracts, students looking for a City firm with a transatlantic twist have plenty of choice. There are roughly 100 US and transatlantic firms with a presence in the UK. Around half offer training contracts – they offer about 650 between them. The table below can be used as a starting point for finding out more about firms that operate in the UK market, having originated in the States.

By looking at *Chambers UK*, *Chambers USA*, *Chambers Europe*, *Chambers Asia-Pacific*, *Chambers Latin America* and *Chambers Global* you can track each firm's performance across the various countries in which it works. Our sister publication *Chambers Associate* gives detailed analysis of firms' reputations in the US recruitment market.

This table is split into two sections. The first part lists US firms that have opened up an office London and grown it from scratch, while the second part lists US firms that have entered the UK market via a merger with an established British firm. There are significant differences between the two types, which we detail below. Bear in mind that certain firms in the second category had their own office in London prior to merger (sometimes well established).

Want to know what it's like to work at a US firm in London? Read our new feature

Working at an American law firm in London.

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New office openings by US firms in 2016/17 included Florida firm Holland & Knight, which set up a small London outpost focused on aviation finance. Another transatlantic firm was born on 1 February 2017 when national firm *Eversheds* merged with US outfit Sutherland. In addition, international firm *CMS* is reportedly in merger talks with US firm Hunton & Williams. Meanwhile, US firm Winston & Strawn confirmed that it is recruiting two trainees this year, and Fried Frank has begun recruiting trainees for the first time.

Remember, while many of the firms below happily embrace the term 'US firm', others do not describe themselves as such, preferring the term 'international firm'. You'll get a sense of what to call them from the terminology used on their websites or from the [True Picture](#).

Firms in the table below which feature in the True Picture have their name highlighted in red. Click the link to find out more. If the firm features in *Chambers Associate*, you can click the link "Read about the firm in the US" to find out about its activities stateside.

The following information was verified in January 2017.

From <http://www.chambersstudent.co.uk/law-firms/types-of-law-firm/us-firms-in-the-uk>



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Part 1: US firms in London

These are firms with American origins that have opened up a brand new office in London, usually with the hire of just one or two partners at first, and grown it from scratch. Some (like [White & Case](#) or [Baker & McKenzie](#)) have been here for many years and are large and significant operations in their own right. Others (like [McDermott Will & Emery](#) or [Vinson & Elkins](#)) have chosen to remain small boutique operations, while yet more (like [Locke Lord](#) or [Holland & Knight](#)) only arrived on the scene recently.

Pros: Often smaller and more intimate; **salaries** tend to be higher to match New York market; no merger-related culture clashes.

Cons: The firm needs to break into the UK market and find a place in it, and it can take ages to build up the office (assuming management in the US even has the desire to do that).

	History in the the UK	Worldwide profile (office locations)	Size in UK	Main UK activities	Training contracts?	
Akin Gump Strauss Hauer & Feld	London office of US firm. Opened 1997. Hired 44 lawyers from Bingham McCutchen in 2014.	925 lawyers in this Texas-founded but Washington DC-headquartered firm. 10 US offices plus 10 outside the US.	91 lawyers, mostly UK-qualified.	<i>Chambers UK</i> -ranked for banking & finance, construction, energy and very finance-related areas. Ex-Bingham lawyers are chiefly finance/restructuring specialists.	Yes (up to 4 pa)	<i>Read about the firm in the US</i>
Andrews Kurth	London office of US firm. Opened 1995.	Texas-headquartered with four offices in that state plus offices in New York, DC, North Carolina, Beijing, Dubai and London. Around 400 lawyers.	Six lawyers in 2017.	Chiefly litigation and arbitration related to engineering, energy and construction.	No	
Arnold & Porter Kaye Scholer	Arnold & Porter's UK office opened in 1997. Merged with US firm Kaye Scholer in January 2017 which had a smaller London office since 2001.	Washington DC firm with 1,000 lawyers practising across six other US offices plus London and Brussels outposts.	62 lawyers, mostly UK-qualified.	Focus on IP, life sciences and tech deals, alongside arbitration, telecoms, competition and corporate. Kaye Scholer mostly did private-equity M&A and insolvency.	Yes (2 pa)	<i>Read about the firm in the US</i>
Baker McKenzie	London office of multinational firm. Opened 1961.	Headquartered in Chicago, but a massive global presence with 4,000+ lawyers across 77 worldwide offices.	360 UK-qualified lawyers. Full service.		Yes (30 pa)	<i>Read about the firm in the US</i>
Baker Botts	London office of US firm. Opened 1998.	Texas firm with six US offices plus others in London, Abu Dhabi, Beijing, Brussels, Dubai, Hong Kong, and internationally Moscow, Rio de Janeiro and Riyadh. qualified. Around 725 lawyers worldwide.	34 lawyers, both UK	Energy specialists with growing dispute resolution abilities.	No	<i>Read about the firm in the US</i>
Boies, Schiller & Flexner	London office of US firm. Opened 2013.	New York firm founded by high-profile litigator David Boies. More than 300 lawyers across 12 US offices plus a base in London.	18 mostly UK-qualified lawyers.	Finance-related disputes.	No	

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Boies, Schiller & Flexner	London office of US firm. Opened 2013.	New York firm founded by high-profile litigator David Boies. More than 300 lawyers across 12 US offices plus a base in London.	18 mostly UK-qualified lawyers.	Finance-related disputes.	No	
Bracewell	London office of US firm. Opened 1995.	Texas firm with 470 lawyers in eight US offices plus Dubai and London.	17 lawyers, almost all UK-qualified	Focuses on energy sector – upstream finance, project development and finance and energy M&A.	No	Read about the firm in the US
Brown Rudnick	London office of US firm. Opened 1997.	Smaller Boston-based firm with 240 lawyers scattered across six US offices, London, Dublin and Paris.	54 lawyers, both UK- and US-qualified.	Full service with notable private equity, financial regulation and fraud practices.	Yes (3 pa)	Read about the firm in the US
Bryan Cave	London office of US firm. Opened 1982.	1,000 lawyers in 27 offices across the US, Europe and Asia.	36 mixed UK and US-qualified lawyers.	Full service with highly developed private client practice. The two core seats for trainees are corporate/commercial and litigation.	Yes (2 pa)	
BuckleySandler	London office of US firm. Opened 2014.	Washington DC firm with 160 lawyers. Offices in Washington, New York, LA, Chicago & London.	One US-qualified lawyer.	White-collar crime and financial services litigation.	No	
Butler Snow	London office of US firm. Opened 2013.	Mississippi-headquartered firm with a further 25 US locations in addition to London.	Four US-qualified lawyers.	Focused on tax.	No	
Cadwalader, Wickersham & Taft	London office of US firm. Opened 1997.	Wall Street firm founded in 1792, now with more than 450 lawyers, four US offices and outposts in Beijing, Hong Kong, Brussels and London.	55 UK and US-qualified lawyers.	Handles capital markets, corporate/M&A, financial restructuring, global finance, litigation and tax matters.	No	Read about the firm in the US
Cahill Gordon & Reindel	London office of US firm. Opened 2000.	New York firm also in DC and London. Roughly 300 lawyers worldwide.	Five US-qualified lawyers and two UK-qualified.	High-yield debt specialists.	No	Read about the firm in the US

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Chadbourne & Parke	London office of US firm. Opened 1994.	New York firm with 350 lawyers in NY, DC, Dubai, Istanbul, Jo'burg, LA, London, Mexico City, Moscow and São Paulo.	Well-established office with 33 US, UK and European-qualified lawyers.	Project finance, corporate, insurance & reinsurance, product liability and litigation.	No	<i>Read about the firm in the US</i>
Clausen Miller PC	London office of US firm. Opened 2002.	Chicago-based firm with 100 lawyers in four US offices, as well as London (and affiliates in Brussels, Düsseldorf, Paris and Rome).	Known as Clausen Miller LLP in the UK and head office of Clausen Miller International. Staffed by four lawyers.	Mainly insurance/reinsurance litigation, with commercial litigation practice as well.	No	
Cleary Gottlieb Steen & Hamilton	London office of US firm. Opened 1971.	1,200 lawyers across two offices in America (NY and DC), two in South America, eight in Europe (some very long-standing), three in Asia and one in Abu Dhabi.	100 UK and US-qualified lawyers.	Capital markets, finance, M&A, tax, competition, litigation/arbitration and IP.	Yes (12-15 pa)	<i>Read about the firm in the US</i>
Constantine Cannon	London office of US firm.	50 lawyers in NY, DC, San Fran and London. Focused on competition/antitrust litigation.	Eight UK-qualified lawyers.	Art law and competition/antitrust	No	
Covington & Burling	London office of US firm. Opened 1988.	850+ lawyers across five US offices plus Beijing, Brussels, London, Seoul and Shanghai.	80 UK and US-qualified lawyers.	Regulatory specialists alongside focusing on life sciences, technology and corporate finance.	Yes (7 pa)	
Cozen O'Connor	London office of US firm. Opened 1998.	Philadelphia-based firm with 600 lawyers in 22 US offices, plus Toronto and London.	Seven lawyers, most UK-qualified.	Insurance and reinsurance coverage, subrogated recoveries and general commercial litigation.	No	
Cravath, Swaine & Moore	London office of US firm. Opened 1973.	500+ lawyers. Highly prestigious NY-based corporate firm with a London office.	40 US-qualified lawyers.	Corporate specialists.	No	<i>Read about the firm in the US</i>
Crowell & Moring	London office of US firm. Opened 1991.	Nearly 500 lawyers. DC firm with six more US offices plus London and Brussels.	Ten lawyers, mainly UK-qualified.	Cross-border M&A and litigation/arbitration related to energy, finance, insurance and competition.	No	<i>Read about the firm in the US</i>
Curtis, Mallet-Prevost, Colt & Mosle	London office of US firm. Opened mid-1970s.	Around 300 lawyers. NY firm with three US offices, two in Latin America and 12 others in Europe, the Middle East and Central Asia.	20 US and UK-qualified lawyers with distinctly international backgrounds.	Finance, investment management, private equity, oil & gas, natural resources and international arbitration.	Yes (2 pa)	<i>Read about the firm in the US</i>

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Davis Polk & Wardwell	London office of US firm. Opened 1972.	Large, prestigious NY firm with two other US offices and a presence in Tokyo, Beijing, Hong Kong, Paris, Madrid, São Paulo and London.	70 UK and US-qualified lawyers.	Capital markets and M&A; particular abilities in technology-slanted transactions.	Yes (4 pa)	Read about the firm in the US
Debevoise & Plimpton	London office of US firm. Opened 1989.	Respected NY firm with around 680 lawyers in DC, London, Paris, Moscow, Frankfurt, Shanghai and Hong Kong.	110 US and UK-qualified lawyers.	Cross-border acquisitions, international arbitration, private equity, banking and finance, tax, insurance, construction, dispute resolution.	Yes (8 pa)	Read about the firm in the US
Dorsey & Whitney	London office of US firm. Opened 1986.	Minneapolis-based firm with nearly 500 lawyers across 13 offices in the US and six offices in Canada, Asia and the UK.	29 mainly UK-qualified lawyers.	Full service. <i>Chambers UK</i> -ranked for AIM capital markets and mid-market M&A work.	Yes (2 pa)	
Drinker Biddle & Reath	London office of US firm. Opened in 2012.	600+ lawyers. Headquartered in Philadelphia with nine other US offices.	Five US-qualified lawyers.	Commercial insurance.	No	
Duane Morris	London office of US firm. Opened 2000.	Philadelphia-based firm with more than 750 lawyers across 21 US offices plus bases across Asia, The Middle East and Europe.	12 UK-qualified lawyers.	Full service.	No	Read about the firm in the US
Faegre Baker Daniels	London office opened in 1985 and boosted in 2003 by merger with UK firm Hobson Audley.	750-lawyer firm, the result of a 2012 merger between Minneapolis' Faegre & Benson and Indiana's Baker & Daniels. 11 US offices, as well as Beijing, Shanghai and London.	26 UK-qualified lawyers.	Corporate finance, M&A, business litigation, finance and restructuring, commerce and technology, IP, employment and real estate.	Yes (2 pa)	
Finnegan	London office of US firm. Opened 2013.	DC-based IP firm with five US offices and outposts in Seoul, Shanghai, Tokyo, Taipei, plus London. More than 350 lawyers.	One US-qualified partner, six European patent attorneys.	European patent work.	No	Read about the firm in the US
Fragomen LLP	London office of US firm. Opened in London 2003.	1,000-strong specialist immigration. Went international in 1999 and has 21 offices in the Americas, 13 in Asia Pacific, four in Europe, plus Doha, Dubai, Johannesburg and Nairobi.	70 mostly UK-qualified lawyers in London with three UK-qualified lawyers in Sheffield.	Immigration only.	No	
Fried, Frank, Harris, Shriver & Jacobson	London office of US firm. Opened 1970.	NY corporate firm also in DC, Frankfurt, Paris and London with 450 lawyers worldwide.	53 lawyers both US and UK-qualified.	Funds, M&A, private equity, finance, litigation, tax, competition and restructuring.	Yes (2 pa)	Read about the firm in the US

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Gibson, Dunn & Crutcher	London office of US firm. Opened 1979.	Five Californian offices and four others in the US, also in London, Beijing, Munich, Brussels, Paris, Singapore, Hong Kong, São Paulo and Dubai. More than 1,200 lawyers across all offices.	85 US and UK-qualified lawyers.	Full service with a focus on corporate and finance.	Yes (8 pa)	<i>Read about the firm in the US</i>
Goldberg Segalla	London office of US firm. Opened in 2012.	Founded in 2001. More than 300 lawyers. 18 US offices, seven of which in New York state.	No lawyers permanently based in London; two US partners spend some time here.	Commercial insurance disputes.	No	
Goodwin	Formerly London office of collapsed firm Heller Ehrman; joined Goodwin Procter in 2008. 26 lawyers, including 5 trainees, joined from KWM in 2017.	Boston-headquartered firm with more than 900 lawyers in six US offices, plus London, Paris, Frankfurt and Hong Kong.	60 mostly UK-qualified lawyers.	Real estate, private equity, investment funds, M&A and tax.	TBC	<i>Read about the firm in the US</i>
Greenberg Traurig Maher	London office of US firm. Paul Maher, previously global vice chairman at Mayer Brown, launched the office in 2009.	1,900 lawyers and 40 offices worldwide, 30 in the US. Known in the US for being highly entrepreneurial and giving its partners ('shareholders' in Greenberg-speak) lots of freedom to manage their own affairs.	More than 40 mostly UK-qualified lawyers.	Focus on M&A, capital markets and real estate work.	Yes (3 pa)	<i>Read about the firm in the US</i>
Holland & Knight	London office of US firm. Opened 2016.	24 offices in the US, plus Mexico City, Bogotá and London.	Seven mostly UK-qualified lawyers.	Aviation and shipping.	No	<i>Read about the firm in the US</i>
Hunton & Williams	London office of US firm. Opened 1999.	Virginian firm with around 750 lawyers spread across 14 US offices, three Asian, plus Brussels and London. Currently in merger talks with CMS.	18 US and UK-qualified lawyers.	Capital markets, project finance, data protection, energy and real estate.	No	<i>Read about the firm in the US</i>
Husch Blackwell	London office of US firm.	Missouri-based with 600+ lawyers and 19 offices. London is the only one outside the US.	No lawyers permanently based in London.	Corporate/M&A, securities and litigation.	No	
Jenner & Block	London office of US firm. Opened 2015.	500-lawyer Chicago-based firm with offices in LA, NY, DC and London.	11 lawyers, mainly UK-qualified.	White-collar, commercial litigation and arbitration.	No	<i>Read about the firm in the US</i>

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Katten Muchin Rosenman	London office of US firm. Opened 2005.	Chicago-headquartered firm with 600 attorneys in 11 US offices plus London and Shanghai.	27 lawyers, mix of US and UK-qualified.	Financial services: investment funds, regulatory, corporate, banking and real estate finance.	No	Read about the firm in the US
King & Spalding	London office of US firm. Opened 2003.	Over 850 lawyers work in the Atlanta HQ and 18 other offices in the US, Europe, Asia and the Middle East.	49 lawyers.	Energy, project finance, M&A, private equity, international arbitration and Islamic finance.	Yes (2 pa)	Read about the firm in the US
Kirkland & Ellis	London office of US firm. Opened 1994.	Approx 1,900 lawyers in Chicago (HQ), NY, DC, San Fran, Palo Alto, Houston and LA, plus London, Munich, Shanghai, Beijing and Hong Kong.	150 lawyers UK and US-qualified.	Best known for finance; lots of the clients are private equity houses. Corporate, banking, investment funds and international arbitration are the main seat options.	Yes (10 pa)	Read about the firm in the US
Kobre & Kim	London office of US firm. Opened 2009.	About 90 lawyers across nine offices: NY, DC, Miami, San Francisco, Hong Kong, Seoul, the Caymans, BVI and London.	20 UK qualified lawyers (solicitors and barristers).	All-litigation firm devoted entirely to disputes and investigations.	No	
Ladas & Parry	London office of US intellectual property firm. Opened 1969.	52 lawyers across NY, Chicago, LA, DC, London and Munich.	Four lawyers.	IP specialists.	No	
Latham & Watkins	London office of US firm. Opened 1990.	Around 2,100 lawyers in 31 offices: 12 in the US, 12 in Europe, five in Asia and four in the Middle East.	275 lawyers, mostly UK-qualified.	Full service.	Yes (24 pa)	Read about the firm in the US
Lewis Baach	Small London outpost.	Four offices with 32 lawyers: Washington DC, New York, London and Buenos Aires	No lawyers permanently based in London.	Litigation boutique.	No	
Locke Lord	London office of US firm. Opened in 2012 with nine lateral hires from Salans.	Texas-based firm with nearly 900 lawyers in 19 US offices plus Hong Kong and London.	31 lawyers. All UK-qualified.	Several corporate and commercial practices. Strengths include insolvency, financial services and consumer finance.	Yes (2 pa)	
McDermott Will & Emery	London office of US firm. Opened 1998.	Over 1,100 lawyers in ten US and eight European offices, as well as Seoul and an alliance firm in Shanghai.	38 lawyers, mostly UK-qualified.	Over 1,100 lawyers in ten US and eight European offices, as well as Seoul and an alliance firm in Shanghai.	Yes (2-3 pa)	
Milbank, Tweed, Hadley & McCloy	London office of US firm. Opened 1979.	Wall Street firm with around 600 lawyers in three US offices, three in Europe, five in Asia and São Paulo.	Around 100 lawyers, mostly UK-qualified.	Corporate, finance, energy and litigation. Band-one ranked in <i>Chambers UK</i> for projects, aviation finance, mining and outsourcing.	Yes (4-5 pa)	Read about the firm in the US

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Mintz, Levin, Cohn, Ferris, Glovsky and Popeo	London office of US firm.	Boston-headquartered; 500 lawyers in seven US offices and London. A liaison office in Israel.	Two lawyers.	Risk management and life sciences.	No	<i>Read about the firm in the US</i>
Morgan, Lewis & Bockius	London office of US firm. Opened 1981. Expanded with 18 lawyers from defunct Dewey & LeBoeuf in 2012.	2,000 lawyers in 28 offices in the US, Asia and Europe. Headquartered in Philadelphia.	67 lawyers, mostly UK-qualified	Banking, finance, corporate, employment, tax, competition and litigation.	Yes (6-8 pa)	<i>Read about the firm in the US</i>
Morrison & Foerster	London office of US firm. Opened 1980.	Over 1,000 lawyers and 17 offices. In eight US and five Asian cities plus London, Berlin and Brussels.	45 lawyers, US and UK-qualified.	Full service, but London has strong transactional focus on financial services, life sciences and technology.	Yes (4 pa)	<i>Read about the firm in the US</i>
Morrison Mahoney	London office of US firm.	Ten US offices on the East Coast plus London. About 160 lawyers.	Five lawyers.	Litigation. US law only.	No	
Nixon Peabody	London office of US firm. Opened 2007.	13 US offices plus London, Hong Kong, Singapore and Shanghai.	One US-qualified partners who split his time between the US and UK.	Private client. US law only.	No	<i>Read about the firm in the US</i>
O'Melveny	London office of US firm. Opened 1986.	West Coast firm with seven US offices, six in Asia, plus London and Brussels. 700 lawyers worldwide.	27 lawyers, mostly UK-qualified.	Transactional and litigation capabilities, but finance and private equity are the drivers.	Yes (4 pa)	<i>Read about the firm in the US</i>
Orrick, Herrington & Sutcliffe	London office of US firm. Acquired London office of Coudert Bros in 2005.	1,100 lawyers in 25 offices worldwide.	76 lawyers.	Full service.	Yes (4-6 pa)	<i>Read about the firm in the US</i>
Paul Hastings	London office of US firm. Opened 1997.	Around 1,000 lawyers in 20 offices: ten in the US, five in Europe and five in Asia.	79 lawyers, almost all UK-qualified.	Strongest in real estate finance and capital markets.	Yes (6-7 pa)	<i>Read about the firm in the US</i>
Paul, Weiss, Rifkind, Wharton & Garrison	London office of US firm.	New York litigation powerhouse with a presence in DC, Wilmington, Toronto, London and three Asian offices. 800 lawyers globally.	20 lawyers, all US-qualified.	US law only. Chiefly corporate M&A, private equity, capital markets.	No	<i>Read about the firm in the US</i>
Pillsbury Winthrop Shaw Pittman	London office of US firm. Opened 1972.	13 US offices, as well as outposts in Beijing, Shanghai, Tokyo, Abu Dhabi and London. 700 lawyers.	30 lawyers, both UK and US-qualified.	Corporate and commercial; big on global sourcing and IT.	No	<i>Read about the firm in the US</i>

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Proskauer Rose	London office of US firm. Opened 2007.	NY firm with 13 offices: eight branches in America, plus Beijing, Hong Kong, Paris, Sao Paulo and London. 700 lawyers.	69 lawyers.	Corporate & finance. Concentrates on private equity.	No	<i>Read about the firm in the US</i>
Quinn Emanuel Urquhart & Sullivan	London office of US firm. Opened 2008.	650-lawyer California firm with eight US offices, eight in Europe, plus Hong Kong, Shanghai, Tokyo, Sydney.	54 lawyers.	Litigation-only firm, with particular specialism in cases against financial institutions.	No	
Richards Kibbe & Orbe	London office of US firm.	58 lawyers in New York, DC and London.	Five lawyers, most UK-qualified.	Corporate and finance.	No	
Ropes & Gray	London office of US firm. Opened in 2010 and has grown massively since.	1,000-lawyer Boston-headquartered firm. Six US offices, plus London, Hong Kong, Shanghai, Tokyo and Seoul.	126 lawyers.	Focus on banking, finance and private equity.	Yes (5-7 pa)	<i>Read about the firm in the US</i>
Schulte Roth & Zabel	London office of US firm.	A 360-lawyer New York firm with a presence in DC and London.	16 lawyers. Mix of US- and UK-qualified	Mostly investment management.	No	<i>Read about the firm in the US</i>
Scott & Scott	London outpost of US firm. Opened 2015.	42 lawyers across New York, Connecticut, Ohio, Los Angeles, Nebraska, Virginia and London.	One partner, UK and Australian qualified.	Competition enforcement litigation.	No	
Sedgwick	London office of US firm. Opened 1985.	300 lawyers; 12 US offices plus London and Bermuda. California-headquartered.	13 lawyers.	Litigation specialists, particularly insurance.	No	<i>Read about the firm in the US</i>
Seyfarth Shaw	London office of US firm. Opened in 2011.	850 lawyers in ten US offices as well as London, Melbourne, Sydney and Shanghai. Employment and immigration experts.	Ten lawyers.	Employment only.	No	
Shearman & Sterling	London office of US firm. Opened 1972.	850 lawyers in 20 offices worldwide – six in the Americas, six in Europe, five in Asia and three in the Gulf states.	142 lawyers, mostly UK-qualified.	Full service; especially strong in finance.	Yes (15 pa)	<i>Read about the firm in the US</i>
Shook, Hardy & Bacon	London office of US firm. Opened 1989.	Nearly 500 lawyers in 11 US offices plus London.	Seven lawyers, mostly UK-qualified.	Litigation, mostly product liability.	No	
Sidley Austin	London office of US firm. Opened 1974.	1,900 lawyers worldwide; ten offices in the US, six in Asia Pacific, four in Europe.	118 lawyers, mostly UK-qualified.	Mostly transactional, geared towards finance matters.	Yes (12 pa)	<i>Read about the firm in the US</i>

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Simpson Thacher & Bartlett	London office of US firm. Opened 1978.	New York private equity powerhouse with offices in DC, LA, Houston and Palo Alto, plus São Paulo, London, Hong Kong, Tokyo, Beijing and Seoul. 900+ lawyers worldwide.	110 lawyers, Mostly UK-, some US-qualified.	Mainly finance, corporate, capital markets.	No	<i>Read about the firm in the US</i>
Skadden, Arps, Slate, Meagher & Flom	London office of US firm. Opened 1988.	Around 1,700 lawyers across eight US offices and 15 others worldwide.	118 lawyers, mostly UK-qualified.	Full service; strongest on corporate in London. <i>Chambers UK</i> band-one ranked for international arbitration.	Yes (10-12 pa)	<i>Read about the firm in the US</i>
Smith Gambrell & Russell	London office of US firm. Opened 2017.	Full-service 200-lawyer Atlanta-headquartered firm with four other US offices plus London, Southampton and Munich.	Three UK-qualified lawyers.	Aviation.	No	
Stephens & Johnson	London office of US firm. Opened 2001.	500 lawyers in six US offices plus London, Brussels and Beijing.	33 lawyers, mostly UK-qualified.	Property, corporate, private equity, insurance, international disputes, white-collar crime.	No	
Sullivan & Cromwell	London office of US firm. Opened 1972.	Blue-chip New York firm with three other US offices, three in Asia, two in Australia and three in Europe. Around 875 lawyers.	44 lawyers: mix of UK-, US- and European-qualified.	Mainly transactional, best known for capital markets, corporate, energy and projects work.	Yes (4-6 pa)	<i>Read about the firm in the US</i>
Sullivan & Worcester	London office of US firm. Opened 2013.	Bostonians. 175 lawyers across offices in Boston, New York, DC and London.	Nine UK-qualified lawyers.	Trade and export finance.	No	
Thompson & Knight	London office of US firm. Opened 2005.	300 lawyers. Originally from Texas and energy-focused. Six US offices as well as Paris, Algiers, London and Mexico.	Two UK-qualified lawyers.	Finance and energy.	No	<i>Read about the firm in the US</i>
Vedder Price	London office of US firm. Opened 2011.	300 lawyers in Chicago and four other US cities plus offices in London and Singapore.	18 mostly UK-qualified lawyers.	Corporate and transport finance.	No	<i>Read about the firms in the US</i>
Vinson & Elkins	London office of US firm. Opened 1971.	Texas firm with eight US offices, four in Asia-Pacific plus Moscow, Riyadh, Dubai and London. Over 700 lawyers.	45 lawyers, mostly UK-qualified.	Especially strong in energy and projects matters.	Yes (3-4 pa)	<i>Read about the firm in the US</i>
Weil, Gotshal & Manges	London office of US firm. Opened 1996.	1,200 lawyers in eight US offices, seven in Europe, three in Asia and one in Dubai.	132 lawyers, mostly UK-qualified.	Full service, especially good in private equity.	Yes (up to 15 pa)	<i>Read about the firm in the US</i>
White & Case	London office of US firm. Opened 1971.	Approx 2,200 lawyers in 39 offices worldwide.	About 390 lawyers, mostly UK-qualified.	Full service; heavy on projects, corporate and finance.	Yes (50 pa)	<i>Read about the firm in the US</i>

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Willkie Farr & Gallagher	London office of US firm. Opened 1988. Also have a strategic alliance with UK firm Dickson Minto.	New York and Washington DC plus six European offices. 650 lawyers.	44 lawyers.	Primarily corporate advice on international finance, cross-border M&A and private equity.	No	Read about the firm in the US
WilmerHale	Formed by merger of two US firms in 2004, one of which had been in London since 1972.	1,000 lawyers in six US cities, six in Europe plus Beijing.	46 lawyers in London, mostly UK-qualified.	Focus on international arbitration, white-collar crime, regulatory and IP work.	No	Read about the firm in the US
Winston & Strawn	London office of US firm. Opened 2003.	Chicago-based with nine US offices, four in Europe and four in Asia and Dubai.	33 lawyers.	Cross-border transactions and disputes, as well as IP, energy and competition.	Yes (2 pa)	Read about the firm in the US

Part 2: Firms created through transatlantic mergers

These can be either a large firm taking on a smaller one specifically to gain a London office (as with McGuireWoods' absorption of Grundberg Mocatta Rakison), or two of a similar size combining to form a larger one, with better global coverage the goal (as with the Hogan Lovells or Dentons tie-ups)

Pros: New firm has ready-made UK client base and established reputation; culture of legacy English firm usually remains post-merger.

Cons: Mergers can breed ill-feeling due to unforeseen culture clashes or if US headquarters starts to dictate to London office from afar.

	Merger history	Worldwide profile (office locations)	Size in the UK	Main UK activities	Training contracts?	
Cooley	Office part of Edwards Wildman Palmer prior to prior to January 2015. That firm merged with London's Kendall Freeman in 2008.	Silicon Valley headquartered firm with 10 US office and a 12-lawyer Shanghai outpost. 850 lawyers worldwide.	64 UK-qualified lawyers.	Litigation, insurance, corporate, IP, technology and employment.	Yes (up to 4 pa)	Read about the firm in the US
Dechert	Long-standing English firm Titmuss Sainer merged with a Philadelphia-based outfit in 2000.	900 lawyers working from 27 offices across the US, Europe and Asia.	118 mainly UK-qualified lawyers.	Full service.	Yes (10 pa)	Read about the firm in the US
Dentons	Result of five major global mergers since 2010. Dentons Wilde Sapte was the city arm.	World's biggest firm by headcount. 6,500 lawyers in 125+ locations across the Americas, Europe, the Middle East, China, Africa and Australia.	425 lawyers in London, Milton Keynes and Watford.	Full service.	Yes (30 pa)	
DLA Piper	Well-established UK national DLA merged with American Piper Rudnick in 2005.	4,000 lawyers located across 85+ offices worldwide.	Around 750 lawyers in Birmingham, Leeds, Liverpool, London, Manchester, Sheffield and Edinburgh.	Full service.	Yes (75 pa)	Read about the firm in the US

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Eversheds Sutherland	UK firm Eversheds merged with Americans Sutherland in 2017. Sutherland had a 10-lawyer London office since 2014 after merger with Arbis LLP.	2,300 lawyers worldwide in 61 offices.	1,580 lawyers, all UK-qualified.	Full service.	Yes (55 pa)	
Hogan Lovells	US firm Hogan & Hartson merged with major City player Lovells in 2010.	Over 2,500 lawyers in 46 offices worldwide.	Around 600 lawyers. (Hogan & Hartson already had 50 lawyers in London.)	Full service.	Yes (up to 60 pa)	Read about the firm in the US
Jones Day	Merger between Jones Day (which already had a London office) and UK firm Gouldens in 2003.	2,500 lawyers in 46 offices worldwide.	Approx 180 lawyers, almost all UK-qualified.	Full service.	Yes (20 pa)	Read about the firm in the US
K&L Gates	Merger between US firm Kilpatrick & Lockhart and UK firm Nicholson Graham & Jones in 2005 (followed by 2007 merger with US firm Preston Gates & Ellis).	2,000+ lawyers across 46 offices worldwide.	100 lawyers, primarily UK-qualified.	Full service.	Yes (10 pa)	Read about the firm in the US
Mayer Brown	Merger between US firm Mayer, Brown & Platt and London mid-sizer Rowe & Maw in 2002.	More than 1,500 lawyers across 24 offices worldwide (including an alliance in Brazil). Asia presence bolstered by merger with JSM in 2008.	Around 240 lawyers, primarily UK-qualified.	Full service.	Yes (15 pa)	Read about the firm in the US
McGuireWoods	Small 2009 merger between US firm McGuire Woods and London firm Grundberg Mocatta Rakison.	Based in Virginia with 1,000 lawyers in 22 offices: 20 in the US plus London, Brussels and an alliance in Shanghai.	33 lawyers, mostly UK-qualified.	Full service.	Yes (1 pa)	Read about the firm in the US
Norton Rose Fulbright	Merger between US firm Fulbright & Jaworski and London-founded Norton Rose in June 2013	Approx 3,500 lawyers in over 55+ offices worldwide.	About 600 lawyers.	Full service.	Yes (up to 50 pa)	Read about the firm in the US
Reed Smith	Small UK firm Warner Cranston merged with US firm Reed Smith in 2001. In 2007 Reed Smith merged with UK mid-sized firm Richards Butler.	Approx 1,700 lawyers in 26 offices.	300 UK-qualified. London is the largest office in the network.	Full service.	Yes (24 pa)	Read about the firm in the US
Squire Patton Boggs	UK firm Hammonds and US firm Squire, Sanders & Dempsey merged in 2011. Merged with DC firm Patton Boggs in 2014.	46 offices containing over 1,500 lawyers worldwide.	Around 370 mainly UK-qualified lawyers	Full service.	Yes (20 pa)	Read about the firm in the US

From: <http://www.chambersstudent.co.uk/where-to-start/newsletter/capital-markets-explained>

Capital markets explained

Chambers Student > Newsletter > Capital markets explained

The capital markets arena is a key focus of many City firms. The top spots in Chambers UK rankings are taken up the magic and silver circle firms, as well as a number of US firms. For them, capital markets and capital markets transactions are central areas of business activity. They are also increasingly important to larger commercial firms in the regions.

But what precisely are the capital markets? And why do lawyers get involved in transactions? The *Student Guide* thought it would be helpful for you to better understand the current state of this important area of the economy.

What are capital markets?

During our many interviews with senior sources at top City firms, we asked for a simple layman's definition of capital markets. This is one of the responses: *"The term capital market covers anything related to either the public or private sale of interests in some product – a corporation, a partnership or a loan – and the selling of interests in that product."* So, capital markets are an arena – an arena in which businesses that need an injection of cash seek out investors. Investors, meanwhile, are on the lookout for profitable businesses in which they can grow their investment. There are many ways in which this investor-lender relationship can be organised, and many ways to make money out of the process.

"The term capital market covers anything related to either the public or private sale of interests in some product – a corporation, a partnership or a loan – and the selling of interests in that product."

The **equity capital markets** are the easiest to understand. They're the world's stock markets. Private companies raise money by listing themselves on a stock market and then selling shares in their domestic market and often internationally as well. This is known as a flotation or IPO (Initial Public Offering) and means that the company's stock can be bought and sold by investors.

From: <http://www.chambersstudent.co.uk/where-to-start/newsletter/capital-markets-explained>

An IPO is a transformational event for a company – it changes from a private affair, run by a small group of shareholders to a public company, subject to significant regulation and to the will of its shareholders. For example, after floating Virgin, Richard Branson found having to run 'his' company in a way that pleased his new institutional shareholders incompatible with his entrepreneurial style of management, so he bought back the company, returning it to private status.

Following an IPO, a company and/or its shareholders can offer further stock in subsequent share offerings. For the investor, the profit on shares consists of any dividends they receive and any increase in market value of the shares. Shares pay dividends when the company is profitable – the level of the dividend being determined by directors and shareholders. Share values are not repayable by the company unless it is being wound up or operating a buyback of shares, but investors can realise their asset by selling in the market.

On the **debt capital markets**, borrowers/issuers – which can be companies, banks or governments – raise money by selling debt obligations (tradeable loans) to investors. These are called **bonds** and the investor becomes the owner of the bond. At predetermined intervals, the owner of the bond receives interest payments from the company, which can be at a fixed or floating rate, depending on the terms of the bond. The perceived credit risk of the bond (which is based broadly on the credit of the issuer, the maturity of the bond, the currency of the bond and any particular features of the bond) determines the interest rate. When the bond matures (when the duration of the loan expires), the bond owner receives back the bond's initial value, unless the issuer has gone bankrupt or defaulted in some way. For the investor, the profit on bonds consists of the interest payments they receive and any increase in market value of the bond. If the creditworthiness of the issuer improves, the bonds will typically trade at a price of more than 100% of the issue price. Unless the issuer of the bond has defaulted, or there are specified events in the terms of the bonds, bonds are not usually payable before maturity. However, an investor can realise his asset by selling in the market (provided of course there are purchasers interested in buying the bond!). Unlike shares, bonds therefore have a secure yield. Furthermore, bonds guarantee to pay back the initial value of the loan unless the company or government runs out of money. On an insolvency of the issuer, bondholders are paid with other creditors. Shareholders only receive their share of what (if anything) is left after all other creditors are paid. With shares there is everything to play for – much to gain, but also much to lose. In normal markets, bonds are less volatile – this was not the case for many bonds during the credit crisis.

Bonds and stocks both carry with them an element of uncertainty. This uncertainty creates a desire to offset the dangers of future losses and the opportunity to place 'bets' on future market performance.

Bonds and stocks both carry with them an element of uncertainty. This uncertainty creates a desire to offset the dangers of future losses and the opportunity to place 'bets' on future market performance. Capital markets have created numerous instruments that allow investors and borrowers to protect and insure themselves against uncertain developments. Two of the most noteworthy developments on the debt capital markets since the 1980s are the use of **collateralised debt obligations** and the rise of the **derivatives** market. We'll define derivatives shortly.

Bonds and shares are both types of securities. However, the term **securitisation** is most often used for the process by which loans are bundled up into a collateralised debt obligation. The most commonly securitised types of loans are mortgages. The volume of mortgage-backed securities in the US grew from \$200m in 1980 to \$4 trillion in 2007. Essentially, bundles of mortgage loans were sold on to other players on the capital market. The sale of these bundles of loans provided liquidity to lenders, since they received money for loans that had not yet been repaid by the original borrowers of the money. In addition, the sale of the loans freed up capital for banks. Why? Because regulators require banks to 'post capital' i.e. to hold cash or its equivalents equal to a percentage of all the loans it has made. This capital is expensive for banks – traditionally they make money by taking deposits and then lending this money at a higher interest rate, not by keeping money on their books. By selling the loans they were able to free up capital.

From: <http://www.chambersstudent.co.uk/where-to-start/newsletter/capital-markets-explained>

Why would an investor buy an interest in a bundle of mortgages? Because it allows them to invest in mortgage loans, which many institutional investors could not previously do because they did not have the relevant licences or did not want the hassle of dealing with individual lenders. In addition, the loans were repackaged in a way that makes them more attractive to institutional investors. By bundling the loans, the issuer could split them into 'strips' (called tranches) with different risk levels and pay-out dates attached to each strip.

At present, the world derivatives market is worth in excess of \$500 trillion, which is over ten times the size of the entire world economy.

A **derivative** is a financial instrument that allows its buyer or seller to 'bet' on positive or insure against negative price movements of an underlying asset. Assets range from potatoes to gold to currencies. At present, the world derivatives market is worth in excess of \$500 trillion, which is over ten times the size of the entire world economy. Derivatives provide businesses with opportunities to protect (hedge) themselves against future market developments. Futures, forwards, options and swaps are all types of derivatives.

- **Forwards** are the most simple: they are bilateral agreements between two parties that one will buy a certain product from the other for a fixed price at a fixed date in the future. These can be very useful for a company that has revenues in one currency at one time of the year and has to pay for goods or services in another currency later in the year. A simple illustration is a UK ski holiday company – it typically has income in pounds sterling but costs in euros. If the value of the pound falls between the time it agrees a price for its costs and the date when holidays are booked, it can significantly affect profitability. If the company can buy a forward, it can 'fix' the exchange rate at the initial rate, making its business more stable.
- **Futures** are standardised forwards: they can be traded on the futures market.
- An **option** is an optional future: a buyer has the right but not the obligation to purchase or sell a certain quantity of a certain good for a certain price at a certain date in the future. Options that anticipate a rise in the price of the underlying asset are called 'call options', whereas options that anticipate a price decrease are called 'put options'.
- A **swap** is when two parties agree to exchange assets – at a fixed rate. Typically, swaps cover interest rate payments or currencies. This allows investors to protect themselves from fluctuations in interest rates or currency exchange rate, and more speculative investors to 'bet' on rates. A credit default swap (CDS) is a contract in which the buyer purchases protection against a default on a loan issued by a third party. The buyer makes a series of payments to the seller and the seller pays out if a default occurs.

Lawyers' involvement

"There are lots of laws which regulate the trading of loans and debts," explained our senior City source, "like whether they are public or privately traded. Lawyers also get involved in creating the product: the packaging of loans and selling of the interests in them."

Lawyers are key players in the transactional processes which permeate the world of capital markets. They advise debt and equity issuers and the investment banks which structure and sell the financial instruments. The role of lawyers includes advising on legal and regulatory matters, drafting documents, negotiating contracts, and working with bankers to obtain approval from various external parties such as regulators, listing agencies and rating agencies. Some transactions are straightforward ('cookie cutter') deals because some parties are frequently active in the market and use standard documents. Some transactions are bespoke and more complex. Junior lawyers cut their teeth on cookie-cutter deals, but as lawyers gain more experience they (hopefully) work on more specialised deals.

From: <http://www.chambersstudent.co.uk/where-to-start/newsletter/capital-markets-explained>

Legal and regulatory advice: we looked at equity capital markets above and noted that an IPO is transformative for a company. It requires hours of lawyers' time to ensure the company is ready to list on an exchange and take the company's board through every step in the process. A first-time borrower in the debt capital markets also requires a lot of lawyer time to prepare it for the new transaction. Much of this type of activity is cross-border, which means considerable time need to be spent working out how various regulations fit together and liaising with local lawyers. For example, it is not unusual for a UK firm to lead on the IPO of a Kazakh company, listed in the EU, with offerings in other jurisdictions, including in the USA. And there's nothing cookie-cutter about all that.

When it comes to **drafting documents**, there are key clauses to get right, and in many cases huge volumes of documents to prepare and amend. While swap confirmations and other derivatives contracts are often short (although complex), the majority of capital markets transactions are just the opposite. The selling document for securities (a prospectus) can range from 15 pages to more than 500, and the contractual documents are not far behind. Securitisation probably tops the charts for most documentation – and therefore worst hours! At university, the longer the essay the more likely you were to stay up all night – nothing much changes when you get to a law firm.

The selling document for securities (a prospectus) can range from 15 pages to more than 500, and the contractual documents are not far behind.

Negotiating contracts is a big part of the job. There are a lot of contracts which need to be signed off by a lot of parties – and every contract is of great importance to every party. As such, negotiations can be protracted. Issuers want the best terms; investment banks need the clauses to be acceptable to their internal credit committees, and in the case of securities, they want terms that make the product optimal for selling. Investors are usually not involved in the negotiations; however, if they don't like the way the instruments are structured, they won't buy them!

Regulatory and other approvals are a necessary step. They range from simple listing approvals for frequent bond issuers, to more time-consuming activities like a first listing approval of a securitisation of Russian credit card loans on the London Stock Exchange. Ratings agencies (like Moody's, Standard & Poor's and Fitch) also require legal advice when determining a product's rating.

Long hours, complex contracts, demanding clients – what is the attraction? The opportunity to work with a client on a huge transaction; the sense of teamwork involved when grafting alongside people from banks, client companies and other law firms; the fun of negotiation and the buzz of finally creating a transaction that complies with all the different laws and regulations and which an investor will still want to buy.

This feature was first published in our December 2011 newsletter.

https://www.law.com/sites/ali/2017/08/02/the-strange-tale-of-how-elite-us-firms-surpassed-their-uk-counterparts/

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Part I: The Strange Tale of How Elite US Firms Surpassed Their UK Counterparts

The first in a three-part series looking at competition between elite US and UK firms. Part I presents evidence that the US elite has vanquished their UK counterparts

By **Nicholas Bruch and Hugh A. Simons** | August 02, 2017 at 10:13 AM

Part I: The evidence that the US elite have eclipsed the UK's magic and silver circle firms

*Editor's Note: this is the first in a three-part series looking at competition between elite US and UK firms. Part I presents evidence that the US elite has vanquished their UK counterparts; **Part II** examines how this victory came about; and **Part III** draws out lessons for firms of all types.*

The top end of the legal world has long been dominated by a small group of elite US firms and their UK counterparts—the magic and silver circles. But no more. The US elite have left their UK brethren behind. The proof? Lateral partner movement between the two shows that US firms have a clearly established an upper hand. The higher profitability of the elite US firms, combined with their wider compensation bands, has rendered the UK elite unable to compete on remuneration for the most commercially-successful partners.

Figure 1: Firms Included In Analysis

10 Highest US Firms By Profits Per Equity Partner¹ and UK Magic Circle & Silver Circle Firms

US Firms	UK Firms	
Cahill Gordon	Magic Circle	Allen & Overy
Cravath		Clifford Chance
Davis Polk		Freshfields
Gibson Dunn		Linklaters
Kirkland & Ellis		Slaughter and May
Paul Weiss	Silver Circle	Ashurst
Simpson Thatcher		Berwin Leighton Paisner (BLP)
Skadden Arps		Herbert Smith Freehills (HSF)
Sullivan & Cromwell		Macfarlanes
Wachtell		Travers Smith

Source: ALM Intelligence

Note: ¹ Litigation boutiques have been excluded from the list of US firms

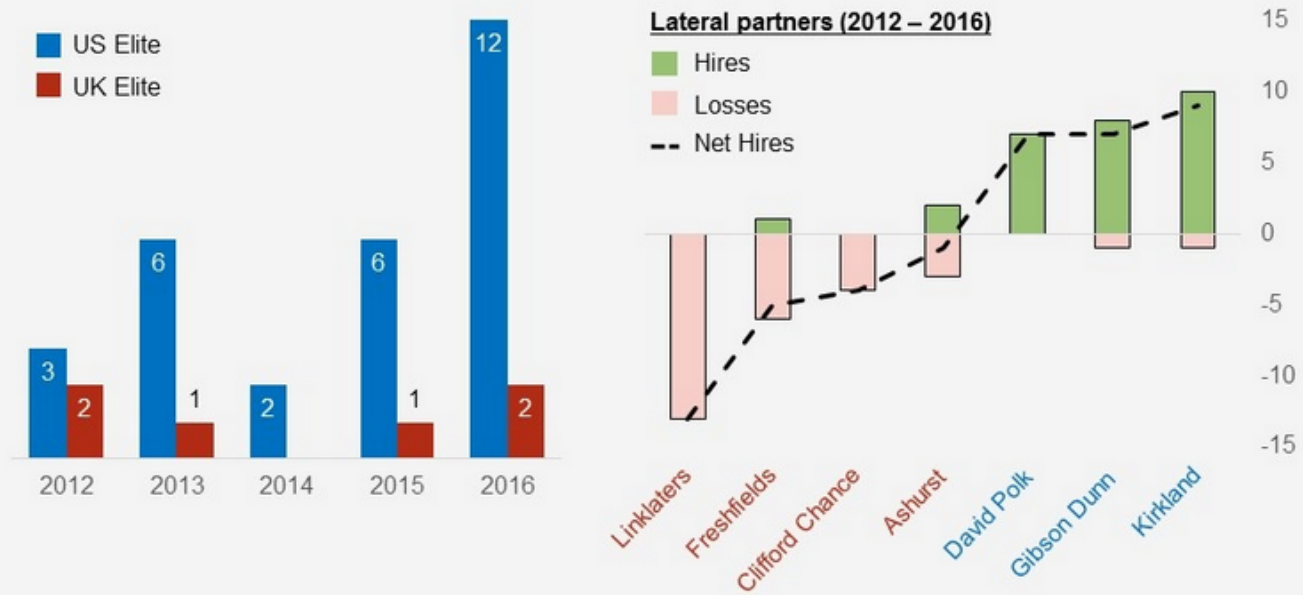


Talent flow among the global elite

To appreciate the US elite's victory, it helps to start with a view of competition. Well-matched competitors score against each other in a steady back-and-forth. Thus, for competitor law firms, one would expect to see healthily reciprocal flow in lateral partners—for each partner won, there would be another lost. However, for the elite US and UK firms (as identified in Figure 1) the data show the a lopsided exchange: of the 35 partners who moved laterally between elite US and UK firms in the past five years, 29 were to the US elite from the UK elite; only 6 were in the opposite direction, (see Figure 2).

Figure 2: Partner Movement Within The US and UK Elite

Number of partners hired by elite US & UK firms from elite firms based on the other side of the Atlantic



Source: ALM Intelligence; Firm Websites;

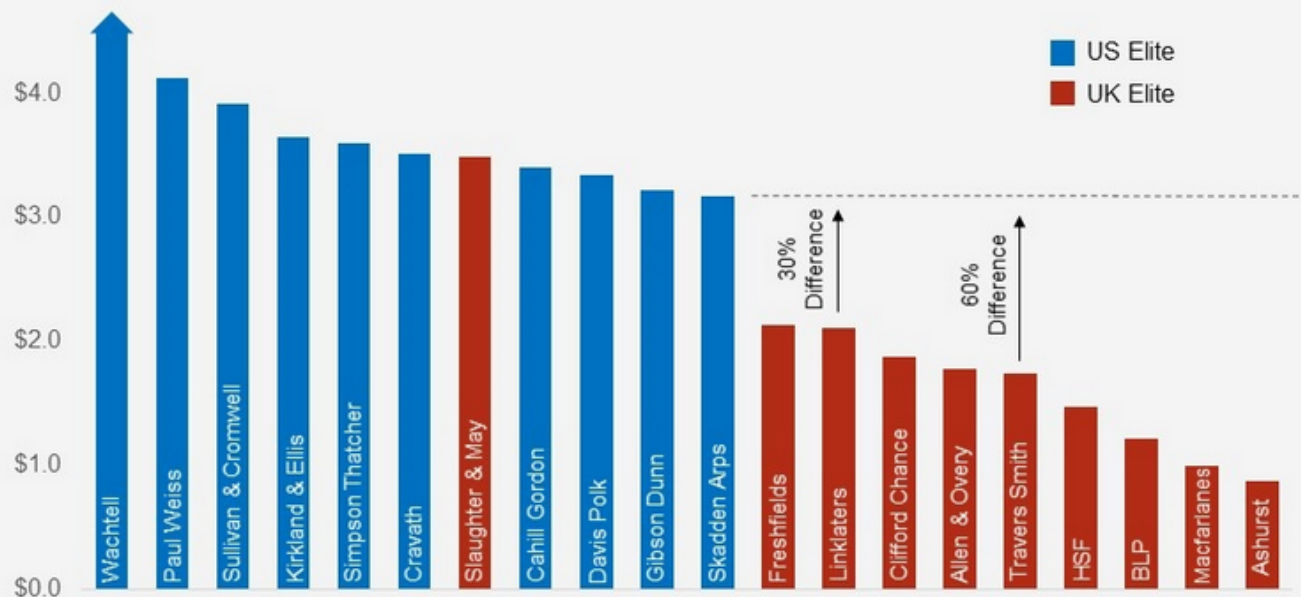


The asymmetry is even more stark in each group’s home market: 14 partners moved to the US elite from the UK elite in London; only 2 moved from the US elite to the UK elite in the US. Lateral movement was especially robust last year—2016 accounts for almost half of the 5-year total, indicating the lopsided flow is unabated. Just three law firms—Kirkland & Ellis, Gibson Dunn, and Davis Polk—account for the bulk of the US elite’s hiring. Each of these firms has gained more partners than they have lost to their elite UK counterparts. In contrast, net losses pervade the UK firms.

Profit and compensation differentials

As one would expect, this one-sided flow in partner talent aligns with the difference in profitability between the US elite and their UK counterparts. What one might not expect is just how wide the profit gap has become. With the exception of Slaughter and May, the low profitability end of the US elite is operating at profit per equity partner (PPP) levels some 30 to 60 percent above their UK counterparts, see Figure 3. Note that this gap is not an artifact of current exchange rates as the analysis uses long-term equilibrium exchange rates (i.e. purchasing power parity) both for converting the UK firm's non-sterling revenues into sterling, and again for converting bottom-line sterling-denominated profits into dollars.

Figure 3: Profits Per Equity (PPP) Partner of Elite US and UK Firms
 PPP shown at equilibrium rates (millions of US dollars)



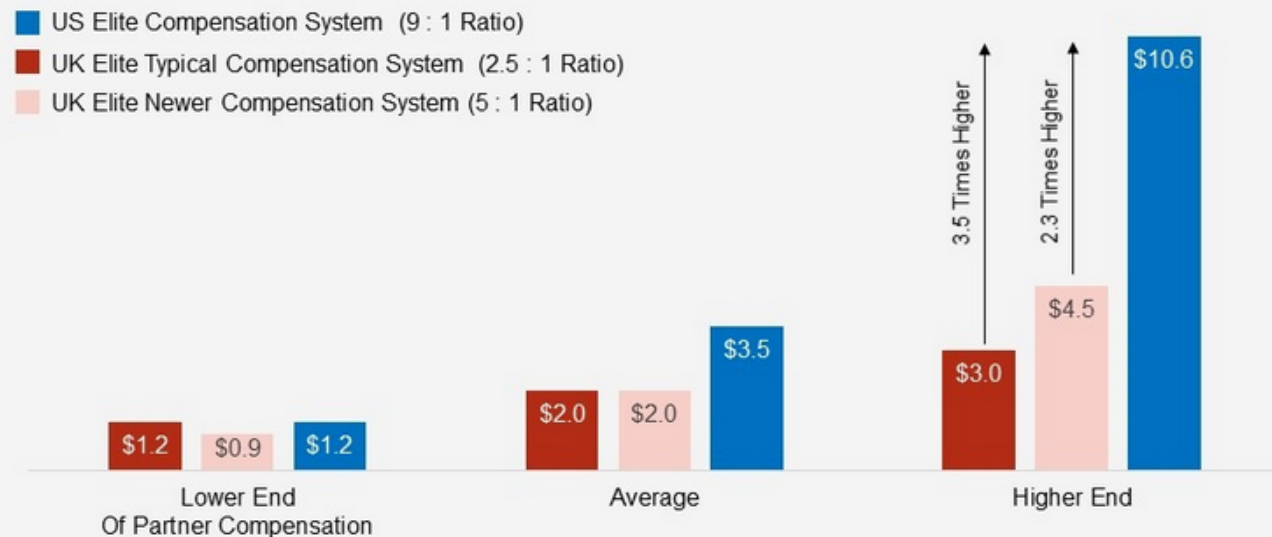
Source: ALM Intelligence; Companies House; FRED; OECD
 Note: UK and US firms data are for FY 2015-2016 and CY 2015, respectively

Differences in firm average profitability tend to understate the differences in compensation for more commercially-successful partners. For these partners, firm compensation ratios—the difference between the highest and lowest paid partner cohorts—play an important role. US firms are increasingly moving to systems wherein individual partner compensation more closely reflects a partner’s contribution to firm profit. UK firms, by contrast, are still operating on variations of lockstep systems wherein a partner’s compensation is less tied to their individual contribution to firm profit and is more driven by firm average profitability and partner seniority.

This difference in compensation philosophy has led to US and UK firms having very different ratios between the compensation of highest and lowest earning partners. Last December, for example, Kirkland & Ellis moved from an 8:1 to a 9:1 ratio between the compensation of their top and bottom bands. Lockstep firms traditionally operate at about a 2.5:1 ratio.

So how big is the compensation difference at the top end? For a 9:1 firm, a reasonable rule of thumb is that the lowest compensated partners earn about one third of firm average while the top tier earn about 3 times firm average. Similarly, for a 2.5:1 lockstep firm, a reasonable estimate of the range is from 0.60 to 1.5 times firm average. Applying these ratios to an elite US firm with average compensation of \$3.5m, and a Magic Circle firm with average compensation of \$2.0m, reveals that compensation at the top end of the US firm is about 3.5 times that at the UK firm, see Figure 4.

Figure 4: Differences in Compensation Between Elite US and UK Firms
Partner Compensation at an Idealized Firm (\$m)



Source: ALM Intelligence

Note: Slaughter & May and Wachtel have been removed from the analysis

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Of course, many UK firms have departed from a strict one-firm lockstep model and, in particular, have gone off lockstep at the high end. How far off have they gone? In the public Companies House filings of the magic and silver circle firms, the highest ratio of top compensation to average compensation identified is 2.3 times. This implies a ratio of lowest to highest compensation of 5:1. This closes the gap to a 9:1 US firm from 3.5 times to 2.3 times. Thus, even with departures from lockstep, the US elite can offer the top end of partners a compensation premium that would not go unnoticed by would-be movers.



Nicholas Bruch is a Senior Analyst at ALM Legal Intelligence. His experience includes advising law firms and law departments in developing and developed markets on issues related to strategy, business development, market intelligence, and operations. He can be reached by [Email](#), [Twitter](#), or [LinkedIn](#).

Part II: How the US elite became so much more profitable than their UK counterparts

The second in a three-part series looking at competition between elite US and UK firms. Part II examines how the performance gap between the US and UK elite originated.

By **NICHOLAS BRUCH AND HUGH A. SIMONS** | August 07, 2017 at 03:25 PM

Editor's Note: this is the second in a three-part series looking at competition between elite US and UK firms. [Part I](#) presented that evidence that the US elite has vanquished their UK counterparts; [Part III](#) draws out the lessons for firms of all types.

The US elite are significantly more profitable, on an equilibrium-exchange-rate basis, than are their UK counterparts, (as described in [Part 1](#) of this series). The geographic origins of firms, and its consequences for how firms grew, probably played an important role in establishing this profitability gap. Whatever the reason, the US elite have consolidated their lead through the great recession: they widened the profitability gap, demonstrated greater organizational vitality, and established an 'increasing returns' dynamic that looks set to lock-in their advantage.

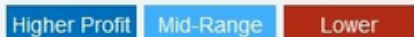
The accident of geography

In [Part I](#), we saw that, with the exception of Slaughter and May, the low profitability end of the US elite is operating at profit per equity partner (PPP) levels of 30 to 60 percent above their UK counterparts. How can there be such a divergence in PPP when both sets of firms have great lawyers doing highly-sophisticated bespoke work on critical matters for clients who value high-quality lawyering?

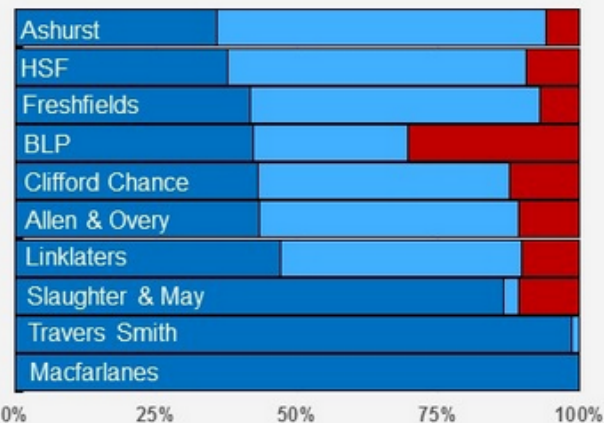
A major part of the explanation may simply be geography. Different geographic markets have different inherent profitability: while the US and UK are high profit, much of the rest of the developed world (e.g. western Europe, developed Asia, the middle east, and Australia) operates at a notch down in profitability, and the emerging markets (e.g. Africa, China, CIS, Latin America) operate at yet a further notch down. The US and UK elite firms have very different footprints across geographic markets categorized as high, medium, and low profitability in this way, see Figure 1.

Figure 1: Partner Distribution By Market Profitability

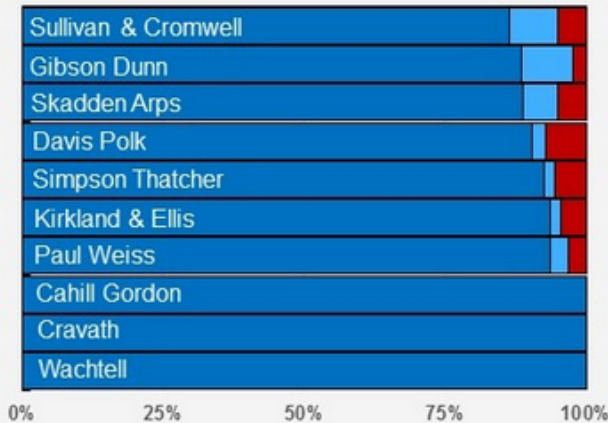
Percent of partners in higher, mid-range and lower profit markets



UK Firms



US Firms



Source: ALM Intelligence

Notes: High profit markets are US and UK; Medium profit markets comprise: other European Community, middle east, developed Asia, Australia and Canada
 Low profit markets comprise: CIS, Turkey, HK and China, other emerging Asia, Latin America, and Africa.




Could the UK elite's greater exposure to medium and low profit markets explain their lower average profitability? Yes. If you estimate that the profitability of medium and low profit markets is 75% and 20%, respectively, of that of the high profit markets then, for the typical UK and US mixes of partners by market type as shown in Figure 2, the geographic mix difference would explain a 30 percent difference in PPP.


Could the UK elite’s greater exposure to medium and low profit markets explain their lower average profitability? Yes. If you estimate that the profitability of medium and low profit markets is 75% and 20%, respectively, of that of the high profit markets then, for the typical UK and US mixes of partners by market type as shown in Figure 2, the geographic mix difference would explain a 30 percent difference in PPP.

Figure 2: Partner Distribution By Market Profitability
 Percent of partners in higher, mid-range and lower profit markets

Market Type	Market PPP (Index)	“UK Mix” Of Partners	“US Mix” Of Partners
High Profitability (set = \$1,000k)	\$1,000k	45%	90%
Medium	\$750k	35%	5%
Low	\$200k	20%	5%
Firm Average PPP (Index)		\$730k	\$950k



+30% Difference



Has the US profitability advantage come about through firm leaders on this side of the Atlantic deliberately eschewing growth in lower profit markets? We doubt it. We suspect the difference in market footprints, and its profitability consequence, is more due to “maps” than “chaps”—that is, more due to geographic happenstance than to leadership acumen.

For a US firm, sitting in an economy that is over 6.5 times the size of that of the UK, much of the impetus for growth can be satisfied within the domestic market. As the segment of the US market in which these elite firms play is largely homogeneous nationally, growth comes without a major profitability sacrifice. In contrast, the UK firms’ natural avenues for growth—continental Europe, Hong Kong, Australia—all entail a step down in profitability.

Geographic growth has some underappreciated dynamics. One is that once a foothold is established in a market, the number of partners in the market tends to grow at a faster rate than does that of the firm as a whole. As an example, the table in Figure 3 compares the mix of new partners (promotions and laterals) across markets of different profitability with the mix of incumbent partners for two example firms—Allen & Overy and Kirkland & Ellis. The data show that a greater portion of new partners are concentrated more in lower-profit markets than are incumbent partners. For example, in the case of Allen & Overy, 20 percent of new partners in 2015-2016 were in lower profit markets, compared to only 9 percent of incumbent partners.

Figure 3: Partner Distribution By Market Profitability
Percent of partners in higher, mid-range and lower profit markets

	Allen & Overy			Kirkland & Ellis		
	Partners (2014)	New Partners (2015 – 2016)	Difference	Partners (2014)	New Partners (2015 – 2016)	Difference
Higher Profit	44%	39%	-6 pts	94%	91%	-3 pts
Mid-Range	46%	41%	-5 pts	2%	4%	+2 pts
Lower	9%	20%	+11 pts.	4%	5%	+1 pts.

Source: ALM Intelligence

Notes: "New Partners" includes laterals and partner promotions



Growing disproportionately in lower profit markets reduces average profitability. This is rarely a firm's intent. More typical is an aspiration to be the minimum size needed to serve the firm's most important clients in the local market. But mission creep often ensues. The entrepreneurial type of partner who founds an office in a new geography will instinctively and energetically look to grow. Growth won't always be in practices, or with clients, that are central to the firm's strategy. Yet, to firm leadership, sanctioning the hiring of each marginal lawyer seems like a small price to pay to keep the entrepreneurial founders engaged and motivated. Before long, however, the firm's low-profit market presence is larger and less aligned with the firm's global strategy than was intended.

Dispersion of partners across markets of different intrinsic profitability is not inherently a problem. It only becomes one if a firm's compensation system doesn't reflect the difference in the economics of partners' practices across different geographic markets. If the compensation system is biased to global averages, as tends to be the case at most firms and perhaps particularly for those with lockstep-type systems, the compensation of partners in lower-profit markets drifts up while that of partners in higher-profit markets drifts down. This leads partners in higher-profit markets to become undercompensated relative to the economic value of their practices. The higher is the percent of a firm's partners in lower profit markets, the more pronounced is the under-compensation of partners in high profit markets. And, of course, the more pronounced the under-compensation, the more headroom for rival firms to lure away highly commercially successful partners with compensation packages more aligned with the economics of their practices.

Post-recession momentum

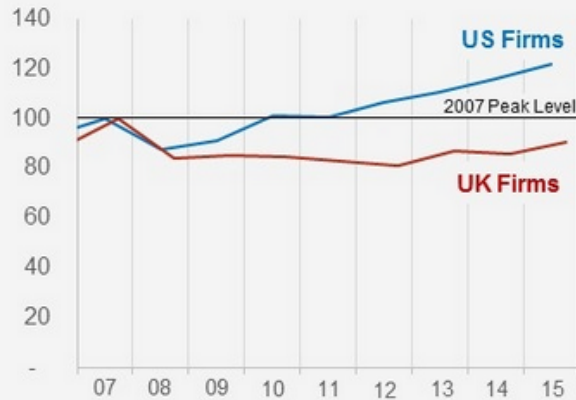
The US firms' profitability advantage is not a momentary event. Rather it has been growing for some time and, indeed, has widened dramatically over the course of the great recession. While the onset of the global financial crisis saw an average PPP decline of about 15 percent on both sides of the Atlantic, performance through the recession varied markedly, see Figure 4. Today, almost a decade later, the elite UK firms have yet to regain their pre-recession profitability levels; in contrast, the US elite regained their prior peak in just three years and are now enjoying profitability some 20+ percent above that level, (each on an inflation-adjusted local currency basis).

Figure 4: Profit Per Equity Partner (PPP) Performance Through The Great Recession

PPP In Local Currencies



PPP Indexed to 2007 Peak (100 = 2007)



Source: ALM Intelligence; UK ONS; US BEA.

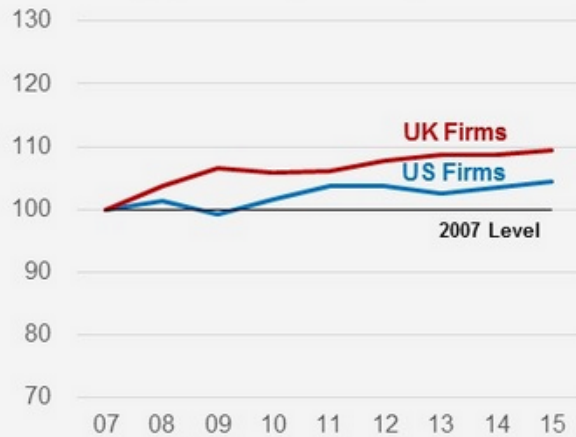
Notes: Ashurst and Herbert Smith Freehills are not included in UK firm averages as the PPP reductions following their Australian combinations are not reflective of broader market trends. Quantities are inflation adjusted to 2015 in local currencies; Horizontal offset in time series reflects difference in financial year definition.



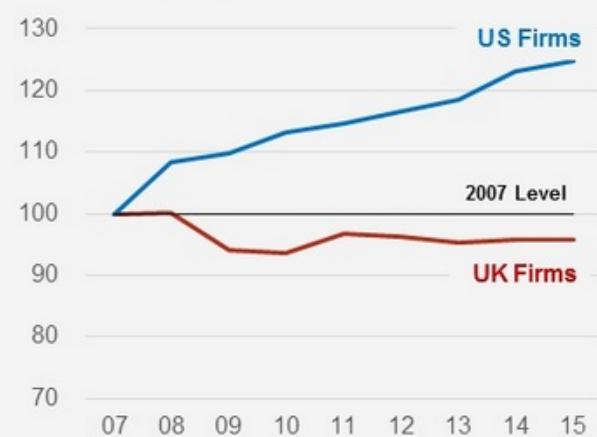
This marked difference in momentum is not just in profitability, which could be artificially boosted by, for example, constraining the growth of equity partners. Indeed, as Figure 5 shows, firms on both sides of the Atlantic increased their number of equity partners through the recession, with the US firms doing so slightly more than their UK brethren. However, the trajectories of the number of lawyers are quite distinct: the US firms have grown strongly while the UK firms have contracted slightly. Thus, the US elite exhibit not just greater profitability momentum than their UK counterparts; they also display broader growth and institutional vitality.

Figure 5: Equity Partner and Lawyer Growth

Growth in Equity Partners (100 = 2007)



Growth in Lawyers (100 = 2007)



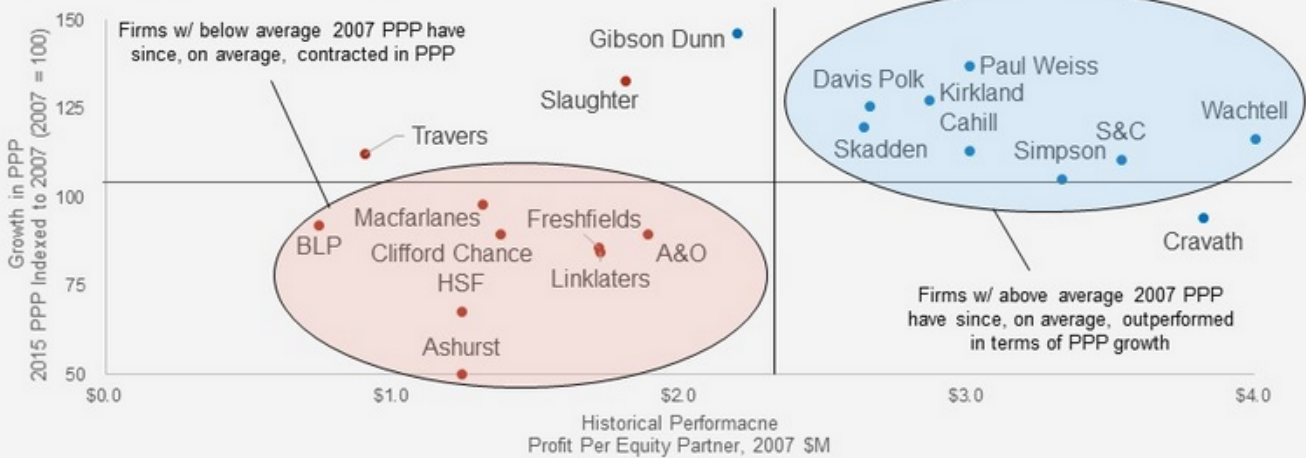
Source: ALM Intelligence

Notes: Ashurst and Herbert Smith Freehills are not included in UK firm averages as the equity partner and lawyer growth associated their Australian combinations are not reflective of broader market trends.

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The US elite look set to lock in their advantage thanks to the phenomenon of ‘increasing returns’. While much of conventional economics is premised on the notion of diminishing marginal returns, that is the tendency for companies that get ahead of their rivals to be slowed in their progress by running out of, say, the best land to farm or people to hire, such is not the case for law firms. Rather, they are governed by the phenomenon of increasing returns, that is the tendency for firms who are ahead to get further ahead as virtuous loops are established between attractive clients, great lawyers, and strong profits. We see this ‘increasing returns’ phenomenon among elite global firms (Figure 6): the firms with stronger PPP have exhibited higher growth in PPP than have their lower PPP brethren. The implication is that, absent a tectonic market change, the UK elite will not close the gap with their US counterparts.

Figure 6: Equity Partner and Lawyer Growth



Source: ALM Legal Intelligence; OECD; UK ONS; US BEA.

Notes: 2007 PPP shown are inflation-adjusted to 2015 in local currency and converted at purchasing power parity exchange rates. Ratio of 2015 to 2007 PPP are inflation-adjusted local currency ratios.



* * * *

Part III of this three-part series looks at the lessons firms of all types can learn from this story.



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Part III: Lessons Learned From The US Elite's Triumph Over Their Their UK Counterparts

The third in a three-part series looking at competition between elite US and UK firms. Part III examines what lessons can be learned from the success of US firms.

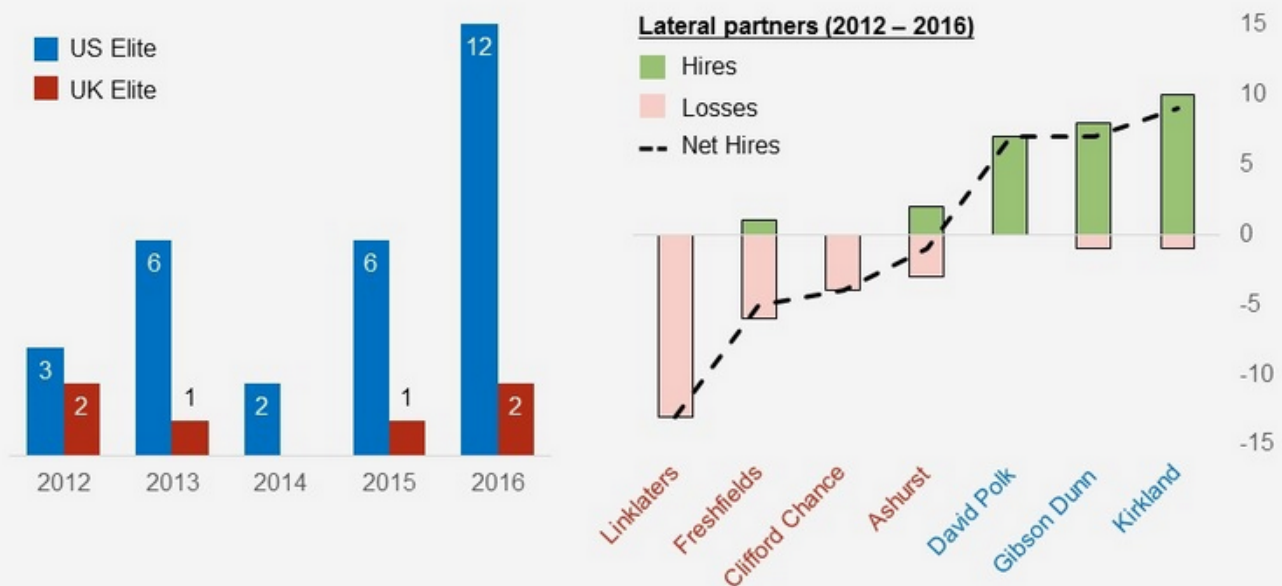
By **NICHOLAS BRUCH AND HUGH A. SIMONS** | August 15, 2017 at 10:48 AM

Editor's Note: this is the final part of a three-part series looking at competition between elite US and UK firms. [Part I](#) presented evidence that the US elite has vanquished their UK counterparts and [Part II](#) examined how this victory came about.

The US elite have distanced themselves significantly from their UK counterparts, as described in [Parts I](#) and [II](#) of this three-part series. They won the war for lateral talent, opened up a sizeable profitability gap, grew this gap significantly through the great recession, and have exhibited greater organizational growth and vitality, see Figures 1 and 2. The data suggest they are locking in their advantage as the phenomenon of increasing returns takes hold—this is, through the tendency for firms who are ahead to get further ahead as virtuous loops are established between attractive clients, great lawyers, and strong profits.

Figure 1: Partner Movement Within The US and UK Elite

Number of partners hired by elite US & UK firms from elite firms based on the other side of the Atlantic

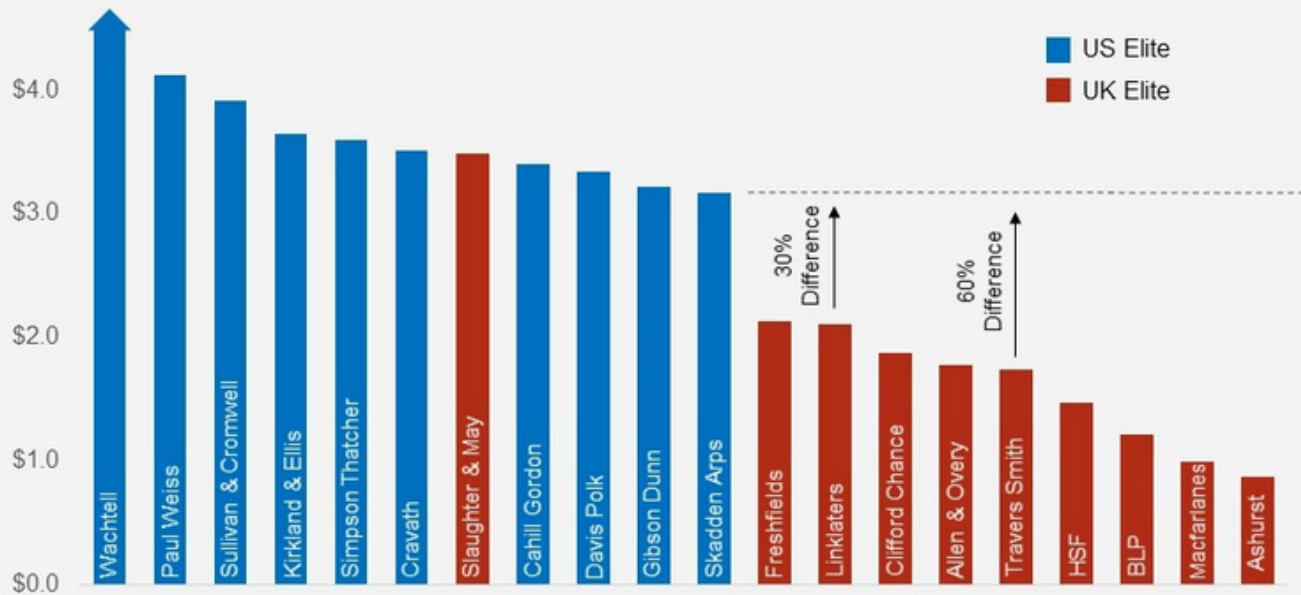


Source: ALM Intelligence; Firm Websites; HAS Lateral Moves Database



There are many salient lessons from this story for US law firms of all stripes. We don't profess to have codified them all. However, in the hope they prompt more thought, discussion, and learning, we share a strawman distillation of these implications below.

Figure 2: Profits Per Equity (PPP) Partner of Elite US and UK Firms
PPP shown at equilibrium rates (millions of US dollars)



Source: ALM Intelligence; Companies House; FRED; OECD
Note: UK and US firms data are for FY 2015-2016 and CY 2015, respectively

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Lesson 1: Declines in market position can originate from small decisions

A firm can suffer a decline in market position without, say, a catastrophic merger or ill-advised lateral partner guarantees. A series of small decisions, none of which seem especially risky at the time, can aggregate to undermine significantly a firm's profitability and hence its competitiveness. Hard thinking, and steadfast resolve, is required at all times.

Lesson 2: Growth is good, but profits matter more

Momentum in firm revenues is a nice-to-have; momentum in profitability is a must-have. There may be some commercially-successful partners who lateraled to a firm because it was growing faster; if there are, they are greatly outnumbered by those who left to a firm that could pay them more.

Lesson 3: Partner pay must reflect variation in economic value

As a firm's practices grow more diverse, either in terms of geographic focus or service offering, the economic value of partners' practices necessarily diverges. A firm's compensation system must evolve in real time to ensure individual partners' compensation is aligned with the widening economic value. Failure to do so yields under-payment (relative to economic value) of the most commercially-productive partners. This heightens the risk of these partners departing to firms more willing to compensate them commensurately with their economic worth.

Lesson 4: Corporate portfolio models don't apply to law firms

Firm leaders should internalize that typical corporate models of investment and growth are dangerous to apply to law firms. At a corporation, 'cash cow' businesses can generate large amounts of free cash flow practically in perpetuity. Corporate leaders can redeploy this cash to invest in new ventures in the hope of creating future cash cows. However, at law firms, free cash flow only exists if a partner is being paid below the economic value of her practice. This can happen only rarely, briefly, and to a small degree, before the risk of high-value partners departing becomes intolerable. No cash cows, low investment capacity.

Lesson 5: Global office networks are not, by themselves, a differentiator

Having a differentiated offering only matters if what's different about the offering is something the client could not otherwise readily replicate. For example, a client offering that entails services from a firm's lawyers housed across a global network of offices may be differentiated in the sense that few firms could provide the service in this way. However, if what results for the client is not meaningfully better than that which could be secured by their primary law firm engaging independent counsel across the same array of locations, then there is no benefit to the client from the global firm's footprint. Indeed, there could be a cost to the client if the global firm's fealty to the lawyers in its office network results in the client not accessing the best-of-breed lawyer in a particular jurisdiction.

Lesson 6: Global office networks have to be tightly integrated to create value

Competitive advantage only accrues from a global office footprint if it is used to create offerings that are truly distinct and valuable to clients. Such offerings do not result from cross selling (the law firm equivalent of a fast food upsell, i.e. do you want fries with that?) which adds 'volume' for the law firm but doesn't add 'value' for either the client or the law firm. Rather, distinct and valuable offerings are created when lawyers with different backgrounds work together in ways that wouldn't happen if they worked across firm boundaries and that lead the lawyers to integrate their separate expertise in ways that bring forth novel, or streamlined, solutions. Such integration is typically most fruitful when focused on emerging legal specialties and at the intersection of existing practice area definitions. It's stunningly difficult to pull off this level of integration at law firms. It requires enablement, example setting, and relentless encouragement from firm leadership. It also requires dogged, activist, client-teaming and practice-management overlays to a firm's office-centered organizational structure.



Nicholas Bruch is a Senior Analyst at ALM Legal Intelligence. His experience includes advising law firms and law departments in developing and developed markets on issues related to strategy, business development, market intelligence, and operations. He can be reached by [Email](#), [Twitter](#), or [LinkedIn](#).



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<http://www.legalweek.com/2018/05/04/us-firms-ramp-up-presence-in-the-capital-as-new-figures-highlight-aggressive-london-recruitment/>

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**LAW FIRM
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US firms ramp up City presence as latest lateral figures highlight aggressive London recruitment

Georgina Stanley
and Rose Walker

04 Mai 2018



The largest US law firms in London added some 500 lawyers to their City ranks last year, making more than 100 lateral partner hires as the weaker pound and the King & Wood Mallesons (**KWM**) collapse helped the group of firms ramp up their presence on this side of the Atlantic.

Between them, the 50 largest US firms with UK law practices in the City added 109 new partners in London during 2017, up marginally on the previous year.

Legal Week's research – which excludes transatlantic vereins DLA Piper, Norton Rose Fulbright and Hogan Lovells – shows that, between them, the group of firms now house more than 1,500 partners and almost 3,500 further lawyers.

Four US firms – White & Case, Baker McKenzie, Reed Smith and Latham & Watkins – each have more than 300 lawyers in the capital, with a further two – Kirkland & Ellis and Jones Day – housing at least 200 apiece.

Three firms – Reed Smith, White & Case and Bakers – had at least 100 partners when the data was collated on 1 January this year, with Kirkland, Mayer Brown and Latham not far behind on at least 74 partners each.

As a comparison, City stalwarts Macfarlanes and Travers Smith both had fewer than 90 partners during the last UK financial year, while no more than 10 partners separate Reed Smith and White & Case's London partner headcounts from Slaughter and May's figure of 115 last year.

But while the sheer scale some of these firms have now achieved in London may make for depressing reading for some UK rivals, the research shows much of their partner-level hiring was driven by the collapse of KWM's European arm last January.

Four of the US firms making the most London lateral hires during the 2017 calendar year – Reed Smith (13), Goodwin Procter (nine), Greenberg Traurig (seven) and Covington & Burling (six) – all benefited from the implosion of the legacy SJ Berwin business, adding large teams of KWM lawyers as they found new homes.

Seven of Goodwin's nine lateral partner hires in 2017 **joined from KWM**, including funds partner Michael Halford, with this recruitment helping the US firm to **more than double its lawyer count** in the UK capital from 37 to 77.

Goodwin London co-chair Samantha Lake Coghlan commented: "We have had a great 12 months of rapid growth in London, both in terms of the addition of senior new hires and in terms of growing our existing key franchises in real estate and private equity.

"The year has also seen us add talent in technology and life science, new areas of focus for us in Europe, but which are practice areas where we have a leading position in the US. The European expansion underlines our commitment to be best in class across four major business verticals. We expect this rapid growth to continue this year and beyond."

Similarly, Greenberg achieved the second highest year-on-year growth thanks in part to six partners and a number of other lawyers **joining from KWM** to increase London lawyer count by nearly 66% to 76.

Executive chairman Richard Rosenbaum said: "The London market is key to Greenberg's global platform. The level of talent and clients in the market allows us to continue our path of strategic growth, without resorting to mergers or vereins, and the results speak for themselves.

“I am particularly impressed by how well [former name partner] Paul Maher has adapted. Last year, he took his name off the door some years after founding the office, and while continuing to work closely with me on London strategy, became a vice-chairman of the global firm.”

In total, partners from the failed KWM business accounted for some 35 of all of the lateral hires in London by the group of US firms, equating to just under a third of all partner-to-partner level moves across the group.

Leaving KWM to one side, there were a number of high-profile magic circle hires by US firms, including Patrick Sarch (pictured) **moving from Clifford Chance to White & Case**, Ed Barnett’s switch from Allen & Overy to Latham, and Ben Spiers leaving Freshfields for Simpson Thacher.



However, many of the year’s standout lateral hires were between US rivals, with hunters just as likely to find themselves the prey.

Roughly a quarter of all of last year’s hires (27) were between rival US firms. Standout examples in this group include private equity partner Richard Youle’s **move from White & Case to Skadden Arps Slate Meagher & Flom**, while Latham brought in two partners from Quinn Emanuel.

With US firms including Ropes & Gray and Mayer Brown among those seeing partner exits to rivals, a number of firms saw their London lawyer count shrink on last year.

Ropes, for example, saw lawyer count drop 18% from 129 to 106 during 2017, **after exits including restructuring partner James Douglas to Linklaters** and finance duo Mark Wesseldine and Fergus Wheeler to King & Spalding. Other firms to see lawyer count reduce year on year included Arnold & Porter, Simpson Thacher & Bartlett, Mayer Brown and Shearman & Sterling – all of which saw declines of between 9% and 12%.

Latham and Kirkland, however, continued to set themselves apart from many of their rivals, despite Kirkland seeing a number of partner exits of its own.

Both saw double-digit increases in City lawyer count during 2017, and both now have London revenues way ahead of many UK top 50 firms. Kirkland, the smaller of the two in London with 217 lawyers, compared with Latham’s 335, is understood to have made about 10% of its **recordbreaking 2017 global revenue figure** in London – equating to about \$315m (£233m).

Commenting on last year's lateral recruitment market, Vassos Georgiadis, founder and managing director of Melton Legal, said: "US firms continued very strong growth in London in 2017. The collapse of KWM was the single largest event fuelling this, but across the board the first and second division UK firms continued to lose partners to the US firms, with very few coming the other direction.

"We expect 2018-19 to see more moves to US firms, notwithstanding steps from some of the principal UK firms to revamp their remuneration systems to prevent star partners leaving for financial reasons."

Fox Rodney Search managing director Leanne Clark added: "A lot of US firms are looking for the same expertise across similar practices. Leveraged finance and private equity are still really hot. US firms are getting a lot of coverage in the press for high-profile cases, such as Gibson Dunn & Crutcher's role on the competition side of the Asda-Sainsbury's merger. Winning roles on big-ticket work like this demonstrates their credibility in the UK market and attracts attention from partners looking to move.

"The continued trend of magic circle lateral moves to leading US firms is interesting – as a number of the magic circle firms change their lockstep culture and increase performance management, driven partners are less likely to see the move to a more merit-based US firm as such a significant change."

Top five fastest-growing US firms in London in 2017

- Goodwin – up 108.1% from 37 lawyers to 77
- Greenberg Traurig – up 65.2% from 46 lawyers to 76
- Kirkland & Ellis – up 28.4% from 169 lawyers to 217
- Quinn Emanuel – up 27.5% from 51 lawyers to 65
- Winston & Strawn – up 24% from 25 lawyers to 31

Top five US firms in London by lateral hiring activity in 2017

- Reed Smith – 13
- Goodwin – 9
- Greenberg Traurig – 7
- Covington & Burling – 6
- Latham & Watkins – 6

Top five US firms by London lawyer count at January 2018

- Baker McKenzie – 384
- White & Case – 370
- Latham & Watkins – 335
- Reed Smith – 317
- Kirkland & Ellis – 217

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Brexit could deprive British law firms of business in two ways

English-qualified solicitors could find it harder to work on deals in Europe—and may find that is where their clients have gone



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Nov 23rd 2017



ALTHOUGH London's legal district traces its roots back to the 14th century, the city's law firms are modern, international businesses. Britain is home to four of the world's ten largest law firms by revenue, and its companies have extensive networks of offices abroad. The British legal industry earns around £25bn (\$33bn) a year, a fifth of it from exports. Much of its success is due to the dominance of English law, which is often chosen as the governing law for international commercial contracts and dispute resolution, even by parties with no links to Britain.

Brexit presents London's lawyers with two unknowns. The first is how Britain's future relationship with the European Union will affect their operations in Europe, where they do a lot of their business. The second is how their clients will respond to Brexit. With little more than a year left before Britain is due to leave the EU, law firms are preparing for both uncertainties.

Take the first. Currently, lawyers qualified in Britain can fly to continental Europe to advise clients, and relatively easily set up shop or requalify as solicitors in other EU countries. As lawyers of an EU member, they can represent clients at the European Court of Justice (ECJ) and advise on EU law. This includes European merger and antitrust cases, which are often handled by City firms and which pay well. Two British-based firms, Freshfields Bruckhaus Deringer and Linklaters, worked on the takeover last year of SABMiller, a British brewer, by Belgium's ABInBev, which faced competition reviews in Europe.

How much of this will survive Brexit? One concern is that lawyers qualified only in Britain may no longer enjoy legal privilege in EU cases, or rights of audience at the ECJ. The result has been a flurry of applications to the roll of solicitors in Ireland. Around 1,200 English- and Welsh-qualified solicitors have joined in the past 18 months, says Ken Murphy of the Law Society of Ireland. That compares with typical numbers before the Brexit referendum of 50 to 100 a year. Most of those registering are EU competition and trade-law specialists, including lawyers from almost all the largest London firms, he says. Few have any intention of moving to Ireland; rather they are seeking to ensure they can continue to practise in these fields post-Brexit.

Meanwhile, some British firms are beefing up their presence in Brussels. Since the referendum, Slaughter and May has relocated part of its antitrust team, while Macfarlanes has set up a Brussels office.

The second uncertainty concerns clients. Financial-services firms, in particular, are a big source of business for lawyers. Between 2009 and 2014 they accounted for 44% of the value of deals handled by the City's 50 largest law firms, according to the Law Society. If Brexit limits London financiers' ability to trade with the continent, parts of the industry could relocate. The EU announced on November 20th that after Brexit it will move its main bank regulator from London to Paris.

Should clients move there, or to Frankfurt or Luxembourg, Britain's big law firms will feel well prepared. Most are established on the continent or have close relationships with local firms. But they worry that Dublin, a potential destination for asset managers, might represent a gap in their planning. Rather than set up bases there, British firms have previously dealt with Irish work out of London. Now they are considering expansion, though so far only one, Pincent Masons, has acquired an Irish practice since the referendum. A relocation of clients to New York could also cause problems. Although British law firms have offices there, they may have to expand in order to compete against the American behemoths.

The nature of advice will change, too. Britain's membership of the EU's single market has until now limited British businesses' need for advice on trade law. Now, as they start planning for life outside the single market, clients are requesting help on the niceties of World Trade Organisation rules. A number of firms, such as Linklaters and Clifford Chance, have put together stand-alone trade practices since the referendum, hiring academics and former advisers to governments and to international trade organisations. Such work is likely to be labour-intensive and low-margin, since many clients will expect such advice as part of their existing relationship.

Firms worry that Brexit might put a brake on dealmaking, reducing the amount of work for lawyers. But so far there is little sign of this. The biggest law firms are well hedged, given their foreign exposure. A survey by PwC, a consulting firm, suggests that revenues last year were buoyed by sterling's fall.

City lobbyists have warned that the popularity of English law could wane. But many of the reasons for its dominance, such as its reputation for fairness and its centuries of precedent, need not be affected by Brexit. The longer-term risk, suggests Wim Dejonghe, senior partner at Allen & Overy, is that Britain loses its "soft power" and that foreign lawyers and managers become less likely to favour English law as fewer work or study in Britain. If London law firms' future is not in imminent danger, nor is it quite beyond reasonable doubt.

This article appeared in the Britain section of the print edition under the headline "Due diligence"

**LAWYER
COMPENSATION**

Money talks, partners walk: how the pay gap between elite US and UK firms became a chasm

Hugh Simons

12 Juni 2017



An underappreciated effect of the Great Recession is how it put on steroids the amounts by which elite US firms can outflank their UK counterparts on partner compensation.

As a consequence of higher profitability and wider compensation ranges, the most highly compensated partners at elite US firms now earn up to three times as much as their counterparts at traditional UK lockstep UK firms.

Unsurprisingly, we are seeing an almost one-way flow of lateral partners. As talent flows, competitiveness follows, leaving the UK elite facing the prospect of a downward spiral through the global rankings. And to think: it all began with the accident of geography.

The Great Recession

The onset of the global financial crisis dealt a body blow to global law firms. Average profit per equity partner (PEP) fell 15% in one year for the elite on both sides of the Atlantic.

However, since the initial drop, the fortunes of UK and US firms have differed sharply. **This graph (click to view)** shows the profitability performance through the Great Recession of the magic and silver circle firms and the 10 US firms with the highest PEP.

While almost a decade later, the elite UK firms have yet to regain their pre-recession profitability levels, the US elite regained their prior peak in just three years and are now enjoying profitability some 20% above that level (each on an inflation-adjusted local currency basis).

“ *The US firms are exhibiting growth and institutional vitality that their UK counterparts are not* ”

This marked difference in performance is not just in profitability, manufactured, say, by constrained equity partner numbers. Indeed, **as this graph shows**, firms on both sides of the Atlantic increased their number of equity partners through the recession, with the US firms doing so slightly more than their UK brethren.

However, the trajectories of the number of lawyers are quite distinct: the US firms have grown strongly while the UK firms have contracted slightly, leading to leverage moving in opposite directions on either side of the Atlantic. Thus, the US firms are exhibiting growth and institutional vitality that their UK counterparts are not.

Today's profitability and compensation disparities

It is useful to try to understand today's differences at the individual firm level. This is an inexact science. The US firms' financial data are unaudited self-reported numbers and, while the UK firms have publicly available audited reports, and some are clear throughout (e.g. Allen & Overy), others are quite obscure in places (e.g. pensions). Further, idiosyncratic approaches to counting the number of equity partners appear common on both sides of the Atlantic. Thus, what follows is reliable more in terms of trends and order-of-magnitude differences than it is in the particular.

Accepting these PEP data for what they are, they need to be brought to the same currency for comparison. Using market exchange rates can be misleading. Instead, **the comparison shown in this graph** uses long-term equilibrium exchange rates (see Equilibrium Exchange Rate Comparison footnote, below). With the exception of Slaughter and May, the low profitability end of the US elite is operating at PEP levels some 30%-60% above their UK counterparts.

The differences in average profitability will tend to understate the differences in compensation for established partners. For this comparison, compensation ranges within firms play an important role. US firms are increasingly moving to systems wherein individual partner compensation more closely reflects the wide range in the economics of different partners' practices. This has led to US and UK firms having very different ratios between the compensation of partners in their highest and lowest compensated equity partner bands.

Last December, for example, Kirkland & Ellis moved from an 8:1 to a 9:1 ratio between the comp of their top and bottom bands; UK firms traditionally operate at about a 2.5:1 ratio.



So how big is the compensation difference at the top end? Well, here's a way to estimate it: for a 9:1 firm, a reasonable rule of thumb is that the lowest compensated partners earn

about one third of firm average while the top tier earn about three times firm average.

Similarly, for a 2.5:1 lockstep firm, a reasonable estimate of the range is from 0.60-0.65 to 1.5-1.6 times firm average. Applying these ratios to an idealised US firm with average compensation 30% higher than an idealised UK firm, we get that compensation at the top end of the US firm is 2.5 times that at the UK firm.

This comparison explains why many UK firms have gone off lockstep at the high end. How far off have they gone? In the Companies House filings of the magic and silver circle firms, the highest ratio of top to average compensation identified was 2.3 times. Does this close the gap? Yes, but not entirely – the gap contracts from 2.5 times to 1.7 times, i.e. compensation at the top end of a 9:1 US firm would be 70% above that at the widest modified lockstep UK firm.

The power of geography

To explore how UK firms could close the compensation gap, it's useful to consider how there can be such a divergence in PEP when both sets of firms have great lawyers, doing highly sophisticated bespoke work on critical matters for clients that value high quality lawyering.

“ Failure by the UK elite to adapt will set them on a course to mediocrity

A part of the explanation is geography. Different geographic markets have different inherent profitability: while the US and UK are high profit, much of the rest of the developed world (e.g. western Europe, developed Asia, the Middle East and Australia) operates at a notch down in profitability, and the emerging markets (e.g. Africa, China, CIS, Latin America) operate at yet a further notch down. The UK and US elite firms have very different footprints across geographic markets categorised as high, medium, and low profitability in this way ([click here to see this illustrated](#)).

What would you have to believe for the geographical footprint difference to explain the divergence in PEP? Well, if you estimate that profitability of the medium and low profit markets is 75% and 20%, respectively, of that of the high profit markets then, for the typical UK and US mixes of partners by market type as shown below, the mix differences would explain a 30% difference in PEP:

Market	Market PEP (Index)	“UK Mix” of Partners	“US Mix” of Partners
High Profit (set = £1000k)	£1000k	45%	90%
Medium	£750k	35%	5%
Low	£200k	10%	5%
Firm average PPP (Index)		£730	£950
Difference:		+30 percent	

This difference in footprints, and its profitability consequence, is probably more due to ‘maps than chaps’ – that is, more due to geographic happenstance than to prescient leadership. For a US firm, sitting in an economy that is more than 6.5 times the size of that of the UK, much of the impetus for growth can be satisfied within the domestic market. As the segment of the US market in which these elite firms play is largely homogenous nationally, growth comes without a major profitability sacrifice. In contrast, the UK firms’ natural avenues for growth – continental Europe, Hong Kong, Australia – all entail a step down in profitability.

Geographic growth has some underappreciated dynamics. One is that once a foothold is established in a market, the number of partners in the market tends to grow at a faster rate than does that of the firm as a whole. We see this in how the mix of ‘new’ partners (promotions and laterals) differs from that of ‘old’ partners across markets by profitability type; see data for an example UK and US firm below:

Mix of partners by market profitability, 2015 & 2016:

	Allen & Overy			Kirkland & Ellis		
	“Old” Partners	“New” Partners	Difference	“Old” Partners	“New” Partners	Difference
High profit	44%	39%	-6 pts.	94%	91%	-3 pts.
Medium profit	46%	41%	-5 pts.	2%	4%	+2 pts.
Low profit	9%	20%	+11 pts.	4%	5%	+1 pts.

Growing disproportionately in lower profit markets reduces average profitability, with the effects more pronounced in absolute terms as the proportion of a firm’s partners in the lower profit markets grows. Such disproportionately lower profit growth is rarely a firm’s intent. More typical is an aspiration to be the minimum size needed to serve the firm’s most important clients in the local market.

But mission creep often ensues. The entrepreneurial type of partner who founds an office in a new geography will instinctively and energetically look to grow. Growth won’t always be in practices, or with clients, that are central to the firm’s strategy. Yet, to firm leadership, sanctioning the hiring of each marginal lawyer seems like a small price to pay to keep the entrepreneurial founders engaged and motivated. Before long, however, the firm’s low profit market presence is larger and less focused than was intended.

Strategy implications

There are major differences in strategy among the global elite. For example, Wachtell and A&O are pursuing very different approaches to securing sustainable, above normal, profitability. Different strategies necessarily produce different levels of average PEP. This is not of itself a problem; it only becomes a problem if a firm's compensation system creates a significant and sustained disconnect between the economic value of a partner's practice and the partner's compensation. If the comp system tends to move individual partners' compensation toward global averages (as can happen out of a 'one firm' ethos), then the comp of partners in lower profit markets drifts up while that of partners in higher profit markets drifts down and leads to their being undercompensated relative to the economic value of their practices. The higher the percent of firm's partners in lower profit markets, the more pronounced is this effect and hence the greater is the risk of a firm's most commercially successful, high profit market partners departing to firms prepared to share with them more of the economic value created by their practices.

While many UK firms have increased significantly the variability in their compensation systems (e.g. different ladders by country, uncapped top tiers), there is evidence that such talent migration is happening between the UK and US elite. I looked back at partners who had moved from an elite US firm to an elite UK firm, and vice versa, during the past five years. What I found was a total of 35 such moves: 29 were from the UK elite to the US elite; six were in the opposite direction.

The difference is wider in each group's home market: 14 partners moved from the UK to the US elite in London; two moved from the US to the UK elite in the US. Lateral movement was especially robust last year – 2016 accounts for almost half of the five-year total. The hiring by US firms is concentrated in just three US firms – Kirkland & Ellis, Gibson Dunn & Crutcher and Davis Polk & Wardwell accounted for 25 of the total hires ([click here to see more](#)).

“ For a US firm, sitting in an economy that is more than 6.5 times the size of that of the UK, much of the impetus for growth can be satisfied within the domestic market

Much of conventional economics is premised on the notion of diminishing marginal returns; that is, the tendency for companies that get ahead of their rivals to be slowed in their progress by running out of, say, the best land to farm or people to hire. Law firms defy this convention. Rather, they are governed by the phenomenon of increasing returns, that is the tendency for firms who get ahead to get further ahead as virtuous loops are established between attractive clients, great lawyers and strong profits. We [see this increasing returns phenomenon among elite global firms](#); the firms with stronger PEP have exhibited higher growth in PEP than have their lower PEP brethren.

Action implications

The evidence is clear that the US elite are ahead, and getting further ahead, of their UK counterparts not just in terms of PEP but also, more fundamentally, in attracting excellent lawyers in high profit markets and in overall organisational vitality. It would be tempting for the UK elite simply to accept this and to



carry on unperturbed and undaunted – tempting, but foolhardy. Competitors don't stand still. The US second tier stands ready to assail the UK elite with the same combination of partners concentrated in high profit markets and wide compensation bands that was so successfully exploited by its elite compatriots. Unaddressed, successively lower tier US firms will surpass the erstwhile UK elite as the latter recede into mediocrity.

Thus, it behoves the UK elite to take stock of where they are setting the balance on a number of strategy levers. While the action implications from such deliberation will vary by firm, common themes will likely include the following:

Compensation systems: A compensation system seeks to balance a firm remaining true to its traditions with the changing realities of the external marketplace. On the latter, a firm with a narrow compensation range is increasingly competing with one hand tied behind its back in the market for talent. Too narrow a compensation system also risks muting partners' motivation in an increasingly challenging environment where success can accrue disproportionately to the more motivated. Compensation systems can be changed without unduly damaging the fabric of a partnership by following, for example, a process that engages all partners in an open dialog .

Partner mix across markets of varying profitability: An overly strong presence in lower profit markets reduces overall profitability, pressures compensation systems, and can foment disharmony among partners. Firms may want to consider selective withdrawal from, and slowing promotions and laterals in, lower profit markets. In principle, UK firms could raise their average profitability in one step through a combination with a US firm. In practice, it's not clear that the UK elite would be enthusiastic about combining with the US firms within comparable bands of profitability, (e.g. Freshfields and Linklaters would rank in the 20s of the AmLaw 100 by PEP; Clifford Chance, Allen & Overy, and Macfarlanes would rank in the 30s). A more viable approach to raising profitability through growth in the US may be to focus on sub-segments of the broader service areas where the UK firms have unsurpassed strength and then look to grow around these.

Growth rate: The public company world attaches great importance to growth. This makes sense: shareholders benefit from stock price appreciation resulting from equity markets believing future revenue streams will exceed the outlays necessary to create them. The law firm world is very different in two ways. Firstly, shareholders only benefit from the year-by-year realisation of the incremental profits – there is no realisable benefit today of anticipated future incremental profits. Secondly, there is a cap on the amount by which the incremental profit created by, say, a successful lateral partner can exceed their compensation – if too wide a gap emerges, the risk of the partner leaving grows. Thus, law firms should be chary of the clarion call to growth that permeates the broader business world.

This is not to say that law firms should eschew growth. Indeed, there is a minimum required growth rate: that needed to promote associates to partners at a rate sufficient to attract high quality associates. Above this rate, growth should be focused on tightly integrated initiatives that enable the organisation as a whole to realise economic value today (through, say, more differentiated offerings that enable strengthened price realisation); firms should avoid growth through non-integrated initiatives that putatively will result in future revenues significantly in excess of their costs.

Investment horizon: In the broader business world, it's common to espouse investing for the long term, that is to put money into initiatives that will not yield a profit until many years in the future. One has to be thoughtful in adopting such an investment horizon in the law firm world. Investments at law firms entail paying partner A less than the economic value of her practice so you can pay partner B more than the value of his. If such differences are large or sustained then commercially productive partners become disenchanted, lose motivation, and leave to firms prepared to pay them more. In the case of lateral partner investments, this risk is compounded by the fact that 45% of laterals do not stay more than five years, meaning there is almost a 50/50 chance the investment outlay is simply wasted. There is no comparable constraint in the broader business world – a 'cash cow' can fund 'question marks' indefinitely. This is not to say law firms should not invest. Rather it is to say that law firms should set a time horizon for realising an economic value from investments that is shorter than that encouraged in the broader business world.

Revenue vs profit: Law firms seem to have been misguided about the importance of revenues. Law is a two-sided market – firms compete for the most attractive clients and for the best lawyers, with success in one enhancing the prospects for success in the other. Revenues may be proof that clients are being attracted to a firm, but profit is what attracts and retains great lawyers. It's always harder to build profit than revenue. When growing, the hurdle should not be 'can we sell more work?'; rather it should be 'can we increase our realised price by offering something clients truly value and that few, if any, others can match?'

Bundled vs integrated service offerings: Law firms succeed when their service offerings are truly differentiated – differentiation translates to fewer credible competitors, and fewer competitors leads to stronger price realisation and hence profitability. A major reason firms build broad office networks is to create service offerings that span offices and hence are differentiated.

There are some basic truisms that must be honoured for this logic to be valid. First, a firm has to serve the same clients with the same offerings across the broad office footprint; this isn't always the case as local offices have a proclivity to serve local clients. Also, the bundle has to be valued by clients. This isn't always the case either. For example, a client will not always use the broad-footprint firm when they want the best-of-breed lawyer in a particular jurisdiction. It's useful to parse through the implicit 'when best-of-breed not required' rationale here: this is equivalent to a client using the broad-footprint firm when they are happy with a second best local lawyer, suggesting the client would probably have been happy with an arms-length independent firm. There is an inherent tension between this implicit rationale and the broad-footprint firm's typical aspiration of being an elite law firm.

Where the broad office footprint can lead to differentiation is when it is used to create integrated, not just bundled, offerings. An integrated offering is one where lawyers with different domain expertise and backgrounds work intensively together to develop solutions that wouldn't be developed if they simply worked together across firm boundaries. It's stunningly difficult to pull off this integration at law firms. This is partly because many partners don't distinguish between cross-selling and integrating offers. Cross-selling is the law firm equivalent of a fast food upsell ("do you want fries with that?"); an integrated offering is lawyers from different backgrounds working on the same matters and on developing new legal specialities at the interstices of extant practice area definitions. Creating such offers doesn't happen naturally. It requires enablement, example setting and relentless encouragement from firm leadership, and the client-teaming and practice-management overlays to a firm's office-centered organisational structure.

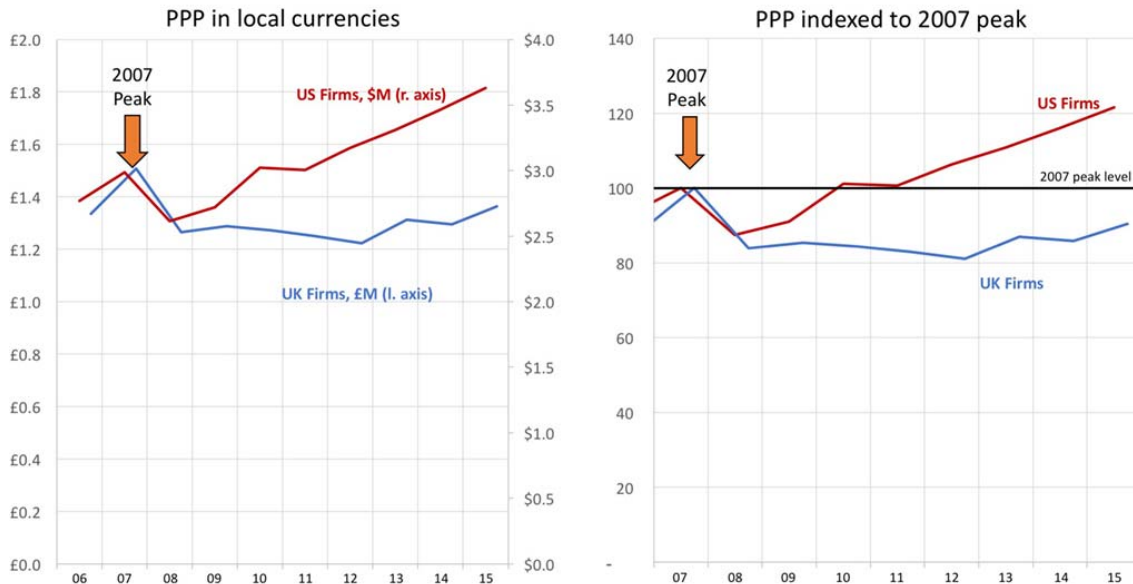
This is a watershed moment in the life of elite UK firms. Their US counterparts, whether through happenstance or prescient leadership, have moved ahead in terms of profitability, vitality and ability to attract great partners. The US second tier stands ready to replicate the success of its elite compatriots. Failure by the UK elite to adapt will set them on a course to mediocrity. The tide is at the flood; fortune, or shallows and misery, beckons.

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Footnote: Equilibrium Exchange Rate Comparison If you compare the profitability of elite UK and US firms using market exchange rates, you get numbers that tell you more about the vagaries of exchange rates than they do about the firms' relative performance. Instead, this analysis uses purchasing power parity (PPP) rates as published by the OECD. These PPP rates remove the effects of capital flows and currency speculation by looking simply at the exchange rate required to have the same basket of goods cost the same amount in each country. PPP rates are stable over time and serve as a long-term equilibrium about which market rates vary. They ring true as reasonable equilibrium rates: for example, while the average FY 2015-16 rate for the Euro was 1.355 €/£, the equilibrium rate is 1.088 €/£. These rates are used in place of market rates in two steps: (1) the GBP-denominated profitability of the UK firms is restated using information about the sensitivity of this profitability to exchange rate variation provided in Companies House filings, (this adjustment materially increases GBP-denominated profit per equity partner for firms with significant Euro-denominated practices), and (2) the dollar-denominated profit per equity partner of the US firms is converted into GBP at the equilibrium GBP/USD rate of \$1.452/£ to enable a same-currency comparison.

[This graph \(click to view\)](#) shows the profitability performance through the Great Recession of the magic and silver circle firms and the 10 US firms with the highest PEP.

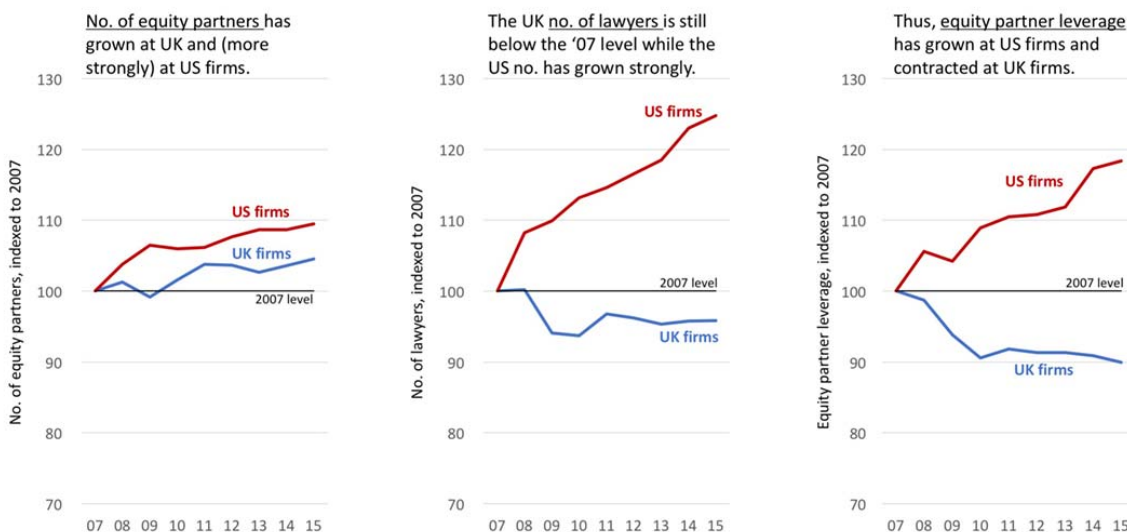
Fig. 2: Differences in PEP performance through the recession



Sources: ALM Intelligence; UK ONS; US BEA.
 Notes: UK firms exclude Ashurst and HSF; quantities are inflation adjusted to 2015 in local currencies; horizontal offset in time series reflects difference in financial year definition.

This marked difference in performance is not just in profitability, manufactured, say, by constrained equity partner numbers. Indeed, [as this graph shows](#), firms on both sides of the Atlantic increased their number of equity partners through the recession, with the US firms doing so slightly more than their UK brethren.

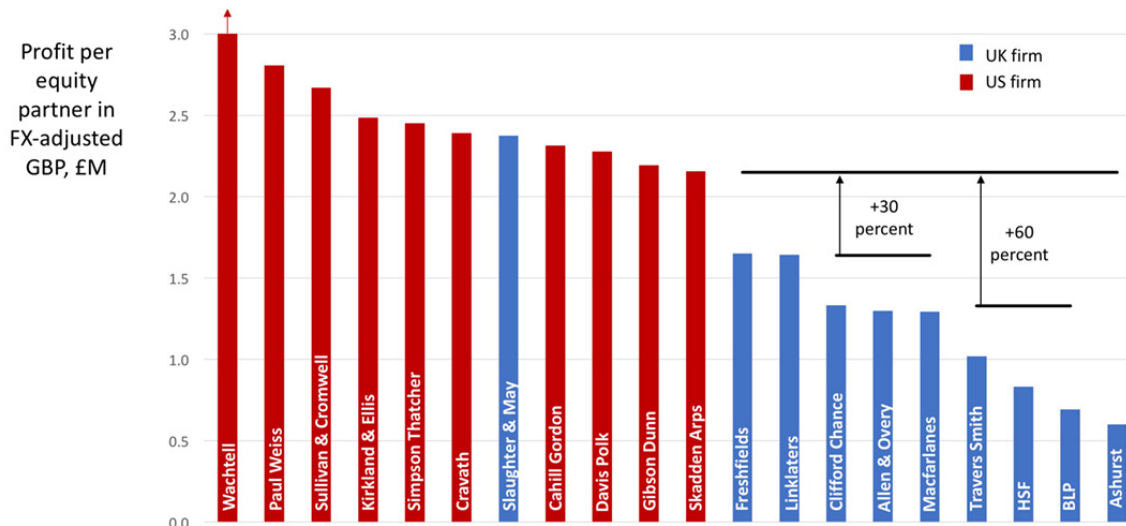
Fig. 3: Equity partner, lawyer, and leverage growth



Source: ALM Intelligence.
 Notes: UK average excludes Ashurst and HSF.

Accepting these PEP data for what they are, they need to be brought to the same currency for comparison. Using market exchange rates can be misleading. Instead, [the comparison shown in this graph](#) uses long-term equilibrium exchange rates (see Equilibrium Exchange Rate Comparison footnote, below). With the exception of Slaughter and May, the low profitability end of the US elite is operating at PEP levels some 30%-60% above their UK counterparts.

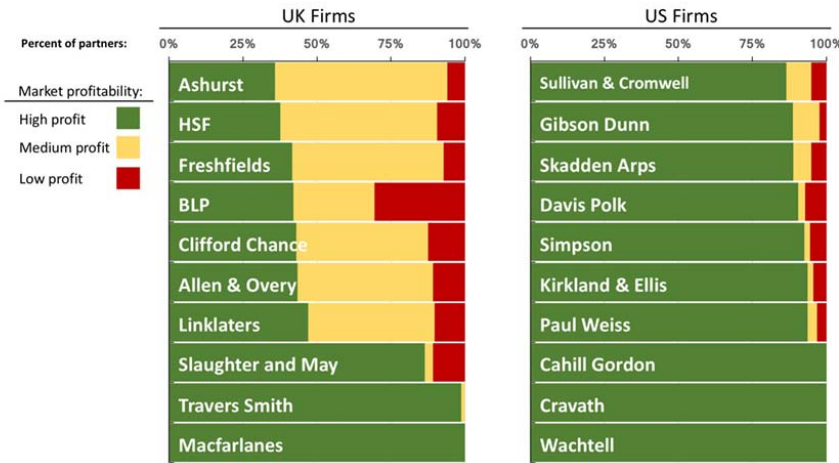
Fig. 1: PEP of elite UK and US firms at equilibrium exchange rates



Sources: ALM Intelligence; Companies House; FRED; OECD.
 Note: UK and US firm data are for FY 2015-16 and CY 2015, respectively.

A part of the explanation is geography. Different geographic markets have different inherent profitability: while the US and UK are high profit, much of the rest of the developed world (e.g. western Europe, developed Asia, the Middle East and Australia) operates at a notch down in profitability, and the emerging markets (e.g. Africa, China, CIS, Latin America) operate at yet a further notch down. The UK and US elite firms have very different footprints across geographic markets categorised as high, medium, and low profitability in this way ([click here to see this illustrated](#)).

Fig. 5: Partner distribution by market profitability



Source: Firm websites, accessed March 2017.

Notes: High profit markets are US and UK; medium profit markets comprise: other European Community, middle east, developed Asia, Australia and Canada; low profit markets comprise: CIS, Turkey, HK and China, other emerging Asia, Latin America, and Africa.

The difference is wider in each group’s home market: 14 partners moved from the UK to the US elite in London; two moved from the US to the UK elite in the US. Lateral movement was especially robust last year – 2016 accounts for almost half of the five-year total. The hiring by US firms is concentrated in just three US firms – Kirkland & Ellis, Gibson Dunn & Crutcher and Davis Polk & Wardwell accounted for 25 of the total hires ([click here to see more](#)).

Fig. 4: Partner movement among the elite

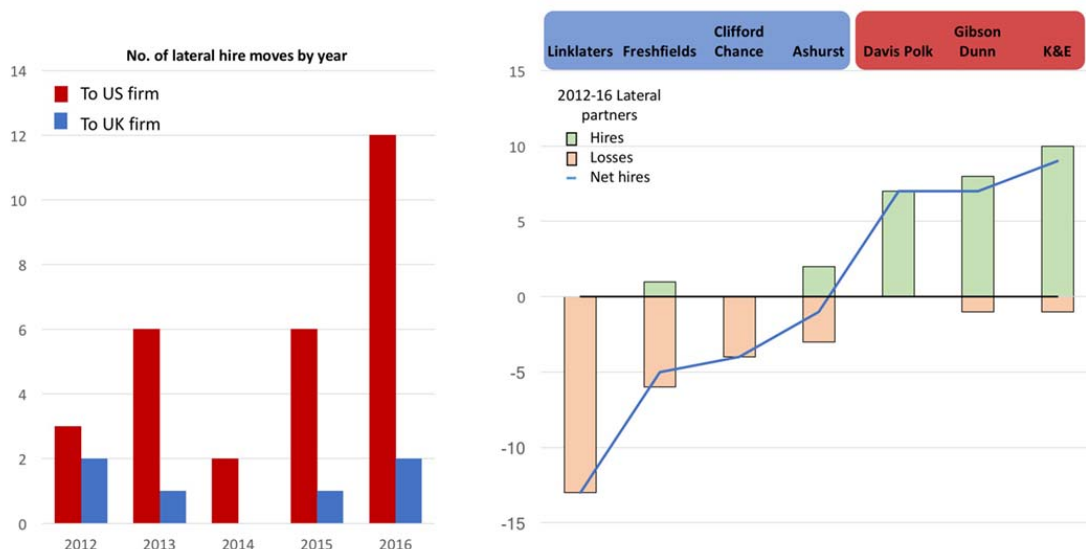
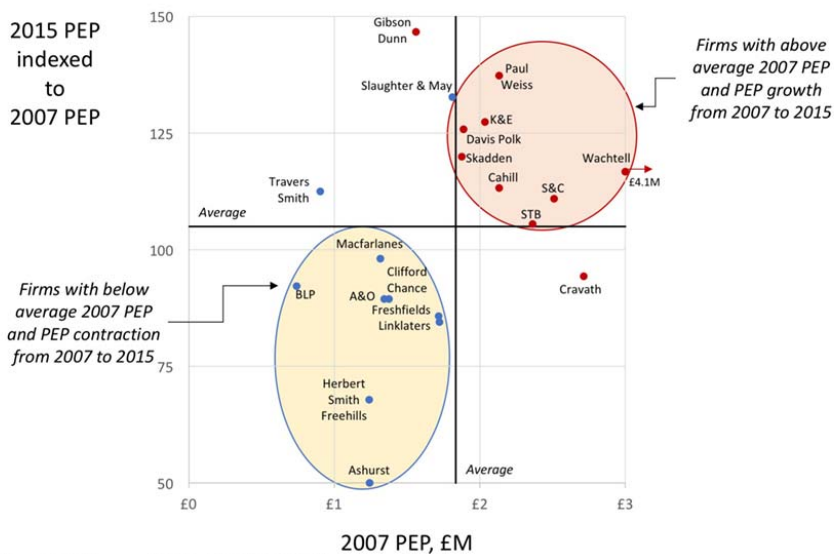


Fig. 6: Increasing returns: those who are ahead get further ahead



Sources: ALM Legal Intelligence; OECD; UK ONS; US BEA.

Notes: 2007 PEP shown are inflation-adjusted to 2015 in local currency and converted at purchasing power parity exchange rates. Ratio of 2015 to 2007 PEP are inflation-adjusted local currency ratios.

COVER STORY LAW FIRMS CORPORATE UK ANALYSIS
ALLEN & OVERY CLIFFORD CHANCE
FRESHFIELDS BRUCKHAUS DERINGER LINKLATERS
SLAUGHTER AND MAY

The magic circle's succession problem

The day of the corporate big beast is over. What can the magic circle do to nurture its next crop of superstars?

By Rachel Moloney | 12 April 2018

All magic circle firms will tell you they have succession planning sorted. They have the biggest corporate teams in London, after all. But difficulties arise at the most senior end of each group, particularly in the context of lateral recruitment and interest from US firms. If someone leaves or has no interest in management, what is a firm to do?

The magic circle has no shortage of good lawyers but corporate leaders tend to be heavy-hitters with a dash of star power. Lawyers like that are in shorter supply.

This all leads Linklaters global head Aedamar Comiskey to quip that succession planning can be a question of “luck and good timing”, much like winning a mandate. While adding that Linklaters spends a lot of time thinking about succession, Comiskey’s analogy highlights the fact that firms cannot always guarantee a simple passing of the baton.

Albeit not in corporate, [Slaughter and May](#) tore up its own rule book when it hired its first City lateral after not having a “sufficient candidate internally” in its pensions practice. Partners also recollect matters of succession in Hogan Lovells’ corporate practice when Ben Higson was made up comparatively early in 2014 to take the London head position

“Senior figures were not lending themselves to the role,” says an insider.

There are already murmurings that Clifford Chance could struggle to fill the void if global corporate head Guy Norman were to leave

For the first time, *The Lawyer* has analysed each of the magic circle’s City corporate teams with an eye on succession. As it stands their deal teams are led by some of the biggest names in the market, with Clifford Chance’s Guy Norman, Freshfields Bruckhaus Deringer’s Simon Marchant and Allen & Overy’s (A&O) Richard Browne joining Linklaters’ Comiskey as the current names at the top. But the data uncovered by *The Lawyer* brings to light some gaps in succession planning that may come back to bite them. While the pipeline of junior partners looks strong, there are signs that not enough attention has been paid to the senior ranks who could need to step up to the plate should the need arise. They are, too often, becoming indistinguishable as part of the magic circle corporate machine.

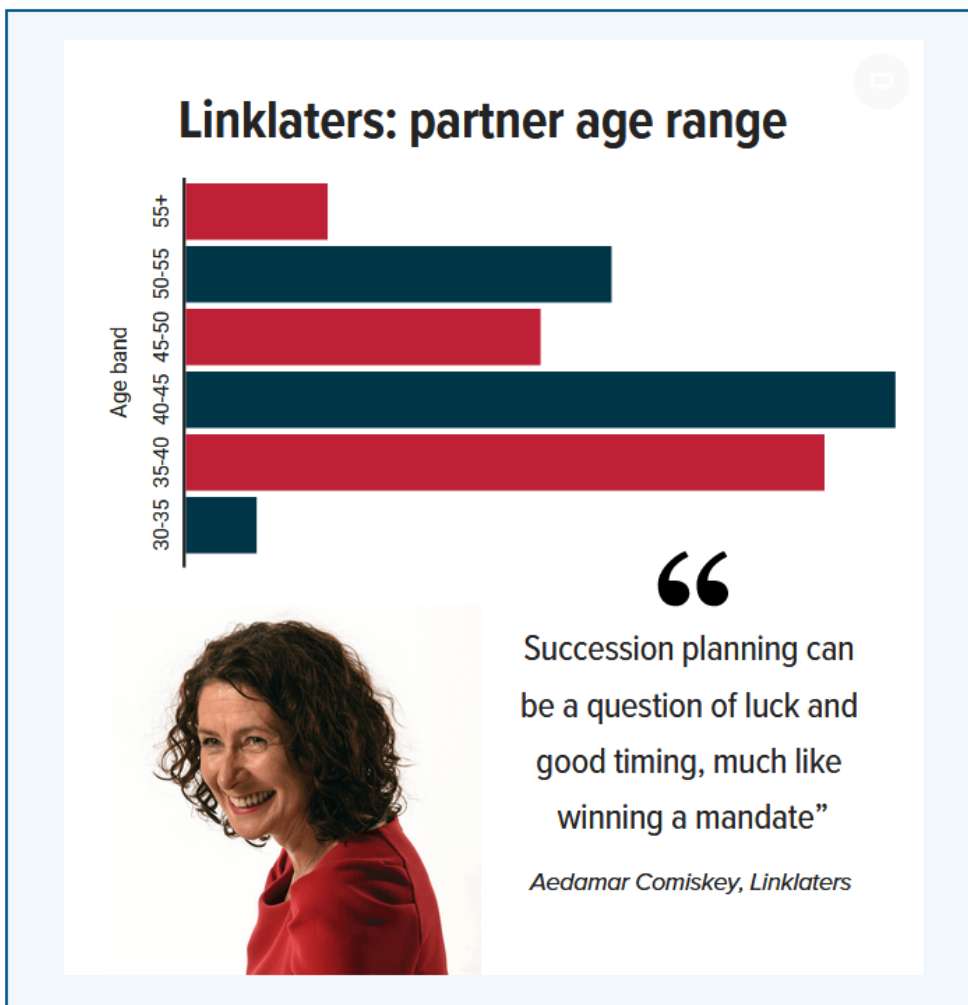
The problems for US firms in London

No firm wants to admit it has a succession problem, but there are multiple examples. The problems can be particularly acute in the London offices of US firms, although this is down to the size of their bench more than anything else. Skadden Arps Slate Meagher & Flom private equity partner Allan Murray-Jones retired in 2014 but the firm only last year made a conscious effort to replace him, in the form of White & Case partner Richard Youle. Simpson Thacher & Bartlett's corporate practice continues to provoke chatter in the market, although the firm did recruit Freshfields' Ben Spiers to take on Adam Signy's mantle when he retires. Sullivan & Cromwell is at risk of falling into a trap when the long-serving Tim Emmerson stands down, while Marco Compagnoni's eventual departure from Weil Gotshal & Manges is also cited as a turning point for the firm's City practice.

Sullivan & Cromwell is at risk of falling into a trap when the long-serving Tim Emmerson stands down

In comparison, the magic circle should not have any succession problems as they are numerically at an overwhelming advantage. They boast the UK's largest corporate teams, with The Lawyer's analysis of City practices finding Freshfields' group to be the largest, at 214 fee-earners. Second-largest is Linklaters' corporate M&A team with 183, although the firms define 'corporate' differently. Freshfields' transactions team, for example, includes restructuring lawyers, while Linklaters' group includes employment. Talking about pure corporate deal-doers, Linklaters partnership is the largest at 33. Clifford Chance's team trails slightly with 31.

Such large teams can be both a blessing and a curse. If a fee-earner leaves there will always be someone to take up the slack. But are they the right choice? Corporate leaders should have a certain joie de vivre; a bit of swagger, gravitas and overall stage presence. In short, there are few at the top of the UK's most illustrious corporate groups who can rise to the challenge.



Clifford Chance is a case in point. There are already murmurings that the firm could struggle to fill the void if global corporate head Norman left, having put significant focus in the past on its deal veteran. Clifford Chance's senior corporate cohort are described by one partner as being "a bit low-key" – far from having the presence Norman and Matthew Layton had when they took over. Likely contenders would be former Macfarlanes partner Tim Lewis, one of Clifford Chance's only corporate M&A laterals who joined shortly after Signy's departure to Simpson Thacher. Simon Clinton and David Pearson are both firm stalwarts, while David Pudge and London head Mark Poulton are the standout names.

Head of retail Pudge counts Booker Group as one of his key clients and he supported corporate colleagues Lee Coney and Greg Olsen on the company's recent sale to Tesco. Poulton too has relationships with some of Clifford Chance's core clients including Co-operative Group, GIC and Johnson Matthey. Newly elected Norman named Jonny Myers as the firm's private equity head in 2014 after deals for Cinven, Permira and CVC. It was a role he shared with German partner Oliver Felsenstein until he followed London leavers David Walker, Kem Ihenacho and Tom Evans to Latham & Watkins in 2015.

The list of candidates primed to take the next leadership role at A&O, should it arise imminently, is also lacking. With big names having already done their time – Richard Cranfield and Jeremy Parr are senior staples – the firm has a large body of 40-50 year-olds but few stars. A corporate partner at the firm remarks that it has not relied historically on big names, adding that this may have been a "mistake".

Partners at A&O have a more long-term view of what they want the business to become rather than their own" *Richard Browne, Allen & Overy*

A&O corporate co-head Richard Browne explains the mindset, adding: "Partners at A&O have a much more long-term view of what they want the business to become rather than their own.

"If you look at our corporate team, you can see we've really focused over the past 10 years on bringing up a broad bench of partners who are now at the middle point of their careers."

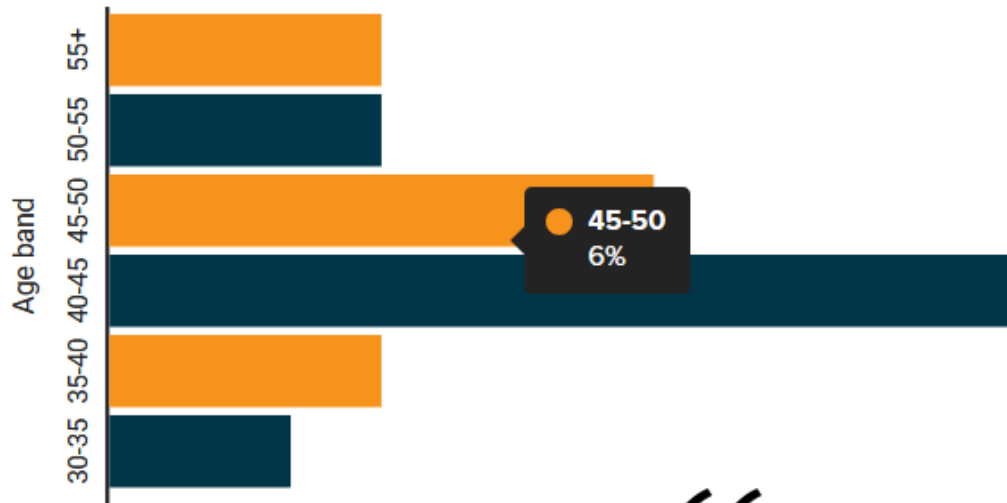
The aptly named David Broadley is arguably the most recognisable of the bunch and is currently working on 21st Century Fox's offer for Sky along with Seth Jones, Simon Toms and competition partner Antonio Bavasso. Succession has been hampered somewhat by the departure of "[Andrew] Ballheimer's golden boy" Ed Barnett to Latham in 2016. Barnett and now-managing partner Ballheimer worked together on GlaxoSmithKline's bumper divestment of Lucozade and Ribena to Suntory Holdings in 2013. Two years later Barnett advised 888 Holdings on its bidding war for Bwin Party before eventually losing out, while he also worked for key A&O clients such as Coca-Cola Iberian Partners.

Magic circle departures gather pace

Fear of the US elite has not quite hit the magic circle's core M&A teams, but leavers at the top level have picked up since 2016. In that year, Barnett joined Latham and Clifford Chance's corporate partner Patrick Sarch left for White & Case. Sarch was known in Clifford Chance circles for being on 'Team Barclays' and had also been making inroads with Sainsbury's, advising on its purchase of Home Retail Group. At White & Case Sarch picked up a role for the board of Co-operative Bank when it was sold to a group of hedge funds last year. The mandate saw him act alongside his former Clifford Chance colleagues who continued to lead for the firm's institutional banking client.

Both Sarch and Barnett could have served as legitimate practice leaders in the magic circle and both ironically became heads of public M&A in London at their new firms. Simpson Thacher effectively brought in Freshfields' Spiers as its lead City corporate deal-doer for when Signy exits. Spiers' core clients include Honeywell and HP Enterprise as well as telecoms giant BT, which retained the magic circle firm on its panel in 2017. In a case of good timing, Spiers has also been supporting Signy on a high-profile offer by Melrose for GKN, putting him in a good position to succeed Signy as the company's lead corporate adviser.

Allen & Overy: partner age range



“

If you look at our corporate team, you can see we've really focused over the past 10 years on bringing up a broad bench of partners”

Richard Browne, A&O (pictured)

Linklaters' team has so far remained immune to mainstream corporate exits, but the firm lost out massively in private equity following exits to White & Case (Ian Bagshaw and Youle) and Kirkland & Ellis (Matthew Elliott, Stuart Boyd and David Holdsworth). The losses put Linklaters on the back foot, although the firm's practice has picked up the pace through deals for Carlyle Group, BC Partners and HgCapital, the latter also being one of Youle's key clients. Former Linklaters real estate M&A head Elliott continues to advise Oaktree and Cerberus at Kirkland, with his colleague Holdsworth most recently advising Blackstone on its bid for Taliesin Property Fund.

Linklaters was faced with the problem that Clifford Chance will encounter post-Norman, in that it struggled to produce anyone with as much star power as Charlie Jacobs. Even though he was never head of corporate, Jacobs is Linklaters' most recognisable M&A name by far. The firm has four corporate team leaders – Iain Wagstaff, Simon Branigan, Nick Rumsby and Owen Clay – but the make-up of the corporate group left succession wide open when Jacobs joined the upper echelons of firm management. According to The Lawyer's analysis, Linklaters counts just five M&A partners aged between 45 and 50, which is the most common bracket for finding immediate leaders. This differs to the firm's rivals, which all count the 45-50 age group as one of their most heavily populated in terms of partner numbers.

On the other hand, Linklaters has a total of 19 partners between the ages of 35 and 45, leaving it better placed to deal with succession issues in a decade's time.

Freshfields has the most balanced age demographic in corporate, leading sources to claim it has handled succession problems the best of the magic circle

Freshfields has the most balanced age demographic in corporate, leading sources to claim it has handled succession problems the best of the magic circle. The firm counts a total of 12 partners aged between 35 and 45, and 13 aged over 45. Were Simon Marchant to quit tomorrow Freshfields has a series of obvious replacements on standby including Claire Wills, Julian Pritchard, Andrew Hutchings and Bruce Embley. All have links to many of Freshfields' top clients, with Wills leading on Tesco's merger with Booker. She also led, alongside Julian Long, on Aberdeen Asset Management's merger with Standard Life, understood to be the firm's first big win for the company.

Hutchings has a long relationship with London Stock Exchange Group, while Pritchard has advised clients such as Reed Elsevier, General Atlantic and Kingfisher. Embley, too, splits his time between public M&A and private equity advising TPG, Permira and AB InBev. The latter saw Freshfields field a mammoth deal team led by former partner Mark Rawlinson, while City corporate head Marchant also formed a key part of the group. Marchant worked alongside Pritchard on SSE's recent retail merger with Npower and is a frequent adviser to publisher Pearson.

Where have the magic circle stars gone?

With swathes of corporate bodies at their beck and call the magic circle can gloss over any bumps they have in succession planning. But where have all the big-name senior stars gone? Over time, the magic circle has put more emphasis on the brand than promoting individuals, with an increasing number of fee-earners swallowed up by the magic circle machine. Speaking specifically about Linklaters, a partner at a US firm describes the firm's large corporate bench as "cloud coverage". However, the description works for each magic circle firm in turn.

"The danger is that so many fade into that cloud," the partner adds.

There are reasons for this renewed emphasis on team play, not least as a defence against lateral recruitment.

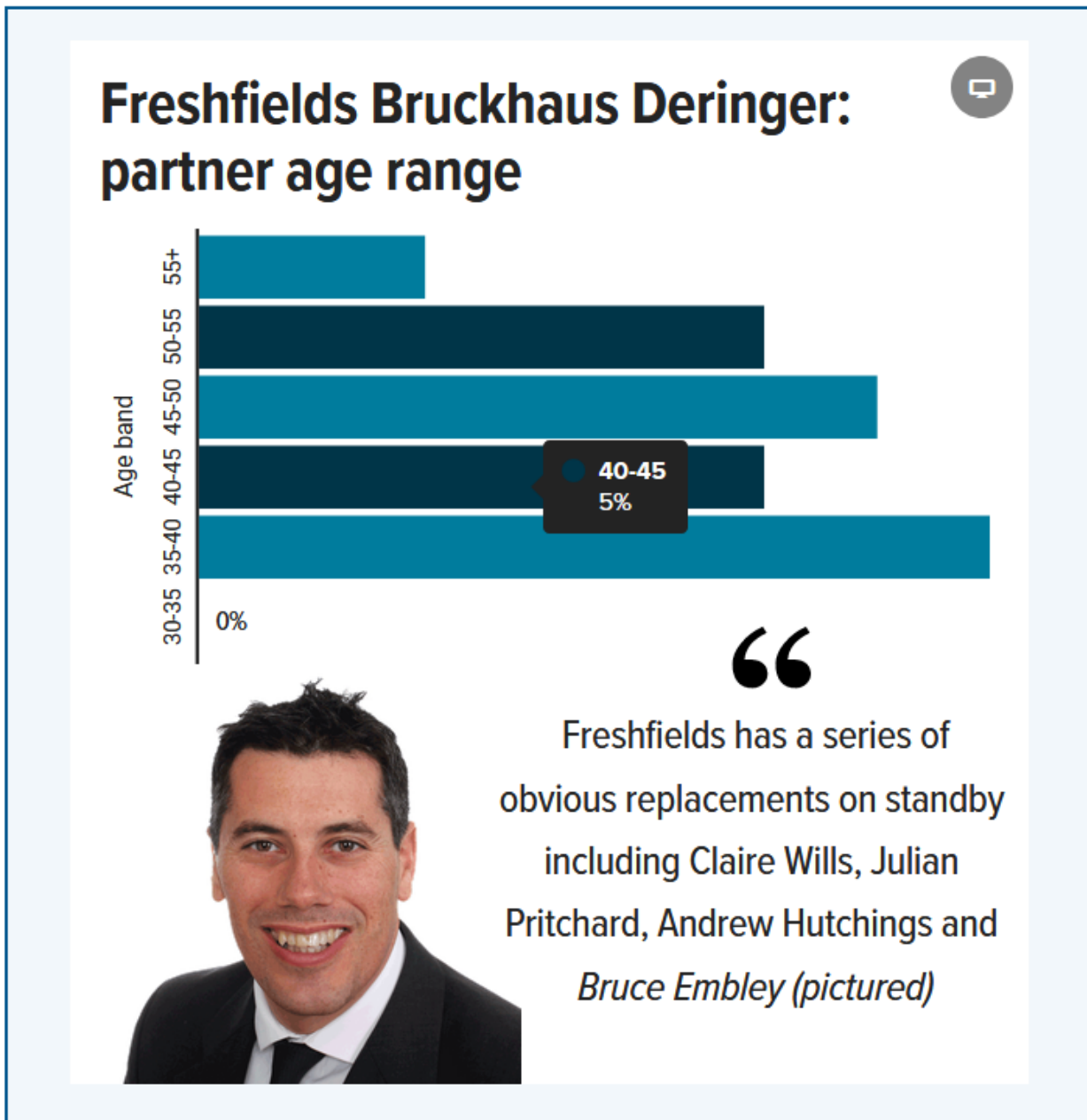
"It means that losing a Higgins won't hurt your business as much as losing a Marco," a corporate partner observes, comparing David Higgins' departure from Freshfields to Kirkland with an imagined exit from Weil of Marco Compagnoni.

Over time, the magic circle has put more emphasis on brand than individuals, with an increasing number of fee-earners swallowed up by the machine

By working together in a so-called cloud, the magic circle can go some way in defending themselves from the prying eyes of the US glitterati. This strategy of effectively absorbing star players into one mass appears to have worked. When The Lawyer asked partners in the corporate scene for their picks of upcoming talent, many struggled to bring any names to mind. A few exceptions to the rule are highlighted below.

The position in which associates and senior associates find themselves is markedly at odds with the US model, in which a smaller bench increases the risk of succession issues but also provides more breathing room for younger lawyers.

“It’s easier in US firms to spot future leaders because senior associates are given the opportunity to develop a following,” observes a corporate lawyer. “The UK model suppresses that. If you give senior associates that chance, you run the risk that those lawyers will leave.”



In US firms, junior lawyers have a bit more freedom than their magic circle peers. But can prioritising the brand stop an ambitious lawyer’s chances of standing out from the crowd? If so, how can firms identify potential leaders early enough for them to develop the skills necessary for good management?

A few shifts are occurring to deal with this, the benefits of which are being felt by lawyers at a junior level. There are several stages. Instead of one head honcho grabbing the limelight there is more focus on allocation for associates, with several corporate players such as Ashurst and CMS investing in project managers to ensure everybody has a fair slice of the cake. While not quite following the same model, A&O associates are assigned partners as mentors who can analyse what juniors have done and what is on their plate, using data compiled by the firm.

A reason given for this renewed emphasis on fair play is to keep all levels of the corporate group motivated and energised, for obvious collegiate reasons.

However, Linklaters' Comiskey adds that keeping the mass enthused is also key as a deterrent to recruiters' advances. Again, it is the old defence against the US coming into play.

"You never know when someone will give you a call," she says.

We've got a stronger focus on business development for our associates"

Aedamar Comiskey, Linklaters

Keeping the team energised is one of Comiskey's core aims. She says the firm has increased the number of initiatives available for associates wanting to build on their skills. Instead of putting one or two star players on a pedestal, the magic circle is putting the emphasis on team- and character-building.

"We've got a stronger focus on business development for our associates and there's also more emphasis on people skills to achieve this," says Comiskey. "Clients can get advice from different places, so what matters is how you respond and that you're thinking about it from their perspective."

Emphasis on training

It has become necessary to up the ante on skills training for associates and junior partners because of the changing nature of how deals are run. Senior lawyers today recollect running big transactions as an associate which increased their interactions with in-house counsel and rival firms, as well as their confidence. With law firms playing host to deal negotiations more than ever before – the investment banks have faded slightly after cost-savings following the financial crash – there should be more opportunities for junior lawyers to play a role. However, on core deals this is far from the truth.

"Clients are increasingly sophisticated and discerning, and want senior people involved on the key deal points," says Slaughter and May corporate head Andy Ryde. "Associates feature less at the structuring phases of deals and complex transactions are partner-led. As a result, associates often have less responsibility than in the past."

The increasingly complex nature of public M&A makes it a different ball game for younger lawyers, who are taking longer and longer to make partner. However, it is a slightly different story in smaller transactions, such as private equity.

On a mega-deal it can be harder for any individual, including the associates, to shine"

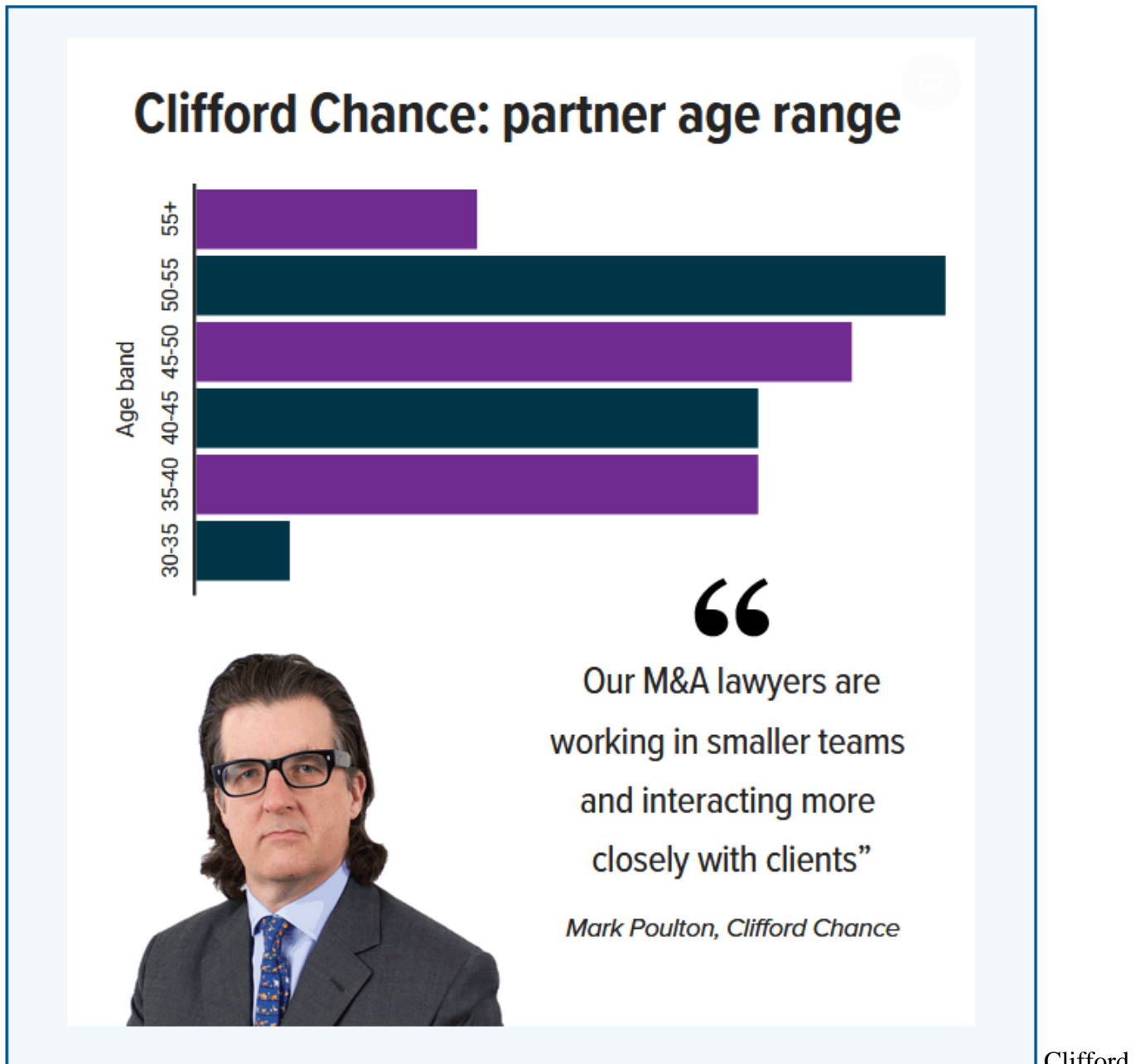
Bruce Embley, Freshfields

Freshfields co-head of M&A Embley explains: "On a mega-deal it can be harder for any individual, including the associates, to shine, as in a big transaction with many moving parts it's standing room only. But mega-deals aside, there is scope for associates to be front and centre."

Sure enough, many of the magic circle's youngest cohort of corporate partners are known for their private equity experience. Peter Banks is A&O's newest member, while Chris Sullivan was made up in 2016. At Freshfields, James Scott and Charlie Hayes fall into the under-40 bracket, as do Linklaters' Ben Rodham, Will Aitken-Davies and Alex Woodward. Linklaters' private equity trio leads the firm to claim the youngest corporate partnership on average of the magic circle by some margin, at 44.7 years. Clifford Chance's members are the oldest on average at 46.5, although the firm is not too far in front of Freshfields (46.3) and A&O (46.1).

While private equity lends itself to harnessing junior talent, public M&A is a tougher nut to crack. Junior lawyers wishing to excel in this sphere have to find new ways to stand out, and not always directly linked to their fee-earning responsibilities. Part of this change has been aided by better use of technology, as all

of the magic circle have invested in low-cost operations that mean due diligence and contract drafting can be achieved in Freshfields' Manchester office, A&O's Belfast base, and Clifford Chance's India office and new acquisition Carillion Advice Service. Linklaters does not have an outsourcing centre that offers legal work, although it does have business services operations in Colchester and Warsaw.



Chance London head Mark Poulton explains the benefits for younger fee-earners.

“There was a lot of heavy lifting around M&A and equity capital markets 10 or 20 years ago, but with the benefit of technology our lawyers are now getting exposure on more exciting things,” he says. “They’re working in smaller teams and interacting more closely with clients.”

Freshfields corporate partner Julian Pritchard adds that this trend has freed junior lawyers to do other things.

“Our associates participate brilliantly in helping us innovate. They bring great energy and enjoy the opportunity to be involved in evolving our business and, of course, they are a generation for whom technology has been a part of their lives.”

Technology could be the key to spotting the next stars and distinguishing them from the swathes of corporate colleagues. Junior lawyers are being encouraged to get involved with innovation projects, while both Poulton and Comiskey highlight their firm's ramped-up tech focus. The latter points out that the firm's comparatively youthful partnership appeals to the sector's leading figures.

"Law firms are going to change and we're seeing graduates come in who tell us there's a different way of doing things," she says. "It's the associates that are driving those changes."

An impressive young bench

The tables are turning and it means the magic circle are developing an impressive young bench of partners that are giving their senior colleagues a run for their money. The market is awash with senior players but they have become an all-too-familiar part of the magic circle corporate machine. Lawyers need new ways to stand out.

Would the magic circle be prepared if they had to replace their corporate leaders tomorrow? Probably not

Thanks to increased efforts in training and business development, as well as innovation opportunities, younger fee-earners are being given the chance to make a name for themselves without attracting too much attention from the US and putting the brand at risk. Would the magic circle be prepared if they had to replace their corporate leaders tomorrow? Probably not. Will the situation be different in the next decade? It would seem so.

The magic circle continue to dominate the UK M&A market despite increased US interest in their City teams. The firms were ranked as the top four M&A advisers on UK deals in 2017, according to Thomson Reuters data.

Slaughters' different approach

Slaughter and May, which ranked as the eighth-most active UK adviser, continues to be the quartet's main rival for mandates. However, its model is now far removed from theirs. It has also largely evaded the glare of US firms looking to recruit in the corporate M&A space. An exception is Sanjev Warnakulasuriya, who joined Latham & Watkins at the end of 2016, while partner Adam Eastell resurfaced as Eigen's first in-house lawyer.

On one hand, there is little difference between Slaughters' corporate cohort and that of the magic circle. It has 34 partners in its City team, although this list also includes lawyers more associated with finance and regulation. Its corporate team is led by partner Andy Ryde, while Roland Turnill heads the M&A practice. He was appointed to the role in 2016 after Steve Cooke became senior partner. Cooke had been in post for a staggering 15 years.

By having two heads of practice, Slaughters ensures its management can continue advising on deals

Cooke's tenure is unusual. Clifford Chance's Matthew Layton, Freshfields' Ed Braham and A&O's Andrew Ballheimer all spent six years as corporate heads before taking on a management role. At Slaughters, there is no limit on how many times you can run.

Cooke's term shows that Slaughters believes if a practice is going well, why shake it up? Furthermore, he would not have held onto his role if it meant giving up fee-earning.

This is different from magic circle management, who tend to wave goodbye to client work. Even as senior partner, Cooke led on some of Slaughters' biggest M&A deals of 2016/17 including deals for ARM, WS Atkins and Linde in which he teamed up with partner Chris McGaffin. New M&A head Turnill also had a bumper 2017, leading on Vodafone's merger with its Indian subsidiary. He led the team with partner

Susannah Macknay, with the pair also representing Prudential (alongside partner Oliver Wareham) on its proposed demerger of UK and European operations.

By having two heads of practice (Turnill leads M&A while Ryde heads corporate), Slaughters ensures its management can continue advising on deals. This is one of the biggest drawbacks of magic circle management, with many departed partners saying the US platform lets them get on with being a lawyer.

A manageable deal: market reacts to A&O-O'Melveny talks

By [Rachel Moloney](#) 9 April 2018 14:56

Last week's revelations surrounding Allen & Overy's (A&O) latest US target caught many by surprise, including partners in the firm itself. But if A&O wants to push through the first transatlantic magic circle merger since Clifford Chance's deal with Rogers & Wells, it will have to show that a deal with O'Melveny can perform better.



Immediate reactions to the talks are dismissive. “It’s a case of A&O going downwards,” says a source. “It’s like a supermodel marrying a gimp,” says another.

A&O after all is the *crème de la crème* of the UK legal market alongside its other magic circle counterparts, which have similarly tried (and failed) to do anything of note in the US. O’Melveny, by comparison, is nowhere near the upper echelons of the US legal scene; way below the Wall Street giants and unable to catch up with the likes of expansive West Coast firms Latham & Watkins and Gibson Dunn & Crutcher. So what does A&O see in it?

With a revenue just under \$740m, O’Melveny is two-thirds smaller than A&O ([which reported turnover of £1.52bn or \\$2bn for 2017/18](#)). Its financials puts O’Melveny in the same ballpark as Willkie Farr & Gallagher, Debevoise & Plimpton and Alston & Bird, while adding in profits of \$2m align it closer to Wilson Sonsini Goodrich & Rosati than any other firm.

After the initial surprise, the match seems to make more sense. “O’Melveny is not too big so the merger itself would be manageable,” says a partner. “This means it won’t dilute what A&O has now. There are no big overlaps.”

“A&O would get on with the West Coast side of the business, as they’re team players and old school. But the East Coast will stab you in the back.”

Essentially bolting on a smaller US firm follows in the footsteps of [Norton Rose's 2012 merger with Fulbright & Jaworski](#) at the end of 2012; in which the former's revenue of \$1.32m dwarfed that of its US partner which raked in \$580m. It also shares similarities with Clifford Chance's takeover of New York's Rogers & Wells in 2000, in which the magic circle firm landed the firm's prized litigation arm.

However, A&O will be keen to avoid any Clifford Chance-type disasters in the US. [There was a raft of exits in the years](#) that followed from Rogers & Wells' core teams including Jim Benedict, Kevin Arquit and Steve Newborn. Setting its sights further afield, a new and ambitious Clifford Chance went West, opening offices in San Francisco and Los Angeles in 2002. Two years later, that venture came to an abrupt end after its teams moved to Orrick Herrington & Sutcliffe.

As usual, the question of culture comes to the fore, which can make or break a law firm partnership.

"There's a difference in culture even between the East and West coast of O'Melveny," observes a partner.

"A&O would get on with the West Coast side of the business, as they're team players and old school. But the East Coast will stab you in the back. They're far more driven and out for themselves."

Another partner adds that there are clear differences between the East and "laid-back" West mentality, drawing attention to O'Melveny's rather toxic [merger in 2002 with O'Sullivan](#) which was meant to bolster the firm's private equity and New York capabilities. Less than a decade later, it became clear that that partnership too had gone sour. M&A head Ilan Nissan left for Dewey & LeBoeuf with partner Chris Nugent, while corporate finance head Gregory Ezring joined Paul Weiss Rifkind Wharton & Garrison with tax head Brad Okun.

"Prior to the O'Sullivan merger, O'Melveny didn't have much of a New York office so strategically the tie-up was right," recalls a source.

"But so many of those guys upped and left that it left them so much weaker. They wanted more cash and more power and they didn't get it."

If A&O wants more of a corporate presence in the US, O'Melveny is not the answer. With its New York dream torn apart, O'Melveny has led the way instead in litigation, chaired by securities disputes lawyer Brad Butwin. He is one of the last O'Sullivan lawyers left standing and is based out of New York, despite the fact that the firm's power undoubtedly lies on the West Coast. According to *The Lawyer's Global 200*

report last year, the firm's largest location was Los Angeles in which 41 per cent of litigation partners reside. New York is the second largest office, with 43 partners compared with 66 in LA.

A&O's talks with O'Melveny are thought to be in the early stages, with the magic circle firm updating its partnership last Friday that it was "talking to various firms" but that there was nothing more to add. Insiders said people were "curious" about the news, adding that not many people knew about the discussions.

"I imagine it's leaked before they wanted it to," says a partner. "This is how deals can die; you don't want your partners reading it in the press in the first instance."

A marriage between A&O and O'Melveny would make sense but the former has to be clear about what it wants to take on. It's a litigation play more than anything else and it won't solve the age-old dilemma of how UK firms can crack America.

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FOREWORD

In September and October 2015 we published two reports which looked at the potential effect of Brexit on the legal sector. The first was an independent assessment of its economic impact. The second report examined the impact of the EU on England and Wales as a global legal services centre and jurisdiction of choice.

Over the years of membership our legal system has become intertwined with that of the EU. Unravelling this is a complex and challenging task with far reaching implications not just for our sector but for the whole of the UK economy.

Since the referendum result was announced we have been working tirelessly with our members, with partners across the legal and other sectors and, of course, with Government and parliamentarians from across the parties. This work includes the creation of our Brexit taskforce.

As well as multiple meetings with the key ministers, we have also held regular talks with key officials, business leaders, academics and other key stakeholders.

The legal sector underpins the UK economy – and not just because it is worth more than £25.7bn in its own right. In every part of the economy people rely on the advice and support of solicitors.

A 1% growth in the legal services market creates 8,000 jobs. Each £1 of additional turnover stimulates £1.39 in the rest of the economy. And the legal economy grew by 8% last year.

English and Welsh law is a vital export with a global reputation based on its common sense approach to contract law, and our widely respected judiciary. We are also a world centre for dispute resolution.

So we are delighted to be able to contribute to the wider effort to assess the opportunities and risks presented by Brexit. This submission on the impact of Brexit on legal services and the justice system is intended to help inform the coming negotiations as Britain prepares to leave the EU.

At the heart of this we have some key priorities:

- continued access for UK lawyers to practise law and base themselves in EU member states
- maintain mutual recognition and enforcement of judgments and respect for choice of jurisdiction clauses across the EU in civil cases
- maintain collaboration in policing, security and criminal justice
- to promote England and Wales as the jurisdiction of choice, ensuring that legal certainty is maintained throughout the process of withdrawal.

Throughout 2017 we will continue to work with the Government to ensure key legal issues are identified, kept to front of mind, that legal certainty continues and our members' voices are heard. At the same time, it is important to remember that the Law Society has a role in representing the public interest – keeping the public informed about key legal issues is central to what we do.



Robert Bourns
President of the Law Society of England and Wales

EXECUTIVE SUMMARY

The Law Society of England and Wales works globally to support and represent more than 170,000 solicitors, promoting the highest professional standards and the rule of law. We have held extensive consultations with our members asking for their views on the potential impact of leaving the EU on both their clients and their own businesses, to identify core issues in the legal sector to be considered in the Government's negotiations with the EU.

We have held roundtable events across England and Wales, discussions with our expert legal policy committees and with members of our Brexit taskforce. Both our policy committees and our Brexit taskforce are committed to helping the Government with discussions and tasks in plans to withdraw from the EU.

From our discussions, our view is that the key priorities for legal services and the justice system as part of any Brexit agreement are to:

1. Continue access for UK lawyers to practise law and base themselves in EU member states by maintaining, or introducing arrangements equivalent to:
 - a. the Lawyers' Services and Lawyers' Establishment Directives
 - b. the Professional Qualifications Directive

- c. Rights of audience before the Court of Justice of the European Union (CJEU) and legal professional privilege for communications in EU cases.
2. Maintain mutual recognition and enforcement of judgments and respect for choice of jurisdiction clauses across the EU (the Brussels I Regulation) in civil cases.
3. Maintain collaboration in policing, security and criminal justice to protect citizens, including information sharing and efficient and effective extradition arrangements.
4. Liberalise priority jurisdictions beyond the EU to increase international trade in legal services.
5. Ensure that Government works effectively with the legal services sector to continue to promote England and Wales as the governing law of contracts, the jurisdiction of choice and London as the preferred seat of arbitration.
6. Ensure that legal certainty is maintained throughout the process of withdrawal so that businesses and individuals are given sufficient time to adapt to both transitional arrangements and any agreed new legal framework.
7. Mitigate the impact on sectors of particular importance to the UK economy and the legal sector. We would specifically highlight:
 - a. financial services
 - b. technology, media and telecoms
 - c. energy and utilities
 - d. real estate and construction.

We ask the Government to consider the impact that wider policy decisions will have on the competitiveness of the legal sector and that it actively support the industry, particularly through its industrial strategy.

Key recommendations

Support legal services

- **Ensure continued access to practise in the EU** – The UK Government should seek to maintain access for lawyers to practise and establish within the EU through the Lawyers' Services Directive and Lawyers' Establishment Directive, or equivalent mechanisms. The UK should also seek access for lawyers to represent their clients before the EU courts and allow their clients to benefit from legal professional privilege.
- **Provide the ability to recruit skilled individuals from the EU** – The UK Government should support the continued international success of the legal sector by facilitating law firms' ability to recruit skilled individuals from outside the UK through a proportionate and efficient sponsorship and visa process.
- **Ensure lawyers can provide temporary services in the EU** – If, post-Brexit, the UK were no longer to be a participant in the single market, our members would wish to see reciprocated visa-free travel in Europe and the ability for solicitors to be able to maintain easy face-to-face client contact in other European countries through fly-in fly-out services.
- **Minimise wider uncertainty in legal services** – The UK Government should consider how policy changes to the legal services sector could have an impact on international competitiveness of the sector. In particular it will be important to consider how competitor jurisdictions could use any reforms to capitalise on uncertainty surrounding English and Welsh law or the courts of England and Wales.
- **Promote legal services** – The UK Government should continue to promote England and Wales as a global legal centre and English law as the governing law of contracts. We are already in discussions with the UK Government on how we can work with them on our campaign.

Maintain judicial cooperation in civil and commercial matters

- **Maintain recognition and enforcement of judgments with EU member states** – The UK Government should negotiate continued participation in the Brussels I framework as there is a need to maintain the reciprocal framework of recognition and enforcement between the UK and EU member states. It will help to keep English and Welsh law, and English and Welsh courts, attractive to businesses.
- **Maintain protections for consumers, employees and the insured** – The Brussels I framework also sets out special provision on weaker party protection which help the UK consumers and employees to bring claims in their home courts. As well as the Brussels I Regulation, the UK Government should maintain reciprocity with the EU on the Motor Insurance Directive, so that victims of accidents overseas can use their home courts and have the court's decision enforced near automatically.
- **Sign up to the Lugano Convention** – The UK Government should negotiate a continued participation in the Lugano Convention (a similar framework to Brussels I for EU and EFTA states). If the UK were not to continue participation in Brussels I, the UK should work with members of the Lugano Convention to adopt text which would align the Lugano Convention text with the newest version of the Brussels I recast Regulation.

- **Join global recognition and enforcement mechanisms independently as soon as possible** – The UK Government should, as a minimum, make a public commitment as soon as possible to independently become party to the Hague Convention on Choice of Court Agreements.¹ This covers recognition and enforcement of judgments where there is an exclusive choice of court agreement between the parties. Most commercial contracts do contain such a clause. Specifically, the UK should explore whether it could succeed to the Choice of Court Agreements Convention directly at the end of EU membership to avoid a gap in its application.
- **Participate in and encourage the development of future global recognition and enforcement mechanisms** – The UK Government should continue to participate in and actively promote the Global Judgments Project and if the new convention is agreed in 2017, the UK should join the new convention.
- **Ensure cases involving children are dealt with swiftly** – The UK Government should look to continue participation in Brussels II bis in respect of children matters. The Law Society is encouraged by the Government's decision to opt-in to the proposed revision of the Regulation and proposes to engage fully in the process of revision.²
- **Sign up to international conventions on family law independently** – Where the UK is a member of an international convention in family law due to its membership of the EU, the UK should signal as early as possible its intention to look to succeed or

accede into that convention on leaving the EU. This includes the Hague Convention on Maintenance if the Maintenance Regulation is not kept.

- **Maintain mechanisms that support swift operation of the courts** – The UK Government should consider maintaining participation in EU instruments on service of documents and taking of evidence as they facilitate the operation of the courts.
- **Remain party to EU choice of laws systems** – The UK should continue to take part in the Rome I and Rome II regulations. If the UK is unable to continue to be part of Rome I and Rome II, the UK should maintain the rules contained in these regulations. As an immediate step the UK Government should make it clear that they will apply the rules set out in Rome I and Rome II by converting them into domestic law.

Collaboration with EU in the fields of policing, security and criminal justice issues

- **Continue cooperation and coordination of criminal court proceedings** – The UK Government should either remain a college member of Eurojust or seek to conclude a cooperation agreement with Eurojust, as Norway has done.
- **Continue to share vital information with EU member states** – The UK Government should continue to share information related to law enforcement through Schengen Information System II.

¹ The UK is currently a signatory as part of the EU.

² The Law Society has some concerns on the matter of the matrimonial *lis pendens* rule, which can create an unhelpful 'rush to court' in divorce proceedings.

- **Continue cooperation of joint security operations** – The UK Government should continue its involvement in Europol as a member or through a cooperation agreement. The UK should also look to retain the European Arrest Warrant, which safeguards UK citizens and helps ensure that the interests of justice are served. The UK should seek to remain party to the European Investigation Order instruments, or negotiate equivalent mechanisms. Experience shows that extending such cooperation to non-EU states can take years to negotiate and can result in more limited forms of cooperation.

Intellectual Property

- **Ensure the UK remains a centre of excellence for patent law** – Notwithstanding the UK's exit from EU membership, it should negotiate to ensure that the UK can continue to participate in the Unified Patent Court Agreement and retain the Court in London.

Provide legal certainty

- **The Government should publish a draft Great Repeal Bill** – Due to the significance of the legislation, the UK Government should publish a draft Bill to allow pre-legislative scrutiny to occur. It may be beneficial for the draft Bill to be scrutinised by a joint committee to ensure both Houses are given the opportunity to input into the draft Bill at this stage.
- **Negotiate transitional arrangements** – The Law Society recommends that the UK Government should negotiate practicable transitional arrangements with the EU. This will allow businesses to prepare for the new regime and effect necessary changes and should help avoid a 'cliff-edge' before a new relationship with the EU has been finalised.
- **Provide legal certainty** – The UK Government should also give businesses and consumers the time and necessary clarity to adapt to the changes to rights and obligations in the case of either a new deal with the EU, or withdrawal from the EU without a new deal.
- **Maintain international obligations** – The UK Government should review its non-EU international obligations and ensure that participation remains on withdrawal from the EU. Where there is a multilateral arrangement, participation may continue by a simple notification. For the reasons of legal certainty and clarity, it would be advisable that the UK approaches the institution or state responsible for the administration of the agreement to affirm how it can continue membership or withdraw from the agreement.

CHAPTER 1: KEY THEMES FOR THE NEGOTIATIONS

The impact of the loss of reciprocity

The UK's membership of the EU creates a legal framework of reciprocal rights and obligations between states, which also confers rights and obligations to businesses and individuals. Ensuring that these reciprocal rights and obligations continue where they are of benefit to the UK must be a priority for negotiations.

In some instances, it might be possible for the UK legal sector to make greater use of existing international frameworks. In family law, for example, the UK is a signatory to the Hague Convention on Civil Aspects of International Child Abduction. In practical terms, however, these alternatives are often less effective and more time-consuming.

The impact of loss of harmonised standards and pan-European regulation

In a number of areas of law, the UK's membership creates rights and obligations for individuals and businesses which work hand in hand with harmonised standards to facilitate cooperation. Divergence between the UK and the EU regimes could mean businesses, particularly those looking to continue to trade with the EU, may need to conform to both. Such an impact could be particularly challenging for SMEs.



Example: Data and consumer protection standards

The EU has a common system for data protection and minimum standards for consumer protection. The impact on the UK and EU system diverging would mean businesses would be required to comply with both the UK and the EU rules in order to continue trading with the EU. The impact will be particularly felt by SMEs who might find additional bureaucracy burdensome and time-consuming. Furthermore, this may have an impact on those importers and exporters, who are using the UK to reach both the UK and the European markets from third countries.

The impact of removal of participation in EU bodies

Divergence from the EU will mean a new set of standards for the UK and a move away from EU institutions. Some responsibilities will need to be returned to UK bodies and in some areas there is likely to be a need for new institutions to be created in the UK to maintain standards and to oversee the behaviour of the market participants or licence operators. An example, which is of particular importance to competition law practitioners, is that the Competition and Markets Authority will need more resources to handle mergers meeting the threshold for one-stop review in Brussels and pan-European anti-trust cases.

The need to uphold international obligations

EU regulation has been a tool to transpose international standards into member state law, particularly in areas such as financial services and banking. In such areas there will be little scope to change the essential elements of rules and regulations. Anti-Money Laundering is an example: the UK is a member of the Financial Action Task Force and is bound by FATF rules regardless of its EU membership. It should also be noted that in a number of areas such as financial services, consumer protection and digital commerce, the UK has led the development of international regulation. Any significant changes from the EU framework would mean a departure from established UK practices.

The importance of transitional arrangements

Recommendation: The Law Society recommends that the Government should negotiate practicable transitional arrangements with the EU. This will allow businesses to prepare for the new regime and effect necessary changes and should help avoid a 'cliff-edge' before a new relationship with the EU has been finalised.



CHAPTER 2: THE IMPACT OF BREXIT ON THE LEGAL SERVICES SECTOR

Economic contribution of the legal services sector

In 2015, UK legal services contributed £25.7bn to the economy, of which £3.6bn was the net export value which contributed to a reduction in the UK balance of payments.³ The legal sector also employs, trains and supports over 370,000 people. Every 1% of growth within the legal sector contributes £379m and 8,000 jobs to the economy.

There are over 314,000 people employed in private practice. The legal services sector employs over 107,100 people in London and there are a number of other legal centres across England and Wales including Birmingham (7,600), Bristol (6,800), Cardiff (3,400), Leeds (8,200), Liverpool (5,500), Manchester (10,800) and Sheffield (3,500).⁴

The UK is the second largest legal services market in the world and the largest legal services sector within the EU.⁵

The UK accounts for 10% of global legal services fee revenue and 20% all European fee revenue. In 2014, Eurostat noted that the total value of the UK legal sector is almost three times the size of the German legal market and six times the size of the French market (the second and third largest European markets respectively).⁶

Promoting England and Wales as a global legal centre

England and Wales is recognised as a global legal centre for legal services, particularly for international commercial transactions, dispute resolution and arbitration. In 2015, more than 22,000 commercial and civil disputes were resolved through arbitration, mediation and adjudication in the UK.⁷ English and Welsh law is the governing law in global corporate arbitrations in English law.

TheCityUK's recent report on legal services noted that English and Welsh law is the most commonly used law in international business and dispute resolution. A survey of 500 commercial law practitioners and in-house counsel conducted by the Singapore Academy of Law found that 48% of respondents identified English law as their preferred choice of governing law in contracts.⁸

Many of the factors that make English contract law attractive will not change following the UK's decision to leave the EU, as contract law is determined at a domestic level. It will remain stable, reliable and predictable while offering the flexibility that makes it so attractive to commercial parties.

England and Wales is also renowned as a centre for commercial dispute resolution. In the Commercial

³ This accounts for 1.6% of the UK Gross Value Added and is five times the amount of accountancy, auditing, book-keeping and tax consulting combined.

⁴ 2013 – **The Economic Value of the Legal Services Sector**

⁵ The UK accounts for 10% of global legal services fee revenue and 20% of all European fee revenue.

⁶ Value of turnover or gross premiums written for legal activities (this includes legal representation of one party's interest against another party, such as advice and representation in civil cases, criminal actions, and labour disputes. It also includes preparation of legal documents, such as articles of incorporation, partnership agreements or similar documents in connection with company formation, patents and copyrights, preparation of deeds, wills, trusts and so on, as well as other activities of notaries, bailiffs, arbitrators, examiners and referees).

⁷ TheCityUK report on legal services 2016.

⁸ TheCityUK report on legal services 2016.

Court, nearly 1,100 claims were issued with two-thirds involving at least one party whose address was outside England and Wales. Over the last ten years, there have been a number of jurisdictions looking to compete with England and Wales for our international commercial dispute resolution specialism. Both Dubai and Singapore have attempted to replicate the English Commercial Court and build their expertise in commercial dispute resolution.

Some competitor jurisdictions might see Brexit as an opportunity to suggest instability within English law and to offer themselves as alternatives as the governing law of contracts and their courts for dispute resolution. Many international commercial contracts specify the same governing law and court. It is therefore important that during negotiation, the Government takes steps to ensure English and Welsh law remains the preferred choice for the governing law of contracts as this often leads businesses to also specify England and Wales as the jurisdiction. If fewer contracts begin to specify English and Welsh law, there is likely to be less demand for dispute resolution within the UK.

Recommendation: Promote legal services – The UK Government should continue to promote England and Wales as a global legal centre and English law as the governing law of contracts. We are already in discussions with the UK Government on how we can work with them on our campaign.

Recommendation: Minimise wider uncertainty in legal services – The UK Government should consider how policy changes to the legal services sector could have an impact on international competitiveness of the sector. In particular it will be important to consider how competitor jurisdictions could use any reforms to capitalise on uncertainty surrounding English and Welsh law or the courts of England and Wales.

Continued access for UK lawyers to practise law and establish law firms in EU member states⁹

The UK has an excellent reputation as an open market for legal services. Four of the largest law firms in the world, judged by fee income, have their main base of operations in the UK.¹⁰ Two of the four largest law firms in the world, based on headcount, have their main base of operations in the UK.

There are more than 200 foreign firms in London, including 100 US firms, and firms from over 40 jurisdictions. The UK, and specifically London, is seen as the European hub for legal services, in part, due to the ability to practise and establishment across the EU.

It is commonly accepted that the EU single market in services is a work in progress. However, in legal services specifically, the single market, which also applies to EEA countries and Switzerland, is already a reality. This allows UK lawyers and law firms to benefit from a simple, predictable and uniform system of commercial and personal presence in other EU member states, with little scope for EU member states to introduce national variations.

Through the Lawyers' Services Directive 1977 (temporary provision of legal services), Lawyers' Establishment Directive 1998 (on permanent establishment), Professional Qualifications Directive 2005 (on mutual recognition of qualifications) and Framework Services Directive 2006 (establishing a single market in services), individual solicitors and law firms have extensive rights. These directives allow them to:

- provide services on a temporary basis
- establish permanently in another member state under their home title

⁹ As well as Norway, Iceland, Switzerland and Liechtenstein.

¹⁰ Based on gross fee revenue.

- provide advice on the law of England and Wales, EU law and international law but also on the host state law, subject to competency and with some very limited restrictions (e.g. in probate and conveyancing work in a number of jurisdictions)
- appear in court in conjunction with a local lawyer
- requalify without an equivalent examination after three years of regular and effective practice of host state law
- set up a branch of a home state law firm using the firm title or to use one of the legal forms of the host state to set up a new entity.

This current system is seen as a success both by UK firms and other EU law firms as it allows firms and individual solicitors to be treated on a par with domestically established firms across the EU. It provides a simple, predictable and uniform system of commercial and physical presence across the EU member states.

A 2012 report by the Council of Bars and Law Societies of Europe (CCBE), says that the legal framework for lawyers is 'highly successful'.¹¹ The report says that the legal framework has provided the conditions under which cross-border needs of clients can be met, and has facilitated access to legal services for clients requiring assistance in cases involving more than one member state.

During our discussions with our members, they show support for the current legal framework for lawyers to practise and establish across the EU.

The Law Society has also had discussions with a number of European Bars and Law Societies since the UK's vote to withdraw from the EU. Many have supported the continuation of the current framework with the UK so that their lawyers are able to practise in the UK and vice versa.

Both UK law firms and US firms based in the UK may still be able to practise in a number of EU countries (but not necessarily all) but our members anticipate it will be more complicated and costly. Members anticipate that it will impact on their bottom line and are likely to have fewer opportunities.

A significant side effect could be that US law firms would have fewer incentives to employ UK qualified lawyers as a way to access European markets or EU practice areas, for example European competition, state aid and procurement work. The UK solicitor title might therefore be less desirable for US law firms.

Thirty six of the top 50 UK law firms have at least one office in another EU member state. UK law firms have a presence in 25 of the 27 member states (there is no presence in Malta and Cyprus due to the smaller size of the market). It is also a daily business practice for solicitors to provide legal services within the EU on a temporary basis.¹²

For the UK, the loss of rights equivalent to those granted under the Lawyers' Services Directive, Lawyers' Establishment Directive and the Professional Qualifications Directive could potentially:

- Make the UK less attractive to third country¹³ businesses and law firms which often look to set up an office in the UK as a means of gaining access to the EU market.¹⁴

¹¹ **Evaluation of the Legal Framework for the Free Movement of Lawyers** – Final Report.

¹² There are no exact figures available for the number of solicitors of England and Wales practising temporarily (e.g. fly-in fly-out) in EU member states as it requires no prior authorisation under the current regulations.

¹³ i.e. non-EU/EEA.

¹⁴ The Qualified Lawyers Transfer System (QLTS) allows those qualified in non-EU countries to requalify as an England and Wales solicitor and practise English and Welsh law.

- Lead to firms in England and Wales losing existing clients and business partnerships, as England and Wales solicitors would not automatically be able to practise local or EU law or establish in member states. It may not be possible for them to appear before member states' courts. All these factors could mean they become less attractive to both existing and prospective clients as well as causing loss of opportunities to grow their business effectively and quickly at an international level.

Recommendation: Ensure continued access to practise in the EU – The UK should seek to maintain access for lawyers to practise and establish within the EU through the Lawyers' Services Directive and Lawyers' Establishment Directive, or equivalent mechanisms. The UK should also seek access for lawyers to represent their clients before the EU courts and allow their clients to benefit from legal professional privilege.

Ability to practise outside of the EU/EEA/ Switzerland

Outside the internal market for legal services – which extends to the EEA countries and Switzerland – UK lawyers and law firms would lose rights to practise and establish and would rely on the World Trade Organisation (WTO) framework and the General Agreement on Trade in Services (GATS). The EU framework for legal services is sophisticated and functions well and offers a far more advanced level of market access than the GATS. UK lawyers and law firms could face significant restrictions on practising and establishing in EU member states, as many jurisdictions are far less open than England and Wales. Each member state is able to list its own limitations on the market access and national treatment of foreign lawyers as part of the EU schedule of commitment under the GATS.

A number of EU countries have restrictive rules such as:

- a nationality requirement, meaning someone can only be a EU/EEA/Swiss national to requalify/practise host state law, eg Austria
- local content requirements, where one also has to be qualified in local law, eg France
- strict rules prohibiting local lawyers from partnering with non-EU lawyers, eg Spain and Sweden
- compulsory membership of professional bodies in relation to commercial presence, eg France, Germany and Luxembourg
- restrictions relating to company structure or commercial presence, such as restrictions on foreign investment in law firms, eg France, Spain or Portugal.

Access to the EU courts

EU membership currently allows English and Welsh solicitors to represent their clients before the EU courts and allows the clients to benefit from legal professional privilege (LPP). The loss of these rights would almost certainly significantly impact on a number of practice areas including competition law. There may also be problems with the extent to which clients can benefit from legal professional privilege – which would be of serious concern to both lawyers and their clients or prospective clients. This could also pose a serious competitive disadvantage to firms wishing to compete with their EU/EEA/Swiss counterparts.

For a firm operating internationally, it is crucial to be able to represent clients in different courts. Many UK law firms receive instructions from clients based in other European countries and are involved in several cross-border disputes. Retaining the rights of audience and legal professional privilege is essential for the law firms to continue to provide the best possible services to their clients.

Mutual recognition of qualifications

The qualification of solicitor is recognised across EU member states through the Professional Qualifications Directive (PQD). Solicitors can requalify into any EU/EEA legal profession through an

equivalence examination under the PQD or through the Lawyers' Establishment Directive after three years of establishment and effective and regular practice of host state law (including EU law).

The PQD is particularly beneficial as it allows non UK lawyers to requalify as English and Welsh solicitors. The solicitor qualification is attractive for those lawyers operating at an international level. Due to the dominant use of the law of England and Wales and the international standing of the solicitor qualification, some global law firms ask their staff to requalify in either English and Welsh common law as an alternative to New York state law (which is often an alternative for businesses).

If the UK left the EU/EEA and was not able to maintain the PQD separately, the UK may be able to establish a mutual recognition agreement. However some of the education and training requirements in the UK could make mutual recognition more difficult. We are, for example, the only country to allow non-law graduates to become lawyers. Under PDQ, this route to qualification (bringing a wide range of alternative skills, knowledge and experience to the legal profession) is automatically recognised across the EU. However UK lawyers without a law degree do not achieve equivalence in many US states, and in particular with the New York State Bar.

Access to skills

Free movement of people within the EU is beneficial to law firms as they can easily employ legal and other staff from the EU in their UK offices, just as solicitors and other staff from England and Wales firms can easily gain work in other EU states. From the legal sector's view, continued free movement would be beneficial economically, but we of course recognise that there is a competing public policy commitment to control immigration.

The uncertainty around the future status of EU citizens currently working in the UK and the reciprocal rights of UK citizens who are currently working in the EU must be resolved as soon as is practicable.

Recommendation: Ensure lawyers can provide temporary services in the EU – If, post-Brexit, the UK were no longer to be a participant in the single market, we would wish to see reciprocated visa-free travel in Europe and the ability for solicitors to be able to maintain easy face-to-face client contact in other European countries through fly-in fly-out services.

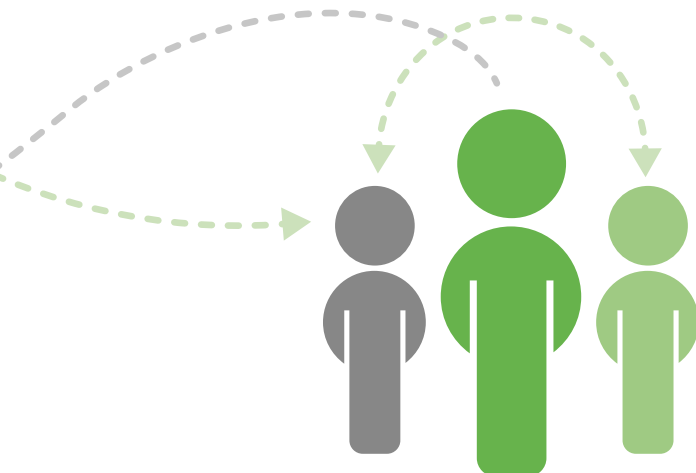
When overseas workers can be employed within the limits permitted by immigration policy, law firms, like many other businesses, need faster access to them through an efficient sponsorship process.



England and Wales law firms are highly successful within Europe and beyond. A significant proportion of the legal sector's value to the UK economy is generated by international law firms. These firms advise on complex deals spanning multiple jurisdictions. They operate in a global marketplace and have to meet the demands of international clients against tough competition from rival legal centres in the US, Europe and Asia. To do this, they must be able to recruit and deploy teams of specialist lawyers across the world with market-relevant experience and skills which, by definition, cannot always be sourced from within the UK. These firms draw heavily on the mobility of international staff to provide international services.

Put simply, London is a good place for global businesses to be based geographically and commercially, with easy transport links when a client abroad requests a face-to-face meeting.

Recommendation: Provide the ability to recruit skilled individuals from the EU – The UK Government should support the continued international success of the legal sector by facilitating law firms' ability to recruit skilled individuals from outside the UK through a proportionate and efficient sponsorship and visa process.



Maintaining judicial cooperation in civil and commercial matters

Mutual recognition and enforcement of judgments in civil and commercial matters

England and Wales is renowned as a global centre for dispute resolution, particularly for international commercial cases. In part this is because a judgment made in an English or Welsh court is recognised and enforced almost automatically in countries across the EU. There are a number of EU instruments that facilitate this free movement of judgments:

- Brussels I Regulation
- Service of Documents
- Taking of Evidence Regulations.

Brussels I Regulation

Currently the UK is party to the Brussels I Regulation which sets out a uniform system under which civil and commercial judgments are recognised and enforced throughout the EU area. As the UK renegotiates its position with the EU, the recognition and enforcement of judgments in civil and commercial matters might no longer be automatic and therefore the UK will need to negotiate a new bilateral framework with the EU.

The Brussels I framework determines which national court has jurisdiction, recognising where there is a choice of court clause or not between parties to the dispute. Following on from this it provides for a near-automatic recognition allowing parties to enforce the judgment in all EU member states. It covers all judgments reached in civil and commercial matters, including contractual and non-contractual disputes, employment, insurance and consumer disputes.

Additionally as a member of the EU the UK is signed up to the Hague Convention on Choice of Court Agreements which sets out rules for recognition of judgments where there is a choice of court agreement between the parties. Currently Mexico and Singapore have also ratified the Convention, and the USA and Ukraine have signed the Convention but have not ratified it which means it is not currently enacted in those two countries.

Participation in Brussels I:

- Encourages cross-border trade – as cross-border trade continues to grow, commercial parties will correspondingly need judgments to be enforced against counterparties with assets in other countries. Brussels I allows them to do this easily and cheaply due to the near automatic nature of the mechanisms. This can encourage investment in member states and promotes the growth of UK businesses overseas. The ability to enforce judgments (or awards in the case of arbitration) in a country is often a threshold question for businesses contemplating an investment in that country so will be beneficial for UK businesses in the EU and for those EU businesses looking to continue to trade with the UK.
- Increases the predictability and certainty leading to reduced costs for businesses – these mechanisms give businesses a level of predictability that when they pick England and Wales as the jurisdiction for their dispute to be heard, this choice will be respected by other countries. It also gives them a better ability to predict where they might sue and be sued across member states which is also attractive. Such conditions allow businesses to reduce time and costs as local law advice may not be necessary at the transaction stage, again encouraging the use of English and Welsh law.
- Makes England and Wales attractive to litigants – maintaining Brussels I would provide a continued incentive for parties to negotiate jurisdiction clauses in favour of the English courts (and select English and Welsh law to govern their contracts) as those judgments will still be enforceable throughout the EU.
- Provides protection for consumers – Brussels I gives consumer protection by allowing consumers to sue or defend themselves in the home court which is more familiar to them.

There is anecdotal evidence that some foreign businesses are already voicing concerns around recognition and enforcement of English judgments, discouraging them from naming England and Wales as the jurisdiction of choice in commercial contracts. If this continues, the situation will adversely affect the legal services sector in England and Wales and the large contribution it makes to the UK economy.

Recommendation: Maintain recognition and enforcement of judgments with EU member states – The UK Government should negotiate continued participation in the Brussels I framework as there is a need to maintain the reciprocal framework between the UK and EU member states. It will help to keep English and Welsh law, and English and Welsh courts, attractive to businesses.

Recognition and enforcement in consumer issues
Brussels I also covers a number of areas which are significant for individual consumers including employment, insurance and business to consumer disputes. Brussels I allows the consumer to sue or defend themselves in the home court where they are likely to be familiar with the process. It also means that consumers are able to enforce their judgments almost automatically across the EU.

The reversal of the normal jurisdiction rule helps to allow the consumer, victim or employee – under certain circumstances – to have the case brought in their home system, which they are likely to be more familiar with.

Also, the combination of the Brussels I Regulation and the Motor Insurance Directive, allows UK victims to use their home courts to pursue insurance claims, which is particularly important where the accidents involve personal injuries or fatalities in other EU jurisdictions.

Recommendation: Maintain protections for consumers, employees and the insured – The UK should maintain reciprocity with the EU on the Motor Insurance Directive, alongside the Brussels I Regulation, so that victims of accidents overseas can use their home courts and have the court’s decision enforced near automatically.

If the UK is not party to Brussels I or the Lugano Convention (a similar framework to Brussels I for EU and EFTA states), the UK will have to consider alternatives for recognition and enforcement of judgments for insurance, employment or consumer contracts, as the Hague Conference Conventions do not provide for weaker party protection. In consumer transactions outside the EU, the consumer faces the challenge of choice of court clauses within standard terms and conditions, which means they might be unable to have their case heard in the court that is familiar to them.

Alternatives to Brussels I Regulation

Recommendation: Sign up to the Lugano Convention – There are some alternative options to the Brussels I Regulation, including joining the Lugano Convention. If this option was chosen, the UK should work with members of the Lugano Convention to adopt text which would align the Lugano Convention text with the newest version of the Brussels I Regulation recast.

A particular benefit of Brussels I over the Lugano Convention is that parties can no longer frustrate a case by racing to open proceedings in courts of member states known to be slow in making a determination of jurisdiction rather than the court chosen under the choice of court agreement.

It must be noted that the Lugano Convention will need to be ratified by all parties involved, which may result in a delay, in which case a transitional arrangement ensuring continued recognition and enforcement may be needed.

Recommendation: Join global recognition and enforcement mechanisms independently as soon as possible – The UK should, as a minimum, make a public commitment as soon as possible to independently become party to the Hague Convention on Choice of Court Agreements¹⁵. This covers recognition and enforcement of judgments where there is a choice of court agreement between the parties. Most commercial contracts do contain such a clause. Specifically, the UK should explore whether it could succeed to the Choice of Court Agreements Convention directly at the end of EU membership to avoid a gap in its application. However, it needs to be noted that this Convention does not apply where there is a hybrid choice of court agreement, which is often used in financial services.

¹⁵ The UK is currently a signatory as part of the EU.



Case study: differences between the EU and the Hague Conventions' mechanisms

A small business based in Manchester buys some glass from a factory in Athens. The contractual documents do not contain a choice of court clause. A dispute occurs. The Greek manufacturer says payments have been missed; the UK company claims the glass is defective. The Greek company threatens to bring proceedings against the Manchester company in the courts of Thessaloniki.

Under the Brussels regime, the starting point would be that a claimant should sue the defendant in its place of domicile. So, in this scenario, the English company could be fairly confident that the general rule would be followed and it would be sued in England. It could also be fairly confident that if the Greek company did initiate proceedings in Thessaloniki, the Greek courts would stay those proceedings (as per the Brussels regime). There are of course alternative grounds the Greek company could rely on – place of performance or place of harmful event – but we do not consider them here.

Outside the Brussels regime, the English company would need to investigate what the relevant rules are in Greece and whether it has any basis to challenge any subsequent proceedings brought in Greece. The English company may as a result face increased legal costs investigating the position, as well as the costs and uncertainties involved in litigating in a foreign jurisdiction in a foreign language if proceedings do progress in Greece.

Also, if the English company wanted to bring a claim against the Greek company in the courts in Manchester it might be able to rely on an alternative ground of jurisdiction contained at Article 7(1) of the Brussels Recast Regulation – the place of performance of the contract. For a sale of goods, the place of performance is where goods are delivered (or should have been delivered) ie Manchester. It would not need permission to serve those proceedings outside the jurisdiction on the glass company in Greece. If the UK is not a party to the Brussels Recast Regulation or the Service Regulation, the English company will presumably have to seek the English court's permission to serve proceedings out of the jurisdiction (adding to costs and time) and have to persuade the court that the claim falls within one of the 'jurisdictional gateways'; for example it may have to persuade the court that the breach of contract took place in England. The English company may also have to seek local law advice as to how to serve the proceedings in Greece, because it could not rely on the Service Regulation.

Recommendation: Participate in and encourage the development of future global recognition and enforcement mechanisms – The UK Government should continue to participate and actively promote the Global Judgments Project and if the new convention is agreed in 2017, the UK should join the new convention. Even though the Convention does not cover as many issues as Brussels I, as it does not provide for a similar framework for weaker party protection as Brussels I on insurance, consumer or employment contracts it would provide recognition and enforcement of judgments in a number of areas, possibly with both the EU and the USA expected to ratify the convention.

Recognition and enforcement of judgments in specific areas

Insolvency

The Insolvency Regulation provides for the recognition of opening insolvency proceedings in one member state. The Insolvency Regulation provides a speedy and efficient procedure, which is particularly beneficial if the business is being sold.

Family cases

The EU has a role in family law matters. While each individual member state has its own rules on separation, divorce, maintenance of spouses and children, contact, guardianship and other family law matters, there are specific EU measures which deal with cross-border implications, primarily the Brussels II bis Regulation and the EU Maintenance Regulation. The Brussels Regulation allows mutual recognition of divorce orders and decides jurisdiction and forum of divorce cases, and close collaboration

of courts and national welfare authorities in matters of children and jurisdiction, recognition and enforcement of children orders, child protection and child abduction.

Brussels II bis is beneficial to UK citizens in relation to children matters as it:

- provides an automatic system of recognition of contact orders
- provides easier enforcement of child arrangement orders which decide where a child lives and how much time they spend with each parent
- allows cases to be transferred to a court that is best for the child and the case.

Recommendation: Ensure cases involving children are dealt with swiftly – The UK Government should look to continue participation in Brussels II bis in respect of children matters. The Law Society is encouraged by the Government's decision to opt-in to the proposed revision of the Regulation and proposes to engage fully in the process of revision.¹⁶

In any international cooperation regime there has to be a mechanism for resolving disputes between countries, in this case the UK and an EU member state. If adjudication by the CJEU about the interpretation of Brussels II is politically unacceptable to the UK, then an alternative mechanism will need to be found.

EU rules in the family law area generally build on existing international conventions. If the UK does not continue to be party to Brussels II bis, the applicable regime will be the one provided by the relevant international conventions.¹⁷

¹⁶ The Law Society has some concerns on the matter of the matrimonial *lis pendens* rule, which can create an unhelpful 'rush to court' in divorce proceedings.

¹⁷ Hague Convention on Child Abduction 1980, Luxembourg Convention 1980, Hague Child Protection Convention 1996.

Recommendation: Sign up to international conventions on family law independently – Where the UK is a member of an international convention in family law due to its membership of the EU, the UK should signal as early as possible its intention to look to succeed or accede into that convention on leaving the EU. This includes the Hague Convention on Maintenance if the Maintenance Regulation is not kept.

Service of documents

Recommendation: Maintain mechanisms that support swift operation of the courts – The UK Government should consider maintaining participation in EU instruments on service of documents and taking of evidence as they facilitate the operation of the courts.

There are alternative regimes established by the Hague Conventions which have been ratified by the majority of the EU member states and other non-EU states, including the UK. However, practitioners involved in the processes have highlighted how the procedures are more cumbersome and last much longer than those under the EU Regulations. This means that the proceedings become slower and more costly for the parties involved.

Ability to choose English and Welsh law

TheCityUK's recent report on legal services noted that English and Welsh law is the most commonly used law in international business and dispute resolution.

Rome I and II Regulations set down rules governing choice of law. They set out the rules by which law is to be applied to a case having cross-border dimensions eg the parties to a contract can choose to apply English law to the dispute, even though the case would be heard in France and the French court must apply English law to the dispute.

Under Rome I, if the parties agree on English and Welsh (or any other) law as the governing law of the contract, this must be respected by the courts of the EU member states. Because it applies to third countries and there is no need for reciprocity, recognition of the choice of English and Welsh law should not be affected by Brexit as long as Rome I remains unchanged.

Rome I also states that consumer contracts will be governed by the law of the country where the consumer lives if the business operates or undertakes marketing in the consumer's country. As many consumers now undertake cross-border transactions, Rome I ensures that if they have to undertake a dispute it can be done using the law they are familiar with.

Rome II outlines rules for determining which law governs non-contractual obligations, for example in relation to a tort. In relation to a tort, the general rule is that the national court must apply the law of the country in which damage was done.

There is no need to secure reciprocity or mutuality of the arrangements, because the Rome II rules are also applied automatically to third countries and EU member state courts will continue to apply English and Welsh law when the rules dictate so.

Recommendation: Remain party to EU choice of laws systems – The UK should continue to take part in the Rome I and Rome II regulations. If the UK is unable to continue to be part of Rome I and Rome II, the UK should maintain the rules contained in these regulations. As an immediate step the UK Government should make it clear that they will apply the rules set out in Rome I and Rome II by converting them into domestic law.

Relationship with other sectors

The top 50 UK law firms conduct deals on behalf of clients in the following industries:¹⁸

- Finance and banking – 33%
- Fund/investment management – 11%
- Technology, media and telecoms – 9%
- Energy and utilities – 10%
- Real estate and construction – 5%
- Manufacturing – 3%
- Other – 29%

Financial services is also a key sector for smaller and specialist law firms. Looking at the entire market, including smaller and specialist law firms, the importance of demand from financial services is lower compared to its importance in deals advised on by the top 50 firms (at around 20% in 2013).¹⁹ This was nevertheless more than three times the demand from the next largest source outside of internal purchases within the legal sector (construction, 5%).



¹⁸ <http://www.lawsociety.org.uk/support-services/research-trends/city-legal-index/>

¹⁹ The EU and the Legal Sector (Law Society 2015).

The legal sector's relationship with financial services

The financial sector is a key purchaser of legal services in the UK, especially in the City. Between 2009 and 2014, financial services accounted for 44%²⁰ of the total value of transactional work amongst the Top 50 City law firms.²¹ Maintaining London as a global financial centre will be important if the legal services sector is to continue its vital contribution to the UK economy.

Engagement with individual international firms who serve financial services clients suggests that they would adapt to new circumstances. If financial services clients move elsewhere in the EU, then a number of firms have told us that they would follow their clients, including moving offices or headquarters to other parts of the EU if a new financial centre emerged in other locations. Their approach depends on the model of individual firms. The loss of passporting, in particular, could affect financial services providers, particularly medium and small providers operating outside the City which account for over two-thirds of the 2.2million people employed in the UK's financial and related professional services.

If large firms are not undertaking work in England and Wales and smaller providers reduce in size, it will have implications for the legal sector's contribution to the UK economy, and at an individual level, on England and Wales' qualified lawyers working in those firms.

One particular issue on the use of England and Wales for dispute resolution in financial services is the wording of Article 46 of the Markets in Financial Investments Regulation (MiFIR). It compels parties offering financial services from outside the EU to

a party within the EU to ensure that the dispute or arbitration can take place within a member state. This may lead to UK financial institutions having to resolve their dispute in a member state rather than in English and Welsh law, leading to a decrease in dispute resolution here.

Opportunities for the legal services sector

Leaving the EU does not seem to offer significant benefits or growth opportunities for the legal sector in itself – although in the short term it has been acknowledged that current levels of uncertainty and potential changes as a result of withdrawal have prompted a spike in the demand for legal advice. Similarly, clients will be looking to their legal advisers to help them understand and adapt to changes resulting from future negotiations.

The legal sector could benefit from future trade deals with markets other than the EU if these successfully enable or facilitate access to markets that are currently closed or present barriers to the legal services sector.

The Law Society is already working actively to liberalise a number of legal markets. If future trade deals are successfully negotiated with countries of particular interest to the legal sector, this will help to maximise the opportunities for growth in the trade of legal services more generally.

²⁰ The EU and the Legal Sector (Law Society 2015).

²¹ <http://www.lawsociety.org.uk/support-services/research-trends/city-legal-index/>

CHAPTER 3: COLLABORATION WITH EU IN THE FIELD OF POLICING, SECURITY AND CRIMINAL JUSTICE ISSUES

The review into EU criminal measures in 2014, to which the Law Society contributed, means that the UK has recently considered which measures are important to ensure mutual cooperation in criminal justice and security.

This review has streamlined the UK's involvement in criminal justice and security measures. The Law Society has highlighted the four priorities for effective continued cooperation with other member states to help protect UK citizens and ensure effective law enforcement on cross border issues.

Any reduction in the level of access and cooperation the UK enjoys in the criminal justice sector will impair and cause delay in effective law enforcement. Swift exchange of information is needed to establish cross-border investigatory teams and recover property. The relationships between European police forces have developed over time to achieve this mutual trust and cooperation, much of this developed through joint initiatives introduced by the EU. This level of trust towards the UK will be difficult to maintain if the UK is no longer involved in cross-border mechanisms and agencies.

With involvement in all of these measures, the UK will also have to consider safeguards for personal data and these will need to be negotiated.

Cooperation of courts

The UK's membership of Eurojust allows it to benefit from the coordinated work of joint investigation teams across member states which facilitate the prosecution of serious cross-border criminal offences including terrorism and child trafficking.

There is precedent for non-member states to have a relationship with Eurojust. While Norway is not an associate member of Eurojust, it signed a cooperation agreement with the organisation in 2005, and has liaison prosecutors based at Eurojust. If the UK were to move from national college members to liaison officers, it is likely to lose influence on the work of the organisation. The USA has also signed a cooperation agreement.

Recommendation: Continue cooperation and coordination of criminal court proceedings –

The UK Government should either remain a college member of Eurojust or seek to conclude a cooperation agreement with Eurojust as Norway has done.

Cooperation through the sharing of information

The UK currently participates in the Schengen Information System II (SISII), the European-wide IT system to facilitate cooperation for law enforcement including persons wanted for extradition, missing persons and witnesses. The UK has not opted in for immigration and border control purposes.

Recommendation: Continue to share vital information with EU member states – The UK Government should continue to share information related to law enforcement through SISII.

Cooperation of joint security operations

Europol focuses on intelligence analysis to support the operations of national law enforcement agencies in member states. This allows EU member states to continue to work together to combat serious crime including unlawful drug trafficking, illegal immigrant smuggling, trade in human beings, money laundering and terrorist activities.²² Norway has a cooperation agreement with the EU which centres on exchange of operational information but can also include Europol activities such as exchange of strategic intelligence and specialist knowledge of participation in training.

²² SISII enables participating countries to share and receive law enforcement alerts in real time for: Persons wanted for arrest for extradition purposes for whom a warrant has been issued; missing persons who need to be placed under police protection or in a place of safety; witnesses, absconders or others to appear before the judicial authorities; people or vehicles requiring specific checks or surveillance; items that are lost or stolen, and which are sought for seizure, or for use as evidence (eg firearms, passports).

The Law Society welcomes the recent Government commitment to opt into the most recent Europol regulation in May 2017.

Recommendation: Continue cooperation of joint security operations – The UK Government should continue its involvement in Europol as a member or through a cooperation agreement.

European Arrest Warrant (EAW)

The EAW sets out a court-led process whereby the surrender request (in the EU, surrender replaces extradition) from one member state's courts or prosecutors is almost automatically recognised and enforced. The EAW is more efficient than traditional extradition requests which are usually dealt with by the diplomatic services.

The EAW is particularly important as the UK may not be able to fall back on previous extradition arrangements, namely the 1957 Council of Europe Convention on Extradition (ECE). Some member states would be unable to apply the ECE due to superseding legislation and others never brought it into force (eg Ireland in relation to the UK) so bilateral arrangements would be required which are likely to be less efficient.²³ Our members have noted that this could lead to extraditions taking years, rather than months as under the current system.

Recommendation: Continue cooperation of joint security operations – The UK Government should look to retain the EAW, which safeguards UK citizens and helps ensure that the interests of justice are served.

The UK would have to have some involvement in the CJEU's jurisdiction under the European Arrest Warrant in order to settle inter-state disputes. A

possible option could be to negotiate to have CJEU judgments as influential but not binding.

European Investigation Order (EIO)

As from 22 May 2017, the EIO will replace most of the existing laws in the area of judicial cooperation.²⁴ The new mechanism will cover almost all investigative measures, such as interviewing witnesses, obtaining information or evidence already in the possession of the executing authority, and (with additional safeguards) interception of telecommunications, and information on, and monitoring of, bank accounts.

Recommendation: Continue cooperation of joint security operations – The UK Government should seek to remain party to the European Investigation Order instruments, or negotiate equivalent mechanisms. Experience shows that extending such cooperation to non-EU states can take years to negotiate and can result in more limited forms of cooperation.



²³ As the **House of Lords Committee on Extradition Law** acknowledged in 2014, even if we were able to fall back on the ECE it would be slower than under the EAW and many witnesses (including the Law Society) criticised the Convention system as being inefficient, cumbersome, slow (which resulted in long periods of pre-trial detention for suspects), expensive, technical, political, restrictive, containing a series of loopholes and subject to less judicial oversight.

²⁴ The Council of Europe Convention on Mutual Assistance in Criminal Matters of 20 April, 1959 (and its two additional protocols), Parts of the Schengen Convention, The 2000 EU Convention on Mutual assistance in criminal matters (and its Protocol), The 2008 Framework Decision on the European evidence warrant, The 2003 Framework Decision on the execution in the European Union of orders freezing property or evidence (as regards freezing of evidence).

CHAPTER 4: SPECIFIC ISSUES

Intellectual Property

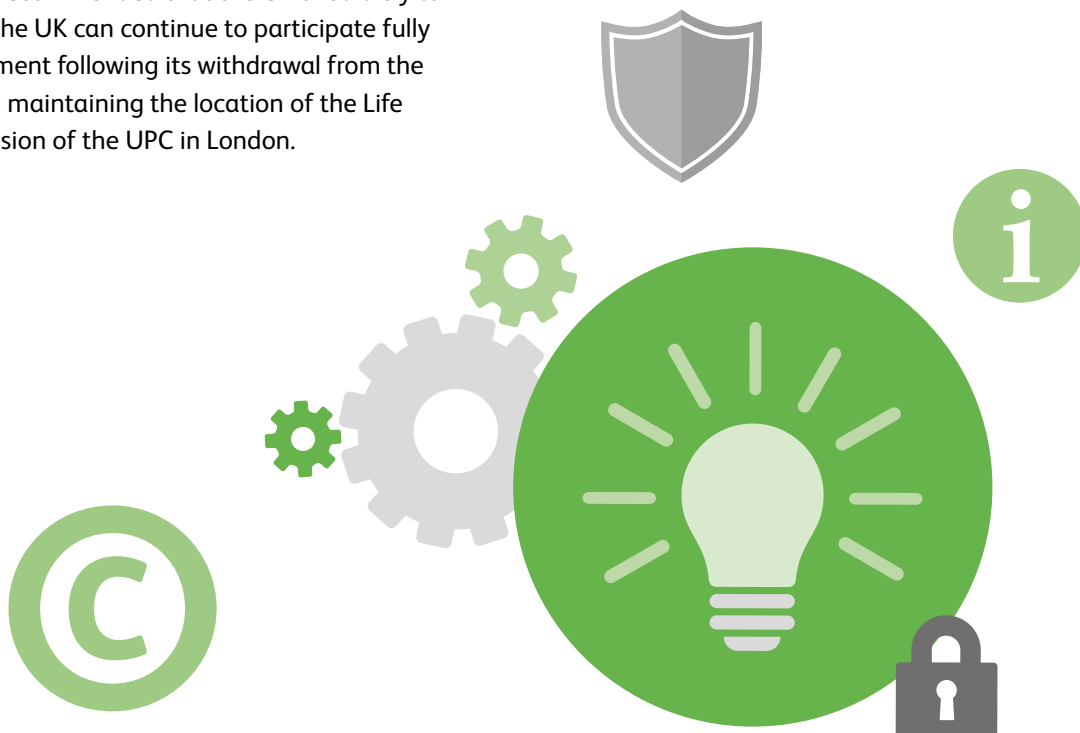
Unified Patent Court (UPC)

The UPC Agreement aims to establish a pan-EU patent system. The UPC Life Sciences Division has been allocated to be set up in London. The UPC Agreement is open to all EU member states, and in order for it to enter into force, it would need to be ratified by the three largest European patent jurisdictions: Germany, the UK and France. At this point only France has fully finalised the ratification of the Agreement. When the UPC comes into force the EU Unitary Patent Regulations will come into force as well.

Currently, according to Article 84 of the Convention, participation in the UPC Agreement is open only to EU member states, so it is unclear whether the UK could continue to be a party outside the EU. Now that the Government has agreed to ratify the UPC, it is strongly recommended that the UK should try to ensure that the UK can continue to participate fully in the Agreement following its withdrawal from the EU, including maintaining the location of the Life Sciences Division of the UPC in London.

If the UK is not party to the EU UPC system, it will become considerably less appealing as a patent-granting jurisdiction and this could mean businesses choose to take their patent business to another country within the EU regime. Additionally, if London were no longer to host a division of the UPC it could lead to significant economic loss for the UK.²⁵

Recommendation: Ensure the UK remains a centre of excellence for patent law – Notwithstanding the UK's exit from EU membership, it should negotiate to ensure that the UK can continue to participate in the Agreement and retain the Court.



²⁵ A FTI Consulting report on the Economic Impact of Alternative Locations for the Central Division of the Unified Patent Court estimated £569-1,968 million as the direct quantified loss to the UK economy from the Court being located outside the UK.

CHAPTER 5: LEGAL CERTAINTY

The Great Repeal Bill

The Law Society welcomed the move towards legal certainty provided by the Government's announcement that it will publish the Great Repeal Bill in the next parliamentary session.

The Law Society recognises that a Bill to transition the UK's withdrawal from the EU will not be a simple task. In light of this we have considered the legal and practical issues which may require further consideration to ensure legal certainty and a smooth transition.

Specifically:

- How the Great Repeal Bill will work with the withdrawal agreement and the agreement of the UK's new relationship with the EU
- Whether the Government will seek to amend or repeal legislation currently within EU competency through executive powers – The Law Society considers that all changes should be made through ordinary parliamentary procedures as it would not be appropriate to effect changes through executive powers. This would be in the interest of legal certainty and the preferable solution in terms of the separation of powers and rule of law.

As the Bill has not been introduced yet, the Law Society has provided some initial thoughts on the challenges which may need to be considered in moving away from EU law, many of which stem from the unique way in which legal rights and obligations operate within the EU framework.

Recommendation: The Government should publish a draft Great Repeal Bill – Due to the significance of the legislation, the UK Government should publish a draft Bill to allow pre-legislative scrutiny to occur. It may be beneficial for the draft Bill to be scrutinised

by a joint committee to ensure both Houses are given the opportunity to input into the draft Bill at this stage.

Timing

The Law Society presumes that the legislation will be enacted in advance of the UK's withdrawal from the EU, however, the date on which the transfer from EU to UK law should be on the date that the UK withdraws from the EU to ensure that there is no conflict of authority and that there is no gap. It is also possible that some form of transitional agreement between the UK and the EU might enter into force at that point. The Great Repeal Act, when it enters into force, must be consistent with the agreed transitional arrangements and any other agreements which have been reached with the EU in order to avoid gaps or inconsistencies.

Transitional arrangements are dealt with in the section below but there are a few points at which EU law could be captured and preserved under the Act:

- when the Act receives Royal Assent
- when the Act comes into force
- at the conclusion of negotiations
- when UK membership of the EU ceases
- at some other point, depending on what is agreed in terms of transitional arrangements.

Timing may be less relevant in terms of EU directives which require implementation through domestic law as it will be clear from the statute books which EU rules are already in effect. However, clarity as to the effective date will be of particular importance when assessing whether rules are maintained which emanate from legislative sources with direct effect eg EU Treaties, regulations or judgments of the Court of Justice of the European Union.

Reciprocity

The focus of the Great Repeal Bill, however, seems to be the 'leftover' legislation – ie issues which are not included in the context of negotiations. It is anticipated the UK would be able to change this legislation following Brexit as these rules are not directly related to the legal framework of the new relationship.

In practice, the task is significantly more complicated than merely retaining the existing rules, even if it takes account of the UK's new relationship with the EU. Many areas of EU law operate within a framework of reciprocity, where all participating states have agreed to mutually respect the rights and obligations. EU legislation is often formulated around EU institutions, such as the Commission or the Court of Justice or other EU bodies and agencies.

Reciprocity operates through mutual recognition, harmonisation and standardisation. For example, the recognition of professional qualifications applies mutually, where each member state has undertaken the obligation to recognise the qualifications from those educated in other member states. With only a unilateral acknowledgement, a state can ensure that the qualifications from other states are recognised in that state, but it cannot ensure that the qualifications it has granted to persons will be recognised abroad. The UK cannot unilaterally pass legislation which only makes sense in the context of a two (or twenty eight)-way relationship.

This illustrates both the importance of cooperation in certain areas and the fact that a catch-all clause is not a panacea, because many EU rules become meaningless when taken out of context.

Reciprocity in the internal market

The bulk of EU legislation has been directed at the creation, facilitation, or enhancement of the internal market. Where an EU directive has been transposed into UK law in the context of EU membership, it may not be appropriate to maintain this law outside the internal market for a number of reasons:

1. The rules may be irrelevant or ineffective because they are inextricably linked to participation in the internal market
2. If an advantage is predicated on reciprocity then maintaining the measures may not make sense or the way in which they would operate could be unclear
3. If the EU Member States do not maintain the rules in relation to the UK/UK companies/UK citizens, this could put the UK and its companies and citizens at a comparative or competitive disadvantage
4. Under the WTO rules, any benefit that is offered to one member must be offered to all members (the most favoured nation rule) and the UK cannot therefore offer preferential treatment to the EU member states without a specific trade agreement which must be registered with the WTO.

The same can be said for other sources of law other than directives – most obviously regulations and rulings of the Court of Justice of the European Union (CJEU) – which currently apply directly in the UK. The problem is widespread and a comprehensive audit of EU legislation and other rules will need to be undertaken to ensure that where laws originating at EU level are preserved, they actually make sense.

Relationship with EU institutions, organisations, and structures

Many pieces of existing legislation refer to the EU institutions, EU organisations, or structures that have been created specifically for the EU. Transferring EU law into UK law would require all of these references to be replaced with a reference to a non-EU body (unless there is a specific arrangement otherwise) – which in many cases would involve creating a new body for the UK if none currently exists.

Again, the elements of a multilateral arrangement based on reciprocity may come into play. For example, the Alternative Dispute Resolution Directive and Online Dispute Resolution Regulation are predicated on the use of an EU platform. It might be possible to pay to access the platform if the UK were to decide this would be beneficial to UK consumers but this would be a matter for negotiations.

International conventions

The EU has concluded 1,139 bilateral and multilateral agreements with third parties on behalf of its member states. A number of questions have arisen as to the UK's position (or possible position) upon withdrawal:

- whether it will be able to succeed to the agreements, or whether all these international agreements would need to be renegotiated and ratified
- where the UK would like to amend its participation in the agreement and how this could be achieved.

In order to arrive at an answer, it is necessary to examine the different types of international agreements that have been ratified in the context of the EU. These are:

- Agreements that have been ratified by the EU under its exclusive competence. An example of this is the Hague Choice of Court Agreements Convention, which has been ratified simply by the EU (further information in Chapter 2).
- Mixed agreements where the competence is shared between the EU and the individual member state and therefore needs to be ratified by both. An example of this type of international agreement is the Aarhus Convention on Access to Information, Public Participation in Decision-making and Access to Justice in Environmental Matters.

Recommendation: Maintain international obligations – The UK might be able to continue to participate in the agreements by a simple notification where there is a multilateral arrangement. For the reasons of legal certainty and clarity, it would be advisable that the UK approaches the institution or state responsible for the administration of the agreement to affirm how it can continue membership or withdraw from the agreement.

For mixed agreements – those ratified by the UK separately – a simple notification is likely to be sufficient where the continued participation does not entail changes to the agreement or require reallocation of the UK's share in the maintaining of the legal framework.

Where there are institutional consequences for the UK becoming a separate party, renegotiation and possible re-ratification by all the parties may be needed.

The continuation of the UK's participation in bilateral EU–third country agreements will need to be considered. These agreements are often tailored to the needs of the EU and the participating third country, e.g. on trade access, and they are not automatically convertible for multilateral purposes. It may be possible for the UK to use the existing framework to create a new trade relationship with the third country involved. However, the formalisation of this will need to be ensured by negotiations and ratification of a new agreement.

CJEU jurisprudence

Other than as provided for in legislation, the extent to which Court of Justice of the European Union (CJEU) jurisprudence will continue to have an impact on UK law which is derived from EU law will become clear over time through domestic case-law.

There will be a continuing need for an ultimate judicial arbiter to resolve disputes on matters of EU law, whether between private parties or between the UK and the EU. If the arbiter is not to be the CJEU, an alternative would have to be agreed with the EU and with the CJEU itself.

Transitional arrangements

While the focus so far has been on the exit arrangements for the UK leaving the EU, it is also important to consider transitional arrangements. Below we have highlighted some of the key considerations in transitional arrangements and emphasised the importance for all stakeholders of ensuring that proper care is taken to manage the logistics of changes in a way that is achievable for all parties, with particular attention to legal certainty and achievable timescales.

It is of paramount importance that an orderly transition to whatever follows on from UK membership of the EU is achieved. Legal certainty is a key point and the likely breadth of changes means that citizens and businesses – and indeed the member states themselves – will need time to familiarise themselves with changes to the system and adapt. As such, a sensible lead-in time and timescales throughout the transition period are desirable. This is of benefit to both the UK and the EU.

The Law Society considers that there are three scenarios where there may be a need for transitional arrangements:

- If at the end of the two year period set out under Article 50 no agreement on the arrangements for the withdrawal of the UK from the EU has been reached, and no extension is being granted. At this point the UK will cease to be an EU member state and will become, to all effects, a third country in its relationship with the European Union. This is to ensure that rights and obligations do not simply 'fall away'.
- The UK has established the terms of withdrawal but not established a new relationship with the EU within the two year window given by Article 50.
- The UK and EU have agreed on withdrawal terms and established their new relationship but there is need for a period of time for the UK Government,

EU member states, businesses and individuals to adapt to the new legal rights and obligations.

In all these scenarios transitional arrangements will need to address the following issues:

- the date at which rights and obligations cease – both in terms of individuals and member states
- if any rights are to be preserved, the effective date for determining whether certain categories of persons (natural or legal) will continue to benefit
- what happens in relation to ongoing cases before the CJEU or those before the national courts which have a cross-border element

- any changes within the institutional structures if there is a phased approach for transitioning to the new relationship.

The practicalities which must be covered by the transitional arrangements will, of course, depend on the new relationship that is agreed. Some areas of law will experience more change than others, depending on the current level of EU action and the way in which this will change as a result of the negotiations.



Case study: the impact on competition law

Competition law is one area where EU membership has a significant impact in the UK and therefore offers an illustration of issues which will need to be considered in transitional arrangements if the UK were to cease participation in the single market. The EEA states, such as Norway, are subject to the jurisdiction of the European Commission in relation to all competition matters with a community element. The UK remaining a part of the internal market, as a member of the EEA or on a different but analogous basis, would of course result in less change than if the UK were to entirely withdraw from the internal market.

The following issues would therefore need to be considered in transitional arrangements only if the UK were no longer subject to the EU competition rules:

- what should happen to competition investigations which have already begun?
- what should happen to competition cases which are underway – ie will the European Commission continue to have jurisdiction to determine these cases?
- if the UK is to remain a member on an interim basis or the status quo is to be maintained on an interim basis but membership will cease, how is jurisdiction to be determined between the European Commission and the CMA?
- what will happen to any new EU legislation which comes into force – will it have effect in the UK?

Potential models for transitional arrangements

International negotiations take a long time and those for a new UK/EU relationship are likely to be particularly complex. It may be that two years is an ambitious timeframe for the details of a new relationship to be finalised. The transitional arrangements could be seen as a 'place holder' for negotiations. Potential models for these arrangements are:

- Retain the majority of rights and obligations of membership – The Law Society notes that retaining membership is unlikely to be politically desirable for either the UK or the EU. However it may be possible to continue formal membership of the EU beyond the two year period with the UK continuing the rights and obligations it entails. It may also be possible to make alterations to certain obligations to recognise the UK does not have the same long term objectives. However there may be problems if the UK and EU were to deviate too far from current EU arrangements as this may be seen as a new deal which we would need to ratify or could lead to a lack of compliance with WTO obligations.²⁶ Such an approach could offer advantages in terms of the legal certainty for individuals and businesses, and the continuity of the UK's wider international relationships – eg WTO membership, the EU's free trade agreements, conventions such as the Hague Conventions or the Aarhus Convention, US privacy shield etc. However, it would also mean that the UK would be unable to move forward with negotiating new agreements in trade or other areas covered by the EU competences.
- 'Freeze' rights without formal membership – It might also be possible to 'freeze' the status quo as to legal rights and obligations. This would mean that the UK's formal membership of the EU would cease, even though the EU legal framework is otherwise still applied between the EU and the UK. Within such a model there would still be significant questions to address including what contribution the UK can make to the adoption of new legislation and whether it would be compatible with WTO obligations.
- Establish a temporary EEA model – The UK would formally leave the EU but retain the key aspects of its trading relationships. This could include continued participation in the internal market membership and perhaps also the customs union. This could still work alongside participation in EU programmes, cooperation in criminal justice and policing, and cooperation in the field of civil justice. Such an agreement may need ratification by all parties. In addition to the EU states and the UK, it is likely that the other EEA states would need to agree to such an agreement.²⁷

Ratification of transitional arrangements and the effect on timings

In relation to the withdrawal agreement, the voting process is clear – a qualified majority of member states. However, although Article 50 TEU foresees the possibility of negotiating a new relationship, the withdrawal agreement is only to 'take account' of such hypothetical new arrangements.

²⁶ As a rule, where the agreement concerns only EU competences, EU can ratify it en bloc, as a whole. This could ensure a speedy adoption of the transitional agreements by the EU and the UK.

²⁷ Some have suggested that the EEA/EFTA option (or at least something similar) could in fact be a successor to membership, even on a permanent basis.

It is not currently clear what the ratification process for a new relationship would be. It is possible that it will be different for transitional arrangements than agreed for withdrawal in Article 50. The ratification procedure for the agreement on transitional arrangements – whether part and parcel of the agreement for a new relationship or a separate instrument – has significant implications for the timescales of UK withdrawal.

It could mean that a full withdrawal – ie falling back on WTO membership only – is in fact more likely as it could take years for all member states to agree to a new relationship if the requirements of all the various constitutional processes must be met. Obtaining ratifications from all parliaments at national level may cause considerable delay and cause danger of a gap, which the transitional agreement's purpose is to avoid.

As mentioned above, the UK/EU arrangements must also comply with the WTO's rules to avoid a case, or cases, being brought against either party in the WTO. Exactly what is required to achieve this is not yet clear but it would be helpful if the UK Government could begin discussion with the WTO at the earliest opportunity to mitigate against the chances of infringing the WTO's rules.

Recommendation: Negotiate transitional arrangements – The Law Society recommends that the UK Government should negotiate practicable transitional arrangements with the EU. This will allow businesses to prepare for the new regime and effect necessary changes and should help avoid a 'cliff-edge' before a new relationship with the EU has been finalised.

Recommendation: Provide legal certainty – The UK Government should also give businesses and consumers the time and necessary clarity to adapt to the changes to rights and obligations in the case of either a new deal with the EU, or withdrawal from the EU without a new deal.



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Debt Securities: Overview

by Practical Law Corporate & Securities

Maintained • USA (National/Federal)

This Note reviews the common forms and characteristics of debt securities issued by US issuers, including commercial paper, medium-term notes, high-yield and investment grade bonds and convertible and exchangeable bonds. An overview of international debt securities, including Eurobonds, EuroMTNs and Euro-commercial paper, is also included in this Note.

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Global Notes and Book-Entry Clearing

Failure to Timely File SEC Reports is Not a Default Under Certain Indenture Reporting Covenants

A company needs money for many reasons. It may need capital to operate its business and pay suppliers, wages or bills, or it may need funds for a particular project, transaction or to expand its business. If a company cannot earn enough money from its operations, it may have to borrow money. Most companies raise capital using a combination of bank loans and issuing equity or debt securities.

This Note examines the most commonly issued corporate debt securities and matters of specific concern with their issuance. It focuses primarily on the US debt capital markets but includes a brief description of some international debt security offerings.

What are Debt Securities?

A debt is a promise by a borrower to repay money to a party (the lender, creditor or investor) that has loaned it money, usually with interest.

A debt security is an instrument that evidences a debt (and the promise of its repayment) that is traded between two parties in the securities markets. The issuer of a debt security borrows money by selling debt securities to investors (or holders). The issuer receives the money and the investors receive the promise to repay the money.

The holders of debt securities become creditors of the issuer and are entitled to receive payment of the principal amount (the amount originally loaned) and interest. Debtholders have no ownership rights in the issuer (although holders of certain hybrid securities, such as convertible bonds, may have the possibility to acquire ownership rights in the issuer in the future) (see below)). Debt securities are generally issued for a fixed period of time, at the end of which (the maturity) the issuer must repay the money borrowed. Like equity securities, they can usually be easily traded between investors. This feature can make debt securities attractive to investors.

In the US capital markets, there are several major categories of debt securities:

- **Treasury securities.** These government securities issued by the US Department of the Treasury are the debt financing instruments of the federal government. All marketable treasury securities are liquid and heavily traded between investors on the secondary market. Non-marketable securities (such as savings bonds) are issued to subscribers and cannot be transferred through market sales.
- **Federal agency securities.** These securities are issued by federal government agencies, which then lend the proceeds for the benefit of selected groups, such as home buyers or farmers.
- **Municipal securities.** These securities are issued by state and local governments, including cities and counties, and their related service authorities, such as port authorities, water and sewer districts and school districts. These securities can be general obligations of the issuer or secured by specified revenues. Holders of municipal securities generally do not pay US federal income tax (and often, state or local tax) on the interest paid by the issuer.
- **Corporate debt securities.** These are issued by companies. Major types of corporate debt securities include:
 - **commercial paper**, which are short-term debt securities generally used to fund short-term liquidity needs. Commercial paper is generally designated as a money market instrument (see Commercial Paper);
 - **medium-term notes** (MTNs), which are debt securities that are typically issued under medium-term note programs and usually have a maturity of between two and five years, although other maturities are possible (see Medium-Term Notes); and
 - other types of bonds or notes, which are debt securities with terms as long as 30 years or more (see Bonds).

In addition, there are hybrid securities, which combine elements of debt and equity. These include, among other types of securities, **convertible bonds** (bonds that can be converted, usually at the option of the holder, into shares of the issuer) and **exchangeable bonds** (bonds that are exchangeable for shares of an entity other than the issuer).

Bond Terminology

The terms bond, debenture and note are often used interchangeably to refer to the same type of debt security, although each has historically had slightly different definitions:

- **Bonds.** Debt instruments in which the issuing company or governmental body promises to pay the holders a specified amount of interest for a specified length of time and to repay the principal amount of the loan at maturity. A bond is typically a long-term debt instrument.
- **Debentures.** Long-term debt instruments used by governments and large companies to obtain funds. A debenture is evidence of a debt on which the issuer promises to pay the holders a specified amount of interest for a specified length of time and to repay the principal amount of the loan at maturity. The main difference between a bond and a debenture is that bonds can be secured by collateral, but debentures typically are not secured.
- **Notes.** Debt securities that usually have a short-term maturity of between one and ten years. Notes also generally refer to any written promise to pay a specified amount to a certain entity on demand or on a specified date.

Characterization of a Debt Security

Some of the considerations that determine the type of debt security and the associated documents include:

- What is the length of the repayment period (known as the term or maturity)? For short-term notes having a maturity of less than 12 months, see Commercial Paper and for medium-term notes having a maturity of between one and five years, see Medium-Term Notes.
- How is the interest on the note calculated? Is it fixed-rate, floating rate (usually based on the prime rate, **LIBOR**, the Treasury rate or EURIBOR) or zero coupon (that is, it pays no interest)? Zero coupon securities refer to debt that is sold at a discount but is repaid at the face value of the note. The interest rate is primarily determined by the perceived ability of the issuer to repay the debt. The more likely it is that the issuer will not be able to repay the debt, the higher the interest rate on the debt will be as an incentive for an investor to take on the risk.
- Is the debt senior to or subordinated to any other debt of the issuer? This refers to the ranking of the debt security. In the event of bankruptcy, senior debt is repaid before subordinated debt.
- Is the debt secured or unsecured? Debt is secured if the debtholder has access to the issuer's assets, ahead of any of the issuer's general obligations, to satisfy the debt if the issuer fails to repay it. Unsecured debt is an obligation in which the holder does not have access to any assets if the issuer cannot repay it.
- Is the debt guaranteed by the issuer's subsidiaries or other **affiliates**?
- Is the debt rated or unrated? If rated, is it investment grade or non-investment grade (see below)? This refers to the type of **credit rating** that the **rating agencies** assign to the debt of an issuer. The credit rating of a debt security indicates the ability of the issuer to meet its obligations under that security. An **investment grade** rating indicates the issuer is more likely to be able to repay the debt than if it were rated non-investment grade. Different debt securities issued by an issuer can have different credit ratings depending on the specific terms

of each debt security, such as ranking and security. For more information on credit ratings and the ratings agencies, see Practice Note, Credit Ratings and Credit Rating Agencies.

- Is the debt in bearer or registered form? Bearer notes are instruments where ownership is transferred by physical delivery. This means that physically handing over the note to another person transfers ownership. Registered notes are instruments where ownership is transferred by recording the transfer, and the name of the new holder, in a register. Handing over the note to another person does not transfer actual ownership; the name of the new holder must be registered in the company's register of holders. Under changes made by the Hiring Incentives to Restore Employment Act enacted in 2010, US issuers are effectively precluded from issuing bearer debt after March 18, 2012 (see Practice Note, Offshore Debt Offerings: US Tax Restrictions on Issuing Bearer Debt).

In addition, registered notes are in global form. Bearer notes can be in global form or definitive form (physical printed securities). A global note is a single document representing the total debt issued and is held by a depositary on behalf of the holders. This single note does not need to be a formal certificate or be specially printed. Because most debt securities are cleared and settled using book-entry clearing systems (see Box, Global Notes and Book-Entry Clearing), the differences between registered and bearer notes have become irrelevant (unless an investor requires a physical definitive security for a particular reason).

Other issues that affect debt securities include:

- Are there any covenants affecting the debt? If so, what affirmative and negative covenants does the debt security contain? This refers to any requirements or restrictions imposed on the issuer to ensure that the issuer can repay the debt plus any interest.
- What are the repayment terms? Is prepayment or redemption of the debt security before maturity permitted and, if so, at what price?
- Is the debt being offered on a registered or unregistered basis? That is, is the debt issued in a public offering under a **registration statement** filed with the **Securities and Exchange Commission** (SEC) or on an unregistered basis?
- If the debt is being offered on a registered basis, does the issuer already have an **indenture** qualified under the **Trust Indenture Act of 1939** (TIA)?
- If the debt is being offered on a registered basis, is the issuer eligible to file a **shelf registration statement**?
- If the debt is being offered on an unregistered basis, what exemption or safe harbor from the registration requirements of the **Securities Act** is being relied upon (see Practice Note, Unregistered Offerings: Overview)?
- If the debt is being offered on an unregistered basis, how many initial holders will there be? How sophisticated are those investors?
- Is the debt being offered solely within the US or also in an international offering?
- Will the debt be listed on a securities exchange? This affects the liquidity of the security. It is easier to trade listed debt than unlisted debt because there is an easily accessible market for purchases and sales. In addition, certain types of investors refuse to hold unlisted securities.
- What, if any, clearance and settlement procedures are applicable to the debt security to allow for transfers of interests in the debt security (see Box, Global Notes and Book-Entry Clearing)?

Conducting an Offering of Debt Securities

Debt securities can be offered in an SEC-registered public offering (under Section 5 of the Securities Act) or on an unregistered basis (under a valid **private placement** or other exemption (or safe harbor) from registration). Offering debt securities on a registered basis follows the same procedures as for equity securities (see Practice Note, Registration Process: Overview). These procedures include:

- The issuer prepares and files a registration statement relating to the offering of the debt securities with the SEC. When the SEC declares the registration statement effective, the issuer can complete the debt offering.
- Due diligence is undertaken in connection with the offering (see Practice Note, Due Diligence: Securities Offerings).
- The issuer is subject to the publicity restrictions of the Securities Act during the offering process (see Practice Note, Registration Process: Publicity).

Unlike equity offerings, in a public offering of debt securities, the debt securities are issued under an indenture, and the indenture must be qualified under the TIA so that all of the debt securities of the same rank are offered on the same terms and provisions.

Offering debt securities on an unregistered basis can follow the same procedures as for registered securities depending on what type of exemption or safe harbor from registration is being claimed. These procedures may include the following:

- The issuer may prepare an **offering memorandum** to be distributed to potential investors. The offering memorandum may be brief and describe only the terms of the offering or it can provide a detailed description of the issuer and other information similar to a **prospectus** for a registered offering.
- The potential investors or a placement agent acting on their behalf may conduct due diligence.
- The issuer may provide **registration rights** to the investors. The issuer may agree to register the resale of the debt security by the investors or may agree to exchange the unregistered securities later for securities of the same class that are registered with the SEC. For more information on registration rights, see Practice Notes, What are Registration Rights Agreements? and Registration Rights Agreement for Rule 144A and Regulation S Offerings: Understanding the Terms.

The most common types of offerings of debt securities offered to **institutional investors** on an unregistered basis include:

- Investment grade and non-investment grade debt securities (such as **high-yield bonds** (see below)) are commonly sold in Rule 144A offerings. The primary advantage of a Rule 144A offering is the aftermarket liquidity. **Rule 144A** allows for the immediate resale of securities among **qualified institutional buyers** (QIBs) without requiring registration. This provides efficient access to US capital at a lower cost to the issuer and more quickly than a registered public offering. Bonds sold in a Rule 144A offering are issued under an indenture, but the indenture is not qualified under the TIA unless the bonds are being offered, and later registered, in an **A/B exchange offer**.
- Commercial paper is never registered under the Securities Act and is usually issued under Sections 3(a)(3) or 4(a)(2) of the Securities Act.
- Commercial paper and MTNs can be offered and sold:
 - continuously under Section 4(a)(2);
 - in restricted programs in compliance with Regulation D; or
 - in Rule 144A offerings.
- In traditional private placements of debt securities to a small number of institutional investors (usually insurance companies and similar financial institutions), notes are typically sold under Section 4(a)(2) or Regulation D. These debt securities are usually fixed rate notes issued under standardized note purchase agreements (not indentures) containing detailed representations and covenants often comparable to those in bank loan agreements.

For more information on how to conduct registered and unregistered offerings of securities, including the parties to the offering, the transaction documents, preparing for the offering and the offering process, see the following Practice Notes:

- Registration Process: Overview.
- Shelf Registrations: Overview.
- Follow-on and Secondary Registered Offerings: Overview.
- Unregistered Offerings: Overview.
- Conducting an Unregistered Offering: Overview.
- Raising Capital under Rule 144A and Regulation S: The Lawyer's Role.

Bonds

Common features of bonds include:

- **Principal or face amount.** The amount on which the issuer pays interest, which must be repaid at the maturity of the bond.
- **Issue price.** The price at which investors buy the bonds when they are first issued, typically expressed as a percentage of the principal amount. The net proceeds the issuer receives are calculated from the issue price (less any underwriting discounts and commissions, if applicable) times the total principal amount being offered.
- **Maturity date.** The date on which the issuer has to repay the principal amount. If all payments have been made, the issuer has no more obligations to the bond holders after the maturity date. The length of time until the maturity date is often referred to as the term, tenure or maturity of a bond. Bonds can have a term of up to thirty years.
- **Interest.** This may be based on a fixed rate or floating interest rate. It is sometimes referred to as the coupon. Investment grade debt carries a lower interest rate than non-investment grade debt.
- **Credit rating.** Bonds are rated by credit rating agencies (such as **Moody's** or **Standard & Poor's**) which determine whether the debt is investment grade or non-investment grade. Issuers of non-investment grade debt are considered more likely to default on their obligations and, as a result, must pay a higher rate of interest to offset the risk taken on by the investors buying the non-investment grade debt.
- **Ranking.** Bonds can be senior or subordinated to other outstanding debt obligations of the issuer. For example, high-yield bonds are typically subordinated (structurally and/or contractually) to an issuer's bank debt (see Practice Note, Subordination: Overview).

Many of these terms are common to commercial paper and MTNs as well.

Bonds are typically issued under an indenture entered into by the issuer with a **trustee** on behalf of the bondholders. Common provisions of the indenture include the following:

- **Interest payment dates.** The indenture lists the dates on which the issuer pays interest to the bondholders, typically on a semi-annual basis. These are sometimes referred to as the coupon dates.
- **Prepayment/redemption.** This provision of the indenture relates to the issuer's ability to prepay the debt before the maturity date. There are several possible prepayment provisions, including the following:
 - The issuer cannot prepay the debt at all;
 - The issuer cannot prepay the debt for some period of time after issuance. After that period of time passes, the issuer can prepay the debt if it also pays the investor an extra amount (a **make-whole premium**). The make whole premium compensates the investor for the possibility that the issuer will prepay the debt at a time that the investor will not be able to reinvest its funds at the same interest rate. In some cases,

the amount of the make-whole premium that the issuer must pay decreases as the period of time between issuance and prepayment increases; and

- The issuer must prepay the debt before maturity if special events occur (such as if there is a change in control of the issuer).

This prepayment feature is also referred to as a redemption right (voluntary or optional redemption, where the issuer can choose to repay the bonds, versus mandatory redemption, where the issuer must prepay the bonds) or callability. Typically investment grade bonds are not callable or are callable only when the issuer pays a make-whole premium (which can be expensive for the issuer).

- **Covenants.** A covenant is a promise to take an action (an affirmative covenant) or to refrain from taking an action (a negative covenant). Indentures contain a variety of covenants from the issuer to the trustee on behalf of the bondholders. The covenants govern certain behavior of the issuer from the date the bonds are issued up to the maturity date. Investment grade debt has fewer covenants than high-yield debt.

Examples of affirmative covenants can include:

- a sinking fund provision which requires a certain portion of the issue to be retired periodically; and
- delivery of annual and quarterly financial information to the investors. See Box, Failure to Timely File SEC Reports is Not a Default Under Certain Indenture Reporting Covenants.

Examples of negative covenants include restrictions on the issuer's ability to:

- pay dividends to its stockholders;
 - make investments; and
 - take on additional debt.
- **Events of default.** The indenture outlines the events that can cause the debt to become in default. Examples of events of default include the failure to:
 - pay interest on an interest payment date; and
 - comply with a covenant in the indenture.

These events of default can trigger the obligation to repay the entire amount of debt outstanding before the maturity date, usually after a grace period and subject to other procedural requirements.

- **Transferability.** The indenture outlines the requirements for transfers of the debt securities by the bondholders.
- **Defeasance.** Bond indentures can provide for defeasance of the bonds and the indenture by depositing cash or government securities with the trustee to cover all future payments due on the bonds up to maturity or redemption. Legal defeasance terminates all substantive obligations under the indenture and the bonds (in effect, those obligations are no longer enforceable by the bondholders). Covenant defeasance only terminates specified restrictive covenants and related default provisions and leaves other provisions unaffected, including the issuer's payment obligations on the bonds.

High-Yield Bonds Versus Investment Grade Bonds

High-yield bonds are debt securities that carry non-investment grade credit ratings. Distinctions between high-yield and investment grade debt include the following:

- High-yield bonds have higher interest rates than investment grade debt. High-yield bonds carry a greater risk of default than investment grade debt because the high-yield issuer is less likely to be able to repay the debt. For example, a high-yield issuer may have a high debt load in comparison to its earnings and cash flow or lack cash on hand. The higher interest rates on high-yield bonds are justified by the greater risk of default by the issuer.

- High-yield bonds are often guaranteed by most, if not all, of the issuer's domestic subsidiaries and sometimes by the issuer's parent company (if applicable). Investment grade bonds rarely require guarantees.
- High-yield bonds are typically eligible for optional redemption by the issuer halfway to maturity at a premium that begins at half the interest rate, declining to zero in the last two years before maturity.
- The covenants in high-yield bonds are more restrictive than for investment grade bonds and contain more (and more extensive) prohibitions on actions by the issuer and its restricted subsidiaries that could be detrimental to their ability to repay the bonds. In addition, a high-yield indenture does not contain many of the standard **carve-outs** to the covenants that an investment grade issuer expects to receive.
- High-yield bonds are more likely to contain covenants that test the financial position of the issuer than investment grade debt because investment grade issuers are more likely to be able to repay their debts. High-yield bond covenants are typically incurrence-style covenants, which means that the issuer must take specific action to breach a covenant (for example, a covenant that limits its ability to incur debt or to pay dividends), and any measurement of financial position (financial ratio tests) are applied at the time the action is taken or incurred.
- High-yield offerings are usually not registered with the SEC, at least not when initially offered. The bonds are first issued in a Rule 144A offering to QIBs and **institutional accredited investors** (IAIs) or to buyers outside the US under Regulation S. Historically the unregistered Rule 144A offering was followed by a registered A/B exchange offer. In an A/B exchange offer, the unregistered notes are exchanged for registered notes. However, Rule 144A-for-life offerings, where the notes are never registered with the SEC, are also common.

For more information on high-yield debt, see the following Practice Notes:

- The Art of the High-Yield Covenant: Financial Terms and Definitions Derived from the Income Statement.
- High-Yield Indenture: What are Financial Covenants and Ratios?.
- High-Yield Indenture: The Role of the Subsidiaries.

Commercial Paper

Commercial paper is a money market instrument, that is, a short-term debt obligation. It is issued by large banks, financial companies (such as investment banks and mortgage companies) and large-capitalized companies. Commercial paper is an unsecured **promissory note** with a maturity ranging from two to 270 days and can be discounted or interest-bearing.

Commercial paper is usually issued and repaid or replaced with new commercial paper on a rolling basis. Because it would be impractical and expensive to register each issuance under the Securities Act, commercial paper is never registered under the Securities Act. Instead it is issued under an exemption from registration, either as an exempt security or in an exempt transaction. Section 3(a)(3) of the Securities Act provides an exemption from registration for notes with maturities of nine months or less where the proceeds are to be used for current transactions. If the commercial paper falls within the scope of Section 3(a)(3), the notes are exempt from registration with the SEC and the paper is issued on an unregistered basis.

Commercial paper, considered a low risk investment, is viewed as a less expensive alternative to procuring a bank line of credit, and its interest rate tends to be lower than bank loans. Commercial paper is not used to finance long-term investments; instead the proceeds are used to buy inventory or to manage working capital. Commercial paper is commonly bought by funds and not individual investors as it is typically issued in large denominations.

Common Features of Commercial Paper

These include:

- Commercial paper typically has a maturity of between five and 45 days, with 30 to 35 days being the average maturity.
- Many issuers continuously roll over their commercial paper; that is, they issue new commercial paper to repay or refinance the commercial paper that has come due. This rollover of notes does not violate the nine-month maturity limit in Section 3(a)(3) if the rollover is not automatic but is at the discretion of the issuer and its commercial paper dealer.
- The paper must not be offered to the general public. In practice, commercial paper is sold primarily to institutional investors. The denomination of commercial paper is usually \$100,000 or more to ensure that investors are institutional investors or sophisticated individual investors.
- The proceeds must be used to finance current transactions (such as funding of operating expenses and current assets).
- Commercial paper is typically a discount security. The investor buys the notes at less than face value and receives the face value at maturity. The difference between the purchase price and the face value (the discount) is the interest received on the investment.
- Commercial paper is sold to investors either directly by the issuer or through independent dealers.
- Commercial paper carries credit ratings from one or more credit rating agencies.
- A popular form of commercial paper is asset-backed commercial paper. While the risk of most commercial paper depends on the issuer's operating and financial performance, the risk of asset-backed paper is tied directly to the creditworthiness of specific financial assets (usually a form of receivable). Asset-backed commercial paper is usually issued by a special purpose entity, which has no other business or assets other than receivables it bought from a related operating company(ies). The special purpose entity finances the asset purchases with funds raised in the commercial paper market.
- Most commercial paper is issued under the Section 3(a)(3) exemption. However, if the paper is guaranteed by a letter of credit from a bank, it can also be issued under the Section 3(a)(2) exemption (securities guaranteed by a bank), whether or not it can be issued under Section 3(a)(3). In addition, commercial paper can be issued in private placements under Section 4(a)(2) or Regulation D or in Rule 144A offerings.

Medium-Term Notes

MTNs are debt obligations which mature on a date more than nine months from the date of issue. The term can be as short as one year or as long as 50 years. Although medium-term notes typically have maturities of between two to five years, they are not required to have medium terms. In fact, it is common for companies to issue both short-term and long-term securities under an **MTN program**. MTN programs enable companies to offer debt securities on a regular and/or continuous basis. Most MTN programs issue investment grade debt securities.

An MTN program is essentially a debt facility that does not have a termination date. One set of underlying documents for the issuance of notes (such as agreements with selling agents or dealers, and issuing and paying agency agreements) is executed for the program. Whenever the issuer issues a series of MTNs under the program, the underlying documents are amended by a pricing supplement, which sets out the terms of the specific issue of notes. This permits an issuer to sell a wide range of debt securities without having to complete the SEC's registration or review process for each issuance. The advantage to issuers is that they are not required to produce a full set of legal documents each time they want to issue notes. This makes access to debt funding easier and less expensive.

MTN programs are used by large-capitalized companies that are eligible to file shelf registration statements for delayed and continuous offerings. However, an issuer can choose to sell MTNs to a small group of institutions in a private placement under Section 4(a)(2), in a Rule 144A offering or under some other applicable exemption from registration.

Common Features of an MTN Program

These include:

- An MTN program can be guaranteed by an entity other than the issuer (such as a parent holding company or operating subsidiaries).
- Issuers can register MTN programs with minimum denominations of \$1,000. This permits non-institutional investors to participate in an MTN program.
- An arranger coordinates the MTN program for an issuer. However, the MTN program can have selling agents other than the arranger that offer the issuer's securities. Having multiple selling agents encourages competition among the selling agents to market the issuer's securities, and can lower the issuer's financing costs for securities issued under the program.
- An MTN program can be structured with a trustee or paying agent. The trustee or paying agent performs many functions in the program, including processing payments of interest and principal and settlement of the MTN securities. The main difference is that the trustee acts on behalf of the noteholders and exercises their rights on their behalf, but the paying agent acts as an agent of the issuer and the noteholders can exercise their rights individually.
- The MTN's credit rating plays an important part in an investor's decision to buy them. Accordingly, an issuer of MTNs usually receives credit ratings for its indebtedness generally or for the MTN program specifically. Most MTN programs carry an investment grade rating, and are held primarily by investors that must invest in investment grade securities for a particular reason. The issuer delivers copies of the applicable ratings letters to the arranger and is generally required to inform the selling agents of any changes in its ratings.
- The notes issued under an MTN program typically are in global form, held by and cleared through the **Depository Trust Company** (DTC) (see Box, Global Notes and Book-Entry Clearing). MTN notes offered on a private placement basis are eligible for DTC book-entry clearing and settlement if they are offered and sold in a Rule 144A offering. If they are offered and sold continuously under Section 4(a)(2) or in restricted programs in compliance with Regulation D, the notes can still be DTC-eligible if they are investment grade.
- MTN programs typically are registered on a shelf registration statement under Rule 415 of the Securities Act. Issuers eligible to use Form S-3 or Form F-3 can file a shelf registration statement for a continuous or delayed offering. If an MTN issuer is not eligible to use Form S-3 or Form F-3, it is limited to continuous offerings, which means that, once the registration statement has been declared effective, the issuer must begin selling the securities on a continuous basis. Accordingly, MTN programs generally are conducted by larger public companies, with at least a \$75 million public equity float, on a delayed basis. For more information on shelf registrations, including continuous and delayed offerings, see Practice Note, Shelf Registrations: Overview.
- If an MTN program involves investment grade debt securities issued from shelf registration statements by an issuer with a **public equity float** of more than \$300 million, the MTN program is not subject to review by the **Financial Industry Regulatory Authority** (FINRA). However, in the case of an MTN program operated by a financial institution in which one or more of its broker-dealer affiliates serves as a selling agent, the underwriting arrangements must be reviewed by FINRA under its conflict of interest rules. Because many of these issuers are **well-known seasoned issuers** (WKSI), FINRA often issues a "no objections" letter with respect to the underwriting arrangements with minimal or no review.

- Qualification of an indenture under the TIA is not required for a private MTN program. There are two types of indentures normally used for MTN programs: an indenture restricted to MTNs or an indenture permitting the issuance of any type of debt security. Both types are open-ended and do not limit the amount of debt securities that can be issued.

Hybrid Securities

Hybrid securities pay a predictable (fixed or floating) rate of return or dividend until a certain date, at which point the holder has several options including converting the securities into a different type of security. Unlike a share of stock, the holder has a known cash flow, and, unlike a fixed interest security, there is an option to convert to the underlying equity. Convertible and exchangeable bonds are the most commonly issued hybrid securities.

Convertible Bonds

A convertible bond is a bond where the holder has the option to convert the bond into another security of the issuer at some future date and under prescribed conditions. Usually convertible bonds are convertible into the issuer's common stock, but the conversion security can be other debt or equity securities of the issuer, or a combination of both. Because of the embedded conversion right, the interest rate for convertible debt is significantly lower than the rate on straight debt.

Common Features of Convertible Bonds

A convertible bond retains many of the features of bonds, as described above, and is typically issued under an indenture entered into by the issuer with a trustee on behalf of the bondholders. Additional features specific to convertible bonds include:

- A convertible bond performs like a non-convertible bond until it is converted into the underlying security. For example, before conversion, the issuer makes regularly scheduled interest payments (typically semi-annually).
- Conversion is an option which is exercisable by the bondholder on the occurrence of certain triggering events. After specific types of events occur (such as the passage of a certain period of time or an increase in the trading price of the underlying security) and before the bonds mature, a holder of a convertible bond can choose to convert its bond(s) into shares of common stock of the issuer at a specified conversion price. On conversion, the holder receives stock instead of being repaid the principal of (and interest on) the converted bond. Usually, the conversion right is exercisable by the investor in its sole discretion after the triggering event has occurred.
- To exercise the conversion right, the bondholder completes a conversion notice and delivers it, along with the bond, to the trustee for the bonds. The converting bondholder receives shares of stock in exchange for the bond that has been converted in a ratio based on the conversion price and the principal amount of bonds being converted.
- Usually, on receiving a conversion request, the issuer can elect to redeem the bond instead of converting it into the underlying security. The issuer does not have to redeem the bond, but it must then convert it.
- Convertible bonds contain highly technical anti-dilution provisions to adjust the conversion price to take account of mergers, recapitalizations and other corporate events that affect the equity into which the bonds are convertible.
- Convertible bonds are not secured by the assets of the issuer or its subsidiaries. They may, however, be guaranteed by the issuer's subsidiaries.

- Convertible bonds are almost always subordinated to an issuer's obligations under any credit facility and may also be subordinated to other indebtedness of the issuer. For information on subordination, see Practice Note, Subordination: Overview.
- An issuer can issue convertible securities in a Rule 144A offering only if the conversion premium is sufficiently high (greater than 10%) (see Practice Note, Convertible Bonds: Overview: Conversion Price).

For more detailed information on convertible notes, see Practice Note, Convertible Bonds: Overview.

Exchangeable Bonds

An exchangeable bond is a bond with an option to exchange the bond for securities issued by a company other than the issuer (usually a subsidiary or company in which the issuer owns a stake) at some future date and under prescribed conditions.

Common Features of Exchangeable Bonds

These include:

- Like convertible bonds, exchangeable bonds usually have lower interest rates because the holders can profit from the underlying stock's increase. Likewise, issuers often give up equity in return for these lower interest rates.
- Exchangeable bonds typically mature in three to six years.
- In general, holders of exchangeable bonds are entitled to anti-dilution adjustments from the issuer. These compensate bondholders for events such as capital distributions that benefit all of the shareholders in the underlying company.
- In the event of default, some exchangeable bonds offer holders the greater of par value or the market price of the underlying shares. This lets holders benefit from the good performance of the underlying company even if the issuer has gone bankrupt.
- Like convertible bonds, exchangeable bonds trade like bonds when the share price is far below the exchange price but trade like stocks when the share price is above the exchange price. This correlation with stock prices means exchangeable bonds provide some inflation protection (a typical corporate bond provides little inflation protection).

International Debt Securities

US issuers can issue Euro-securities outside the US capital markets. These securities have nothing to do with the euro, the currency adopted by many of the countries in the European Union. Euro-securities are issued internationally, outside the US market, and include the following securities.

Eurobonds

Eurobonds are international bonds denominated in a currency other than the currency of the country where it is issued, and are sold and traded outside the country in whose currency the securities are denominated. Eurobonds can be categorized according to the currency in which they are issued. For example, Euroyen and Eurodollar bonds

are denominated in Japanese yen and American dollars, respectively, but are issued and sold outside of Japan and the US, respectively.

Eurobond offerings are distinct from other international bond transactions where an issuer sells securities denominated in the currency of another country through a syndicate of underwriters based primarily in that country.

A Eurobond is normally a bearer bond. However, most Eurobonds are now held in book entry rather than physical form and are traded within one of the clearing systems (most commonly Euroclear and Clearstream).

EuroMTNs

EuroMTNs are medium term notes issued in a Eurocurrency (for example, Eurodollars or Euroyen). As with a regular MTN program, the EuroMTNs are usually connected to an MTN program, which is a funding program used by issuers to receive debt funding on a regular and continuous basis. EuroMTN programs are registered with a supervisory authority such as the London Stock Exchange or the Luxembourg Stock Exchange.

US issuers access the EuroMTN market as an alternative to their US funding sources. Most US issuers rely on Regulation S as a basis for the exemption of their EuroMTN program from the registration requirements of the Securities Act.

For more general information on MTN programs, see [Medium-Term Notes](#).

Euro-commercial Paper

Commercial paper which is issued in a Eurocurrency (for example, Eurodollars or Euroyen) is known as Euro-commercial paper. The Euro-commercial paper market is similar to the EuroMTN market.

US issuers can access the Euro-commercial paper market as an alternative to the US funding sources. Most US issuers rely on Regulation S or Section 3(a)(3) of the Securities Act (only if the requirements for maturity and current transactions are satisfied) as a basis for the exemption of their Euro-commercial paper program from the registration requirements of the Securities Act.

For more general information on commercial paper programs, see [Commercial Paper](#).

Global Notes and Book-Entry Clearing

Debt securities issued in the US typically are in global form, with a single document representing the entire amount of a particular issue (or tranche) of notes (no matter how many investors beneficially own the notes in that issue), up to a maximum of \$500 million per note. The global note document contains basic provisions, such as the type of security, the total amount, the interest rate, and the terms and conditions for the issue.

When an issuer completes an offering of debt securities, the global note is registered in the name of the Depository Trust Company's (DTC) nominee, Cede & Co. and is typically physically held by the trustee or paying agent for the securities. With its affiliate, the National Securities Clearing Corporation, DTC allows its members (the participants) to deliver, and pay for, securities between each other via electronic bookkeeping entries, instead of physically moving the securities certificates. DTC is the registered holder and owner of the note, because its nominee is listed as the holder and owner on the face of the security. Certain types of debt securities which are eligible to settle through the DTC's money market instrument (MMI) system (for example, commercial paper) may be represented by master notes. Master notes are similar to global notes in that they are registered in the name of Cede & Co. and can represent securities beneficially owned by many investors. However, unlike a global note, a master note can represent multiple note issuances under a debt issuance program, like a commercial paper program.

The terms of each issuance are kept in the records of the paying agent for the program. Investors in these debt securities do not receive physical securities to represent their ownership interests, but they are considered beneficial owners of the debt securities represented by the global or master note. Investors do not usually hold their interests through DTC directly; instead their interests in the global note representing the debt securities issued are held through direct or indirect participants in DTC (which are the brokers and dealers).

When an investor trades the debt security, DTC electronically transfers the interests in the debt security (actually the note representing the debt security) on its books (book-entry) to track ownership of the security. DTC enters the sale on the account of the DTC participant through which the selling investor held its interest and enters the purchase and ownership on the account of the DTC participant through which the buying investor holds its interest. This system saves costs as companies do not need to print individual definitive notes, and eliminates the risks of lost or stolen securities because physical certificates never need to change hands and the global note never needs to move location.

Failure to Timely File SEC Reports is Not a Default Under Certain Indenture Reporting Covenants

Companies that issue registered debt securities or unregistered debt securities that are later registered for resale or exchanged for registered securities become subject to requirements imposed by the **Sarbanes-Oxley Act**. In addition, generally the indentures under which these debt securities are issued require the issuers to deliver annual and quarterly information to the securityholders, usually by filing Form 10-K and Form 10-Q reports with the SEC. Any delay in filing this information or making it available to holders can subject an issuer to the risk of default under the reporting covenant in its indenture. A default under the covenant can cause the bonds to be accelerated and possibly cross-defaults of other outstanding debt.

In October 2006, UnitedHealth Group Inc. (UHG) filed a suit in the U.S. District Court for the District of Minnesota (district court) against the trustee for its indenture governing certain publicly-issued senior notes, to obtain a declaratory judgment ruling on whether UHG had defaulted under the indenture due to a delayed **Form 10-Q** filing. The trustee claimed that UHG's late reporting was an event of default under both the indenture and Section 314(a) of the TIA and the reporting delay resulted in a breach of

the implied covenant of good faith and fair dealing. The trustee demanded that the repayment of the principal be accelerated. The court ruled in favor of UHG, holding that neither the indenture nor the TIA imposed any timely filing requirement for reports required under the **Exchange Act** and that UHG had not breached the implied covenant of good faith and fair dealing.

The court noted that the indenture was drafted by sophisticated parties who could have specified a timetable or otherwise modified the language to reflect a timely filing requirement. Without this, it would not read in such a requirement, despite the contention that the provision at issue had little contemporary utility. This decision should indicate to practitioners that it is advisable to carefully select and modify even the most standard boilerplate language as necessary to accurately reflect the intentions of the parties. However, this decision may make it more challenging for bondholders to assert such defaults in some cases. For more information, see **Practice Note, In Dispute: UnitedHealth/Wilmington Trust**.

<http://www.legalweek.com/2018/04/05/q1-ma-rankings-see-resurgence-of-uk-firms-as-freshfields-rises-up-global-tables/>

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DEALS AND
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Q1 M&A rankings see resurgence of UK firms as Freshfields rises up global tables

Joseph Evans

05 April 2018



UK firms have returned to dominance in the Q1 M&A tables after **playing second fiddle to the US elite last year**, with Freshfields Bruckhaus Deringer rising up the rankings following a busy quarter for the firm.

Figures from Mergermarket show Freshfields topped the European deal value ranking for the first quarter of the year, after acting on 37 deals worth a total of \$121bn (£86bn).

While last year **the Q1 European M&A rankings were dominated by US firms**, this year the top five spots were taken by four magic circle firms and Herbert Smith Freehills (HSF).

Freshfields' strong showing also saw the firm rise to second in the global M&A rankings, up from ninth last year, after acting on 45 global deals worth a total of \$141bn (£100bn).

TOP 5 EUROPE LEGAL ADVISERS Q1 2018: BY VALUE

Rank Q1 18	Rank Q1 17	Firm	Value (\$m)	Deal count
1	6	Freshfields Bruckhaus Deringer	121,282	37
2	13	Linklaters	110,372	26
3	15	Clifford Chance	101,211	33
4	27	Allen & Overy	100,339	44
5	7	Herbert Smith Freehills	71,403	12

Source: Mergermarket

Skadden topped the

global and US deal value tables for Q1, after advising on 47 global deals worth a total of \$194bn (£137bn) and 39 US deals worth \$170bn (£121bn).

Slaughter and May came top for UK M&A by value, having acted on 12 deals worth a total of \$37bn (£26bn), with Herbert Smith Freehills (HSF) second and Clifford Chance (CC) third.

Meanwhile, DLA Piper took the top spot for European deal volumes, acting on 50 deals worth a total of \$52bn (£37bn). Kirkland & Ellis took first place for global deal count, acting on 112 deals worth \$67bn (£47.5bn) during the quarter, with CMS top for UK volumes with roles on 21 deals.

Total global deal value increased by 18% on Q1 last year to \$891bn (£632bn), although global deal volume dropped 19% to 3,774, the lowest quarterly figure since Q3 2013.

TOP 5 GLOBAL LEGAL ADVISERS Q1 2018: BY VALUE

Rank Q1 18	Rank Q1 17	Firm	Value (\$m)	Deal count
1	2	Skadden Arps Slate Meagher & Flom	193,721	47
2	9	Freshfields Bruckhaus Deringer	140,975	45
3	1	Cravath, Swaine & Moore	116,176	15
4	17	Paul Weiss Rifkind Wharton & Garrison	115,057	36
5	18	Linklaters	111,780	29

Source: Mergermarket

Deal count in Europe also fell by 22% year on year to 1,409, the least active quarter since Q1 2013. Despite the fall in deal numbers, total deal value across the continent rose to \$256bn (£182bn), a 22% increase on last year's Q1 total of \$211bn (£148bn).

The same trend was seen in the UK, with a fall in the total number of deals coming against an increase in deal value. UK deal numbers for Q1 fell 31% year on year from 386 to 266, alongside a 41% increase in total deal value across the same period to \$59bn (£42bn), up from \$42bn (£20bn).

HSF M&A partner Caroline Rae said: “Several of the issues we faced in Q1 2017, including Brexit, remain unresolved, but many UK corporates now have the confidence to plough on and execute their M&A strategies despite the ongoing uncertainty.



“One of the key trends in 2018 will be technology as an important factor for M&A strategy. Technology is having an impact across sectors and we are seeing a lot of clients who are looking at how they are going to keep up with their competitors. They are looking to M&A as a way to acquire technology.”

Allen & Overy (A&O) global co-head of corporate Richard Browne added: “The market is strong across a broad base, and we are not seeing any sign of it slowing up. Quite a lot of significant deals have been announced in the quarter, including a lot of good-sized private M&A deals. There are a lot of political macro events out there that can affect the market, but the fundamental dealmaking environment is still strong.”

The rankings are notable for the resurgence of UK firms in the top 10 European advisers by value, with six making the top 10.

Freshfields, Linklaters, CC, A&O and HSF ranked first to fifth respectively, with DLA Piper in eighth. **For 2017, the Q1 rankings saw just three UK firms make the top 10 European and UK advisers by value.**

The largest UK deal of the quarter was **GlaxoSmithKline’s \$13bn (£9bn) purchase** of a 36.5% stake in its consumer health joint venture with pharma giant Novartis. Freshfields advised Novartis while Slaughters represented GSK.

Slaughters also won a role on the second largest UK deal, representing FTSE 100 engineering business GKN on its bitterly contested takeover by Melrose. Its **initial £7bn bid was rejected**, but Melrose won support of more than half of GKN’s investors and its subsequent \$12.1bn (£8.6bn) bid was accepted last week (29 March).

TOP 5 UK LEGAL ADVISERS Q1 2018: BY VALUE

Rank Q1 18	Rank Q1 17	Firm	Value (\$m)	Deal count
1	13	Slaughter and May	36,746	12
2	7	Herbert Smith Freehills	31,715	8
3	11	Clifford Chance	30,395	11
4	10	Freshfields Bruckhaus Deringer	26,565	10
5	12	Linklaters	24,679	7

Source: Mergermarket

Meanwhile, the biggest European deal this quarter was **E.ON's €46.6bn (£33bn) deal** to acquire a controlling stake in renewable energy business Innogy from German rival RWE. That deal handed key roles to Freshfields for RWE, Linklaters for E.ON and Hengler Mueller for Innogy.

Going forward, partners believe activity levels will continue to hold up, despite Brexit looming on the horizon.

Skadden M&A partner Scott Simpson says: "Everyone saw a slowdown of M&A activity during the time of the Brexit vote and thereafter, but M&A activity has returned. It doesn't mean the uncertainty is behind us, but people are getting on with their plans and probably concluding Brexit is not going to disturb their long-term investment plan for Europe."

Finding the opportunities in mergers and acquisitions

Global & Regional M&A Report Q1 2018

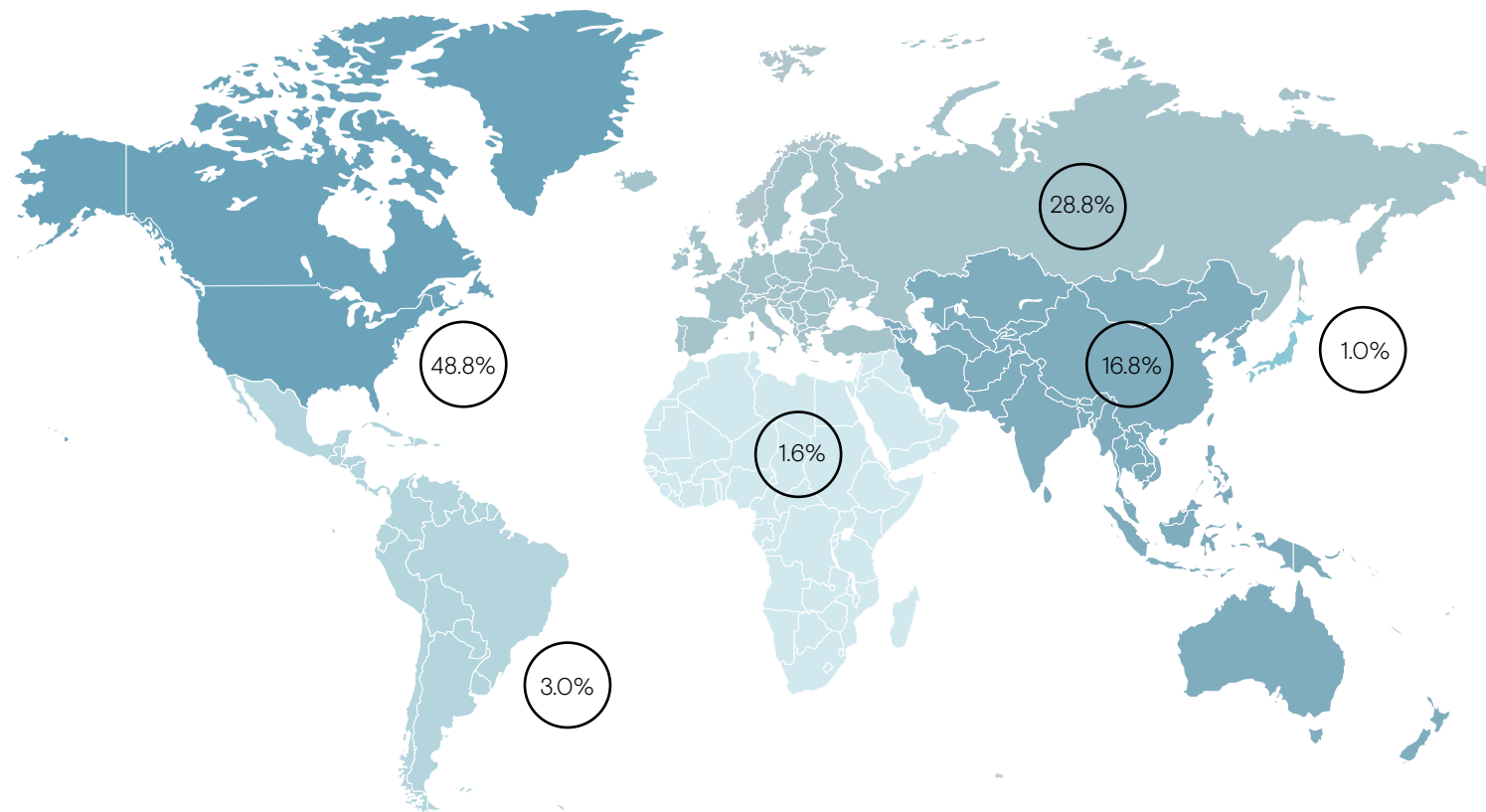
Including League Tables of Legal Advisors

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Global Overview

Regional M&A Comparison



Global M&A	US\$ 890.6bn	+18.0% vs. Q1 2017
Cross-border	US\$ 280.4bn	-21.2% vs. Q1 2017
Top sector: EMU	US\$ 169.3bn	-5.0% vs. Q1 2017

The % values on the map indicate market shares in global M&A

North America	US\$ 435bn	+23.9% vs. Q1 '17
Inbound	US\$ 64.9bn	-46.6%
Outbound	US\$ 57.3bn	-38.4%
Bus. Services	US\$ 117.1bn	+588.5%
Latin America	US\$ 26.3bn	+86.1% vs. Q1 '17
Inbound	US\$ 4.5bn	-40.3%
Outbound	US\$ 432m	-85.7%
Ind. & Chem.	US\$ 15.9bn	+495.4%
Europe	US\$ 256.4bn	+21.6% vs. Q1 '17
Inbound	US\$ 58.2bn	-19.2%
Outbound	US\$ 55.8bn	-45.0%
EMU	US\$ 62.0bn	+132.4%
MEA	US\$ 14.7bn	-50.1% vs. Q1 '17
Inbound	US\$ 10bn	-58.5%
Outbound	US\$ 4.7bn	-66.6%
EMU	US\$ 8.1bn	+27.9%
APAC (ex. Japan)	US\$ 149.2bn	+6.5% vs. Q1 '17
Inbound	US\$ 15.2bn	-8.1%
Outbound	US\$ 16.8bn	-14%
Ind. & Chem.	US\$ 29.5bn	+39.5%
Japan	US\$ 9.0bn	+0.3% vs. Q1 '17
Inbound	US\$ 1.1bn	-73.8%
Outbound	US\$ 18.8bn	+27.2%
Fin. Services	US\$ 3.2bn	+585.3%

Global

Value (US\$bn)	Deal details				
	Announce- ment date	Bidder company	Target company	Target geography	Target sector
67.9	8-Mar	Cigna Corporation	Express Scripts Holding Company	USA	Business Services
46.6	12-Mar	E.ON SE	innogy SE	Germany	Energy, Mining & Utilities
39.6	23-Mar	Consortium formed by ACS SA, Atlantia SpA and Hochtief AG	Abertis Infraestructuras SA	Spain	Construction
26.6	26-Mar	Brookfield Property Partners LP	General Growth Properties Inc (65.86% Stake)	USA	Real Estate
23.1	29-Jan	Keurig Green Mountain Inc	Dr Pepper Snapple Group Inc	USA	Consumer

US\$ 890.6bn

Value of M&A in Q1 2018, the
strongest start to the year on
Mergermarket record (since 2001)

18%

Increase in value from
Q1 2017 to Q1 2018

14

Number of megadeals
(> US\$ 10bn) announced in Q1

Global

- The extraordinary surge in dealmaking seen at the end of 2017 has carried through into 2018 as global M&A hit its highest Q1 value on *Mergermarket* record (since 2001) as pressure from shareholders and the search for innovation continue to drive corporates towards M&A. In the first quarter, US\$ 890.7bn was recorded across 3,774 deals, up 18% on Q1 2017's value of US\$ 754.7bn (4,672 deals). So far this year there have been 14 deals breaching the US\$ 10bn mark, including the US\$ 67.9bn deal between Cigna and Express Scripts. While big tech companies look to diversify their offering, often through M&A, more traditional firms have had to react to newer, more innovative firms, with many looking towards defensive consolidation. Amazon's move into pharmaceuticals appears to have been a catalyst for dealmaking in healthcare-related areas with the CVS/Aetna deal announced in December and the Cigna/Express Scripts transaction this quarter.

- Global private equity activity remains remarkably high, with many investors pursuing larger targets as the mid-market becomes saturated. In Q1 there were 699 buyouts worth a total US\$ 113.6bn, compared to the US\$ 89.5bn (782 deals) in Q1 2017, representing the strongest start to the year since 2007 (US\$ 212.7bn). It represents the fourth consecutive quarter in which buyout activity has reached US\$ 100bn and only the third time on *Mergermarket* record in which this figure has been reached at this point in the year. There have been two buyouts worth over US\$ 10bn so far this year, with the US\$ 17bn investment into Thomson Reuters' financial and risk business by Blackstone, GIC and CPPIB, and the The Carlyle Group's US\$ 12.5bn acquisition of Akzo Nobel's speciality chemicals business. There have been ten buyouts worth over US\$ 10bn since the start of 2010, with half of those deals occurring since the start of 2017.

- The US has seen a sizeable increase in M&A during the first three months of the year with six of the largest ten global deals targeting the country, and accounted for a 44.2% share of global activity by value. So far this year, US\$ 393.9bn has been invested in US companies, 26.1% higher than in Q1 2017 (US\$ 312.4bn) and the largest quarterly value since Q4 2016 (US\$502.3bn). Domestic dealmaking has been a key factor registering 952 deals worth US\$ 330.8bn, including Dominion Energy's US\$ 14.3bn takeover of SCAMA Corporation. This trend continues on from a strong Q4 when US\$ 317.1bn (1,071 deals) changed hands. Meanwhile, Chinese dealmaking is also on the increase as a result of strong levels of domestic M&A. Following regulatory issues with capital flight in 2017, Chinese firms are now looking closer to home with US\$ 68.7bn spent internally, the highest Q1 figures on *Mergermarket* record. Domestic M&A accounts for 85.2% of Chinese acquisitions in Q1 2018, a significant increase from the 61.6% and 71.3% seen during FY 2016 and FY 2017.

- TMT has been one of the key sectors in Q1 2018, registering over US\$ 129.9bn across 707 deals. The proposed takeover of Danish firm TDC by a consortium comprised of PFA, PKA, ATP and MIRA was the largest announced deal in the sector and the only one to break the US\$ 10bn barrier. Q1 2018 represents the fourth quarter in a row with over US\$ 100bn of investment in the TMT sector and is up 79.3% on Q1 2017's US\$ 72.4bn. So far this year, there have been a further 25 deals worth over US\$ 1bn targeting the sector – well over double the ten seen in Q1 2017. Meanwhile, Energy, Mining & Utilities, with two of the largest ten announced deals, has reached its highest quarterly value since Q1 2017 (US\$ 178.3bn) with US\$ 169.3bn targeting the sector. This was largely driven by the US\$ 46.7bn takeover of innogy by E.ON, the second largest deal of the quarter.

“The extraordinary surge in dealmaking seen at the end of 2017 has carried through into 2018 as global M&A hit its highest Q1 value on *Mergermarket* record as pressure from investors and the search for innovation continue to push corporates towards M&A”

Jonathan Klonowski,
Research Editor (EMEA)

US\$ 506m

Average deal size, the highest
YTD average on *Mergermarket*
record (since 2001)



76.1%

Increase in Tech value
(US\$ 80.4bn) compared to Q1 2017



52.9%

Increase in Industrials & Chemicals
value (US\$ 122.5bn) compared
to Q1 2017

85.2%

Share of domestic value of total
acquisitions by Chinese firms

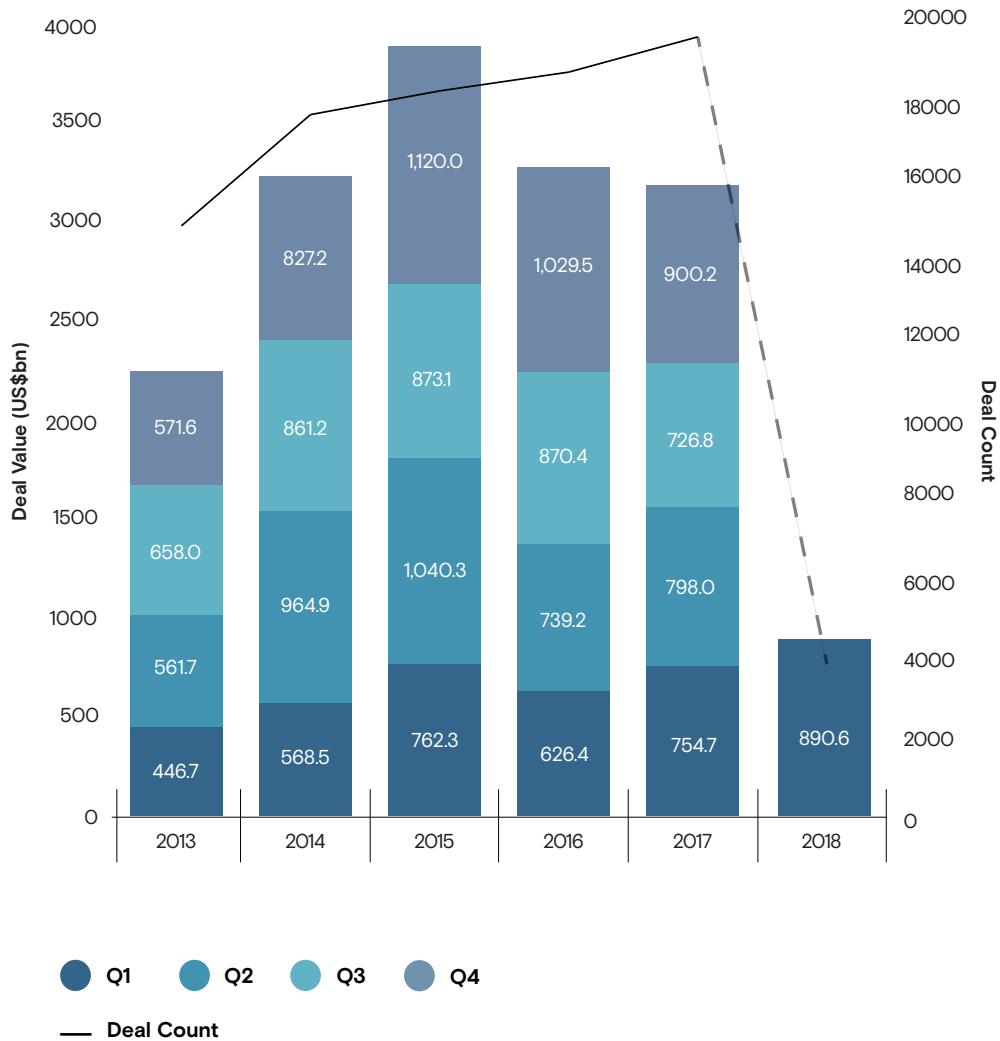
-21.2%

Drop in cross-border M&A value in
comparison to Q1 2017

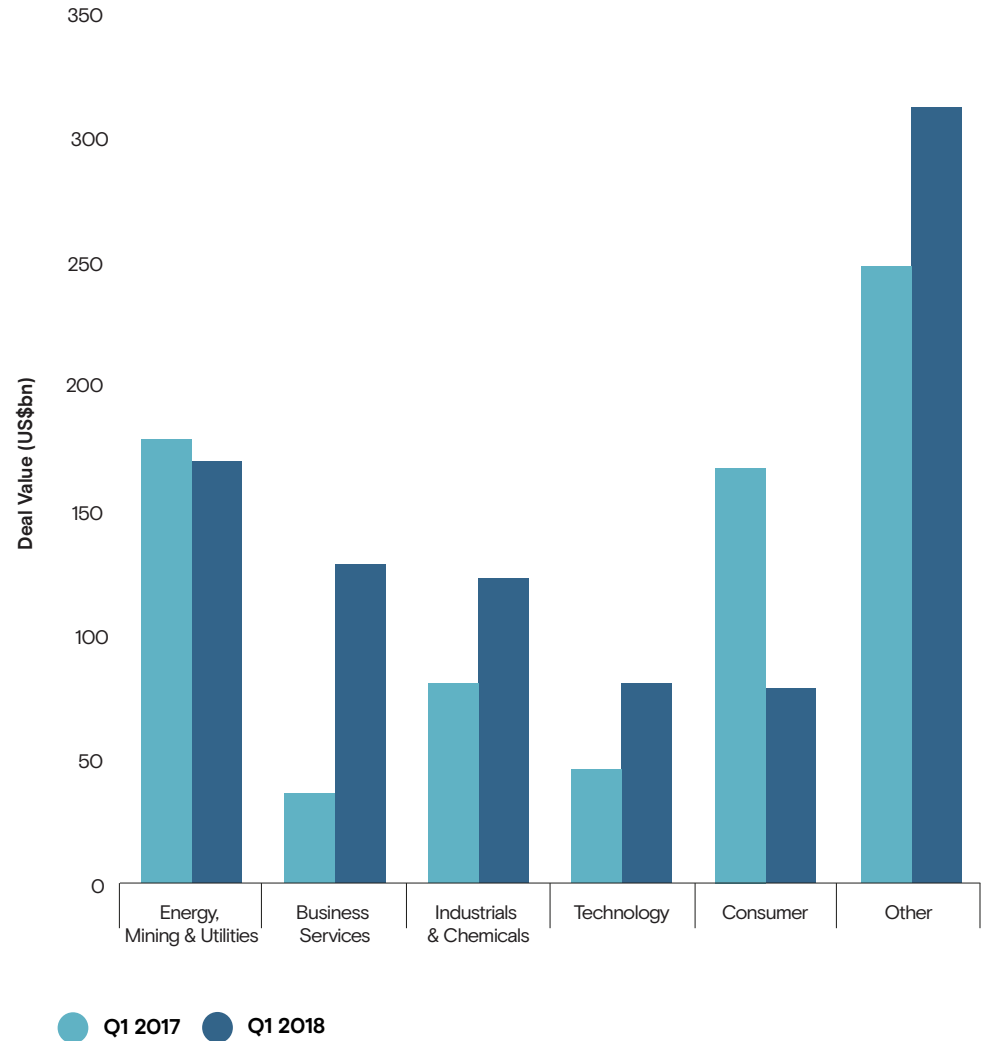
US\$ 113.6bn

Value of private equity buyouts so far this
year, the highest Q1 value since 2007

**Global Quarterly Breakdown Trend
2013 - 2018**



**Global Sector Breakdown Trend
Q1 2017 - Q1 2018**



Global League tables

Financial advisor league table by value

Ranking			Q1 2018		Q1 2017		Regional ranking comparison					
Q1 2018	Q1 2017	Company name	Value (US\$m)	Deal count	Value (US\$m)	% Value change	Europe	US	Asia Pacific	Japan	Middle East & Africa	Latin America
1	2	Skadden Arps Slate Meagher & Flom	193,721	47	156,006	24.2%	10	1	246	67	73	18
2	9	Freshfields Bruckhaus Deringer	140,975	45	83,139	69.6%	1	20	17	5	8	97
3	1	Cravath, Swaine & Moore	116,176	15	162,166	-28.4%	18	4	635	75	4=	96
4	17	Paul Weiss Rifkind Wharton & Garrison	115,057	36	53,090	116.7%	23	2	62	3	265	-
5	18	Linklaters	111,780	29	52,773	111.8%	2	66	42	63	36	86
6	7	Davis Polk & Wardwell	109,246	38	106,796	2.3%	9	7	25	2	89	99
7	19	Clifford Chance	104,855	38	47,098	122.6%	3	34	31	82	7	76
8	27	Allen & Overy	101,891	50	30,435	234.8%	4	50	24	78	9	36
9	21	Wachtell, Lipton, Rosen & Katz	98,457	16	46,213	113.1%	175	3	241	79	46	281
10	5	Simpson Thacher & Bartlett	97,392	32	112,781	-13.6%	27	6	28	72	25	7
11	20	Sullivan & Cromwell	95,945	37	46,621	105.8%	40	5	32	4	4=	-
12	10	Herbert Smith Freehills	78,310	28	77,711	0.8%	5	156	7	16	52	31
13	13	White & Case	72,430	41	59,678	21.4%	43	10	39	21	54	4
14	4	Cleary Gottlieb Steen & Hamilton	68,243	12	115,032	-40.7%	6	39	245	73	24	28
15	3	Kirkland & Ellis	67,270	112	135,393	-50.3%	17	9	77	61	79	50
16	8	Weil Gotshal & Manges	63,490	44	89,960	-29.4%	20	8	102	33	-	95
17	48	Baker McKenzie	61,220	48	19,116	220.3%	7	55	23	13	18	105
18	75	Torys	55,234	11	8,779	529.2%	650	13	247	169	276	94
19	29	Latham & Watkins	54,901	71	29,815	84.1%	22	12	20	140	81	12
20	60	DLA Piper	54,861	79	12,745	330.5%	8	78	45	23	21	14

Europe

Value (US\$bn)	Deal details				
	Announcement date	Bidder company	Target company	Target geography	Target sector
46.6	12-Mar	E.ON SE	innogy SE	Germany	Energy, Mining & Utilities
39.6	23-Mar	Consortium formed by ACS SA, Atlantia SpA and Hochtief AG	Abertis Infraestructuras SA	Spain	Construction
13.0	27-Mar	GlaxoSmithKline Plc	GlaxoSmithKline Consumer Healthcare (36.5% Stake)	United Kingdom	Pharma, Medical & Biotech
12.5	27-Mar	The Carlyle Group; and GIC Private Limited	Akzo Nobel NV (Specialty chemicals business)	Netherlands	Industrials & Chemicals
12.1	17-Jan	Melrose Plc	GKN Plc	United Kingdom	Industrials & Chemicals

US\$ 256.4bn

M&A targeting Europe this year, the highest YTD figure since 2008 (US\$ 295.8bn)

6

Number of megadeals targeting Europe in Q1

58%

March (US\$ 148.7bn) share of European Q1 value

Europe

- A clear surge in dealmaking in March pushed Europe's YTD figure to its highest post-crisis value on *Mergermarket*. Activity in the first quarter hit US\$ 256.4bn (1,409 deals), 21.6% higher than Q1 2017's already sky-high figure of US\$ 211bn. This represents just the third time in *Mergermarket* history that Europe has breached the US\$ 250bn mark at this point in the year. This year's figures were driven by an increased number of megadeals, with a total of six deals surpassing the US\$ 10bn mark. The largest of which was E.ON's US\$ 46.6bn acquisition of German-energy firm innogy, accounting for over just under a fifth of Europe's value this year. The final week of the quarter saw the announcement of two of the quarter's largest deals with GSK's US\$ 13bn acquisition of the remaining 36.5% in its consumer healthcare joint venture with Novartis, and the US\$ 12.5bn deal between The Carlyle Group/GIC and Akzo Nobel both being agreed.
- Politics once again will have been at the forefront of dealmakers' minds as both Germany and Italy battled uncertainty, while Brexit negotiations continue to rumble on. Last year saw a more stable market with renewed growth across the Eurozone as an increased confidence led to an active M&A market, which has carried forward into 2018. This year, while the grand coalition in Germany was agreed, the Italian elections in early March have left the country moving towards a more populist position and much remains to be seen whether a slowdown will occur and whether a stable government can be formed. The UK and Germany remained the most targeted countries by both value and deal count, respectively exceeding the US\$ 50bn figure. The UK received 266 deals worth US\$ 59.3bn, its highest quarterly value since Q4 2016 (US\$ 72.9bn) while the innogy transaction pushed German M&A to US\$ 54.1bn across 180 deals.

- Investment by European firms into the rest of the world maintained the high levels seen in the final quarter of 2017 with US\$ 55.8bn spent on foreign assets in Q1. French companies have been particularly active on this front, with two deals outside Europe worth over US\$ 10bn announced in Q1. In mid-January, Sanofi acquired US-biotech firm Bioverativ for US\$ 11.1bn, while AXA made a US\$ 14.8bn purchase of XL Group in early March. In total there has been US\$ 28.4bn invested by French companies outside Europe, representing 50.9% of Europe's total value so far this year. The last two quarters have now seen over US\$ 25bn deployed by French companies outside Europe, the only two quarters on *Mergermarket* record to do so. The trend reflects President Macron's desire to create 'European champions' able to compete at a higher level against firms in the US and China.
- Following on from the trend seen in 2017, intra-European dealmaking has once again been active across the continent in the first quarter with the top three deals all being conducted between European companies. The first three months of 2018 have seen 1,161 deals worth a total US\$ 198.3bn, the highest first quarter value since 2007 (US\$ 204.2bn, 1,505 deals). Deals between European countries in FY 2017 (US\$ 551.8bn, 6,362 deals) hit their highest annual deal count on *Mergermarket* record (since 2001) and their second highest value since the financial crisis. Meanwhile, foreign investment has started to pick up after the drop towards the end of 2017, registering US\$ 58.2bn (248 deals) in Q1, 11% higher than in Q4 2017 (US\$ 52.4bn). This still represents the second lowest quarterly value since Q1 2014 (US\$ 55.8bn) and is 23.2% lower than the average quarterly value since 2012 (US\$ 75.7bn, 302 deals).

“Politics has once again been at the forefront of dealmakers' minds as both Germany and Italy battled uncertainty, while Brexit negotiations continue to rumble on”

Jonathan Klonowski,
Research Editor (EMEA)

US\$ 198.3bn

Intra-European M&A value in Q1 2018, the highest quarterly figure since Q4 2015



2.3x

Increase in Energy, Mining & Utilities value (US\$ 62bn) compared to Q1 2017



2.6x

Increase in Industrials & Chemicals value (US\$ 44.9bn) compared to Q1 2017

23.1%

UK share of European M&A so far this year

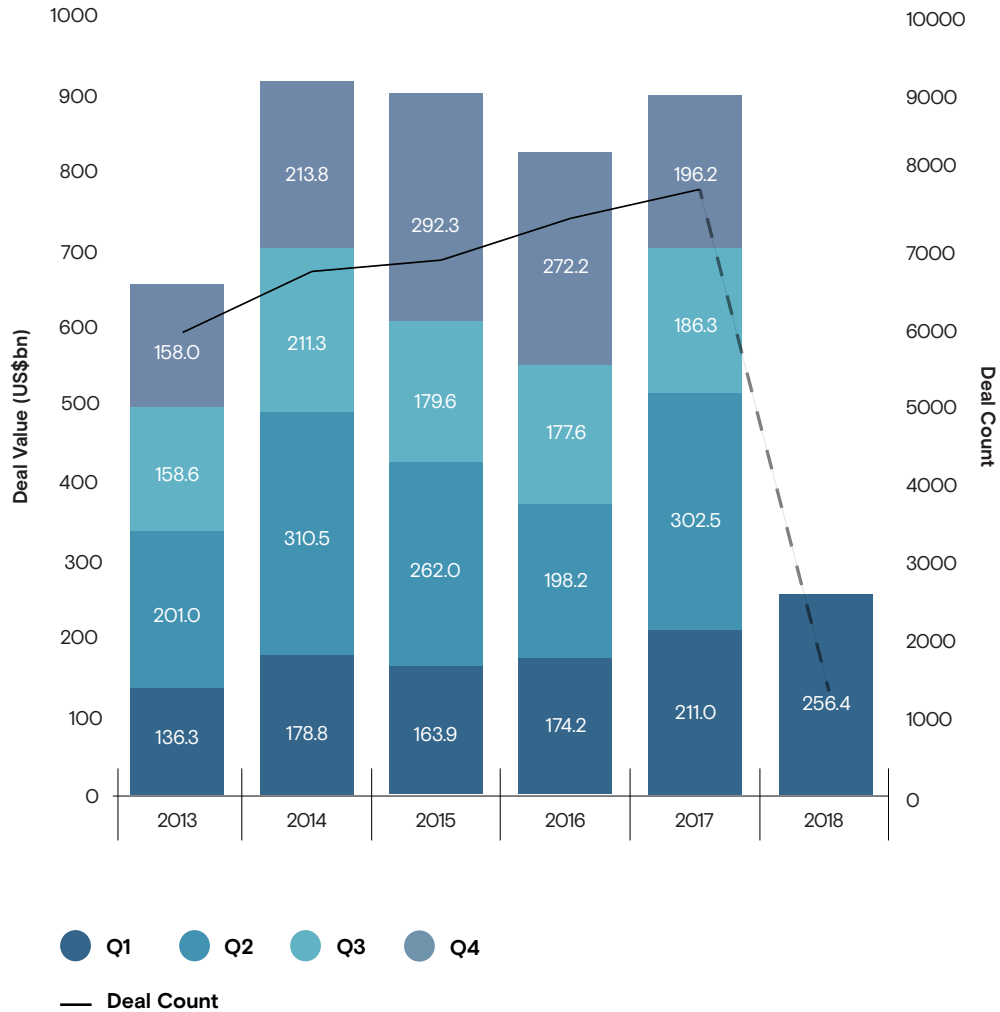
\$3.2bn

Investment from the Middle East in Europe in Q1

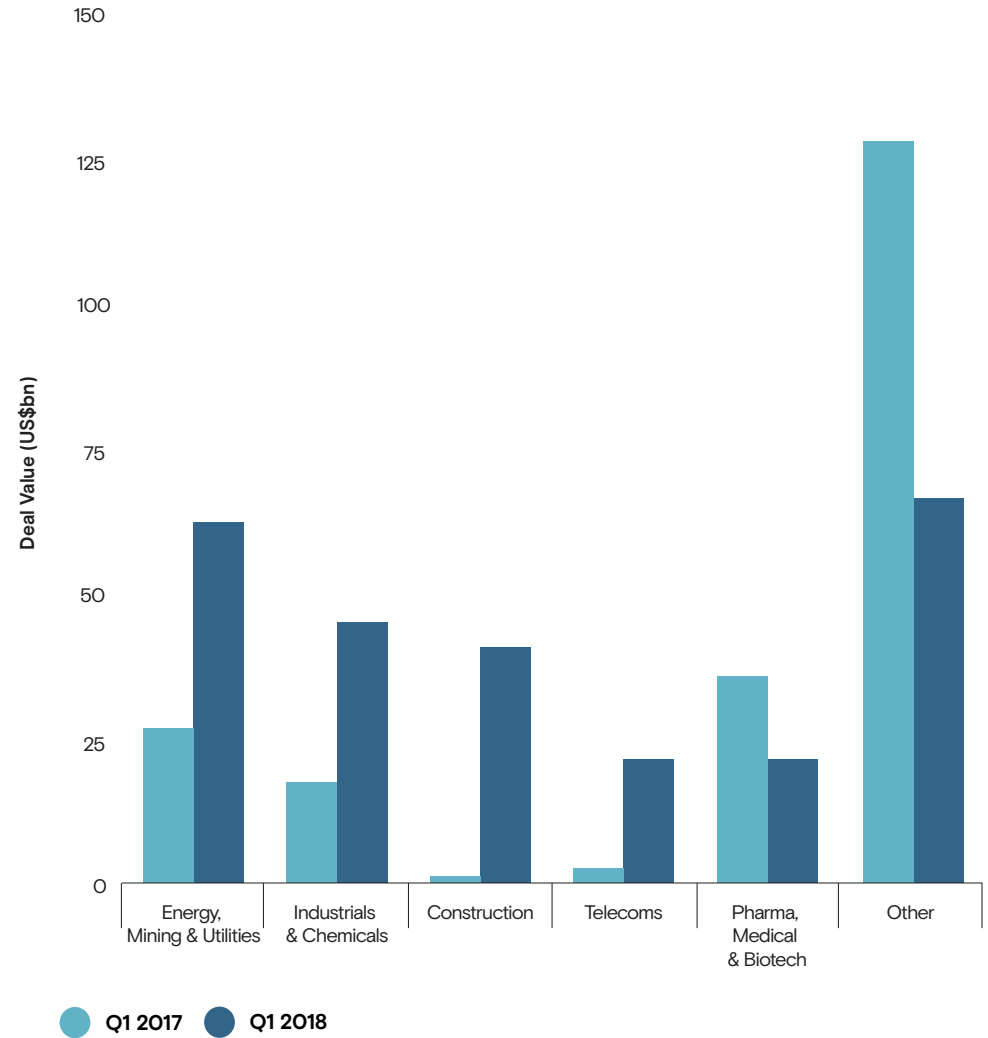
US\$ 31.5bn

Value of deals from Europe into the US so far this year

Europe Quarterly Breakdown Trend
2013 - 2018



Europe Sector Breakdown Trend
Q1 2017 - Q1 2018



Europe League tables

Europe league table by value

Ranking			Q1 2018			Q1 2017
Q1 2018	Q1 2017	Company name	Value (US\$m)	Deal count	% Value change	Value (US\$m)
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2	13	Linklaters	110,372	26	142.1%	45,596
3	15	Clifford Chance	101,211	33	180.0%	36,153
4	27	Allen & Overy	100,339	44	306.7%	24,671
5	7	Herbert Smith Freehills	71,403	12	6.2%	67,226
6	11	Cleary Gottlieb Steen & Hamilton	59,823	7	5.6%	56,661
7	44	Baker McKenzie	54,491	35	477.7%	9,433
8	69	DLA Piper	52,797	50	1409.3%	3,498
9	4	Davis Polk & Wardwell	51,109	11	-38.2%	82,681
10	8	Skadden Arps Slate Meagher & Flom	49,776	14	-24.9%	66,253
11	78	Uria Menendez	49,313	13	1921.9%	2,439
12	81	Milbank Tweed Hadley & McCloy	47,670	8	1884.6%	2,402
13	46	Hengeler Mueller	46,833	8	491.0%	7,925
14	12	Slaughter and May	40,836	16	-23.4%	53,301
15	287	Legance Avvocati Associati	40,442	6	37346.3%	108
16	88	Gianni, Origoni, Grippo, Cappelli & Partners	40,129	11	1836.7%	2,072
17	3	Kirkland & Ellis	34,977	23	-60.6%	88,876
18	1	Cravath, Swaine & Moore	28,119	6	-78.1%	128,606
19	83	Debevoise & Plimpton	27,615	4	1100.7%	2,300
20	5	Weil Gotshal & Manges	21,391	19	-70.9%	73,555

Europe league table by deal count

Ranking			Q1 2018			Q1 2017	
Q1 2018	Q1 2017	Company name	Value (US\$m)	Deal count	Count change	Deal count	
1	1	DLA Piper	52,797	50	-30	80	
2	5	Allen & Overy	100,339	44	-6	50	
3	2	CMS	6,994	41	-25	66	
4	11	Freshfields Bruckhaus Deringer	121,282	37	3	34	
5	3	Baker McKenzie	54,491	35	-27	62	
6	4	Clifford Chance	101,211	33	-19	52	
7	13	Jones Day	8,916	27	-6	33	
8	6	Linklaters	110,372	26	-21	47	
9	10	Hogan Lovells International	8,709	25	-11	36	
10	9	Latham & Watkins	18,285	24	-17	41	
11	17	Kirkland & Ellis	34,977	23	-2	25	
12	14	Goodwin Procter	8,155	23	-6	29	
13	16	Squire Patton Boggs	432	23	-3	26	
14	8	White & Case	5,463	22	-19	41	
15	7	Eversheds Sutherland	1,036	22	-22	44	
16	15	Weil Gotshal & Manges	21,391	19	-7	26	
17	30	Osborne Clarke	1,155	19	-1	20	
18	28	PwC legal	507	19	-1	20	
19	55	Accura	623	18	5	13	
20	34	Vinge	4,569	17	0	17	

US

Value (US\$bn)	Deal details				
	Announcement date	Bidder company	Target company	Target geography	Target sector
67.9	8-Mar	Cigna Corporation	Express Scripts Holding Company	USA	Business Services
26.6	26-Mar	Brookfield Property Partners LP	General Growth Properties Inc (65.86% Stake)	USA	Real Estate
23.1	29-Jan	Keurig Green Mountain Inc	Dr Pepper Snapple Group Inc	USA	Consumer
17.0	30-Jan	Blackstone Group LP; GIC Private Limited; and Canada Pension Plan Investment Board	Thomson Reuters Corporation (Financial & Risk business) (55% Stake)	USA	Business Services
14.3	3-Jan	Dominion Energy Inc	SCANA Corporation	USA	Energy, Mining & Utilities

US\$ 393.9bn

Q1 2018 is up 26.1% by deal value compared to Q1 2017 (US\$ 312.4bn)

6

Number of megadeals (> US\$ 10bn) targeting the US

30.4%

US share in global M&A by deal count - down 0.7 basis points from Q1 2017 (31.1%)

US

- Though the first quarter of 2018 is not likely to go down in history for shattering US M&A records, it could become known as one of the more interesting starts to a year. Among other happenings: the White House introduced steel and aluminium tariffs, sparking concerns over a trade war and spooking dealmakers; opening arguments were given in the antitrust trial between AT&T/Time Warner and the Justice Department; and President Trump blocked Broadcom's takeover bid for Qualcomm. Finally, Comcast also entered the Media fray by exploring an offer to buy Sky in a competing bid with Disney, who is itself in the process of taking over most of Twenty-First Century Fox. The latter already owns 39.1% of Sky, and its acquisition of the remaining 60.9% is currently under regulatory review. One could not be blamed for believing that anything seems possible at this point. And, though US M&A fell by 305 deals to 1,148 compared to 1,453 in Q1 2017, value rose by 26.1% to US\$ 393.9bn from the US\$ 312.4bn recorded during the same period last year.
- Many of these battles to consolidate have been driven largely by Technology or by Tech giants beginning to exercise their might in other sectors. The past year could certainly be said to have fallen under the "Amazon effect" which, after last year's disruptions in retail, has also begun to disrupt the US healthcare market – particularly in the area of pharmacy benefit management (PBM). Q1 2018's top sector was Business Services with US\$ 116.9bn in value, 58.1% of which was due to Cigna's US\$ 67.9bn bid for Express Scripts. The year's largest deal to date, the transaction is also on par with CVS Health's US\$ 67.8bn bid for Aetna in Q4 2017. Further, Amazon's announcement in January that it would team up with Berkshire Hathaway and JP Morgan to form a healthcare company for their employees has other industry players on their guard.

- Pharma, Medical & Biotech (PMB) saw a 15.7% decline in Q1 value to US\$ 28bn and a fall in deal count to 108 transactions compared to Q1 2017 as the sector struggles to find its footing in the age of Amazon while also navigating its new gains from tax reform. With a significantly reduced corporate tax rate from 35% to 21%, repatriation of cash from abroad that could be used for future acquisitions in place of the tax inversion deals of yesteryear now seems more likely. Relatedly, Financial Services (FS), also feeling the ripple effects of changes in healthcare, saw a shift in large deals from banking toward insurance. Overall, FS saw US\$ 14.9bn across 97 transactions in Q1 2018, a 33.5% fall in value with 27 fewer deals compared to Q1 2017. However, when looking at the seven US FS deals valued over US\$ 1bn announced so far in 2018, five fell under the insurance sub-sector, covering a range of types from title to property to life. By contrast, last year saw just one such transaction falling under insurance.

- The rapid onslaught of Technology's influence has not been without consequences. As the Trump Administration has demonstrated a willingness to block deals on national security grounds and instated increasingly protectionist policies, much of which has been aimed at China, inbound M&A from the latter has fallen 42.9% by value to US\$ 1.1bn from Q1 2017 while deal count has dropped to 13 deals, four fewer than last year. Moreover, concerns over data privacy following not only the Russian hack during the 2016 presidential election and ensuing special counsel investigation but also the more recent Cambridge Analytica/Facebook scandal are likely to lead to calls for more regulation, with Facebook CEO Mark Zuckerberg and COO Sheryl Sandberg both stating that the company would be open to regulation. What this bodes for Technology's future growth and its continued influence on all other sectors remains to be seen.

“The rapid onslaught of Technology's influence has not been without serious consequences on, among many things, data privacy, national security, economic policy, and the future of other sectors.”

Elizabeth Lim,
Research Editor (Americas)

US\$ 47.6bn

Record Q1 value for US Tech deals



-54.1%

Fall in value of inbound M&A into the US overall from Q1 2017 (US\$ 137.5bn) to Q1 2018 (US\$ 63.1bn)



-42.9%

Fall in value of inbound M&A into the US from China from Q1 2017 (US\$ 2bn) to Q1 2018 (US\$ 1.1bn)

US\$ 116.9bn

Record quarterly value for US Business Services deals - top sector by value in Q1 2018

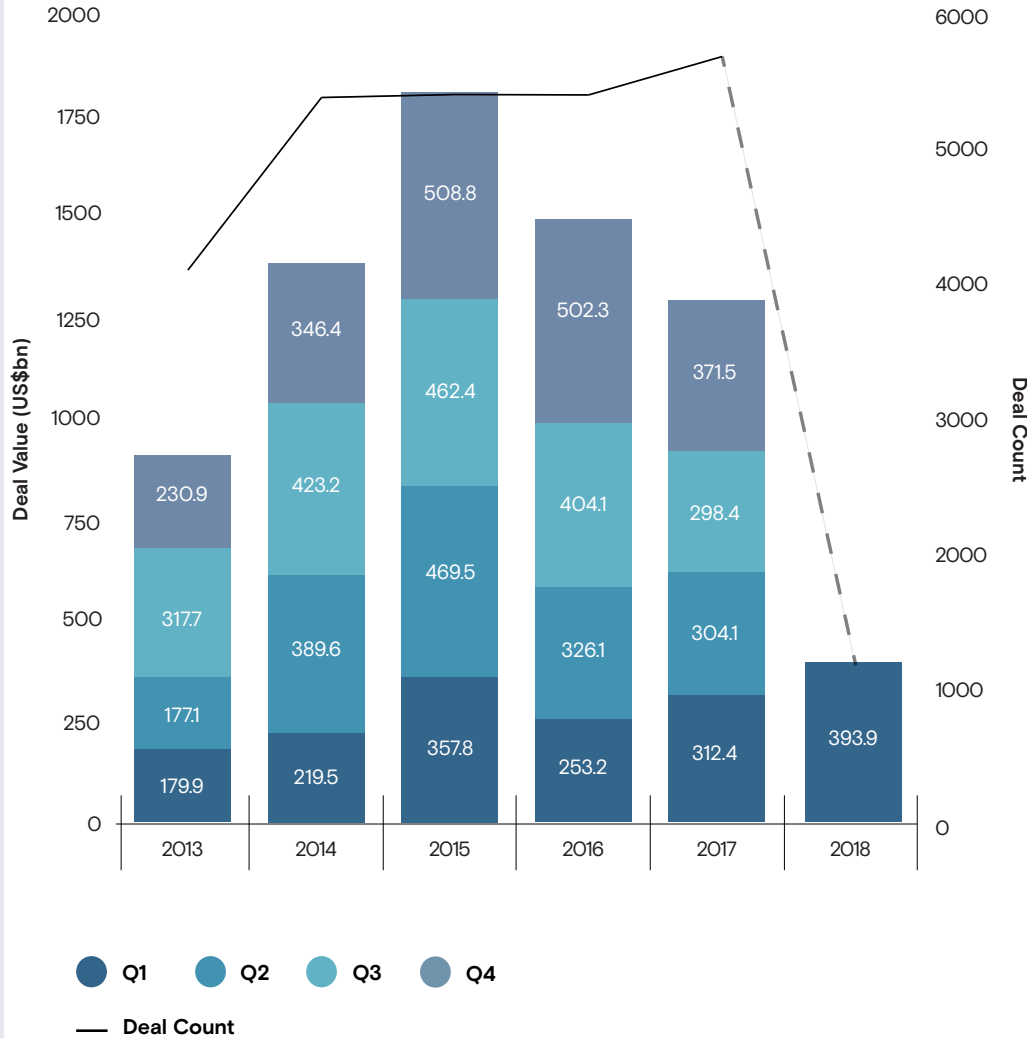
226

Number of Technology deals in Q1 2018 - top sector by deal count

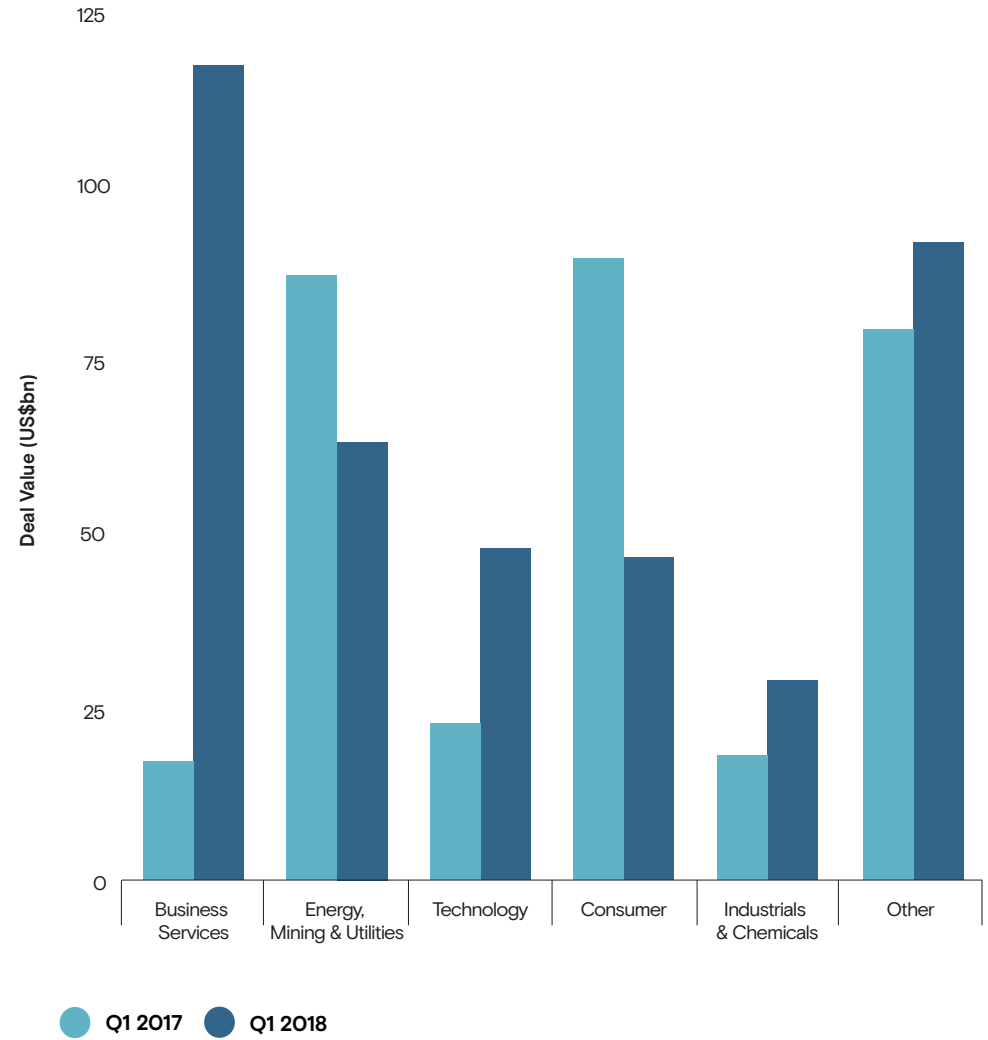
US\$ 67.9bn

Cigna/Express Scripts is the largest PBM deal on *Mergermarket* record (since 2001)

US Quarterly Breakdown Trend
2013 - 2018



US Sector Breakdown Trend
Q1 2017 - Q1 2018



US League tables

US league table by value

Ranking			Q1 2018			Q1 2017	
Q1 2018	Q1 2017	Company name	Value (US\$m)	Deal count	% Value change	Value (US\$m)	
1	1	Skadden Arps Slate Meagher & Flom	170,201	39	12.8%	150,901	
2	15	Paul Weiss Rifkind Wharton & Garrison	114,160	32	166.5%	42,838	
3	14	Wachtell, Lipton, Rosen & Katz	98,457	15	121.6%	44,421	
4	3	Cravath, Swaine & Moore	98,093	13	-20.9%	123,936	
5	16	Sullivan & Cromwell	88,459	30	121.7%	39,895	
6	4	Simpson Thacher & Bartlett	83,136	27	-25.4%	111,506	
7	5	Davis Polk & Wardwell	65,424	32	-36.8%	103,440	
8	6	Weil Gotshal & Manges	58,227	37	-32.3%	86,056	
9	2	Kirkland & Ellis	54,041	104	-59.4%	132,944	
10	18	White & Case	52,943	18	58.3%	33,441	
11	125	Morgan Lewis & Bockius	52,837	34	3326.5%	1,542	
12	27	Latham & Watkins	47,192	53	85.0%	25,511	
13	53	Torys	46,494	4	441.8%	8,581	
14	11	Gibson Dunn & Crutcher	45,134	26	-17.9%	54,956	
15	56	Debevoise & Plimpton	38,639	13	383.3%	7,995	
16	74	Goodwin Procter	32,322	62	584.1%	4,725	
17	31	Vinson & Elkins	25,600	15	16.7%	21,944	
18	8	Jones Day	24,810	75	-66.8%	74,706	
19	49	McDermott Will & Emery	23,906	30	148.7%	9,613	
20	12	Freshfields Bruckhaus Deringer	23,361	11	-56.2%	53,321	

US league table by deal count

Ranking			Q1 2018			Q1 2017	
Q1 2018	Q1 2017	Company name	Value (US\$m)	Deal count	Count change	Deal count	
1	1	Kirkland & Ellis	54,041	104	1	103	
2	5	Jones Day	24,810	75	9	66	
3	2	Goodwin Procter	32,322	62	-16	78	
4	3	Latham & Watkins	47,192	53	-23	76	
5	6	Skadden Arps Slate Meagher & Flom	170,201	39	-15	54	
6	7	Weil Gotshal & Manges	58,227	37	-10	47	
7	9	Morgan Lewis & Bockius	52,837	34	-7	41	
8	16	Cooley	3,366	34	5	29	
9	4	DLA Piper	1,869	33	-39	72	
10	8	Paul Weiss Rifkind Wharton & Garrison	114,160	32	-10	42	
11	26	Davis Polk & Wardwell	65,424	32	9	23	
12	24	Sullivan & Cromwell	88,459	30	5	25	
13	23	McDermott Will & Emery	23,906	30	4	26	
14	12	O'Melveny & Myers	12,670	29	-3	32	
15	13	Simpson Thacher & Bartlett	83,136	27	-4	31	
16	20	Gibson Dunn & Crutcher	45,134	26	0	26	
17	17	Sidley Austin	14,477	25	-3	28	
18	60	Greenberg Traurig	1,804	25	13	12	
19	11	Hogan Lovells International	22,219	24	-9	33	
20	64	McGuireWoods	14,616	24	12	12	

Latin America

Value (US\$m)	Deal details				
	Announcement date	Bidder company	Target company	Target geography	Target sector
15,326	16-Mar	Suzano Papel e Celulose SA	Fibria Celulose SA	Brazil	Industrials & Chemicals
3,266	16-Feb	Enel Chile SA	Enel Generación Chile (40.02% Stake)	Chile	Energy, Mining & Utilities
1,700	14-Feb	Banco Popular de Puerto Rico	Wells Fargo & Company (Auto finance business in Puerto Rico)	Puerto Rico	Financial Services
900	3-Jan	Didi Chuxing Technology Co Ltd	99 Taxis Desenvolvimento de Softwares Ltda (70% Stake)	Brazil	TMT
583	26-Jan	InRetail Peru Corp	Quicorp SA	Peru	Pharma, Medical & Biotech

US\$ 26.3bn

Q1 2018's deal value is up 86.1% over Q1 2017 (US\$ 14.2bn)

3%

Latin America's share of total global deal value - up 1.1 basis points compared to Q1 2017 (1.9%)

3.3%

Latin America's share of total global deal count - on par with Q1 2017

Latin America

• Latin American M&A rose 86.1% in value in the first quarter of 2018 to US\$ 26.3bn compared to the same period in 2017 (US\$ 14.2bn) – the highest value on *Mergermarket* record (since 2001) for the region during a first quarter since 2011 (US\$ 40.5bn). Deal count this year, however, registered 126 transactions, 28 fewer than in Q1 2017, and the lowest number of deals for a first quarter since 2010 (104). Meanwhile, the region recorded its fifth-largest deal on *Mergermarket* record (since 2001), and the quarter's only mega-deal (>US\$ 10bn) – Brazil-based Suzano Papel e Celulose's US\$ 15.3bn acquisition of Brazil-based Fibria Celulose. The pulp and paper transaction is the second mega-deal in the last two consecutive quarters following Liberty Global Plc's US\$ 13.4bn spin-off of its Brazilian telecommunications business into Liberty Latin America last December. The two transactions are the first mega-deals that the region has seen since 2014, when Italy-based Enel Iberoamerica bought a 60.6% stake in Chile-based Enel Americas for US\$ 10.8bn from Spain-based Endesa.

• The above transaction was the primary reason behind Industrials & Chemicals (I&C) leading sector rankings for Latin America in Q1 2018, comprising 96.6% of I&C's value (US\$ 15.9bn). By deal count, the sector was also number one with 24 transactions. The Suzano Papel e Celulose/Fibria Celulose deal marks the largest I&C deal on record, thus propelling Q1 2018 to I&C's highest-valued quarter. The transaction also helped boost figures for Brazil (US\$ 18.4bn). The country's deal value in Q1 2018 was more than double the value for the same period last year and the highest for a first quarter since 2011 (US\$ 31.9bn).

• Energy, Mining & Utilities (EMU) was second by deal value in Q1 2018, with US\$ 4.5bn and 15 transactions, a 41.1% increase in value for regional EMU activity and nine fewer

deals. Incidentally, the previously mentioned Enel deal was responsible for most of this value, after its Chilean operations bought a 40% stake in Enel Generación Chile for US\$ 3.3bn in the region's second-largest deal of the quarter, which accounted for three-fourths of the sector's total for the quarter. Moreover, both the Enel Generación and the Fibria Celulose deals were domestic transactions as were four additional deals in the top 10, indicating that the region's strategy for moving forward could be more inward-turning. Inbound M&A into the region fell 40.3% in Q1 2018 to US\$ 4.5bn from US\$ 7.6bn in Q1 2017, and deal count fell by 28 transactions to 59 over the same period. Also during this time frame, bids from the US fell 33.8% to US\$ 1.1bn from US\$ 1.6bn, while those from China fell 40.4% to US\$ 990m from US\$ 1.7bn.

• As Latin America has attempted to move past political scandals, low commodities prices, and domestic unrest over the last few years, new challenges have arisen, including its neighbour to the north stating intentions to renegotiate NAFTA and beginning to enact tariffs in industries on which Latin America relies for exporting many goods. According to *Mergermarket* intelligence, Brazil, Latin America's dominant economy, is considering an appeal to the WTO over the steel and aluminium tariffs announced by the US in March, the former being the second-largest exporter of steel to the latter. Such a matter could come as a joint motion with other countries that also find themselves worried about a possible trade war, setting the stage for even more unrest in the coming months.

“As Latin America has attempted to move past political scandals, low commodities prices, and domestic unrest, new challenges have arisen, including the US wanting to renegotiate NAFTA and imposing steel and aluminium tariffs that would hurt Brazil and others.”

Elizabeth Lim,
Research Editor (Americas)

US\$ 1.7bn

Banco Popular de Puerto Rico/Wells Fargo
(auto finance business in Puerto Rico)
- second-largest deal in Puerto Rico on
Mergermarket record (since 2001)



-33.8%

Fall in inbound M&A value
(US\$ 1.1bn) from the US
compared to Q1 2017



\$900m

Value of Didi Chixing/99 Taxis deal,
the fourth largest Tech deal in the
region on record

132.1%

Increase in Brazil's M&A value
(US\$ 18.4bn) compared to Q1 2017

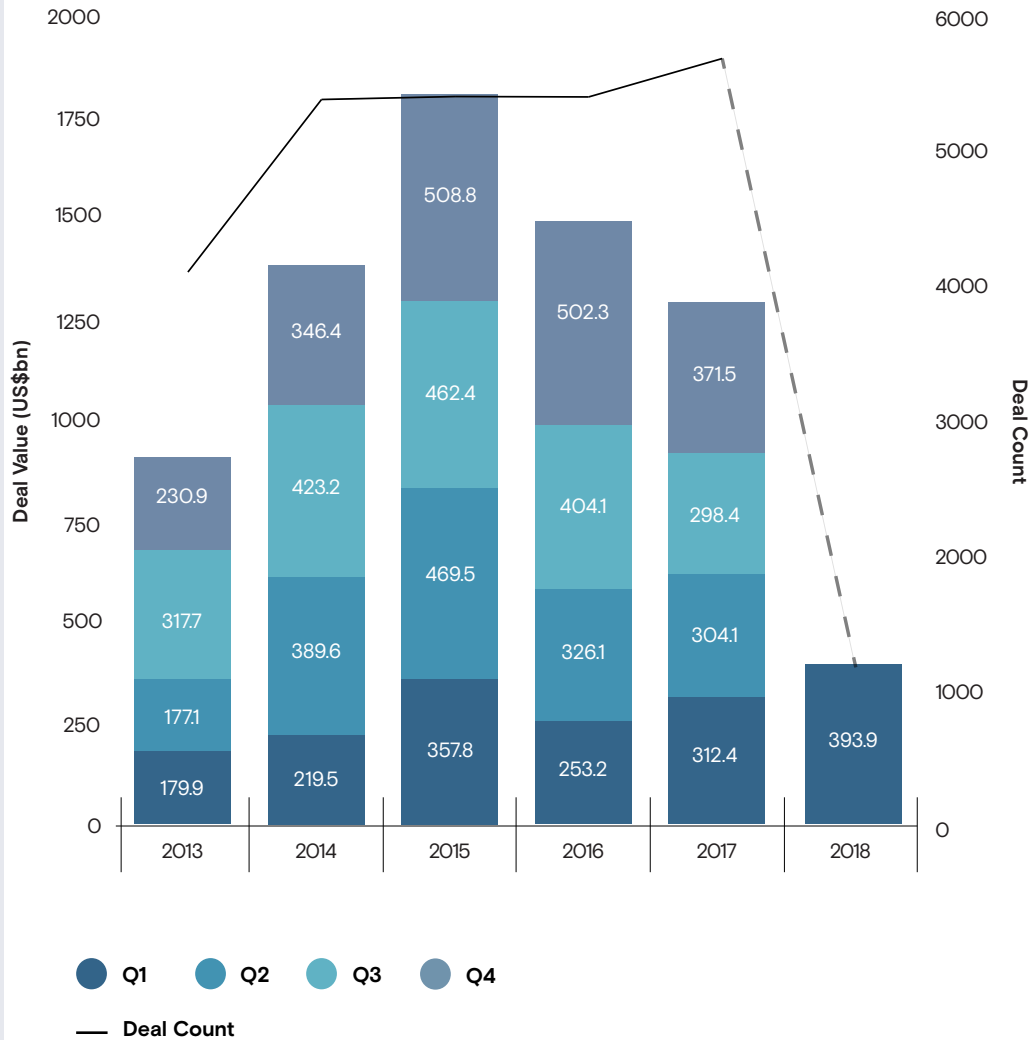
-78%

Decrease in Mexico's M&A value
(US\$ 905m) compared to Q1 2017

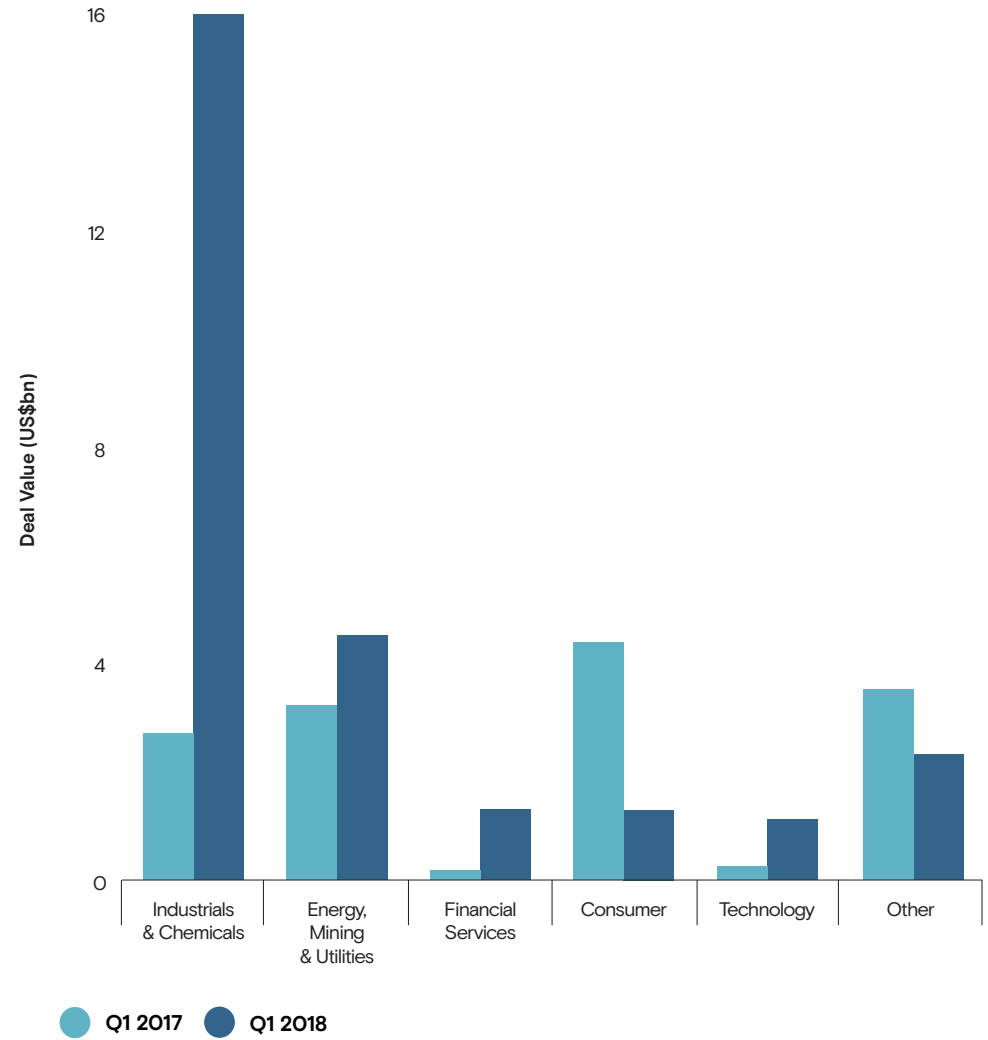
US\$ 15.3bn

Value of Suzano Papel e Celulose's acquisition
of Fibria Celulose, the second largest deal
targeting the region on *Mergermarket* record

Latin America Quarterly Breakdown Trend
2013 - 2018



Latin America Sector Breakdown Trend
Q1 2017 - Q1 2018



Latin America League tables

Latin America league table by value

Ranking			Q1 2018			Q1 2017	
Q1 2018	Q1 2017	Company name	Value (US\$m)	Deal count	% Value change	Value (US\$m)	
1	8	Tozzini Freire Teixeira e Silva Advogados	15,934	5	602.2%	2,269	
2	1	Mattos Filho, Veiga Filho, Marrey Jr. e Quiroga Advogados	15,535	9	382.0%	3,223	
3	-	Cescon, Barrieu, Flesch & Barreto Advogados	15,530	6	-	-	
4	23	White & Case	15,326	3	2416.6%	609	
5	85	Carey y Cia	3,266	2	40725.0%	8	
6	-	Winston & Strawn	3,266	1	-	-	
7	45	Simpson Thacher & Bartlett	1,369	5	1013.0%	123	
8	90	Barbosa, Mussnich & Aragao	1,000	4	-	-	
9	74	Creel Garcia-Cuellar Aiza y Enriquez	910	7	5252.9%	17	
10	-	Gunderson Dettmer Stough Villeneuve Franklin & Hachigian	900	1	-	-	
11	89	Paul Hastings	831	3	16520.0%	5	
12	-	Latham & Watkins	744	4	-	-	
13	79	Rodrigo Elias & Medrano	733	4	6008.3%	12	
14	34	DLA Piper	731	7	113.1%	343	
15	32	Pinheiro Neto Advogados	659	8	85.1%	356	
16	-	Akin Gump Strauss Hauer & Feld	600	1	-	-	
17	86	Philippi Prietocarrizosa, Ferrero DU & Uria	592	8	11740.0%	5	
18	87	Skadden Arps Slate Meagher & Flom	583	3	11560.0%	5	
19	92	Payet, Rey, Cauvi, Perez Abogados	583	1	-	-	
20	78	Jones Day	541	4	4408.3%	12	

Latin America league table by deal count

Ranking			Q1 2018			Q1 2017	
Q1 2018	Q1 2017	Company name	Value (US\$m)	Deal count	Count change	Deal count	
1	1	Mattos Filho, Veiga Filho, Marrey Jr. e Quiroga Advogados	15,535	9	-1	10	
2	3	Pinheiro Neto Advogados	659	8	-2	10	
3	17	Philippi Prietocarrizosa, Ferrero DU & Uria	592	8	4	4	
4	84	Creel Garcia-Cuellar Aiza y Enriquez	910	7	6	1	
5	33	DLA Piper	731	7	5	2	
6	-	Cescon, Barrieu, Flesch & Barreto Advogados	15,530	6	6	-	
7	5	Tozzini Freire Teixeira e Silva Advogados	15,934	5	-4	9	
8	36	Simpson Thacher & Bartlett	1,369	5	3	2	
9	7	Demarest	410	5	-1	6	
10	16	Lefosse Advogados	173	5	1	4	
11	13	Barbosa, Mussnich & Aragao	1,000	4	-1	5	
12	-	Latham & Watkins	744	4	4	-	
13	27	Rodrigo Elias & Medrano	733	4	1	3	
14	26	Jones Day	541	4	1	3	
15	2	Machado Meyer Sendacz e Opice	489	4	-6	10	
16	11	Veirano Advogados	317	4	-1	5	
17	14	Estudio Muniz, Ramirez, Perez-Taiman & Olaya Abogados	59	4	0	4	
18	22	White & Case	15,326	3	0	3	
19	93	Paul Hastings	831	3	2	1	
20	43	Skadden Arps Slate Meagher & Flom	583	3	1	2	

Asia Pacific (excl. Japan)

Value (US\$m)	Deal details				
	Announce- ment date	Bidder company	Target company	Target geography	Target sector
8,750	28-Mar	Hyundai Glovis Co Ltd	Hyundai Mobis Co Ltd (Module and A/S parts business)	South Korea	Industrials & Chemicals
6,632	20-Jan	Oil and Natural Gas Corporation Limited	Hindustan Petroleum Corporation Ltd (51.11% Stake)	India	Energy, Mining & Utilities
5,369	29-Jan	Suning Commerce Group Co Ltd; Tencent Holdings Ltd; Sunac China Holdings Limited; and JD.com Inc	Dalian Wanda Commercial Properties Co Ltd (14% Stake)	China	Real Estate
5,033	10-Mar	Guiyang Jinshiqi Industrial Investment Co Ltd	Zhongtian Urban Development and Investment Group Company Limited	China	Real Estate
4,833	2-Mar	Government of Australia	Snowy Hydro Limited (87% Stake)	Australia	Energy, Mining & Utilities

US\$ 149.2bn

Q1 2018 reached its second
highest Q1 value on *Mergermarket*
record (since 2001)

US\$ 134bn

Intra-Asia- Pacific M&A
value in Q1 2018, the second
highest Q1 value on record

6.5%

Increase in M&A value
compared to Q1 2017 despite
73 fewer transactions

Asia Pacific (excl. Japan)

- Following the overall global trend, the M&A activity in Asia-Pacific (excl. Japan) had a positive start to 2018 compared to last year. The region witnessed 788 deals valued at US\$ 149.2bn in the first quarter of 2018, up 6.5% by value compared to Q1 2017 (861 deals, US\$ 140.1bn). The first quarter of the year marked the second highest Q1 value on *Mergermarket* record (since 2001), highlighting Asia-Pacific's optimistic stance for dealmaking. The region saw four transactions over US\$ 5bn, same as the first quarter in 2017, including the US\$ 8.8bn acquisition of the South Korea based Hyundai Mobis by Hyundai Glovis's module and A/S parts businesses from Hyundai Mobis, the largest deal targeting the region so far this year.

- Much of the region's M&A activity continued to be driven by key sectors such as Industrials & Chemicals and Energy, Mining & Utilities (EMU). Industrials & Chemicals continued to be the most active sector in terms of both value and deal count with 167 deals worth US\$ 29.5bn, accounting for 21.2% of deals in the region and 19.8% of the value. The Automotive sub-sector was a standout performer with 12 deals valued at a total US\$ 14.8bn, up 420.4% by value with seven fewer deals compared to Q1 2017, largely due to the US\$ 3.8bn asset-swap of Chinese electric-car manufacturer Beijing Electric Vehicle with Chengdu Qianfeng Electronics. With 63 deals announced worth US\$ 26.9bn, Energy, Mining & Utilities was the second most dynamic sector in terms of deal value, yet down 6.2% compared to Q1 2017. EMU deals in the pipeline include Chinese clean energy service provider Beijing Enterprises Clean Energy Group's intention to acquire several liquefied natural gas (LNG) terminal projects in North China, for up to CNY 6bn (US\$ 953.2m) according to *Mergermarket* intelligence.

- Cross-border activity between Asia-Pacific (excl. Japan) and other regions had a quiet start to the year. Inbound M&A registered 128 deals totalling US\$ 15.2bn, a decrease of 8.1% by value compared to Q1 2017. This marked the lowest quarterly number of foreign investments since Q1 2012. Across the whole Asia-Pacific (excl. Japan) region, Australia was the most attractive country to investors outside the region in terms of both deal value and count, recording 36 inbound transactions valued at US\$ 6.4bn. The largest inbound transaction in the first quarter was Switzerland-based Glencore's 82% stake acquisition in Hail Creek coal mine and 71.2% of the Valeria coal development project in Australia for a combined US\$ 1.7bn. Outbound investment mirrored the downturn of inbound M&A, declining 14% in Q1 2018 to US\$ 16.8bn from US\$ 19.5bn in the same period last year.

- On the other hand, private equity activity in the region had a stellar first quarter. Private equity buyouts targeting Asia-Pacific (excl. Japan) recorded 97 deals for US\$ 24.3bn, up 37.1% by value with five fewer transactions compared to Q1 2017. These figures reflect an ongoing increase in deal sizes in private equity deals, with the average buyout in Q1 2018 reaching US\$ 296.8m, the highest yearly buyout average on *Mergermarket* record. Meanwhile, exits soared to US\$ 12.2bn in Q1 2018, up 20.1% compared to the same period in 2017. The region's exit value marked the second best Q1 on *Mergermarket* record (since 2001). Exit deals announced included the Seaspan Corporation's acquisition of an 89% stake in Greater China Intermodal Investments from Carlyle, Tiger Group Investments and The Washington Companies for US\$ 1.4bn.

“Following the overall global trend, the M&A activity in Asia-Pacific (excl. Japan) had a positive start to 2018 compared to last year”

Amy Wu, Senior
Research Analyst

US\$ 296.8m

Average buyout value in Asia-Pacific (excl. Japan) this year, the highest figure on record



51.7%

Chinese share of Asia-Pacific (excl. Japan) M&A in Q1 2018 by value (US\$ 77.2bn)



19.8%

Industrials & Chemicals market share by value (US\$ 29.5bn) in the region

-14%

Drop in outbound M&A value in Q1 2018 (US\$ 16.8bn) compared to Q1 2017

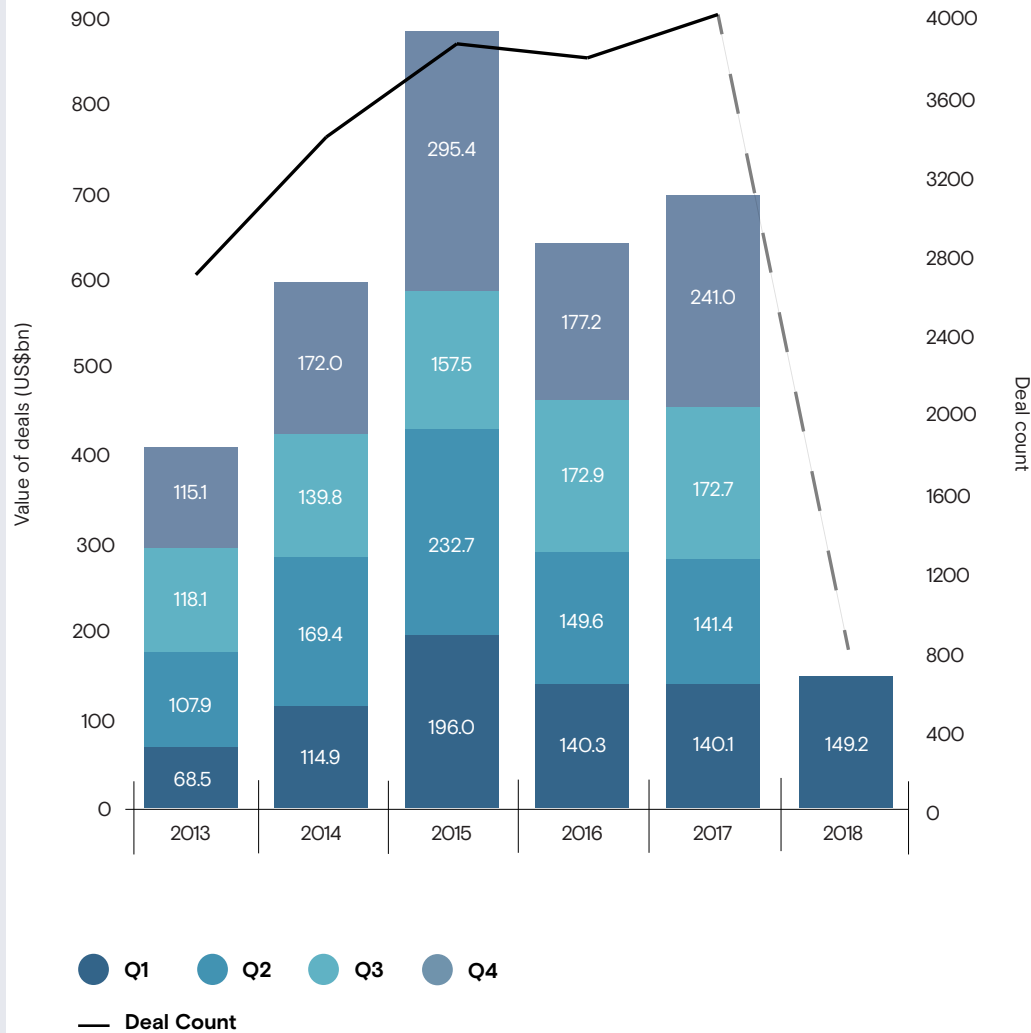
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Number of deals worth over US\$ 5bn in Q1, on par with Q1 2017

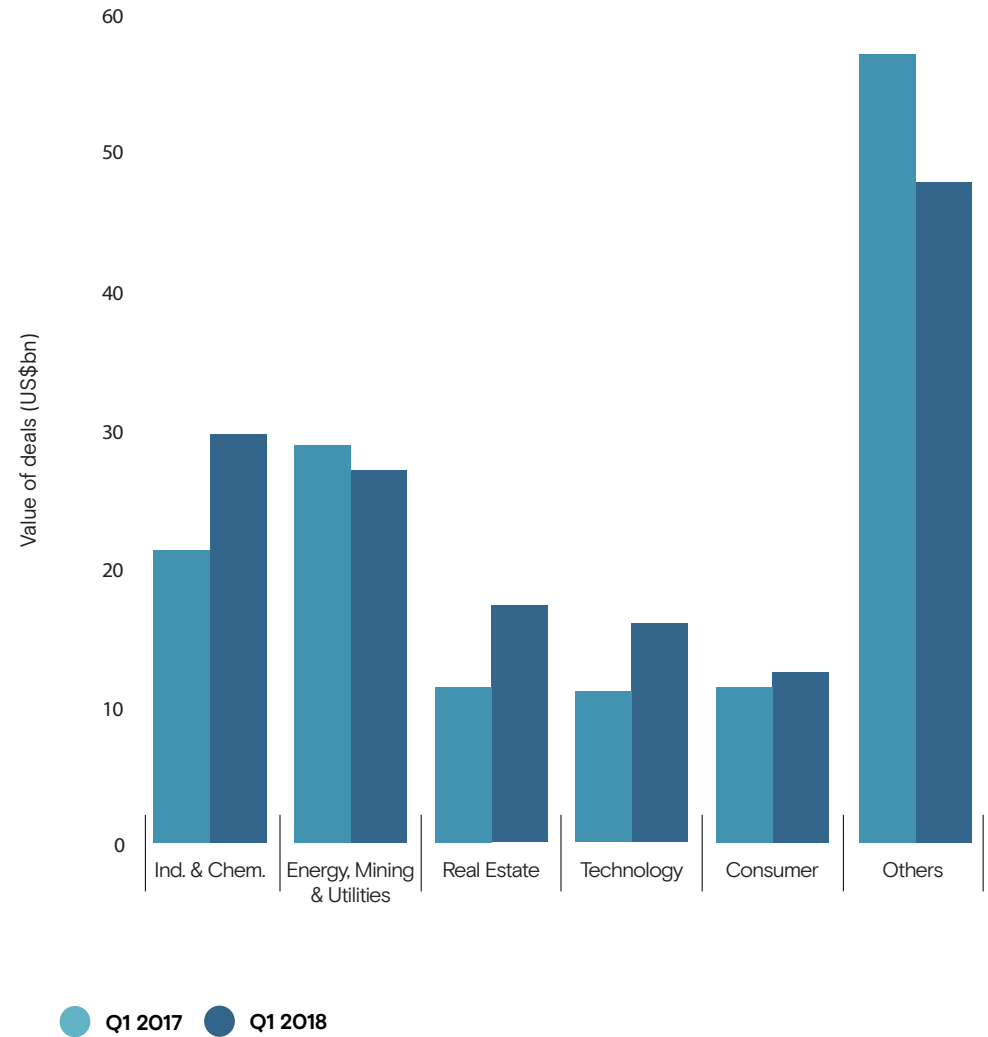
US\$ 12.2bn

Exit value in Q1 2018, the second highest Q1 value on *Mergermarket* record

Asia Pacific (excl. Japan) Quarterly Breakdown Trend
2013 - 2018



Asia Pacific (excl. Japan) Sector Breakdown Trend
Q1 2017 - Q1 2018



Asia Pacific (excl. Japan) League tables

Asia Pacific (excl. Japan) league table by value

Ranking			Q1 2018			Q1 2017
Q1 2018	Q1 2017	Company name	Value (US\$m)	Deal count	% Value change	Value (US\$m)
1	1	King & Wood Mallesons	17,434	23	0.4%	17,366
2	6	AZB & Partners	12,821	22	-12.7%	14,682
3	27	Kim & Chang	11,800	14	136.2%	4,996
4	2	Shardul Amarchand Mangaldas & Co	10,222	17	-36.2%	16,030
5	33	JunHe	7,922	10	131.9%	3,416
6	73	Cyril Amarchand Mangaldas	7,324	9	779.2%	833
7	14	Herbert Smith Freehills	7,244	18	-25.0%	9,664
8	42	JiaYuan Law Offices	6,746	7	218.7%	2,117
9	10	S&R Associates	6,647	2	-47.6%	12,680
10	60	Haiwen & Partners	6,387	9	435.8%	1,192
11	44	Shin & Kim	6,212	11	202.6%	2,053
12	5	Fangda Partners	5,646	12	-61.7%	14,742
13	43	Grandway Law Offices	5,569	6	164.4%	2,106
14	25	Ashurst	5,504	8	9.6%	5,023
15	9	Allens	5,237	11	-60.5%	13,275
16	13	Shearman & Sterling	4,428	7	-56.9%	10,281
17	3	Freshfields Bruckhaus Deringer	4,276	9	-72.7%	15,676
18	28	Lee & Ko	4,034	7	-19.2%	4,992
19	31	Sidley Austin	3,903	5	-11.2%	4,393
20	38	Latham & Watkins	3,689	9	46.3%	2,521

Asia Pacific (excl. Japan) league table by deal count

Ranking			Q1 2018			Q1 2017	
Q1 2018	Q1 2017	Company name	Value (US\$m)	Deal count	Count change	Deal count	
1	1	King & Wood Mallesons	17,434	23	-11	34	
2	7	AZB & Partners	12,821	22	6	16	
3	3	Herbert Smith Freehills	7,244	18	-6	24	
4	5	Shardul Amarchand Mangaldas & Co	10,222	17	-1	18	
5	25	Khaitan & Co	995	16	4	12	
6	47	Jones Day	924	16	9	7	
7	4	Kim & Chang	11,800	14	-6	20	
8	12	Fangda Partners	5,646	12	-2	14	
9	2	Baker McKenzie	3,277	12	-13	25	
10	8	Gilbert + Tobin	1,378	12	-4	16	
11	19	Shin & Kim	6,212	11	-2	13	
12	30	Allens	5,237	11	2	9	
13	40	JunHe	7,922	10	3	7	
14	6	MinterEllison	399	10	-8	18	
15	14	Cyril Amarchand Mangaldas	7,324	9	-5	14	
16	43	Haiwen & Partners	6,387	9	2	7	
17	15	Freshfields Bruckhaus Deringer	4,276	9	-4	13	
18	17	Latham & Watkins	3,689	9	-4	13	
19	64	Hogan Lovells International	1,577	9	4	5	
20	27	Grandall Law Firm	540	9	-2	11	

Japan

Value (US\$m)	Deal details				
	Announce- ment date	Bidder company	Target company	Target sector	Seller Company
1,143	24-Jan	Sekisui House Reit Inc	Sekisui House Residential Investment Corporation	Financial Services	
1,117	20-Feb	Mitsubishi Corporation	Mitsubishi Motors Corporation (10.76% Stake)	Industrials & Chemicals	
990	2-Mar	Nippon Life Insurance Company	MassMutual Life Insurance Company (85.1% Stake)	Financial Services	Massachusetts Mutual Life Insurance Company
762	9-Mar	Denso Corporation	Renesas Electronics Corporation (4.5% Stake)	TMT	Innovation Network Corporation of Japan
700	27-Feb	eBay Inc	Giosis Pte Ltd (Japan Business)	TMT	Giosis Pte Ltd

US\$ 18.8bn

Value of outbound Japanese M&A in Q1 2018, 27.2% higher than Q1 2017

US\$ 9bn

Value of M&A targeting Japan in Q1, on par with Q1 2017

1.0%

Share of global M&A value so far this year

Japan

- In Q1 2018, Japanese outbound activity saw US\$ 18.8bn in M&A take place across 56 deals, up 27.2% by value compared to Q1 2017 (US\$ 14.7bn, 83 deals) with 27 fewer deals. This was accredited to several big-ticket transactions made by Japanese investors with all of the top ten outbound deals breaching US\$ 500m. The largest deal saw Fujifilm acquire a 50.1% stake in US-based document solutions provider Xerox for US\$ 8.6bn, ranking as the ninth largest Japanese outbound deal on *Mergermarket* record (since 2001), following Softbank's US\$ 9.25bn investment in Uber in Q4 2017. As a result, the US continued to be the most targeted country, with US\$ 10.6bn changing hands across 13 deals. Japanese companies' appetite in the Asian market continued to be prominent showing a third successive increase by deal value. This quarter recorded US\$ 3.7bn (19 deals) worth of deals investing into the rest of Asia, triple the value compared to a year earlier (US\$ 1.2bn, 23 deals) despite four fewer deals.

- Technology has become the preferred sector for Japanese dealmakers to invest overseas, contributing US\$ 12.4bn across 12 deals announced in Q1 2018. The sector has seen extraordinary growth by value, representing a historical high on *Mergermarket* record. It accounts for 66.2% of total outbound value and nearly half of the annual market share in 2017 (US\$ 27bn, 53 deals), Tech's prominent performance indicates that Japanese investors are looking to seize the opportunity brought by an increasingly digitalised environment. The Consumer sector also saw growth, reaching US\$ 1.8bn via five deals, up 8.4x the value in the same quarter last year (US\$ 191m, 5 deals). More investments from Japan are expected to fall in the sector, especially in Southeast Asia, according to *Mergermarket* intelligence. Yoshimura Food is among the potential movers, and is currently seeking

Japanese food-related targets in neighbouring countries such as Singapore. Baroque Japan is also in talks to set up a joint venture to enter the Thai and Phillipino markets.

- On the other hand, Japan-targeted M&A (104 deals, US\$ 9bn) made 20 fewer deals, yet the value was on par compared to Q1 2017 (124 deals, US\$ 8.9bn), pushed by Sekisui House Reit's US\$ 1.1bn acquisition of Sekisui House Residential Investment Corporation. As a result, Financial Services ranked top in terms of deal value following ten transactions worth US\$ 3.2bn, contributing 35.8% of the country's value. Inbound M&A fell short in Q1 2018 despite finishing strongly in 2017 with a total of nine inbound transactions announced worth US\$ 1.1bn, down 73.8% by value on two fewer deals compared to Q1 2017 (11 deals, US\$ 4.4bn). eBay's US\$ 700m acquisition of Giosis' Japanese business was the top inbound deal so far this year. In contrast to the stagnant inbound activity, Japan witnessed a rebound in domestic M&A, with 95 transactions worth US\$ 7.8bn, up 70.4% by value compared to Q1 2017 (113 deals, US\$ 4.6bn).

- Following a strong showing last year, private equity activity experienced a mixed first quarter. A total of 11 buyouts were announced worth US\$ 553m, representing a 73.5% fall by value with five more deals from the same period in 2017 (6 deals, US\$2.1bn). Meanwhile, exits saw a sharp drop in both deal value and count with a total value of US\$ 798m over five deals compared with Q1 2017 (13 deals, US\$ 2.8bn), largely due to the Innovation Network Corporation of Japan's US\$ 762m sale of a 4.5% stake in Renesas Electronics Corporation. Despite a slow start, PE activity is expected to gain momentum during 2018, as the reform of the country's corporate governance code could become a catalyst for more buyouts, according to *Mergermarket* intelligence.

“Tech’s prominent performance indicates that Japanese investors are looking to seize the opportunity brought by an increasingly digitalised environment”

Yibei Xu, Senior Research Relationship Manager

US\$ 12.4bn

Q1 2018 tech outbound
value, across 12 deals



26

Number of deals targeting the
Japanese Industrials & Chemicals
sector so far this year



35.8%

Financial Services (US\$ 3.2bn)
share of Japanese M&A in Q1

-73.8%

Fall in foreign investment into
Japan by value (US\$ 1.1bn) versus
Q1 2017

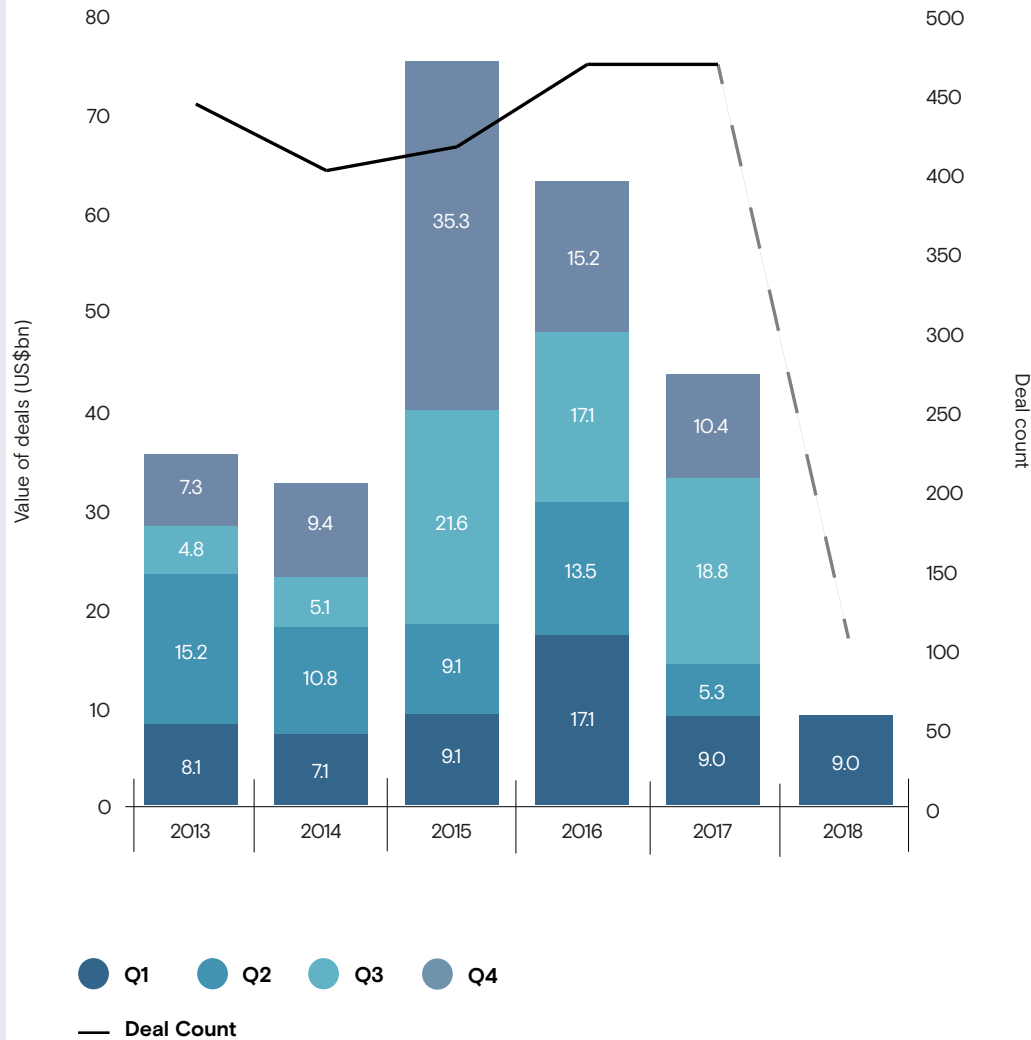
70.4%

Increase in domestic M&A
(US\$ 7.8bn) compared to Q1 2017

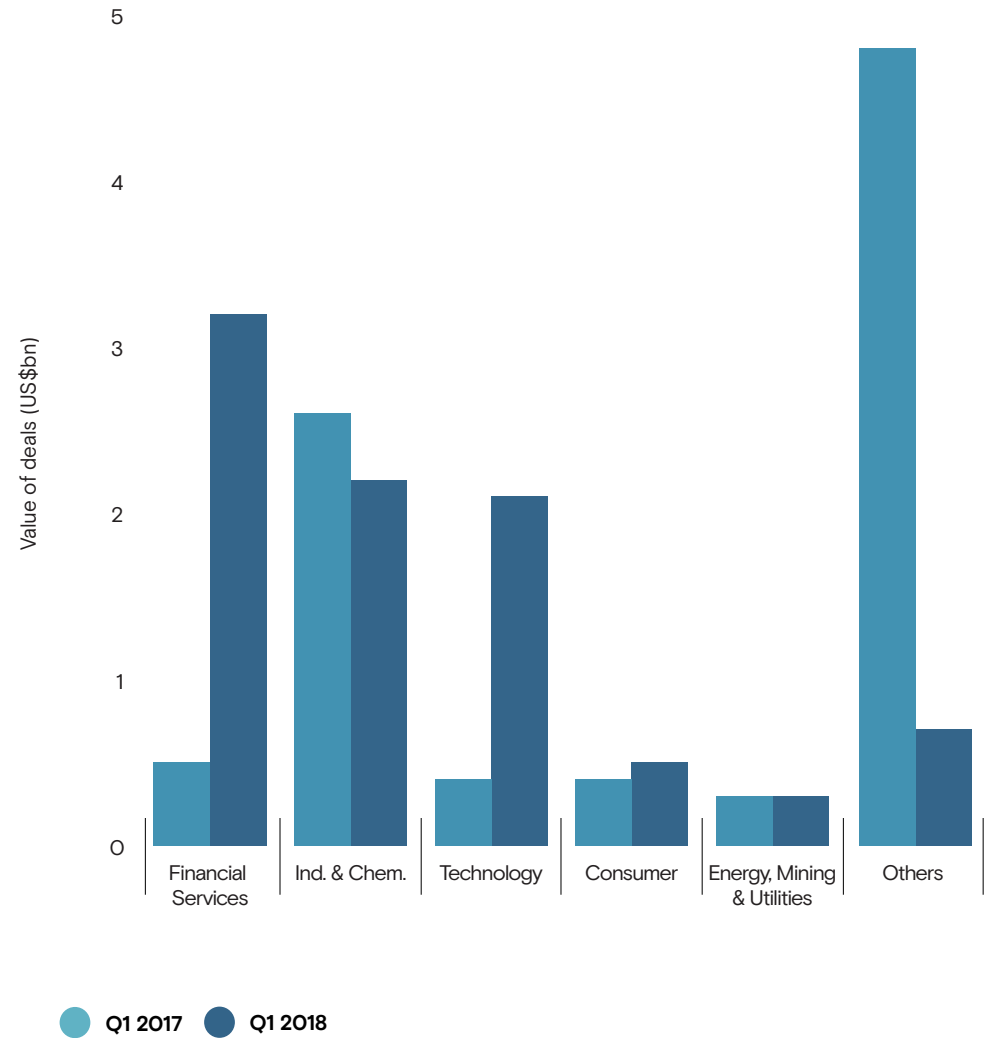
US\$ 7.8bn

Domestic M&A value in Q1 2018,
the highest quarterly figure
since Q4 2016 (US\$ 9.1bn)

Japan Quarterly Breakdown Trend
2013 - 2018



Japan Sector Breakdown Trend
Q1 2017 - Q1 2018



Japan League tables

Japan league table by value

Ranking			Q1 2018			Q1 2017
Q1 2018	Q1 2017	Company name	Value (US\$m)	Deal count	% Value change	Value (US\$m)
1	1	Morrison & Foerster	11,706	5	-1.1%	11,839
2	6	Davis Polk & Wardwell	9,479	4	42.4%	6,657
3=	2	Paul Weiss Rifkind Wharton & Garrison	8,600	1	5.0%	8,193
3=	4	Sullivan & Cromwell	8,600	1	7.0%	8,039
5	34	Freshfields Bruckhaus Deringer	4,105	4	489.8%	696
6	10	Mori Hamada & Matsumoto	3,062	8	-18.8%	3,771
7	12	Nishimura & Asahi	2,779	14	-18.6%	3,412
8=	-	Haiwen & Partners	1,550	2	-	-
8=	-	JunHe	1,550	2	-	-
8=	40	Slaughter and May	1,550	2	265.6%	424
11	7	Jones Day	1,321	5	-73.3%	4,942
12	48	Anderson Mori & Tomotsune	1,292	6	342.5%	292
13	107	Baker McKenzie	1,069	2	-	-
14	-	Allen & Gledhill	1,021	1	-	-
15	32	Nagashima Ohno & Tsunematsu	987	6	-3.0%	1,018
16	42	Herbert Smith Freehills	884	3	121.0%	400
17=	-	Blake, Cassels & Graydon	730	1	-	-
17=	80	Norton Rose Fulbright	730	1	1559.1%	44
19	59	Hogan Lovells International	700	1	314.2%	169
20	-	Macfarlanes	643	1	-	-

Japan league table by deal count

Ranking			Q1 2018			Q1 2017	
Q1 2018	Q1 2017	Company name	Value (US\$m)	Deal count	Count change	Deal count	
1	1	Nishimura & Asahi	2,779	14	-5	19	
2	2	Mori Hamada & Matsumoto	3,062	8	-10	18	
3	5	Anderson Mori & Tomotsune	1,292	6	-4	10	
4	3	Nagashima Ohno & Tsunematsu	987	6	-7	13	
5	6	Morrison & Foerster	11,706	5	-1	6	
6	19	Jones Day	1,321	5	2	3	
7	11	Davis Polk & Wardwell	9,479	4	0	4	
8	23	Freshfields Bruckhaus Deringer	4,105	4	1	3	
9	37	Herbert Smith Freehills	884	3	1	2	
10	14	White & Case	573	3	-1	4	
11=	-	Haiwen & Partners	1,550	2	2	-	
11=	-	JunHe	1,550	2	2	-	
11=	63	Slaughter and May	1,550	2	1	1	
14	107	Baker McKenzie	1,069	2	1	1	
15	-	Osborne Clarke	573	2	2	-	
16	25	Orrick Herrington & Sutcliffe	306	2	-1	3	
17	42	Hibiya-Nakata	33	2	0	2	
18	22	Gleiss Lutz	-	2	-1	3	
19=	30	Paul Weiss Rifkind Wharton & Garrison	8,600	1	-1	2	
19=	9	Sullivan & Cromwell	8,600	1	-3	4	

Middle East & Africa

Value (US\$m)	Deal details				
	Announcement date	Bidder company	Target company	Target geography	Target sector
3,101	19-Mar	KLA-Tencor Corporation	Orbotech Ltd	Israel	TMT
1,450	18-Mar	Total SA	Abu Dhabi National Oil Company (Lower Zakum Off Shore Concession) (5% Stake); and Abu Dhabi National Oil Company (Umm Shaif and Nasr fields) (20% Stake)	United Arab Emirates	Energy, Mining & Utilities
1,050	8-Mar	Sanlam Ltd; and Santam Limited	Saham Finances S.A. (53.37% Stake)	Morocco	Financial Services
934	11-Mar	Mubadala Petroleum LLC	Zohr oil field (10% Stake)	Egypt	Energy, Mining & Utilities
875	11-Mar	Eni SpA	Abu Dhabi National Oil Company (Lower Zakum Off Shore Concession) (5% Stake); and Abu Dhabi National Oil Company (Umm Shaif and Nasr fields) (10% Stake)	United Arab Emirates	Energy, Mining & Utilities

US\$ 14.7bn

Value of M&A targeting the Middle East & Africa in Q1 2018, the highest quarterly value since Q1 2017 (US\$ 29.4bn)

22.6%

Value increase from Q4 2017 to Q1 2018

12

Number of deals worth over US\$ 500m targeting MEA in Q1

Middle East & Africa

- A flurry of deals in March pushed M&A in the Middle East & Africa (MEA) region to its highest quarterly value since Q1 2017 (US\$ 29.4bn). The region received 66 deals worth a total US\$ 14.7bn, 22.6% higher than the US\$ 12bn (113 deals) seen in Q4 2017, with MEA now seeing its third consecutive quarter with over US\$ 10bn invested. There were three deals worth over US\$ 1bn targeting MEA so far this year, with the largest being KLA-Tencor's US\$ 3.1bn acquisition of Israeli firm Orbotech. The region accounted for a 1.6% share of global M&A value in Q1, largely on par with the average percentage seen throughout 2017 at 2%.
- Due to higher valued deals into the country, the UAE has seen a tremendous increase in dealmaking so far this year, becoming the most targeted country by value in the region following 11 deals worth US\$ 4.8bn. The country has already surpassed its annual total value seen in 2017, when US\$ 4.6bn (56 deals) was invested. Israel, which hit its highest annual value on *Mergermarket* (since 2001) in 2017 with US\$ 25.7bn, continues to be active in 2018. The country has once again received the most deals in MEA by deal count, with 17 deals worth US\$ 4.3bn announced over the last three months, also almost doubling in value from the US\$ 2.2bn (23 deals) seen in Q4 2017. Continued political uncertainty appears to be hitting South African dealmakers and has led to a considerable drop in activity in the first quarter as the country saw just six deals announced on *Mergermarket* worth a total US\$ 177m.

- Foreign investment into the region was a key component to dealmaking in MEA, with 39 deals worth US\$ 10bn announced in the first quarter of 2018, representing the third highest start to the year by value since the financial crisis. The first quarter of 2018 was also the largest quarterly value for inbound M&A since Q1 2017 (US\$ 24bn), which included Intel's US\$ 15bn takeover of Mobileye, announced in March 2017. The UK has been the most active investor into MEA by deal count, with nine deals worth US\$ 1.1bn so far this year. The number of investments from the US has taken a small downturn with just six deals (US\$ 3.2bn) into the region in Q1, the lowest number in a quarter since Q2 2009 (four deals).
- Energy, Mining & Utilities (EMU) has been the most targeted sector by both value and number of deals in the first quarter, receiving US\$ 8.1bn. More stability in commodity markets has pushed the sector's M&A up 27.9% by value in comparison to Q1 2017 (US\$ 6.4bn), with Q1 2018 hitting its highest quarterly value in the sector since Q1 2013 (US\$ 8.5bn) becoming only the third quarter since the start of 2010 to surpass US\$ 8bn. There have been nine deals worth over US\$ 500m announced in the EMU sector so far this year, including Total's investments into the Lower Zakum off-shore field and the Umm Shair and Nasr fields from the Abu Dhabi National Oil Company for a combined US\$ 1.45bn, announced in mid-March. Industrials & Chemicals was the second most targeted sector by deal count with nine deals worth US\$ 168m.

“Continued political uncertainty appears to be hitting South African dealmakers and has led to a considerable drop in activity in the first quarter”

Jonathan Klonowski,
Research Editor (EMEA)

US\$ 10bn

Value of foreign investment into MEA, the third consecutive quarterly increase



90%

Increase in Tech value (US\$ 3.2bn) compared to Q1 2017



87.7%

Increase in Energy, Mining & Utilities value (US\$ 8.1bn) compared to Q4 2017

33%

UAE (US\$ 4.8bn) share of dealmaking in MEA by value

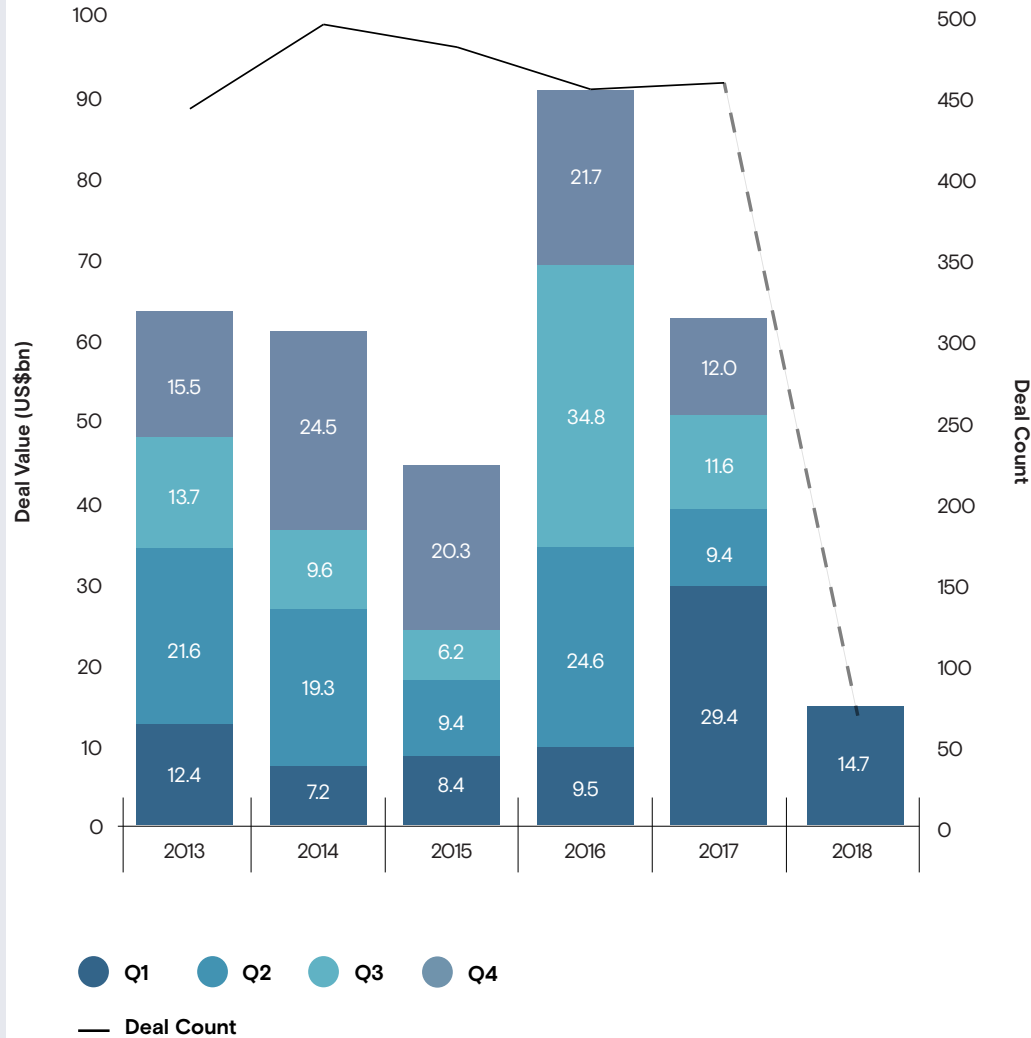
95.3%

Israeli increase in M&A (US\$ 4.3bn) versus Q4 2017

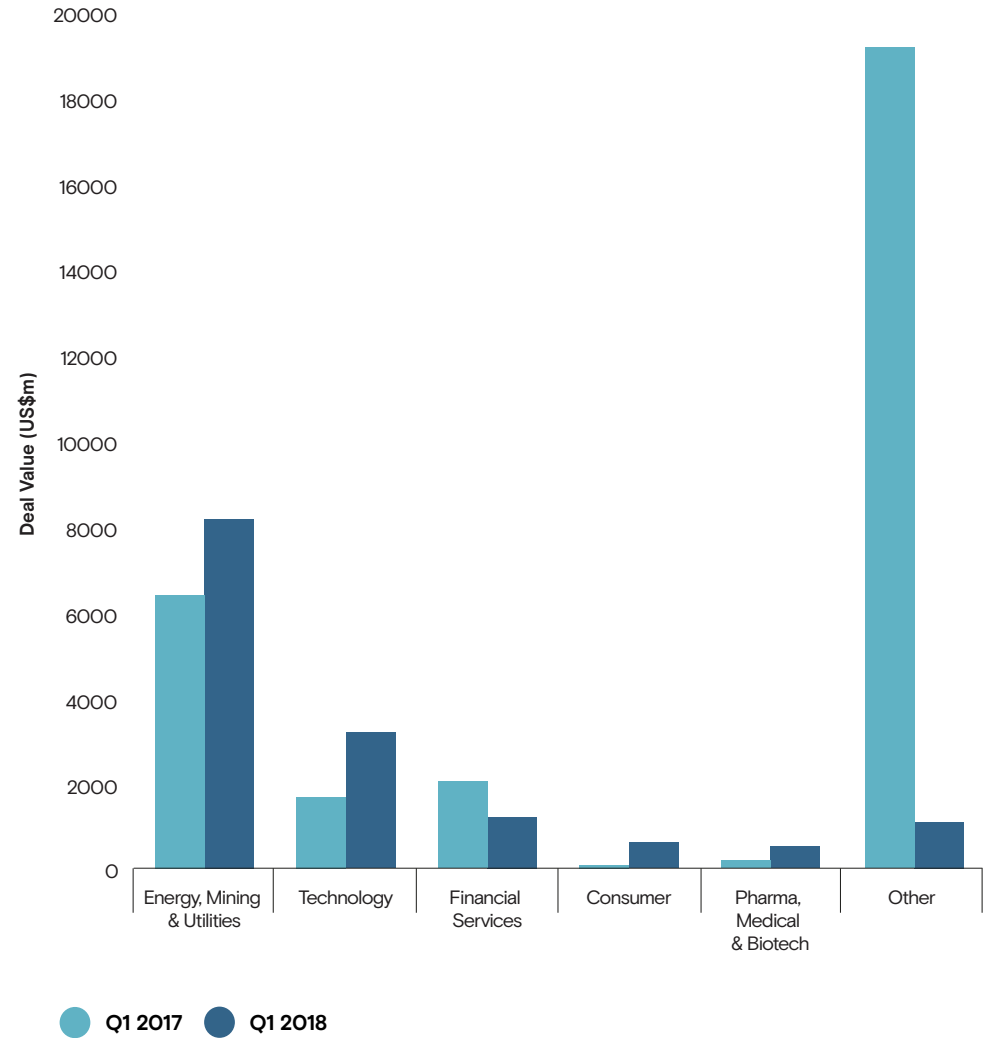
US\$ 4.7bn

Value of outbound M&A so far this year

**Middle East & Africa Quarterly Breakdown Trend
2013 - 2018**



**Middle East & Africa Sector Breakdown Trend
Q1 2017 - Q1 2018**



Middle East & Africa League tables

MEA league table by value

Ranking			Q1 2018			Q1 2017
Q1 2018	Q1 2017	Company name	Value (US\$m)	Deal count	% Value change	Value (US\$m)
1	8	Shearman & Sterling	5,030	6	-40.2%	8,414
2	50	Meitar Liquornik Geva Leshem Tal	3,134	5	2407.2%	125
3	55	Wilson Sonsini Goodrich & Rosati	3,125	2	2876.2%	105
4=	14	Cravath, Swaine & Moore	3,101	1	40.0%	2,215
4=	3	Sullivan & Cromwell	3,101	1	-80.1%	15,574
4=	56	Tulchinsky Stern & Company	3,101	1	2910.7%	103
7	13	Clifford Chance	3,039	2	33.1%	2,284
8	71	Freshfields Bruckhaus Deringer	2,720	6	5566.7%	48
9	18	Allen & Overy	2,630	7	30.7%	2,013
10	-	Homburger	2,530	2	-	-
11=	-	AS&H	2,502	1	-	-
11=	-	Lenz & Staehelin	2,502	1	-	-
13	48	Herzog, Fox and Neeman	1,736	2	1122.5%	142
14	49	ENSAfrica	1,237	2	823.1%	134
15	101	Jones Day	875	1	-	-
16	-	King & Spalding	760	2	-	-
17	-	AZB & Partners	680	2	-	-
18	19	Baker McKenzie	591	2	-51.9%	1,229
19	-	Morgan Lewis & Bockius	577	2	-	-
20	102	Khaitan & Co	497	1	-	-

MEA league table by deal count

Ranking			Q1 2018			Q1 2017	
Q1 2018	Q1 2017	Company name	Value (US\$m)	Deal count	Count change	Deal count	
1	2	Allen & Overy	2,630	7	-2	9	
2	7	Shearman & Sterling	5,030	6	0	6	
3	36	Freshfields Bruckhaus Deringer	2,720	6	4	2	
4	32	Meitar Liquornik Geva Leshem Tal	3,134	5	3	2	
5	19	DLA Piper	491	3	0	3	
6	-	Slaughter and May	287	3	3	-	
7	63	Wilson Sonsini Goodrich & Rosati	3,125	2	1	1	
8	27	Clifford Chance	3,039	2	0	2	
9	-	Homburger	2,530	2	2	-	
10	4	Herzog, Fox and Neeman	1,736	2	-6	8	
11	10	ENSAfrica	1,237	2	-4	6	
12	-	King & Spalding	760	2	2	-	
13	-	AZB & Partners	680	2	2	-	
14	9	Baker McKenzie	591	2	-4	6	
15	-	Morgan Lewis & Bockius	577	2	2	-	
16	31	Cleary Gottlieb Steen & Hamilton	316	2	0	2	
17	-	Shardul Amarchand Mangaldas & Co	180	2	2	-	
18	12	Linklaters	168	2	-2	4	
19	1	Webber Wentzel	96	2	-11	13	
20	80	Gide Loyrette Nouel	54	2	1	1	

M&A Rankings by deal value and deal count for a wide range of regions.

M&A and PE Legal Advisory League Tables

Global Advisory League tables

Global league table by value

Ranking			Q1 2018			Q1 2017
Q1 2018	Q1 2017	Company name	Value (US\$m)	Deal count	% Value change	Value (US\$m)
1	2	Skadden Arps Slate Meagher & Flom	193,721	47	24.2%	156,006
2	9	Freshfields Bruckhaus Deringer	140,975	45	69.6%	83,139
3	1	Cravath, Swaine & Moore	116,176	15	-28.4%	162,166
4	17	Paul Weiss Rifkind Wharton & Garrison	115,057	36	116.7%	53,090
5	18	Linklaters	111,780	29	111.8%	52,773
6	7	Davis Polk & Wardwell	109,246	38	2.3%	106,796
7	19	Clifford Chance	104,855	38	122.6%	47,098
8	27	Allen & Overy	101,891	50	234.8%	30,435
9	21	Wachtell, Lipton, Rosen & Katz	98,457	16	113.1%	46,213
10	5	Simpson Thacher & Bartlett	97,392	32	-13.6%	112,781
11	20	Sullivan & Cromwell	95,945	37	105.8%	46,621
12	10	Herbert Smith Freehills	78,310	28	0.8%	77,711
13	13	White & Case	72,430	41	21.4%	59,678
14	4	Cleary Gottlieb Steen & Hamilton	68,243	12	-40.7%	115,032
15	3	Kirkland & Ellis	67,270	112	-50.3%	135,393
16	8	Weil Gotshal & Manges	63,490	44	-29.4%	89,960
17	48	Baker McKenzie	61,220	48	220.3%	19,116
18	75	Torys	55,234	11	529.2%	8,779
19	29	Latham & Watkins	54,901	71	84.1%	29,815
20	60	DLA Piper	54,861	79	330.5%	12,745

Global league table by deal count

Ranking			Q1 2018			Q1 2017	
Q1 2018	Q1 2017	Company name	Value (US\$m)	Deal count	Count change	Deal count	
1	2	Kirkland & Ellis	67,270	112	0	112	
2	6	Jones Day	26,797	91	0	91	
3	1	DLA Piper	54,861	79	-63	142	
4	5	Goodwin Procter	38,296	75	-17	92	
5	3	Latham & Watkins	54,901	71	-28	99	
6	10	Allen & Overy	101,891	50	-17	67	
7	4	Baker McKenzie	61,220	48	-44	92	
8	12	Skadden Arps Slate Meagher & Flom	193,721	47	-11	58	
9	23	Freshfields Bruckhaus Deringer	140,975	45	4	41	
10	11	Weil Gotshal & Manges	63,490	44	-15	59	
11	13	Hogan Lovells International	28,186	43	-14	57	
12	9	CMS	7,035	42	-25	67	
13	7	White & Case	72,430	41	-29	70	
14	39	Davis Polk & Wardwell	109,246	38	10	28	
15	8	Clifford Chance	104,855	38	-31	69	
16	19	Morgan Lewis & Bockius	53,117	38	-6	44	
17	22	McDermott Will & Emery	24,110	38	-4	42	
18	35	Sullivan & Cromwell	95,945	37	6	31	
19	18	Paul Weiss Rifkind Wharton & Garrison	115,057	36	-10	46	
20	37	Cooley	3,366	34	4	30	

EMEA Advisory League tables

Europe league table by value

Ranking			Q1 2018			Q1 2017
Q1 2018	Q1 2017	Company name	Value (US\$m)	Deal count	% Value change	Value (US\$m)
1	6	Freshfields Bruckhaus Deringer	121,282	37	74.1%	69,648
2	13	Linklaters	110,372	26	142.1%	45,596
3	15	Clifford Chance	101,211	33	180.0%	36,153
4	27	Allen & Overy	100,339	44	306.7%	24,671
5	7	Herbert Smith Freehills	71,403	12	6.2%	67,226
6	11	Cleary Gottlieb Steen & Hamilton	59,823	7	5.6%	56,661
7	44	Baker McKenzie	54,491	35	477.7%	9,433
8	69	DLA Piper	52,797	50	1409.3%	3,498
9	4	Davis Polk & Wardwell	51,109	11	-38.2%	82,681
10	8	Skadden Arps Slate Meagher & Flom	49,776	14	-24.9%	66,253
11	78	Uria Menendez	49,313	13	1921.9%	2,439
12	81	Milbank Tweed Hadley & McCloy	47,670	8	1884.6%	2,402
13	46	Hengeler Mueller	46,833	8	491.0%	7,925
14	12	Slaughter and May	40,836	16	-23.4%	53,301
15	287	Legance Avvocati Associati	40,442	6	37346.3%	108
16	88	Gianni, Origoni, Grippo, Cappelli & Partners	40,129	11	1836.7%	2,072
17	3	Kirkland & Ellis	34,977	23	-60.6%	88,876
18	1	Cravath, Swaine & Moore	28,119	6	-78.1%	128,606
19	83	Debevoise & Plimpton	27,615	4	1100.7%	2,300
20	5	Weil Gotshal & Manges	21,391	19	-70.9%	73,555

Europe league table by deal count

Ranking			Q1 2018			Q1 2017
Q1 2018	Q1 2017	Company name	Value (US\$m)	Deal count	Count change	Deal count
1	1	DLA Piper	52,797	50	-30	80
2	5	Allen & Overy	100,339	44	-6	50
3	2	CMS	6,994	41	-25	66
4	11	Freshfields Bruckhaus Deringer	121,282	37	3	34
5	3	Baker McKenzie	54,491	35	-27	62
6	4	Clifford Chance	101,211	33	-19	52
7	13	Jones Day	8,916	27	-6	33
8	6	Linklaters	110,372	26	-21	47
9	10	Hogan Lovells International	8,709	25	-11	36
10	9	Latham & Watkins	18,285	24	-17	41
11	17	Kirkland & Ellis	34,977	23	-2	25
12	14	Goodwin Procter	8,155	23	-6	29
13	16	Squire Patton Boggs	432	23	-3	26
14	8	White & Case	5,463	22	-19	41
15	7	Eversheds Sutherland	1,036	22	-22	44
16	15	Weil Gotshal & Manges	21,391	19	-7	26
17	30	Osborne Clarke	1,155	19	-1	20
18	28	PwC legal	507	19	-1	20
19	55	Accura	623	18	5	13
20	34	Vinge	4,569	17	0	17

EMEA Advisory League tables

UK league table by value

Ranking			Q1 2018			Q1 2017
Q1 2018	Q1 2017	Company name	Value (US\$m)	Deal count	% Value change	Value (US\$m)
1	13	Slaughter and May	36,746	12	55.0%	23,709
2	7	Herbert Smith Freehills	31,715	8	-48.6%	61,652
3	11	Clifford Chance	30,395	11	4.7%	29,025
4	10	Freshfields Bruckhaus Deringer	26,565	10	-9.2%	29,266
5	12	Linklaters	24,679	7	0.5%	24,558
6	5	Skadden Arps Slate Meagher & Flom	17,579	6	-71.5%	61,699
7	1	Kirkland & Ellis	16,249	13	-81.3%	86,908
8	6	Simpson Thacher & Bartlett	12,536	2	-79.7%	61,655
9	28	Allen & Overy	8,562	15	67.9%	5,100
10	25	Macfarlanes	8,032	11	39.3%	5,767
11	26	Ashurst	7,446	10	38.7%	5,368
12	46	Hogan Lovells International	7,129	9	456.1%	1,282
13	3	Cravath, Swaine & Moore	7,052	2	-89.1%	64,528
14	31	Paul Weiss Rifkind Wharton & Garrison	6,702	2	55.9%	4,300
15	-	Ogier	6,275	2	-	-
16	193	Mourant Ozannes	6,203	1	47615.4%	13
17	4	Weil Gotshal & Manges	5,312	10	-91.7%	64,005
18	95	Uria Menendez	4,964	3	1408.8%	329
19	33	CMS	4,757	21	24.7%	3,814
20	87	Garrigues	4,715	2	1217.0%	358

UK league table by deal count

Ranking			Q1 2018			Q1 2017	
Q1 2018	Q1 2017	Company name	Value (US\$m)	Deal count	Count change	Deal count	
1	1	CMS	4,757	21	-5	26	
2	8	Squire Patton Boggs	342	19	2	17	
3	29	Allen & Overy	8,562	15	6	9	
4	2	DLA Piper	1,419	15	-10	25	
5	18	Addleshaw Goddard	870	14	2	12	
6	10	Kirkland & Ellis	16,249	13	-2	15	
7	16	Slaughter and May	36,746	12	0	12	
8	17	Baker McKenzie	3,119	12	0	12	
9	4	Pinsent Masons	2,057	12	-11	23	
10	5	Clifford Chance	30,395	11	-6	17	
11	13	Macfarlanes	8,032	11	-2	13	
12	3	Eversheds Sutherland	837	11	-13	24	
13	27	Osborne Clarke	213	11	1	10	
14	23	Freshfields Bruckhaus Deringer	26,565	10	0	10	
15	33	Ashurst	7,446	10	3	7	
16	20	Weil Gotshal & Manges	5,312	10	-1	11	
17	22	Hogan Lovells International	7,129	9	-2	11	
18	19	Goodwin Procter	2,531	9	-3	12	
19	15	Jones Day	162	9	-3	12	
20	14	Herbert Smith Freehills	31,715	8	-4	12	

EMEA Advisory League tables

Ireland league table by value

Ranking			Q1 2018			Q1 2017	
Q1 2018	Q1 2017	Company name	Value (US\$m)	Deal count	% Value change	Value (US\$m)	
1	4	Arthur Cox	716	6	184.1%	252	
2	5	Eversheds Sutherland	426	5	109.9%	203	
3	-	CMS	384	1	-	-	
4=	19	Paul Hastings	300	1	488.2%	51	
4=	-	Skadden Arps Slate Meagher & Flom	300	1	-	-	
6	29	DLA Piper	283	2	-	-	
7	1	Matheson	276	3	-19.1%	341	
8	42	Norton Rose Fulbright	276	1	-	-	
9	-	Squire Patton Boggs	146	2	-	-	
10	-	Collyer Bristow	115	1	-	-	

Ireland league table by deal count

Ranking			Q1 2018			Q1 2017	
Q1 2018	Q1 2017	Company name	Value (US\$m)	Deal count	Count change	Deal count	
1	1	Arthur Cox	716	6	-2	8	
2	2	Eversheds Sutherland	426	5	-3	8	
3	8	Mason Hayes & Curran	-	4	1	3	
4	4	Matheson	276	3	-2	5	
5	30	ByrneWallace	15	3	2	1	
6	12	DLA Piper	283	2	0	2	
7	-	Squire Patton Boggs	146	2	2	-	
8	9	Beauchamps Solicitors	88	2	-1	3	
9	-	Goodwin Procter	50	2	2	-	
10	3	William Fry	12	2	-4	6	

DACH league table by value

Ranking			Q1 2018			Q1 2017	
Q1 2018	Q1 2017	Company name	Value (US\$m)	Deal count	% Value change	Value (US\$m)	
1	1	Freshfields Bruckhaus Deringer	66,864	20	81.3%	36,889	
2	11	Allen & Overy	49,617	15	630.1%	6,796	
3	46	Milbank Tweed Hadley & McCloy	47,208	6	9456.3%	494	
4	10	Hengeler Mueller	46,833	8	491.0%	7,925	
5	17	Linklaters	46,646	5	1335.3%	3,250	
6	61	Kirkland & Ellis	18,139	4	5235.0%	340	
7	8	Slaughter and May	16,279	2	-45.0%	29,592	
8	92	Herbert Smith Freehills	14,902	2	19769.3%	75	
9	148	Jones Day	7,618	7	126866.7%	6	
10	-	Davis Polk & Wardwell	6,616	4	-	-	

DACH league table by deal count

Ranking			Q1 2018			Q1 2017	
Q1 2018	Q1 2017	Company name	Value (US\$m)	Deal count	Count change	Deal count	
1	9	Freshfields Bruckhaus Deringer	66,864	20	9	11	
2	7	Allen & Overy	49,617	15	3	12	
3	1	CMS	1,879	15	-14	29	
4	26	P+P Poellath + Partners	453	14	8	6	
5	3	Gleiss Lutz	4,355	13	-2	15	
6	4	Clifford Chance	6,519	11	-3	14	
7	22	Noerr	374	11	4	7	
8	11	Latham & Watkins	1,362	9	-1	10	
9	10	Walder Wyss	700	9	-2	11	
10	6	Hengeler Mueller	46,833	8	-5	13	

EMEA Advisory League tables

Germany league table by value

Ranking			Q1 2018			Q1 2017
Q1 2018	Q1 2017	Company name	Value (US\$m)	Deal count	% Value change	Value (US\$m)
1	2	Freshfields Bruckhaus Deringer	50,965	17	710.8%	6,286
2	3	Allen & Overy	49,617	15	844.2%	5,255
3	37	Milbank Tweed Hadley & McCloy	47,015	5	14592.2%	320
4	1	Hengeler Mueller	46,833	8	622.3%	6,484
5	9	Linklaters	46,646	4	2080.7%	2,139
6	4	Clifford Chance	2,598	8	-41.5%	4,443
7	23	Baker McKenzie	2,562	5	168.6%	954
8	90	Jones Day	2,418	4	40200%	6
9	-	Fenwick & West	2,276	2	-	-
10	-	Paul Hastings	2,276	1	-	-
11	73	Gorrissen Federspiel	2,110	2	9073.9%	23
12	-	Bruun & Hjejle	2,110	1	-	-
13	-	Herzog, Fox and Neeman	1,727	1	-	-
14	43	Gleiss Lutz	1,644	11	596.6%	236
15	93	LUTZ ABEL Rechtsanwalts	1,221	1	24320.0%	5
16	212	Morrison & Foerster	1,133	4	-	-
17	53	Watson, Farley & Williams	599	8	286.5%	155
18	34	White & Case	519	6	56.8%	331
19	-	Schulte Roth & Zabel	519	1	-	-
20	-	Sullivan & Cromwell	512	2	-	-

Germany league table by deal count

Ranking			Q1 2018			Q1 2017	
Q1 2018	Q1 2017	Company name	Value (US\$m)	Deal count	Count change	Deal count	
1	37	Freshfields Bruckhaus Deringer	50,965	17	14	3	
2	9	Allen & Overy	49,617	15	6	9	
3	23	P+P Poellath + Partners	453	14	9	5	
4	1	CMS	33	12	-9	21	
5	3	Gleiss Lutz	1,644	11	-3	14	
6	15	Noerr	374	11	4	7	
7	4	Hengeler Mueller	46,833	8	-4	12	
8	2	Clifford Chance	2,598	8	-6	14	
9	17	Watson, Farley & Williams	599	8	2	6	
10	11	Heuking Kuhn Luer Wojtek	93	7	-1	8	
11	5	DLA Piper	-	7	-5	12	
12	16	White & Case	519	6	0	6	
13	21	Latham & Watkins	128	6	1	5	
14	41	Milbank Tweed Hadley & McCloy	47,015	5	2	3	
15	6	Baker McKenzie	2,562	5	-5	10	
16	8	Hogan Lovells International	161	5	-5	10	
17=	7	McDermott Will & Emery	-	5	-5	10	
17=	47	Norton Rose Fulbright	-	5	2	3	
19	27	Linklaters	46,646	4	0	4	
20	14	Jones Day	2,418	4	-4	8	

EMEA Advisory League tables

Austria league table by value

Ranking			Q1 2018			Q1 2017	
Q1 2018	Q1 2017	Company name	Value (US\$m)	Deal count	% Value change	Value (US\$m)	
1	1	Schoenherr Rechtsanwaelte	1,016	5	-77.1%	4,438	
2	-	Ashurst	578	2	-	-	
3=	-	Chapman Tripp	578	1	-	-	
3=	-	Simpson Grierson	578	1	-	-	
5	2	bpv Huegel Rechtsanwaelte	372	4	-91.6%	4,438	
6	33	Baker McKenzie	148	1	-	-	
7	-	Weber & Co	79	2	-	-	
8=	4	Cerha Hempel Spiegelfeld Hlawati	79	1	-95.7%	1,847	
8=	-	Kuhn Rechtsanwälte	79	1	-	-	
10=	-	Choate Hall & Stewart	35	1	-	-	
10=	-	Eversheds Sutherland	35	1	-	-	

Switzerland league table by value

Ranking			Q1 2018			Q1 2017	
Q1 2018	Q1 2017	Company name	Value (US\$m)	Deal count	% Value change	Value (US\$m)	
1	44	Kirkland & Ellis	18,139	2	90595.0%	20	
2	8	Slaughter and May	16,279	2	-45.0%	29,592	
3	1	Freshfields Bruckhaus Deringer	15,899	3	-47.8%	30,473	
4	-	Herbert Smith Freehills	14,902	2	-	-	
5	-	Davis Polk & Wardwell	6,563	3	-	-	
6	93	Jones Day	5,200	3	-	-	
7	-	Covington & Burling	5,100	1	-	-	
8	-	Mayer Brown	4,438	2	-	-	
9	-	Clifford Chance	3,921	3	-	-	
10=	-	BonelliErede	3,240	1	-	-	
10=	5	Cravath, Swaine & Moore	3,240	1	-89.1%	29,592	
10=	-	Gatti Pavesi Bianchi	3,240	1	-	-	

Austria league table by deal count

Ranking			Q1 2018			Q1 2017	
Q1 2018	Q1 2017	Company name	Value (US\$m)	Deal count	Count change	Deal count	
1	1	Schoenherr Rechtsanwaelte	1,016	5	0	5	
2	7	bpv Huegel Rechtsanwaelte	372	4	2	2	
3	-	Eisenberger & Herzog Rechtsanwalts	-	4	4	-	
4	-	Ashurst	578	2	2	-	
5	-	Weber & Co	79	2	2	-	
6	23	White & Case	-	2	1	1	
7=	-	Chapman Tripp	578	1	1	-	
7=	-	Simpson Grierson	578	1	1	-	
9	11	Baker McKenzie	148	1	-1	2	
10=	3	Cerha Hempel Spiegelfeld Hlawati	79	1	-3	4	
10=	-	Kuhn Rechtsanwälte	79	1	1	-	

Switzerland league table by deal count

Ranking			Q1 2018			Q1 2017	
Q1 2018	Q1 2017	Company name	Value (US\$m)	Deal count	Count change	Deal count	
1	1	Walder Wyss	700	9	-2	11	
2	10	Baer & Karrer	340	6	3	3	
3	2	CMS	1,846	4	-5	9	
4	13	Willkie Farr & Gallagher	471	4	2	2	
5	5	Freshfields Bruckhaus Deringer	15,899	3	-1	4	
6	-	Davis Polk & Wardwell	6,563	3	3	-	
7	93	Jones Day	5,200	3	2	1	
8	-	Clifford Chance	3,921	3	3	-	
9	18	Gleiss Lutz	2,711	3	1	2	
10	6	Latham & Watkins	1,234	3	-1	4	

EMEA Advisory League tables

France league table by value

Ranking			Q1 2018			Q1 2017	
Q1 2018	Q1 2017	Company name	Value (US\$m)	Deal count	% Value change	Value (US\$m)	
1=	-	Debevoise & Plimpton	25,942	2	-	-	
1=	43	Skadden Arps Slate Meagher & Flom	25,942	2	2536.4%	984	
3	1	Bredin Prat	17,490	8	-60.0%	43,766	
4	27	Clifford Chance	16,230	5	984.2%	1,497	
5	15	Weil Gotshal & Manges	16,079	9	138.2%	6,750	
6	44	Willkie Farr & Gallagher	14,942	3	1678.8%	840	
7	3	Cleary Gottlieb Steen & Hamilton	14,843	2	-59.9%	37,027	
8	4	Cravath, Swaine & Moore	14,843	1	-57.0%	34,486	
9	65	Paul Weiss Rifkind Wharton & Garrison	11,099	2	3412.3%	316	
10	20	Goodwin Procter	5,324	9	91.3%	2,783	
11	10	Linklaters	4,665	6	-61.5%	12,103	
12=	-	Eubelius	4,559	1	-	-	
12=	38	NautaDutilh	4,559	1	277.4%	1,208	
14	216	Gleiss Lutz	2,711	3	-	-	
15	9	Darros Villey Maillot Brochier	2,158	4	-89.7%	20,907	
16	11	Allen & Overy	2,111	4	-81.2%	11,253	
17	6	CMS	1,923	6	-92.5%	25,552	
18	13	Orrick Herrington & Sutcliffe	1,812	2	-83.7%	11,144	
19	85	Pinsent Masons	1,798	2	1812.8%	94	
20	33	Freshfields Bruckhaus Deringer	1,798	1	41.5%	1,271	

France league table by deal count

Ranking			Q1 2018			Q1 2017	
Q1 2018	Q1 2017	Company name	Value (US\$m)	Deal count	Count change	Deal count	
1	5	Lamartine Conseil	29	16	3	13	
2	21	Weil Gotshal & Manges	16,079	9	2	7	
3	3	Goodwin Procter	5,324	9	-5	14	
4	25	Fidal	4	9	3	6	
5	13	Bredin Prat	17,490	8	-1	9	
6	9	Latham & Watkins	825	8	-3	11	
7	16	Baker McKenzie	634	7	-1	8	
8	4	Linklaters	4,665	6	-7	13	
9	6	CMS	1,923	6	-6	12	
10	23	Hogan Lovells International	204	6	-1	7	
11	8	Jones Day	153	6	-5	11	
12	31	De Pardieu Brocas Maffei	80	6	1	5	
13	17	Clifford Chance	16,230	5	-3	8	
14	62	Shearman & Sterling	1,473	5	3	2	
15	-	Viguie Schmidt & Associates	521	5	5	-	
16	11	PwC legal	309	5	-5	10	
17	36	Chammas et Marcheteau	49	5	1	4	
18	24	Dentons	-	5	-2	7	
19	20	Darros Villey Maillot Brochier	2,158	4	-3	7	
20	2	Allen & Overy	2,111	4	-10	14	

EMEA Advisory League tables

Benelux league table by value

Ranking			Q1 2018			Q1 2017	
Q1 2018	Q1 2017	Company name	Value (US\$m)	Deal count	% Value change	Value (US\$m)	
1	45	De Brauw Blackstone Westbroek	12,882	8	2050.6%	599	
2	56	Van Doorne	12,535	5	3817.2%	320	
3	51	Kirkland & Ellis	12,535	3	2578.4%	468	
4	6	Latham & Watkins	11,418	6	179.7%	4,082	
5	36	NautaDutilh	5,055	4	518.0%	818	
6	46	Linklaters	4,680	7	754.0%	548	
7	119	Goodwin Procter	4,665	4	-	-	
8=	47	Eubelius	4,559	2	750.6%	536	
8=	200	Weil Gotshal & Manges	4,559	2	-	-	
10	4	White & Case	4,013	4	-22.2%	5,160	

Benelux league table by deal count

Ranking			Q1 2018			Q1 2017	
Q1 2018	Q1 2017	Company name	Value (US\$m)	Deal count	Count change	Deal count	
1	1	Allen & Overy	1,324	18	-2	20	
2	8	Loyens & Loeff	498	17	8	9	
3	7	Houthoff	156	13	3	10	
4	5	De Breij Evers Boon	13	11	0	11	
5	2	Lexence	704	10	-5	15	
6	9	Stibbe	458	10	1	9	
7	64	AKD	15	10	8	2	
8	36	Freshfields Bruckhaus Deringer	2,800	9	6	3	
9	10	De Brauw Blackstone Westbroek	12,882	8	0	8	
10	15	Clifford Chance	-	8	2	6	

Iberia league table by value

Ranking			Q1 2018			Q1 2017	
Q1 2018	Q1 2017	Company name	Value (US\$m)	Deal count	% Value change	Value (US\$m)	
1	5	Uria Menendez	49,313	13	1921.9%	2,439	
2	6	Clifford Chance	43,229	4	1971.3%	2,087	
3	8	Allen & Overy	41,312	5	2026.2%	1,943	
4	2	Freshfields Bruckhaus Deringer	41,059	4	1075.5%	3,493	
5	-	Davis Polk & Wardwell	40,804	2	-	-	
6	13	DLA Piper	39,666	3	2359.1%	1,613	
7	-	Gianni, Origoni, Grippo, Cappelli & Partners	39,658	2	-	-	
8	14	Herbert Smith Freehills	39,648	2	2506.7%	1,521	
9	30	Baker McKenzie	39,622	4	6839.1%	571	
10=	39	Cleary Gottlieb Steen & Hamilton	39,622	1	12933.6%	304	
10=	72	Legance Avvocati Associati	39,622	1	232971%	17	

Iberia league table by deal count

Ranking			Q1 2018			Q1 2017	
Q1 2018	Q1 2017	Company name	Value (US\$m)	Deal count	Count change	Deal count	
1	6	Uria Menendez	49,313	13	3	10	
2	1	Cuatrecasas	4,561	13	-9	22	
3	2	Garrigues	17,486	11	-10	21	
4	30	Perez-Llorca	4,940	9	7	2	
5	15	PwC legal	45	8	3	5	
6	12	Allen & Overy	41,312	5	0	5	
7	31	Osborne Clarke	369	5	3	2	
8	5	Clifford Chance	43,229	4	-7	11	
9	9	Freshfields Bruckhaus Deringer	41,059	4	-3	7	
10	4	Baker McKenzie	39,622	4	-8	12	

EMEA Advisory League tables

Spain league table by value

Ranking			Q1 2018			Q1 2017	
Q1 2018	Q1 2017	Company name	Value (US\$m)	Deal count	% Value change	Value (US\$m)	
1	5	Uria Menendez	49,313	13	1921.9%	2,439	
2	6	Clifford Chance	43,229	4	1971.3%	2,087	
3	22	Allen & Overy	41,312	5	4621.4%	875	
4	2	Freshfields Bruckhaus Deringer	41,059	4	1075.5%	3,493	
5	-	Davis Polk & Wardwell	40,804	2	-	-	
6	29	DLA Piper	39,666	3	7178.2%	545	
7	-	Gianni, Origoni, Grippo, Cappelli & Partners	39,658	2	-	-	
8	12	Herbert Smith Freehills	39,648	2	2506.7%	1,521	
9	27	Baker McKenzie	39,622	4	6839.1%	571	
10=	38	Cleary Gottlieb Steen & Hamilton	39,622	1	12933.6%	304	
10=	-	Legance Avvocati Associati	39,622	1	-	-	
12	4	Linklaters	34,568	3	1037.1%	3,040	
13	1	Garrigues	17,486	11	384.9%	3,606	
14	-	BonelliErede	11,986	1	-	-	
15	34	Perez-Llorca	4,940	9	1166.7%	390	
16	-	Mattos Filho, Veiga Filho, Marrey Jr. e Quiroga Advogados	4,694	1	-	-	
17	7	Cuatrecasas	4,561	13	128.5%	1,996	
18=	11	KPMG Abogados	1,268	1	-27.8%	1,756	
18=	-	RRP Advogados	1,268	1	-	-	
20	37	Osborne Clarke	369	5	3.9%	355	

Spain league table by deal count

Ranking			Q1 2018			Q1 2017	
Q1 2018	Q1 2017	Company name	Value (US\$m)	Deal count	Count change	Deal count	
1	6	Uria Menendez	49,313	13	3	10	
2	1	Cuatrecasas	4,561	13	-8	21	
3	2	Garrigues	17,486	11	-8	19	
4	27	Perez-Llorca	4,940	9	7	2	
5	12	PwC legal	45	8	3	5	
6	16	Allen & Overy	41,312	5	1	4	
7	28	Osborne Clarke	369	5	3	2	
8	5	Clifford Chance	43,229	4	-7	11	
9	8	Freshfields Bruckhaus Deringer	41,059	4	-3	7	
10	4	Baker McKenzie	39,622	4	-8	12	
11	9	King & Wood Mallesons	202	4	-2	6	
12	13	Gomez-Acebo & Pombo Abogados	55	4	-1	5	
13	17	DLA Piper	39,666	3	-1	4	
14	10	Linklaters	34,568	3	-2	5	
15	68	Bird & Bird	12	3	2	1	
16	-	Davis Polk & Wardwell	40,804	2	2	-	
17	-	Gianni, Origoni, Grippo, Cappelli & Partners	39,658	2	2	-	
18	15	Herbert Smith Freehills	39,648	2	-2	4	
19	19	Ashurst	335	2	-1	3	
20	32	Jones Day	184	2	0	2	

EMEA Advisory League tables

Italy league table by value

Ranking			Q1 2018			Q1 2017	
Q1 2018	Q1 2017	Company name	Value (US\$m)	Deal count	% Value change	Value (US\$m)	
1	50	Davis Polk & Wardwell	42,422	2	36788.7%	115	
2	51	Legance Avvocati Associati	40,442	6	37346.3%	108	
3	12	Gianni, Origoni, Grippo, Cappelli & Partners	40,129	11	1836.7%	2,072	
4	35	Clifford Chance	39,824	5	18167.9%	218	
5	28	Allen & Overy	39,822	2	9336.5%	422	
6	20	DLA Piper	39,635	5	6710.1%	582	
7	27	Baker McKenzie	39,622	4	9050.6%	433	
8=	2	Cleary Gottlieb Steen & Hamilton	39,622	1	49.5%	26,510	
8=	13	Freshfields Bruckhaus Deringer	39,622	1	1923.6%	1,958	
8=	10	Herbert Smith Freehills	39,622	1	1315.1%	2,800	
8=	19	Uria Menendez	39,622	1	4062.0%	952	
12	9	Linklaters	28,479	4	463.2%	5,057	
13	1	BonelliErede	18,248	5	-37.4%	29,146	
14	-	Garrigues	8,816	1	-	-	
15	15	Gatti Pavesi Bianchi	4,097	9	169.0%	1,523	
16	21	Latham & Watkins	3,622	7	549.1%	558	
17	-	Slaughter and May	3,240	2	-	-	
18	8	Cravath, Swaine & Moore	3,240	1	-87.3%	25,423	
19	-	Mayer Brown	2,800	1	-	-	
20	147	Shearman & Sterling	1,949	3	-	-	

Italy league table by deal count

Ranking			Q1 2018			Q1 2017	
Q1 2018	Q1 2017	Company name	Value (US\$m)	Deal count	Count change	Deal count	
1	1	Gianni, Origoni, Grippo, Cappelli & Partners	40,129	11	-3	14	
2	2	Nctm Studio Legale	174	11	1	10	
3	7	Pedersoli Studio Legale	1,127	10	4	6	
4	5	Gatti Pavesi Bianchi	4,097	9	2	7	
5	3	Chiomenti	1,156	9	0	9	
6	13	Latham & Watkins	3,622	7	3	4	
7	8	Gattai Minoli Agostinelli & Partners	212	7	2	5	
8	9	Legance Avvocati Associati	40,442	6	1	5	
9	16	Pavia e Ansaldo	534	6	2	4	
10	22	Clifford Chance	39,824	5	2	3	
11	12	DLA Piper	39,635	5	1	4	
12	4	BonelliErede	18,248	5	-3	8	
13	14	Baker McKenzie	39,622	4	0	4	
14	11	Linklaters	28,479	4	0	4	
15	24	Watson, Farley & Williams	90	4	1	3	
16	-	Carnelutti Studio Legale Associato	52	4	4	-	
17	6	Orrick Herrington & Sutcliffe	11	4	-3	7	
18	147	Shearman & Sterling	1,949	3	2	1	
19	15	Orsingher Ortu - Avvocati Associati	261	3	-1	4	
20	55	Kirkland & Ellis	190	3	2	1	

EMEA Advisory League tables

Nordics league table by value

Ranking			Q1 2018			Q1 2017	
Q1 2018	Q1 2017	Company name	Value (US\$m)	Deal count	% Value change	Value (US\$m)	
1	20	Kromann Reumert	13,180	14	931.3%	1,278	
2	49	Plesner	10,977	9	3751.6%	285	
3	38	Baker McKenzie	10,855	5	1355.1%	746	
4	50	DLA Piper	10,548	16	3680.6%	279	
5	6	Clifford Chance	10,480	1	164.9%	3,956	
6	93	Bruun & Hjejle	5,300	6	37757.1%	14	
7	1	Mannheimer Swartling	4,941	10	-76.2%	20,769	
8	2	Vinge	4,569	17	-76.4%	19,383	
9	34	Sullivan & Cromwell	4,532	2	427.6%	859	
10	42	Linklaters	4,456	5	885.8%	452	
11	52	Shearman & Sterling	4,441	2	1544.8%	270	
12	14	Roschier	3,979	8	145.8%	1,619	
13	11	White & Case	3,440	7	47.6%	2,330	
14	152	Latham & Watkins	3,440	2	-	-	
15=	-	Karanovic & Nikolic	3,440	1	-	-	
15=	164	Schoenherr Rechtsanwaelte	3,440	1	-	-	
17	40	Bech-Bruun	2,722	11	458.9%	487	
18	53	Gernandt & Danielsson	2,561	1	967.1%	240	
19	47	Cederquist	2,075	7	580.3%	305	
20	9	Schjodt	1,106	10	-56.5%	2,540	

Nordics league table by deal count

Ranking			Q1 2018			Q1 2017	
Q1 2018	Q1 2017	Company name	Value (US\$m)	Deal count	Count change	Deal count	
1	8	Accura	623	18	5	13	
2	4	Vinge	4,569	17	0	17	
3	1	DLA Piper	10,548	16	-10	26	
4	15	Kromann Reumert	13,180	14	3	11	
5	12	Bech-Bruun	2,722	11	-1	12	
6	5	Mannheimer Swartling	4,941	10	-5	15	
7	3	Schjodt	1,106	10	-9	19	
8	16	Plesner	10,977	9	-2	11	
9	106	MAQS Advokatbyra	153	9	8	1	
10	6	Selmer	45	9	-5	14	
11	19	Roschier	3,979	8	-1	9	
12	14	Wikborg Rein & Co	220	8	-3	11	
13	20	Castren & Snellman	128	8	-1	9	
14	50	Thommessen	23	8	5	3	
15	9	Wiersholm	-	8	-5	13	
16	18	White & Case	3,440	7	-2	9	
17	29	Cederquist	2,075	7	2	5	
18	35	Moalem Weitemyer Bendtsen	42	7	2	5	
19	42	Bruun & Hjejle	5,300	6	2	4	
20	32	CMS	430	6	1	5	

EMEA Advisory League tables

Denmark league table by value

Ranking			Q1 2018			Q1 2017	
Q1 2018	Q1 2017	Company name	Value (US\$m)	Deal count	% Value change	Value (US\$m)	
1	5	Kromann Reumert	13,180	14	931.3%	1,278	
2	16	Plesner	10,977	9	3751.6%	285	
3	20	DLA Piper	10,502	6	5935.6%	174	
4=	12	Baker McKenzie	10,480	1	2173.3%	461	
4=	2	Clifford Chance	10,480	1	164.9%	3,956	
6	29	Bruun & Hjejle	5,300	6	37757.1%	14	
7	15	Roschier	3,061	2	580.2%	450	
8	10	Bech-Bruun	2,722	11	458.9%	487	
9	-	Gernandt & Danielsson	2,561	1	-	-	
10	21	Cederquist	1,012	2	597.9%	145	

Denmark league table by deal count

Ranking			Q1 2018			Q1 2017	
Q1 2018	Q1 2017	Company name	Value (US\$m)	Deal count	Count change	Deal count	
1	1	Accura	623	18	5	13	
2	5	Kromann Reumert	13,180	14	3	11	
3	3	Bech-Bruun	2,722	11	-1	12	
4	6	Plesner	10,977	9	-2	11	
5	8	Moalem Weitemeyer Bendtsen	42	7	2	5	
6	2	DLA Piper	10,502	6	-7	13	
7	9	Bruun & Hjejle	5,300	6	2	4	
8	17	Horten Law Firm	341	4	2	2	
9	4	Gorrissen Federspiel	68	4	-8	12	
10	25	Roschier	3,061	2	1	1	

Norway league table by value

Ranking			Q1 2018			Q1 2017	
Q1 2018	Q1 2017	Company name	Value (US\$m)	Deal count	% Value change	Value (US\$m)	
1	14	White & Case	3,440	3	2526.0%	131	
2=	-	Karanovic & Nikolic	3,440	1	-	-	
2=	41	Latham & Watkins	3,440	1	-	-	
2=	-	Schoenherr Rechtsanwaelte	3,440	1	-	-	
5	4	Schjodt	1,106	9	-30.0%	1,581	
6	-	Simpson Thacher & Bartlett	1,000	1	-	-	
7=	-	RO SOMMERNE ADVOKATFIRMA	233	1	-	-	
7=	-	Seward & Kissel	233	1	-	-	
7=	8	Vinson & Elkins	233	1	-35.6%	362	
10	2	Wikborg Rein & Co	220	8	-94.4%	3,905	

Norway league table by deal count

Ranking			Q1 2018			Q1 2017	
Q1 2018	Q1 2017	Company name	Value (US\$m)	Deal count	Count change	Deal count	
1	2	Schjodt	1,106	9	-9	18	
2	3	Selmer	45	9	-5	14	
3	5	Wikborg Rein & Co	220	8	-3	11	
4	16	Thommessen	23	8	5	3	
5	4	Wiersholm	-	7	-6	13	
6	6	Arntzen de Besche	12	5	-5	10	
7	14	Advokatfirmaet Haavind	-	4	0	4	
8	25	White & Case	3,440	3	2	1	
9	7	Advokatfirmaet Steenstrup Stordrange	-	3	-6	9	
10	1	BA-HR	207	2	-20	22	

EMEA Advisory League tables

Sweden league table by value

Ranking			Q1 2018			Q1 2017	
Q1 2018	Q1 2017	Company name	Value (US\$m)	Deal count	% Value change	Value (US\$m)	
1	1	Mannheimer Swartling	4,941	10	-76.2%	20,769	
2	2	Vinge	4,569	17	-76.4%	19,383	
3	22	Sullivan & Cromwell	4,532	2	427.6%	859	
4	110	Linklaters	4,456	4	-	-	
5	29	Shearman & Sterling	4,441	1	1544.8%	270	
6	25	Roschier	3,979	7	398.6%	798	
7	109	Kromann Reumert	2,561	4	-	-	
8	88	Bech-Bruun	2,561	2	-	-	
9	30	Gernandt & Danielsson	2,561	1	967.1%	240	
10	34	Cederquist	2,075	7	1196.9%	160	

Sweden league table by deal count

Ranking			Q1 2018			Q1 2017	
Q1 2018	Q1 2017	Company name	Value (US\$m)	Deal count	Count change	Deal count	
1	1	Vinge	4,569	17	1	16	
2	2	Mannheimer Swartling	4,941	10	-5	15	
3	70	MAQS Advokatbyra	153	9	8	1	
4	8	Roschier	3,979	7	1	6	
5	12	Cederquist	2,075	7	3	4	
6	35	Selmer	45	6	4	2	
7	4	DLA Piper	22	6	-3	9	
8	81	Accura	572	5	4	1	
9	25	Setterwalls	228	5	2	3	
10	5	Wistrand	66	5	-4	9	

Finland league table by value

Ranking			Q1 2018			Q1 2017	
Q1 2018	Q1 2017	Company name	Value (US\$m)	Deal count	% Value change	Value (US\$m)	
1	1	Borenius Attorneys	155	5	-79.7%	764	
2	3	Castren & Snellman	128	8	-66.0%	377	
3	-	Waselius & Wist	102	2	-	-	
4	-	JunHe	62	1	-	-	
5	16	Krogerus	60	4	900.0%	6	
6	8	Bird & Bird	44	4	46.7%	30	
7	22	Procope & Hornborg Law Offices	40	3	-	-	
8	-	Fondia	35	1	-	-	
9	15	Dittmar & Indrenius	16	4	45.5%	11	
10	-	Veritas Legal	15	1	-	-	

Finland league table by deal count

Ranking			Q1 2018			Q1 2017	
Q1 2018	Q1 2017	Company name	Value (US\$m)	Deal count	Count change	Deal count	
1	1	Castren & Snellman	128	8	0	8	
2	3	Borenius Attorneys	155	5	-1	6	
3	2	Krogerus	60	4	-3	7	
4	17	Bird & Bird	44	4	3	1	
5	7	Dittmar & Indrenius	16	4	1	3	
6=	27	Avance Attorneys	-	4	3	1	
6=	14	DLA Piper	-	4	2	2	
6=	15	Eversheds Sutherland	-	4	2	2	
9	5	Procope & Hornborg Law Offices	40	3	-1	4	
10	4	Hannes Snellman	-	3	-3	6	

EMEA Advisory League tables

CEE league table by value

Ranking			Q1 2018			Q1 2017	
Q1 2018	Q1 2017	Company name	Value (US\$m)	Deal count	% Value change	Value (US\$m)	
1	28	Skadden Arps Slate Meagher & Flom	3,544	2	2853.3%	120	
2	78	Schoenherr Rechtsanwaelte	3,473	4	-	-	
3	3	White & Case	3,440	2	87.9%	1,831	
4=	-	Karanovic & Nikolic	3,440	1	-	-	
4=	2	Latham & Watkins	3,440	1	73.3%	1,985	
6	44	Freshfields Bruckhaus Deringer	1,749	2	3138.9%	54	
7	11	SORAINEN	283	3	-23.7%	371	
8	51	Weil Gotshal & Manges	283	1	686.1%	36	
9	20	Ellex	242	8	46.7%	165	
10	1	CMS	230	4	-94.4%	4,116	
11	19	Allen & Overy	230	2	35.3%	170	
12	-	Spasov & Bratanov	230	1	-	-	
13=	-	Houthoff	207	2	-	-	
13=	-	Sullivan & Cromwell	207	2	-	-	
15	8	Dentons	153	2	-63.3%	417	
16=	-	Demarest	150	1	-	-	
16=	40	Goodwin Procter	150	1	150.0%	60	
16=	-	K&L Gates	150	1	-	-	
16=	-	Pinheiro Neto Advogados	150	1	-	-	
20	-	Ogier	72	1	-	-	

CEE league table by deal count

Ranking			Q1 2018			Q1 2017	
Q1 2018	Q1 2017	Company name	Value (US\$m)	Deal count	Count change	Deal count	
1	7	Ellex	242	8	1	7	
2	5	COBALT	52	6	-1	7	
3	16	DLA Piper	47	5	2	3	
4	20	Schoenherr Rechtsanwaelte	3,473	4	1	3	
5	1	CMS	230	4	-6	10	
6	63	Goltsblat BLP	18	4	3	1	
7	12	TGS Baltic	-	4	0	4	
8	8	SORAINEN	283	3	-2	5	
9	38	Greenberg Traurig	13	3	2	1	
10=	15	Domanski Zakrzewski Palinka (DZP)	-	3	0	3	
10=	18	Linklaters	-	3	0	3	
12	30	Skadden Arps Slate Meagher & Flom	3,544	2	0	2	
13	3	White & Case	3,440	2	-5	7	
14	31	Freshfields Bruckhaus Deringer	1,749	2	0	2	
15	24	Allen & Overy	230	2	0	2	
16=	-	Houthoff	207	2	2	-	
16=	-	Sullivan & Cromwell	207	2	2	-	
18	14	Dentons	153	2	-1	3	
19	9	Hogan Lovells International	34	2	-2	4	
20=	2	Clifford Chance	-	2	-6	8	
20=	98	Kancelaria Gessel	-	2	1	1	
20=	-	Noerr	-	2	2	-	

EMEA Advisory League tables

Poland league table by value

Ranking			Q1 2018			Q1 2017
Q1 2018	Q1 2017	Company name	Value (US\$m)	Deal count	% Value change	Value (US\$m)
1	18	Wardynski and Partners	70	1	-4.1%	73
2	3	Greenberg Traurig	13	3	-99.1%	1,369
3	16	Domanski Zakrzewski Palinka (DZP)	-	3	-	91
4=	30	Kancelaria Gessel	-	2	-	-
4=	35	Linklaters	-	2	-	-

Poland league table by deal count

Ranking			Q1 2018			Q1 2017	
Q1 2018	Q1 2017	Company name	Value (US\$m)	Deal count	Count change	Deal count	
1	14	Greenberg Traurig	13	3	2	1	
2	6	Domanski Zakrzewski Palinka (DZP)	-	3	0	3	
3=	30	Kancelaria Gessel	-	2	1	1	
3=	35	Linklaters	-	2	1	1	
5	21	Wardynski and Partners	70	1	0	1	

Russia league table by value

Ranking			Q1 2018			Q1 2017
Q1 2018	Q1 2017	Company name	Value (US\$m)	Deal count	% Value change	Value (US\$m)
1	6	Skadden Arps Slate Meagher & Flom	3,544	2	2853.3%	120
2	13	Freshfields Bruckhaus Deringer	1,749	1	3138.9%	54
3=	-	Demarest	150	1	-	-
3=	9	Goodwin Procter	150	1	150.0%	60
3=	-	K&L Gates	150	1	-	-
3=	-	Pinheiro Neto Advogados	150	1	-	-

Russia league table by deal count

Ranking			Q1 2018			Q1 2017	
Q1 2018	Q1 2017	Company name	Value (US\$m)	Deal count	Count change	Deal count	
1	18	Goltsblat BLP	18	4	3	1	
2	3	Skadden Arps Slate Meagher & Flom	3,544	2	0	2	
3	19	DLA Piper	47	2	1	1	
4	26	Hogan Lovells International	34	2	1	1	
5	4	Freshfields Bruckhaus Deringer	1,749	1	-1	2	

EMEA Advisory League tables

Turkey league table by value

Ranking			Q1 2018			Q1 2017
Q1 2018	Q1 2017	Company name	Value (US\$m)	Deal count	% Value change	Value (US\$m)
1	12	Caliskan Okkan Toker	443	2	187.7%	154
2	-	Hogan Lovells International	443	1	-	-
3=	-	HS Attorney Partnership	13	1	-	-
3=	-	KPMG (legal division)	13	1	-	-
5=	-	Garrigues	12	1	-	-
5=	-	Gomez-Acebo & Pombo Abogados	12	1	-	-

Turkey league table by deal count

Ranking			Q1 2018			Q1 2017	
Q1 2018	Q1 2017	Company name	Value (US\$m)	Deal count	Count change	Deal count	
1	12	Caliskan Okkan Toker	443	2	1	1	
2	-	Hogan Lovells International	443	1	1	-	
3=	-	HS Attorney Partnership	13	1	1	-	
3=	-	KPMG (legal division)	13	1	1	-	
5=	-	Garrigues	12	1	1	-	
5=	-	Gomez-Acebo & Pombo Abogados	12	1	1	-	

Africa & Middle East league table by value

Ranking			Q1 2018			Q1 2017
Q1 2018	Q1 2017	Company name	Value (US\$m)	Deal count	% Value change	Value (US\$m)
1	8	Shearman & Sterling	5,030	6	-40.2%	8,414
2	50	Meitar Liquornik Geva Leshem Tal	3,134	5	2407.2%	125
3	55	Wilson Sonsini Goodrich & Rosati	3,125	2	2876.2%	105
4=	14	Cravath, Swaine & Moore	3,101	1	40.0%	2,215
4=	3	Sullivan & Cromwell	3,101	1	-80.1%	15,574
4=	56	Tulchinsky Stern & Company	3,101	1	2910.7%	103
7	13	Clifford Chance	3,039	2	33.1%	2,284
8	71	Freshfields Bruckhaus Deringer	2,720	6	5566.7%	48
9	18	Allen & Overy	2,630	7	30.7%	2,013
10	-	Homburger	2,530	2	-	-

Africa & Middle East league table by deal count

Ranking			Q1 2018			Q1 2017	
Q1 2018	Q1 2017	Company name	Value (US\$m)	Deal count	Count change	Deal count	
1	2	Allen & Overy	2,630	7	-2	9	
2	7	Shearman & Sterling	5,030	6	0	6	
3	36	Freshfields Bruckhaus Deringer	2,720	6	4	2	
4	32	Meitar Liquornik Geva Leshem Tal	3,134	5	3	2	
5	19	DLA Piper	491	3	0	3	
6	-	Slaughter and May	287	3	3	-	
7	63	Wilson Sonsini Goodrich & Rosati	3,125	2	1	1	
8	27	Clifford Chance	3,039	2	0	2	
9	-	Homburger	2,530	2	2	-	
10	4	Herzog, Fox and Neeman	1,736	2	-6	8	

Americas Advisory League tables

Americas league table by value

Ranking			Q1 2018			Q1 2017	
Q1 2018	Q1 2017	Company name	Value (US\$m)	Deal count	% Value change	Value (US\$m)	
1	1	Skadden Arps Slate Meagher & Flom	185,920	42	23.2%	150,906	
2	13	Paul Weiss Rifkind Wharton & Garrison	114,395	34	120.9%	51,788	
3	3	Cravath, Swaine & Moore	112,936	14	-8.9%	123,936	
4	15	Wachtell, Lipton, Rosen & Katz	98,457	15	121.6%	44,421	
5	16	Sullivan & Cromwell	89,657	32	124.7%	39,895	
6	4	Simpson Thacher & Bartlett	83,812	30	-24.9%	111,629	
7	18	White & Case	68,269	21	100.7%	34,018	
8	5	Davis Polk & Wardwell	65,424	32	-37.4%	104,529	
9	6	Weil Gotshal & Manges	58,227	37	-33.8%	87,976	
10	54	Torys	55,234	11	529.2%	8,779	
11	2	Kirkland & Ellis	54,041	105	-59.6%	133,904	
12	57	Debevoise & Plimpton	53,990	15	575.3%	7,995	
13	133	Morgan Lewis & Bockius	52,837	34	3326.5%	1,542	
14	28	Latham & Watkins	48,837	56	84.5%	26,471	
15	12	Gibson Dunn & Crutcher	45,334	27	-17.5%	54,956	
16	65	Goodwin Procter	32,472	63	388.7%	6,645	
17	32	Willkie Farr & Gallagher	29,859	23	30.0%	22,969	
18	26	Clifford Chance	27,927	10	-2.9%	28,761	
19	7	Cleary Gottlieb Steen & Hamilton	26,147	7	-66.0%	76,942	
20	33	Vinson & Elkins	25,600	15	16.7%	21,944	

Americas league table by deal count

Ranking			Q1 2018			Q1 2017	
Q1 2018	Q1 2017	Company name	Value (US\$m)	Deal count	Count change	Deal count	
1	1	Kirkland & Ellis	54,041	105	0	105	
2	5	Jones Day	25,006	77	9	68	
3	2	Goodwin Procter	32,472	63	-16	79	
4	4	Latham & Watkins	48,837	56	-21	77	
5	6	Skadden Arps Slate Meagher & Flom	185,920	42	-14	56	
6	3	DLA Piper	2,373	38	-40	78	
7	7	Weil Gotshal & Manges	58,227	37	-11	48	
8	9	Paul Weiss Rifkind Wharton & Garrison	114,395	34	-10	44	
9	10	Morgan Lewis & Bockius	52,837	34	-8	42	
10	20	Cooley	3,366	34	5	29	
11	28	Sullivan & Cromwell	89,657	32	7	25	
12	31	Davis Polk & Wardwell	65,424	32	8	24	
13	14	Simpson Thacher & Bartlett	83,812	30	-3	33	
14	26	McDermott Will & Emery	23,906	30	4	26	
15	8	Blake, Cassels & Graydon	7,166	30	-15	45	
16	15	O'Melveny & Myers	12,670	29	-3	32	
17	25	Gibson Dunn & Crutcher	45,334	27	1	26	
18	13	Hogan Lovells International	22,304	25	-10	35	
19	18	Sidley Austin	14,477	25	-4	29	
20	67	Greenberg Traurig	1,804	25	13	12	

Americas Advisory League tables

US league table by value

Ranking			Q1 2018			Q1 2017
Q1 2018	Q1 2017	Company name	Value (US\$m)	Deal count	% Value change	Value (US\$m)
1	1	Skadden Arps Slate Meagher & Flom	170,201	39	12.8%	150,901
2	15	Paul Weiss Rifkind Wharton & Garrison	114,160	32	166.5%	42,838
3	14	Wachtell, Lipton, Rosen & Katz	98,457	15	121.6%	44,421
4	3	Cravath, Swaine & Moore	98,093	13	-20.9%	123,936
5	16	Sullivan & Cromwell	88,459	30	121.7%	39,895
6	4	Simpson Thacher & Bartlett	83,136	27	-25.4%	111,506
7	5	Davis Polk & Wardwell	65,424	32	-36.8%	103,440
8	6	Weil Gotshal & Manges	58,227	37	-32.3%	86,056
9	2	Kirkland & Ellis	54,041	104	-59.4%	132,944
10	18	White & Case	52,943	18	58.3%	33,441
11	125	Morgan Lewis & Bockius	52,837	34	3326.5%	1,542
12	27	Latham & Watkins	47,192	53	85.0%	25,511
13	53	Torys	46,494	4	441.8%	8,581
14	11	Gibson Dunn & Crutcher	45,134	26	-17.9%	54,956
15	56	Debevoise & Plimpton	38,639	13	383.3%	7,995
16	74	Goodwin Procter	32,322	62	584.1%	4,725
17	31	Vinson & Elkins	25,600	15	16.7%	21,944
18	8	Jones Day	24,810	75	-66.8%	74,706
19	49	McDermott Will & Emery	23,906	30	148.7%	9,613
20	12	Freshfields Bruckhaus Deringer	23,361	11	-56.2%	53,321

US league table by deal count

Ranking			Q1 2018			Q1 2017	
Q1 2018	Q1 2017	Company name	Value (US\$m)	Deal count	Count change	Deal count	
1	1	Kirkland & Ellis	54,041	104	1	103	
2	5	Jones Day	24,810	75	9	66	
3	2	Goodwin Procter	32,322	62	-16	78	
4	3	Latham & Watkins	47,192	53	-23	76	
5	6	Skadden Arps Slate Meagher & Flom	170,201	39	-15	54	
6	7	Weil Gotshal & Manges	58,227	37	-10	47	
7	9	Morgan Lewis & Bockius	52,837	34	-7	41	
8	16	Cooley	3,366	34	5	29	
9	4	DLA Piper	1,869	33	-39	72	
10	8	Paul Weiss Rifkind Wharton & Garrison	114,160	32	-10	42	
11	26	Davis Polk & Wardwell	65,424	32	9	23	
12	24	Sullivan & Cromwell	88,459	30	5	25	
13	23	McDermott Will & Emery	23,906	30	4	26	
14	12	O'Melveny & Myers	12,670	29	-3	32	
15	13	Simpson Thacher & Bartlett	83,136	27	-4	31	
16	20	Gibson Dunn & Crutcher	45,134	26	0	26	
17	17	Sidley Austin	14,477	25	-3	28	
18	60	Greenberg Traurig	1,804	25	13	12	
19	11	Hogan Lovells International	22,219	24	-9	33	
20	64	McGuireWoods	14,616	24	12	12	

Americas Advisory League tables

US North East league table by value

Ranking			Q1 2018			Q1 2017
Q1 2018	Q1 2017	Company name	Value (US\$m)	Deal count	% Value change	Value (US\$m)
1	13	Skadden Arps Slate Meagher & Flom	153,179	27	883.4%	15,577
2	11	Paul Weiss Rifkind Wharton & Garrison	96,484	21	338.8%	21,987
3	2	Wachtell, Lipton, Rosen & Katz	88,786	9	125.9%	39,298
4	14	Simpson Thacher & Bartlett	80,027	19	415.5%	15,523
5	1	Cravath, Swaine & Moore	79,661	7	78.3%	44,666
6	20	Sullivan & Cromwell	55,959	17	410.9%	10,954
7	12	Weil Gotshal & Manges	50,910	20	182.2%	18,042
8	27	Torys	46,494	4	491.5%	7,861
9	16	Davis Polk & Wardwell	40,397	17	207.2%	13,148
10	31	White & Case	34,700	12	351.5%	7,685

US North East league table by deal count

Ranking			Q1 2018			Q1 2017	
Q1 2018	Q1 2017	Company name	Value (US\$m)	Deal count	Count change	Deal count	
1	1	Kirkland & Ellis	13,497	55	3	52	
2	5	Jones Day	14,491	41	9	32	
3	3	Goodwin Procter	28,619	36	-3	39	
4	2	Latham & Watkins	14,008	31	-10	41	
5	8	Skadden Arps Slate Meagher & Flom	153,179	27	-2	29	
6	7	Paul Weiss Rifkind Wharton & Garrison	96,484	21	-8	29	
7	4	Weil Gotshal & Manges	50,910	20	-13	33	
8	13	Simpson Thacher & Bartlett	80,027	19	2	17	
9	12	Morgan Lewis & Bockius	23,806	18	-1	19	
10	29	Sullivan & Cromwell	55,959	17	7	10	

US Mid West league table by value

Ranking			Q1 2018			Q1 2017
Q1 2018	Q1 2017	Company name	Value (US\$m)	Deal count	% Value change	Value (US\$m)
1	8	Skadden Arps Slate Meagher & Flom	99,629	16	891.3%	10,050
2	11	Cravath, Swaine & Moore	83,390	5	1122.7%	6,820
3	34	Paul Weiss Rifkind Wharton & Garrison	81,222	10	2800.8%	2,800
4	87	Wachtell, Lipton, Rosen & Katz	68,234	3	12897.0%	525
5	22	Simpson Thacher & Bartlett	34,566	5	843.1%	3,665
6	25	Weil Gotshal & Manges	30,481	9	771.9%	3,496
7	12	Sullivan & Cromwell	27,664	2	307.1%	6,796
8	50	Goodwin Procter	27,278	13	1883.9%	1,375
9	-	Torys	26,631	1	-	-
10	4	Davis Polk & Wardwell	18,780	8	-15.1%	22,115

US Mid West league table by deal count

Ranking			Q1 2018			Q1 2017	
Q1 2018	Q1 2017	Company name	Value (US\$m)	Deal count	Count change	Deal count	
1	1	Kirkland & Ellis	12,823	33	-6	39	
2	2	Jones Day	9,200	25	-3	28	
3	3	Skadden Arps Slate Meagher & Flom	99,629	16	0	16	
4	5	Goodwin Procter	27,278	13	-2	15	
5	7	McDermott Will & Emery	650	11	-2	13	
6	19	Winston & Strawn	536	11	3	8	
7	24	Paul Hastings	182	11	4	7	
8	15	Paul Weiss Rifkind Wharton & Garrison	81,222	10	1	9	
9	11	Sidley Austin	8,296	10	0	10	
10	14	Weil Gotshal & Manges	30,481	9	0	9	

Americas Advisory League tables

US South league table by value

Ranking			Q1 2018			Q1 2017	
Q1 2018	Q1 2017	Company name	Value (US\$m)	Deal count	% Value change	Value (US\$m)	
1	90	Morgan Lewis & Bockius	51,737	12	4360.1%	1,160	
2	24	White & Case	41,809	7	285.9%	10,833	
3	22	Latham & Watkins	35,248	21	148.3%	14,193	
4	3	Kirkland & Ellis	32,891	39	-63.3%	89,736	
5	1	Skadden Arps Slate Meagher & Flom	29,106	8	-76.4%	123,338	
6	16	Vinson & Elkins	25,100	14	33.4%	18,817	
7	23	Sullivan & Cromwell	25,070	11	76.9%	14,171	
8	5	Davis Polk & Wardwell	23,396	13	-68.1%	73,394	
9	27	McDermott Will & Emery	23,167	15	157.6%	8,994	
10	66	Debevoise & Plimpton	20,526	7	757.0%	2,395	

US South league table by deal count

Ranking			Q1 2018			Q1 2017	
Q1 2018	Q1 2017	Company name	Value (US\$m)	Deal count	Count change	Deal count	
1	1	Kirkland & Ellis	32,891	39	-6	45	
2	2	Latham & Watkins	35,248	21	-15	36	
3	4	Jones Day	2,340	21	0	21	
4	44	Greenberg Traurig	1,519	20	13	7	
5	10	Weil Gotshal & Manges	6,352	19	3	16	
6	12	McDermott Will & Emery	23,167	15	1	14	
7	43	McGuireWoods	14,404	15	7	8	
8	6	Vinson & Elkins	25,100	14	-6	20	
9	3	DLA Piper	904	14	-21	35	
10	22	Davis Polk & Wardwell	23,396	13	2	11	

US West league table by value

Ranking			Q1 2018			Q1 2017	
Q1 2018	Q1 2017	Company name	Value (US\$m)	Deal count	% Value change	Value (US\$m)	
1	2	Sullivan & Cromwell	27,314	14	45.3%	18,797	
2	31	Davis Polk & Wardwell	23,880	16	473.6%	4,163	
3	23	Wilson Sonsini Goodrich & Rosati	23,323	22	366.7%	4,997	
4	9	Simpson Thacher & Bartlett	17,948	10	45.5%	12,337	
5	1	Skadden Arps Slate Meagher & Flom	15,716	13	-51.2%	32,205	
6	20	Cravath, Swaine & Moore	14,153	6	139.6%	5,908	
7	50	Paul Hastings	13,174	11	446.4%	2,411	
8	13	Latham & Watkins	11,810	29	23.3%	9,578	
9	26	Hogan Lovells International	11,414	14	141.5%	4,727	
10	22	O'Melveny & Myers	10,225	24	88.2%	5,433	

US West league table by deal count

Ranking			Q1 2018			Q1 2017	
Q1 2018	Q1 2017	Company name	Value (US\$m)	Deal count	Count change	Deal count	
1	2	Kirkland & Ellis	8,988	42	6	36	
2	1	Goodwin Procter	1,543	31	-13	44	
3	5	Latham & Watkins	11,810	29	6	23	
4	9	Cooley	2,350	27	8	19	
5	16	O'Melveny & Myers	10,225	24	11	13	
6	10	Wilson Sonsini Goodrich & Rosati	23,323	22	4	18	
7	6	Jones Day	6,297	20	-1	21	
8	3	DLA Piper	1,391	17	-7	24	
9	32	Davis Polk & Wardwell	23,880	16	10	6	
10	22	Sullivan & Cromwell	27,314	14	4	10	

Americas Advisory League tables

Canada league table by value

Ranking			Q1 2018			Q1 2017	
Q1 2018	Q1 2017	Company name	Value (US\$m)	Deal count	% Value change	Value (US\$m)	
1	22	Torys	28,603	10	538.6%	4,479	
2	4	Osler, Hoskin & Harcourt	22,797	13	-3.8%	23,704	
3	18	Simpson Thacher & Bartlett	19,863	3	246.3%	5,736	
4	30	Norton Rose Fulbright	19,576	10	462.4%	3,481	
5	88	Freshfields Bruckhaus Deringer	17,462	2	11619.5%	149	
6	28	Gibson Dunn & Crutcher	17,200	2	346.6%	3,851	
7=	-	Shardul Amarchand Mangaldas & Co	17,000	1	-	-	
7=	36	Wachtell, Lipton, Rosen & Katz	17,000	1	494.6%	2,859	
9	32	Weil Gotshal & Manges	10,266	3	207.0%	3,344	
10	13	Sullivan & Cromwell	9,599	5	32.0%	7,271	
11	90	Locke Lord	7,622	2	5344.3%	140	
12	12	Vinson & Elkins	7,347	1	-25.0%	9,800	
13	5	Blake, Cassels & Graydon	7,166	28	-68.1%	22,432	
14	45	Dechert	5,864	2	276.1%	1,559	
15	2	Skadden Arps Slate Meagher & Flom	4,893	3	-81.4%	26,247	
16	15	Willkie Farr & Gallagher	4,666	2	-35.2%	7,205	
17	14	Goodmans	4,331	4	-39.9%	7,212	
18	6	Stikeman Elliott	1,791	15	-90.1%	18,172	
19	20	White & Case	1,379	2	-74.9%	5,484	
20=	34	Burnet Duckworth & Palmer	1,285	2	-59.3%	3,156	
20=	38	Latham & Watkins	1,285	2	-46.5%	2,403	

Canada league table by deal count

Ranking			Q1 2018			Q1 2017	
Q1 2018	Q1 2017	Company name	Value (US\$m)	Deal count	Count change	Deal count	
1	1	Blake, Cassels & Graydon	7,166	28	-11	39	
2	3	Stikeman Elliott	1,791	15	-8	23	
3	2	Osler, Hoskin & Harcourt	22,797	13	-12	25	
4	16	Torys	28,603	10	4	6	
5	5	Norton Rose Fulbright	19,576	10	-3	13	
6	4	McCarthy Tetrault	837	8	-12	20	
7	9	Gowling WLG	138	7	-3	10	
8	11	Davies Ward Phillips & Vineberg	1,102	6	-3	9	
9	18	Cassels Brock & Blackwell	724	6	0	6	
10	33	Fasken Martineau Dumoulin	715	6	2	4	
11	19	Miller Thomson	142	6	0	6	
12	28	Sullivan & Cromwell	9,599	5	1	4	
13	21	Dorsey & Whitney	1,058	5	0	5	
14	8	Goodmans	4,331	4	-6	10	
15	12	Bennett Jones	609	4	-3	7	
16	10	Kirkland & Ellis	595	4	-5	9	
17	139	Wildeboer Dellelce	222	4	3	1	
18	117	Cooley	49	4	3	1	
19	29	Simpson Thacher & Bartlett	19,863	3	-1	4	
20	36	Weil Gotshal & Manges	10,266	3	0	3	

Americas Advisory League tables

Latin America league table by value

Ranking			Q1 2018			Q1 2017
Q1 2018	Q1 2017	Company name	Value (US\$m)	Deal count	% Value change	Value (US\$m)
1	8	Tozzini Freire Teixeira e Silva Advogados	15,934	5	602.2%	2,269
2	1	Mattos Filho, Veiga Filho, Marrey Jr. e Quiroga Advogados	15,535	9	382.0%	3,223
3	-	Cescon, Barrieu, Flesch & Barreto Advogados	15,530	6	-	-
4	23	White & Case	15,326	3	2416.6%	609
5	85	Carey y Cia	3,266	2	40725.0%	8
6	-	Winston & Strawn	3,266	1	-	-
7	45	Simpson Thacher & Bartlett	1,369	5	1013.0%	123
8	90	Barbosa, Mussnich & Aragao	1,000	4	-	-
9	74	Creel Garcia-Cuellar Aiza y Enriquez	910	7	5252.9%	17
10	-	Gunderson Dettmer Stough Villeneuve Franklin & Hachigian	900	1	-	-
11	89	Paul Hastings	831	3	16520.0%	5
12	-	Latham & Watkins	744	4	-	-
13	79	Rodrigo Elias & Medrano	733	4	6008.3%	12
14	34	DLA Piper	731	7	113.1%	343
15	32	Pinheiro Neto Advogados	659	8	85.1%	356
16	-	Akin Gump Strauss Hauer & Feld	600	1	-	-
17	86	Philippi Prietocarrizosa, Ferrero DU & Uria	592	8	11740.0%	5
18	87	Skadden Arps Slate Meagher & Flom	583	3	11560.0%	5
19	92	Payet, Rey, Cauvi, Perez Abogados	583	1	-	-
20	78	Jones Day	541	4	4408.3%	12

Latin America league table by deal count

Ranking			Q1 2018			Q1 2017	
Q1 2018	Q1 2017	Company name	Value (US\$m)	Deal count	Count change	Deal count	
1	1	Mattos Filho, Veiga Filho, Marrey Jr. e Quiroga Advogados	15,535	9	-1	10	
2	3	Pinheiro Neto Advogados	659	8	-2	10	
3	17	Philippi Prietocarrizosa, Ferrero DU & Uria	592	8	4	4	
4	84	Creel Garcia-Cuellar Aiza y Enriquez	910	7	6	1	
5	33	DLA Piper	731	7	5	2	
6	-	Cescon, Barrieu, Flesch & Barreto Advogados	15,530	6	6	-	
7	5	Tozzini Freire Teixeira e Silva Advogados	15,934	5	-4	9	
8	36	Simpson Thacher & Bartlett	1,369	5	3	2	
9	7	Demarest	410	5	-1	6	
10	16	Lefosse Advogados	173	5	1	4	
11	13	Barbosa, Mussnich & Aragao	1,000	4	-1	5	
12	-	Latham & Watkins	744	4	4	-	
13	27	Rodrigo Elias & Medrano	733	4	1	3	
14	26	Jones Day	541	4	1	3	
15	2	Machado Meyer Sendacz e Opice	489	4	-6	10	
16	11	Veirano Advogados	317	4	-1	5	
17	14	Estudio Muniz, Ramirez, Perez-Taiman & Olaya Abogados	59	4	0	4	
18	22	White & Case	15,326	3	0	3	
19	93	Paul Hastings	831	3	2	1	
20	43	Skadden Arps Slate Meagher & Flom	583	3	1	2	

Asia Pacific Advisory League tables

Asia Pacific (excl. Japan) league table by value

Ranking			Q1 2018			Q1 2017
Q1 2018	Q1 2017	Company name	Value (US\$m)	Deal count	% Value change	Value (US\$m)
1	1	King & Wood Mallesons	17,434	23	0.4%	17,366
2	6	AZB & Partners	12,821	22	-12.7%	14,682
3	27	Kim & Chang	11,800	14	136.2%	4,996
4	2	Shardul Amarchand Mangaldas & Co	10,222	17	-36.2%	16,030
5	33	JunHe	7,922	10	131.9%	3,416
6	73	Cyril Amarchand Mangaldas	7,324	9	779.2%	833
7	14	Herbert Smith Freehills	7,244	18	-25.0%	9,664
8	42	JiaYuan Law Offices	6,746	7	218.7%	2,117
9	10	S&R Associates	6,647	2	-47.6%	12,680
10	60	Haiwen & Partners	6,387	9	435.8%	1,192
11	44	Shin & Kim	6,212	11	202.6%	2,053
12	5	Fangda Partners	5,646	12	-61.7%	14,742
13	43	Grandway Law Offices	5,569	6	164.4%	2,106
14	25	Ashurst	5,504	8	9.6%	5,023
15	9	Allens	5,237	11	-60.5%	13,275
16	13	Shearman & Sterling	4,428	7	-56.9%	10,281
17	3	Freshfields Bruckhaus Deringer	4,276	9	-72.7%	15,676
18	28	Lee & Ko	4,034	7	-19.2%	4,992
19	31	Sidley Austin	3,903	5	-11.2%	4,393
20	38	Latham & Watkins	3,689	9	46.3%	2,521

Asia Pacific (excl. Japan) league table by deal count

Ranking			Q1 2018			Q1 2017	
Q1 2018	Q1 2017	Company name	Value (US\$m)	Deal count	Count change	Deal count	
1	1	King & Wood Mallesons	17,434	23	-11	34	
2	7	AZB & Partners	12,821	22	6	16	
3	3	Herbert Smith Freehills	7,244	18	-6	24	
4	5	Shardul Amarchand Mangaldas & Co	10,222	17	-1	18	
5	25	Khaitan & Co	995	16	4	12	
6	47	Jones Day	924	16	9	7	
7	4	Kim & Chang	11,800	14	-6	20	
8	12	Fangda Partners	5,646	12	-2	14	
9	2	Baker McKenzie	3,277	12	-13	25	
10	8	Gilbert + Tobin	1,378	12	-4	16	
11	19	Shin & Kim	6,212	11	-2	13	
12	30	Allens	5,237	11	2	9	
13	40	JunHe	7,922	10	3	7	
14	6	MinterEllison	399	10	-8	18	
15	14	Cyril Amarchand Mangaldas	7,324	9	-5	14	
16	43	Haiwen & Partners	6,387	9	2	7	
17	15	Freshfields Bruckhaus Deringer	4,276	9	-4	13	
18	17	Latham & Watkins	3,689	9	-4	13	
19	64	Hogan Lovells International	1,577	9	4	5	
20	27	Grandall Law Firm	540	9	-2	11	

Asia Pacific Advisory League tables

Asia (excl. Australasia & Japan) league table by value

Ranking			Q1 2018			Q1 2017	
Q1 2018	Q1 2017	Company name	Value (US\$m)	Deal count	% Value change	Value (US\$m)	
1	5	AZB & Partners	12,821	22	-12.7%	14,682	
2	22	Kim & Chang	11,800	14	136.2%	4,996	
3	6	King & Wood Mallesons	10,622	16	-26.6%	14,477	
4	1	Shardul Amarchand Mangaldas & Co	10,222	17	-36.2%	16,030	
5	31	JunHe	7,922	10	131.9%	3,416	
6	70	Cyril Amarchand Mangaldas	7,324	9	779.2%	833	
7	40	JiaYuan Law Offices	6,746	7	218.7%	2,117	
8	9	S&R Associates	6,647	2	-47.6%	12,680	
9	57	Haiwen & Partners	6,387	9	435.8%	1,192	
10	42	Shin & Kim	6,212	11	202.6%	2,053	
11	4	Fangda Partners	5,646	12	-61.7%	14,742	
12	41	Grandway Law Offices	5,569	6	164.4%	2,106	
13	12	Shearman & Sterling	4,428	7	-56.9%	10,281	
14	2	Freshfields Bruckhaus Deringer	4,276	9	-72.5%	15,522	
15	23	Lee & Ko	4,034	7	-19.2%	4,992	
16	26	Sidley Austin	3,903	5	-11.2%	4,393	
17	68	Han Kun Law Offices	3,390	3	294.2%	860	
18	29	Allen & Overy	2,901	6	-29.3%	4,104	
19	25	Baker McKenzie	2,874	8	-35.2%	4,437	
20	37	Latham & Watkins	2,679	8	9.8%	2,441	

Asia (excl. Australasia & Japan) league table by deal count

Ranking			Q1 2018			Q1 2017	
Q1 2018	Q1 2017	Company name	Value (US\$m)	Deal count	Count change	Deal count	
1	5	AZB & Partners	12,821	22	6	16	
2	4	Shardul Amarchand Mangaldas & Co	10,222	17	-1	18	
3	1	King & Wood Mallesons	10,622	16	-5	21	
4	14	Khaitan & Co	995	16	4	12	
5	2	Kim & Chang	11,800	14	-6	20	
6	8	Fangda Partners	5,646	12	-2	14	
7	12	Shin & Kim	6,212	11	-2	13	
8	28	JunHe	7,922	10	3	7	
9	10	Cyril Amarchand Mangaldas	7,324	9	-5	14	
10	30	Haiwen & Partners	6,387	9	2	7	
11	15	Freshfields Bruckhaus Deringer	4,276	9	-2	11	
12	64	Jones Day	636	9	5	4	
13	17	Grandall Law Firm	540	9	-2	11	
14	3	Baker McKenzie	2,874	8	-11	19	
15	16	Latham & Watkins	2,679	8	-3	11	
16	40	AllBright Law Offices	1,363	8	2	6	
17	20	JiaYuan Law Offices	6,746	7	-3	10	
18	36	Shearman & Sterling	4,428	7	1	6	
19	6	Lee & Ko	4,034	7	-9	16	
20	47	Hogan Lovells International	1,482	7	2	5	

Asia Pacific Advisory League tables

Australasia league table by value

Ranking			Q1 2018			Q1 2017
Q1 2018	Q1 2017	Company name	Value (US\$m)	Deal count	% Value change	Value (US\$m)
1	2	King & Wood Mallesons	7,626	10	-40.7%	12,870
2	5	Herbert Smith Freehills	6,704	16	-13.7%	7,767
3	9	Ashurst	5,504	8	10.4%	4,986
4	1	Allens	5,237	11	-60.5%	13,275
5	35	Clayton Utz	3,359	4	3129.8%	104
6	7	Allen & Overy	2,250	2	-57.4%	5,281
7	34	Norton Rose Fulbright	1,524	7	1311.1%	108
8	11	Clifford Chance	1,494	2	-25.7%	2,010
9	8	Gilbert + Tobin	1,378	12	-72.6%	5,022
10=	-	Davis Polk & Wardwell	1,165	1	-	-
10=	-	Watson Mangioni	1,165	1	-	-
12	37	Latham & Watkins	1,010	1	1162.5%	80
13	6	Baker McKenzie	957	5	-86.0%	6,832
14	26	Chapman Tripp	791	3	285.9%	205
15	14	Corrs Chambers Westgarth	750	6	-2.8%	772
16	12	Simpson Grierson	685	2	-59.0%	1,669
17	-	Blake, Cassels & Graydon	485	2	-	-
18	10	Linklaters	478	1	-87.8%	3,921
19	28	DLA Piper	423	2	119.2%	193
20	-	Willkie Farr & Gallagher	409	1	-	-

Australasia league table by deal count

Ranking			Q1 2018			Q1 2017	
Q1 2018	Q1 2017	Company name	Value (US\$m)	Deal count	Count change	Deal count	
1	1	Herbert Smith Freehills	6,704	16	-1	17	
2	2	Gilbert + Tobin	1,378	12	-4	16	
3	7	Allens	5,237	11	2	9	
4	4	King & Wood Mallesons	7,626	10	-5	15	
5	3	MinterEllison	399	10	-6	16	
6	10	Ashurst	5,504	8	0	8	
7	8	Norton Rose Fulbright	1,524	7	-2	9	
8	27	Jones Day	288	7	4	3	
9	5	Thomson Geer	48	7	-6	13	
10	6	Corrs Chambers Westgarth	750	6	-6	12	
11	9	Baker McKenzie	957	5	-3	8	
12	20	Clayton Utz	3,359	4	-1	5	
13	15	Talbot Sayer Lawyers	139	4	-3	7	
14	29	Johnson Winter & Slattery	18	4	1	3	
15	16	Chapman Tripp	791	3	-4	7	
16	22	Addisons Lawyers	93	3	-1	4	
17	18	HWL Ebsworth Lawyers	59	3	-3	6	
18	-	White & Case	-	3	3	-	
19	12	Allen & Overy	2,250	2	-5	7	
20	25	Clifford Chance	1,494	2	-1	3	

Asia Pacific Advisory League tables

Greater China league table by value

Ranking			Q1 2018			Q1 2017	
Q1 2018	Q1 2017	Company name	Value (US\$m)	Deal count	% Value change	Value (US\$m)	
1	2	King & Wood Mallesons	10,622	15	-26.6%	14,477	
2	18	JunHe	7,922	10	131.9%	3,416	
3	31	JiaYuan Law Offices	6,746	7	218.7%	2,117	
4	38	Haiwen & Partners	6,387	9	435.8%	1,192	
5	1	Fangda Partners	5,646	12	-61.7%	14,742	
6	32	Grandway Law Offices	5,569	6	164.4%	2,106	
7	12	Sidley Austin	3,903	5	-11.2%	4,393	
8	4	Freshfields Bruckhaus Deringer	3,769	5	-71.7%	13,321	
9	47	Han Kun Law Offices	3,390	3	294.2%	860	
10	22	Shearman & Sterling	3,111	4	6.3%	2,928	
11	28	Latham & Watkins	2,679	7	15.1%	2,328	
12	140	Orrick Herrington & Sutcliffe	2,551	3	4151.7%	60	
13	27	Simpson Thacher & Bartlett	2,345	2	-0.5%	2,357	
14	8	Zhong Lun Law Firm	2,212	6	-57.9%	5,248	
15	10	Sullivan & Cromwell	2,082	3	-57.8%	4,934	
16	29	Slaughter and May	1,601	4	-29.8%	2,281	
17	23	Davis Polk & Wardwell	1,532	2	-42.6%	2,669	
18=	-	Walkers Global	1,479	1	-	-	
18=	-	Wilson Sonsini Goodrich & Rosati	1,479	1	-	-	
20	67	White & Case	1,447	3	221.6%	450	

Greater China league table by deal count

Ranking			Q1 2018			Q1 2017	
Q1 2018	Q1 2017	Company name	Value (US\$m)	Deal count	Count change	Deal count	
1	1	King & Wood Mallesons	10,622	15	-6	21	
2	2	Fangda Partners	5,646	12	-2	14	
3	12	JunHe	7,922	10	3	7	
4	13	Haiwen & Partners	6,387	9	2	7	
5	5	Grandall Law Firm	540	9	-2	11	
6	15	AllBright Law Offices	1,363	8	2	6	
7	7	JiaYuan Law Offices	6,746	7	-3	10	
8	10	Latham & Watkins	2,679	7	-1	8	
9	9	Grandway Law Offices	5,569	6	-3	9	
10	3	Zhong Lun Law Firm	2,212	6	-7	13	
11	6	Sidley Austin	3,903	5	-5	10	
12	23	Freshfields Bruckhaus Deringer	3,769	5	1	4	
13	24	Shearman & Sterling	3,111	4	0	4	
14	52	Slaughter and May	1,601	4	2	2	
15	8	Clifford Chance	635	4	-5	9	
16	16	O'Melveny & Myers	210	4	-2	6	
17	21	Han Kun Law Offices	3,390	3	-2	5	
18	81	Orrick Herrington & Sutcliffe	2,551	3	1	2	
19	18	Sullivan & Cromwell	2,082	3	-2	5	
20	62	White & Case	1,447	3	1	2	

Asia Pacific Advisory League tables

India league table by value

Ranking			Q1 2018			Q1 2017	
Q1 2018	Q1 2017	Company name	Value (US\$m)	Deal count	% Value change	Value (US\$m)	
1	2	AZB & Partners	12,821	22	-12.7%	14,682	
2	1	Shardul Amarchand Mangaldas & Co	10,222	17	-36.2%	16,030	
3	9	Cyril Amarchand Mangaldas	7,324	9	779.2%	833	
4	5	S&R Associates	6,647	2	-47.6%	12,680	
5	23	Khaitan & Co	995	16	572.3%	148	
6	-	Shearman & Sterling	817	2	-	-	
7=	-	Covington & Burling	794	2	-	-	
7=	-	Gunderson Dettmer Stough Villeneuve Franklin & Hachigian	794	2	-	-	
7=	-	Proskauer	794	2	-	-	
10	14	J Sagar Associates	756	6	156.3%	295	

South Korea league table by value

Ranking			Q1 2018			Q1 2017	
Q1 2018	Q1 2017	Company name	Value (US\$m)	Deal count	% Value change	Value (US\$m)	
1	2	Kim & Chang	11,800	14	136.6%	4,987	
2	3	Shin & Kim	6,212	11	202.6%	2,053	
3	1	Lee & Ko	4,034	7	-19.2%	4,992	
4	8	Bae Kim & Lee	1,208	3	-7.0%	1,299	
5=	35	Baker McKenzie	500	1	4900.0%	10	
5=	-	Dechert	500	1	-	-	
5=	19	Shearman & Sterling	500	1	41.6%	353	
8	7	Yulchon	363	5	-72.2%	1,304	
9	28	Yoon & Yang	287	5	250.0%	82	
10	-	Freshfields Bruckhaus Deringer	151	1	-	-	

India league table by deal count

Ranking			Q1 2018			Q1 2017	
Q1 2018	Q1 2017	Company name	Value (US\$m)	Deal count	Count change	Deal count	
1	2	AZB & Partners	12,821	22	6	16	
2	1	Shardul Amarchand Mangaldas & Co	10,222	17	-1	18	
3	5	Khaitan & Co	995	16	5	11	
4	3	Cyril Amarchand Mangaldas	7,324	9	-5	14	
5	10	Nishith Desai Associates	577	7	2	5	
6	9	J Sagar Associates	756	6	1	5	
7	4	Trilegal	242	5	-7	12	
8	7	DSK Legal	61	5	-2	7	
9	-	Platinum Partners	144	3	3	-	
10	-	Jones Day	49	3	3	-	

South Korea league table by deal count

Ranking			Q1 2018			Q1 2017	
Q1 2018	Q1 2017	Company name	Value (US\$m)	Deal count	Count change	Deal count	
1	1	Kim & Chang	11,800	14	-5	19	
2	4	Shin & Kim	6,212	11	-2	13	
3	2	Lee & Ko	4,034	7	-9	16	
4	5	Yulchon	363	5	-5	10	
5	8	Yoon & Yang	287	5	1	4	
6	3	Bae Kim & Lee	1,208	3	-12	15	
7=	35	Baker McKenzie	500	1	0	1	
7=	-	Dechert	500	1	1	-	
7=	21	Shearman & Sterling	500	1	0	1	
10	-	Freshfields Bruckhaus Deringer	151	1	1	-	

Asia Pacific Advisory League tables

Japan league table by value

Ranking			Q1 2018			Q1 2017	
Q1 2018	Q1 2017	Company name	Value (US\$m)	Deal count	% Value change	Value (US\$m)	
1	1	Morrison & Foerster	11,706	5	-1.1%	11,839	
2	6	Davis Polk & Wardwell	9,479	4	42.4%	6,657	
3=	2	Paul Weiss Rifkind Wharton & Garrison	8,600	1	5.0%	8,193	
3=	4	Sullivan & Cromwell	8,600	1	7.0%	8,039	
5	34	Freshfields Bruckhaus Deringer	4,105	4	489.8%	696	
6	10	Mori Hamada & Matsumoto	3,062	8	-18.8%	3,771	
7	12	Nishimura & Asahi	2,779	14	-18.6%	3,412	
8=	-	Haiwen & Partners	1,550	2	-	-	
8=	-	JunHe	1,550	2	-	-	
8=	40	Slaughter and May	1,550	2	265.6%	424	

Japan league table by deal count

Ranking			Q1 2018			Q1 2017	
Q1 2018	Q1 2017	Company name	Value (US\$m)	Deal count	Count change	Deal count	
1	1	Nishimura & Asahi	2,779	14	-5	19	
2	2	Mori Hamada & Matsumoto	3,062	8	-10	18	
3	5	Anderson Mori & Tomotsune	1,292	6	-4	10	
4	3	Nagashima Ohno & Tsunematsu	987	6	-7	13	
5	6	Morrison & Foerster	11,706	5	-1	6	
6	19	Jones Day	1,321	5	2	3	
7	11	Davis Polk & Wardwell	9,479	4	0	4	
8	23	Freshfields Bruckhaus Deringer	4,105	4	1	3	
9	37	Herbert Smith Freehills	884	3	1	2	
10	14	White & Case	573	3	-1	4	

South East Asia league table by value

Ranking			Q1 2018			Q1 2017	
Q1 2018	Q1 2017	Company name	Value (US\$m)	Deal count	% Value change	Value (US\$m)	
1	38	Allen & Overy	2,390	3	1472.4%	152	
2	-	Allens	2,372	2	-	-	
3	-	Clayton Utz	2,250	1	-	-	
4	-	Stibbe	1,650	2	-	-	
5	-	Hughes Hubbard & Reed	1,650	1	-	-	
6	-	AZB & Partners	1,612	7	-	-	
7	16	Baker McKenzie	1,220	4	157.9%	473	
8	15	Allen & Gledhill	1,200	3	132.1%	517	
9	-	Slaughter and May	959	2	-	-	
10	30	ZICOLaw	804	2	302.0%	200	

South East Asia league table by deal count

Ranking			Q1 2018			Q1 2017	
Q1 2018	Q1 2017	Company name	Value (US\$m)	Deal count	Count change	Deal count	
1	-	AZB & Partners	1,612	7	7	-	
2	3	Baker McKenzie	1,220	4	-3	7	
3	14	Hogan Lovells International	748	4	2	2	
4	4	Rajah & Tann	265	4	-1	5	
5	63	Khaitan & Co	215	4	3	1	
6	23	Jones Day	203	4	2	2	
7	10	Allen & Overy	2,390	3	0	3	
8	1	Allen & Gledhill	1,200	3	-5	8	
9	15	Mayer Brown	390	3	1	2	
10	16	Rahmat Lim & Partners	298	3	1	2	

Private Equity Advisory League tables*

Global (buyouts+exits) league table by value

Ranking			Q1 2018			Q1 2017		
Q1 2018	Q1 2017	Company name	Value (US\$m)	Deal count	% Value change	Value (US\$m)		
1	3	Simpson Thacher & Bartlett	29,295	11	148.1%	11,807		
2	6	Freshfields Bruckhaus Deringer	22,270	8	180.6%	7,936		
3	2	Latham & Watkins	19,468	30	52.5%	12,762		
4	10	Shardul Amarchand Mangaldas & Co	17,971	6	198.7%	6,016		
5	24	Osler, Hoskin & Harcourt	17,017	2	322.6%	4,027		
6	42	Debevoise & Plimpton	10,624	8	334.2%	2,447		
7	5	Weil Gotshal & Manges	10,306	23	-7.8%	11,181		
8	23	Wilson Sonsini Goodrich & Rosati	9,895	12	144.1%	4,054		
9	48	Davis Polk & Wardwell	8,989	8	325.8%	2,111		
10	-	Cravath, Swaine & Moore	8,701	4	-	-		

Global (buyouts+exits) league table by deal count

Ranking			Q1 2018			Q1 2017		
Q1 2018	Q1 2017	Company name	Value (US\$m)	Deal count	Count change	Deal count		
1	1	Kirkland & Ellis	5,264	57	-13	70		
2	3	Latham & Watkins	19,468	30	-6	36		
3	2	Goodwin Procter	513	27	-14	41		
4	5	Weil Gotshal & Manges	10,306	23	-4	27		
5	4	DLA Piper	621	22	-10	32		
6	21	Cooley	1,189	17	6	11		
7	13	Jones Day	941	17	2	15		
8	6	White & Case	2,648	15	-5	20		
9	7	Paul Weiss Rifkind Wharton & Garrison	1,100	15	-3	18		
10	17	Allen & Overy	3,859	14	1	13		

US (buyouts+exits) league table by value

Ranking			Q1 2018			Q1 2017		
Q1 2018	Q1 2017	Company name	Value (US\$m)	Deal count	% Value change	Value (US\$m)		
1	22	Simpson Thacher & Bartlett	28,295	10	1644.5%	1,622		
2=	17	Freshfields Bruckhaus Deringer	17,000	1	717.3%	2,080		
2=	-	Osler, Hoskin & Harcourt	17,000	1	-	-		
2=	23	Shardul Amarchand Mangaldas & Co	17,000	1	1294.6%	1,219		
5	58	Debevoise & Plimpton	10,624	8	7127.2%	147		
6	105	Davis Polk & Wardwell	8,704	6	-	-		
7	-	Cravath, Swaine & Moore	8,701	4	-	-		
8	7	Wilson Sonsini Goodrich & Rosati	8,416	10	107.6%	4,054		
9	3	Latham & Watkins	7,721	20	71.5%	4,502		
10	8	Weil Gotshal & Manges	7,329	12	97.5%	3,711		

US (buyouts+exits) league table by deal count

Ranking			Q1 2018			Q1 2017		
Q1 2018	Q1 2017	Company name	Value (US\$m)	Deal count	Count change	Deal count		
1	1	Kirkland & Ellis	4,526	43	24	19		
2	2	Goodwin Procter	313	21	4	17		
3	3	Latham & Watkins	7,721	20	10	10		
4	13	Cooley	1,185	15	10	5		
5	8	Paul Weiss Rifkind Wharton & Garrison	900	14	8	6		
6	4	Weil Gotshal & Manges	7,329	12	5	7		
7	27	Paul Hastings	348	12	9	3		
8	39	Jones Day	311	12	9	3		
9	25	Simpson Thacher & Bartlett	28,295	10	7	3		
10	7	Wilson Sonsini Goodrich & Rosati	8,416	10	4	6		

Private Equity Advisory League tables*

Europe (buyouts+exits) league table by value

Ranking			Q1 2018			Q1 2017
Q1 2018	Q1 2017	Company name	Value (US\$m)	Deal count	% Value change	Value (US\$m)
1	4	Latham & Watkins	10,276	8	124.5%	4,577
2	9	Linklaters	6,409	6	89.9%	3,375
3	21	Clifford Chance	5,732	8	259.1%	1,596
4	28	Garrigues	5,144	2	317.5%	1,232
5	85	Perez-Llorca	4,854	3	3136.0%	150
6	-	Mattos Filho, Veiga Filho, Marrey Jr. e Quiroga Advogados	4,694	1	-	-
7	3	Freshfields Bruckhaus Deringer	4,620	5	-12.5%	5,279
8	5	Weil Gotshal & Manges	2,728	10	-39.5%	4,509
9	95	Baker McKenzie	2,563	4	2747.8%	90
10	-	Gorrissen Federspiel	2,143	2	-	-

Asia Pacific (excl. Japan) (buyouts+exits) league table by value

Ranking			Q1 2018			Q1 2017
Q1 2018	Q1 2017	Company name	Value (US\$m)	Deal count	% Value change	Value (US\$m)
1	-	Clayton Utz	3,260	2	-	-
2	18	Allen & Overy	2,250	1	382.8%	466
3	3	Fangda Partners	2,159	4	-32.3%	3,188
4	-	Wilson Sonsini Goodrich & Rosati	1,479	1	-	-
5	16	Latham & Watkins	1,471	2	177.0%	531
6	39	JunHe	1,213	2	1113.0%	100
7	-	Slaughter and May	1,150	1	-	-
8	-	Allen & Gledhill	1,021	1	-	-
9	10	Shardul Amarchand Mangaldas & Co	971	5	-43.4%	1,716
10	-	Shearman & Sterling	678	2	-	-

Europe (buyouts+exits) league table by deal count

Ranking			Q1 2018			Q1 2017	
Q1 2018	Q1 2017	Company name	Value (US\$m)	Deal count	Count change	Deal count	
1	1	DLA Piper	208	12	-3	15	
2	2	CMS	540	11	-3	14	
3	10	Lamartine Conseil	29	11	2	9	
4	6	Weil Gotshal & Manges	2,728	10	0	10	
5	14	Allen & Overy	955	10	2	8	
6	11	Kirkland & Ellis	655	10	2	8	
7	3	White & Case	1,175	9	-2	11	
8	12	Latham & Watkins	10,276	8	0	8	
9	7	Clifford Chance	5,732	8	-2	10	
10	17	Addleshaw Goddard	333	8	0	8	

Asia Pacific (excl. Japan) (buyouts+exits) league table by deal count

Ranking			Q1 2018			Q1 2017	
Q1 2018	Q1 2017	Company name	Value (US\$m)	Deal count	Count change	Deal count	
1	1	Kim & Chang	665	6	-2	8	
2	12	Khaitan & Co	118	6	2	4	
3	3	Shardul Amarchand Mangaldas & Co	971	5	0	5	
4	5	AZB & Partners	490	5	0	5	
5	7	Fangda Partners	2,159	4	0	4	
6	6	Gilbert + Tobin	306	4	-1	5	
7	19	Talbot Sayer Lawyers	139	4	1	3	
8	34	Allens	485	3	2	1	
9	13	Herbert Smith Freehills	371	3	0	3	
10	58	Shin & Kim	151	3	2	1	

Private Equity Advisory League tables*

Global Buyouts league table by value

Ranking			Q1 2018			Q1 2017	
Q1 2018	Q1 2017	Company name	Value (US\$m)	Deal count	% Value change	Value (US\$m)	
1	2	Simpson Thacher & Bartlett	21,360	9	127.7%	9,382	
2	3	Freshfields Bruckhaus Deringer	19,287	6	247.1%	5,557	
3	4	Shardul Amarchand Mangaldas & Co	17,891	5	224.2%	5,519	
4	-	Osler, Hoskin & Harcourt	17,000	1	-	-	
5	7	Latham & Watkins	15,418	22	223.0%	4,774	
6	5	Weil Gotshal & Manges	6,846	12	29.3%	5,293	
7	24	Linklaters	6,303	4	108.6%	3,022	
8	12	Dechert	5,610	6	60.8%	3,488	
9	95	Perez-Llorca	4,854	3	3136.0%	150	
10=	52	Garrigues	4,694	1	498.0%	785	
10=	282	Mattos Filho, Veiga Filho, Marrey Jr. e Quiroga Advogados	4,694	1	-	-	

US Buyouts league table by value

Ranking			Q1 2018			Q1 2017	
Q1 2018	Q1 2017	Company name	Value (US\$m)	Deal count	% Value change	Value (US\$m)	
1	2	Simpson Thacher & Bartlett	20,360	8	248.7%	5,839	
2=	-	Freshfields Bruckhaus Deringer	17,000	1	-	-	
2=	-	Osler, Hoskin & Harcourt	17,000	1	-	-	
2=	-	Shardul Amarchand Mangaldas & Co	17,000	1	-	-	
5	8	Weil Gotshal & Manges	6,316	8	113.3%	2,961	
6	24	Dechert	5,610	5	1251.8%	415	
7	14	Latham & Watkins	5,221	16	259.6%	1,452	
8	-	Debevoise & Plimpton	3,751	6	-	-	
9	87	Vinson & Elkins	2,602	2	-	-	
10	1	Kirkland & Ellis	2,468	28	-78.9%	11,711	

Global Buyouts league table by deal count

Ranking			Q1 2018			Q1 2017	
Q1 2018	Q1 2017	Company name	Value (US\$m)	Deal count	Count change	Deal count	
1	1	Kirkland & Ellis	2,931	40	-11	51	
2	2	Latham & Watkins	15,418	22	-1	23	
3	5	DLA Piper	379	15	-3	18	
4	4	Weil Gotshal & Manges	6,846	12	-7	19	
5	59	Cooley	432	12	8	4	
6	3	Goodwin Procter	213	12	-10	22	
7	12	Jones Day	641	11	1	10	
8	13	McDermott Will & Emery	53	11	1	10	
9	6	White & Case	692	10	-6	16	
10	8	Simpson Thacher & Bartlett	21,360	9	-2	11	

US Buyouts league table by deal count

Ranking			Q1 2018			Q1 2017	
Q1 2018	Q1 2017	Company name	Value (US\$m)	Deal count	Count change	Deal count	
1	1	Kirkland & Ellis	2,468	28	-8	36	
2	2	Latham & Watkins	5,221	16	3	13	
3	18	Cooley	428	10	6	4	
4	9	McDermott Will & Emery	53	9	1	8	
5	11	Simpson Thacher & Bartlett	20,360	8	2	6	
6	4	Weil Gotshal & Manges	6,316	8	-2	10	
7	3	Goodwin Procter	13	8	-3	11	
8	79	McGuireWoods	8	8	7	1	
9	56	Paul Hastings	113	7	6	1	
10	10	Jones Day	11	7	0	7	

Private Equity Advisory League tables*

Europe Buyouts league table by value

Ranking			Q1 2018			Q1 2017
Q1 2018	Q1 2017	Company name	Value (US\$m)	Deal count	% Value change	Value (US\$m)
1	10	Latham & Watkins	9,187	5	432.0%	1,727
2	7	Linklaters	6,303	4	108.6%	3,022
3	52	Perez-Llorca	4,854	3	3136.0%	150
4=	26	Garrigues	4,694	1	498.0%	785
4=	-	Mattos Filho, Veiga Filho, Marrey Jr. e Quiroga Advogados	4,694	1	-	-
6	13	Clifford Chance	3,622	6	128.1%	1,588
7	133	Baker McKenzie	2,563	4	-	-
8	89	Bruun & Hjejle	2,110	1	14971.4%	14
9	-	Paul Hastings	1,773	2	-	-
10	5	Freshfields Bruckhaus Deringer	1,637	3	-52.9%	3,477

Asia Pacific (excl. Japan) Buyouts league table by value

Ranking			Q1 2018			Q1 2017
Q1 2018	Q1 2017	Company name	Value (US\$m)	Deal count	% Value change	Value (US\$m)
1	-	Clayton Utz	3,260	2	-	-
2	12	Allen & Overy	2,250	1	382.8%	466
3	2	Fangda Partners	2,159	4	-32.3%	3,188
4	-	Wilson Sonsini Goodrich & Rosati	1,479	1	-	-
5	29	JunHe	1,213	2	1113.0%	100
6	-	Slaughter and May	1,150	1	-	-
7	51	Latham & Watkins	1,010	1	-	-
8	8	Shardul Amarchand Mangaldas & Co	891	4	-26.9%	1,219
9	4	Kim & Chang	665	6	-75.1%	2,675
10	-	Sidley Austin	621	1	-	-

Europe Buyouts league table by deal count

Ranking			Q1 2018			Q1 2017	
Q1 2018	Q1 2017	Company name	Value (US\$m)	Deal count	Count change	Deal count	
1	2	Kirkland & Ellis	380	8	0	8	
2	4	DLA Piper	66	8	0	8	
3	13	Lamartine Conseil	29	8	2	6	
4	1	White & Case	580	7	-2	9	
5	3	Clifford Chance	3,622	6	-2	8	
6	11	Latham & Watkins	9,187	5	-1	6	
7	14	Allen & Overy	559	5	0	5	
8	21	CMS	135	5	1	4	
9	12	Addleshaw Goddard	102	5	-1	6	
10	-	Chammas et Marcheteau	49	5	5	-	

Asia Pacific (excl. Japan) Buyouts league table by deal count

Ranking			Q1 2018			Q1 2017	
Q1 2018	Q1 2017	Company name	Value (US\$m)	Deal count	Count change	Deal count	
1	1	Kim & Chang	665	6	0	6	
2	5	Khaitan & Co	118	5	1	4	
3	3	Fangda Partners	2,159	4	0	4	
4	7	Shardul Amarchand Mangaldas & Co	891	4	1	3	
5	14	Talbot Sayer Lawyers	139	4	1	3	
6	12	AZB & Partners	278	3	0	3	
7	2	Gilbert + Tobin	258	3	-2	5	
8	-	Clayton Utz	3,260	2	2	-	
9	34	JunHe	1,213	2	1	1	
10	26	Allens	236	2	1	1	

Private Equity Advisory League tables*

Global Exits league table by value

Ranking			Q1 2018			Q1 2017	
Q1 2018	Q1 2017	Company name	Value (US\$m)	Deal count	% Value change	Value (US\$m)	
1	27	Cravath, Swaine & Moore	8,576	3	308.4%	2,100	
2	162	Davis Polk & Wardwell	8,454	4	-	-	
3	8	Wilson Sonsini Goodrich & Rosati	8,416	10	107.6%	4,054	
4	21	Simpson Thacher & Bartlett	7,935	2	227.2%	2,425	
5	20	Debevoise & Plimpton	6,873	2	180.9%	2,447	
6	77	Alston & Bird	6,373	1	1989.5%	305	
7	31	Sullivan & Cromwell	5,905	1	282.7%	1,543	
8	1	Latham & Watkins	4,050	8	-49.3%	7,988	
9	3	Weil Gotshal & Manges	3,460	11	-41.2%	5,888	
10	22	Freshfields Bruckhaus Deringer	2,983	2	25.4%	2,379	

US Exits league table by value

Ranking			Q1 2018			Q1 2017	
Q1 2018	Q1 2017	Company name	Value (US\$m)	Deal count	% Value change	Value (US\$m)	
1	13	Cravath, Swaine & Moore	8,576	3	308.4%	2,100	
2	70	Davis Polk & Wardwell	8,454	4	-	-	
3	6	Wilson Sonsini Goodrich & Rosati	8,416	9	107.6%	4,054	
4	18	Simpson Thacher & Bartlett	7,935	2	389.2%	1,622	
5	41	Debevoise & Plimpton	6,873	2	4575.5%	147	
6	-	Alston & Bird	6,373	1	-	-	
7	-	Sullivan & Cromwell	5,905	1	-	-	
8	3	Latham & Watkins	2,500	4	-44.5%	4,502	
9	-	Thompson Hine	2,200	2	-	-	
10	30	Fried Frank Harris Shriver & Jacobson	2,200	1	511.1%	360	

Global Exits league table by deal count

Ranking			Q1 2018			Q1 2017	
Q1 2018	Q1 2017	Company name	Value (US\$m)	Deal count	Count change	Deal count	
1	1	Kirkland & Ellis	2,333	17	-2	19	
2	2	Goodwin Procter	300	15	-3	18	
3	7	Weil Gotshal & Manges	3,460	11	3	8	
4	14	Wilson Sonsini Goodrich & Rosati	8,416	10	4	6	
5	6	Gunderson Dettmer Stough Villeneuve Franklin & Hachigian	1,266	10	1	9	
6	10	Paul Weiss Rifkind Wharton & Garrison	200	9	2	7	
7	3	Latham & Watkins	4,050	8	-6	14	
8	4	DLA Piper	242	7	-7	14	
9	42	Ropes & Gray	2,388	6	3	3	
10	22	Allen & Overy	596	6	1	5	

US Exits league table by deal count

Ranking			Q1 2018			Q1 2017	
Q1 2018	Q1 2017	Company name	Value (US\$m)	Deal count	Count change	Deal count	
1	1	Kirkland & Ellis	2,058	15	-1	16	
2	2	Goodwin Procter	300	13	-1	14	
3	6	Wilson Sonsini Goodrich & Rosati	8,416	9	3	6	
4	8	Paul Weiss Rifkind Wharton & Garrison	200	9	4	5	
5	4	Gunderson Dettmer Stough Villeneuve Franklin & Hachigian	349	7	0	7	
6	58	Ropes & Gray	2,113	5	4	1	
7	10	Cooley	757	5	0	5	
8	22	Morgan Lewis & Bockius	652	5	2	3	
9	26	Jones Day	300	5	2	3	
10	18	Paul Hastings	235	5	2	3	

*Based on advisors to target/seller on exit deals with target dominant geography being Global and US

Private Equity Advisory League tables*

Europe Exits league table by value

Ranking			Q1 2018			Q1 2017	
Q1 2018	Q1 2017	Company name	Value (US\$m)	Deal count	% Value change	Value (US\$m)	
1	9	Freshfields Bruckhaus Deringer	2,983	2	65.5%	1,802	
2	1	Weil Gotshal & Manges	2,198	6	-23.1%	2,860	
3	77	Clifford Chance	2,110	2	26275.0%	8	
4	-	Gorrissen Federspiel	2,110	1	-	-	
5	30	Mayer Brown	1,760	3	207.7%	572	
6	-	Charles Russell Speechlys	1,673	3	-	-	
7=	-	KPMG Abogados	1,268	1	-	-	
7=	-	RRP Advogados	1,268	1	-	-	
9	2	Latham & Watkins	1,089	3	-61.8%	2,850	
10	11	Travers Smith	749	1	-56.9%	1,736	

Europe Exits league table by deal count

Ranking			Q1 2018			Q1 2017	
Q1 2018	Q1 2017	Company name	Value (US\$m)	Deal count	Count change	Deal count	
1	8	Weil Gotshal & Manges	2,198	6	3	3	
2	1	CMS	405	6	-4	10	
3	12	Allen & Overy	396	5	2	3	
4	-	P+P Poellath + Partners	40	5	5	-	
5	2	DLA Piper	142	4	-3	7	
6	7	Mayer Brown	1,760	3	-1	4	
7	-	Charles Russell Speechlys	1,673	3	3	-	
8	9	Latham & Watkins	1,089	3	0	3	
9	35	Addleshaw Goddard	231	3	1	2	
10	-	Selmer	45	3	3	-	

Asia Pacific (excl. Japan) Exits league table by value

Ranking			Q1 2018			Q1 2017	
Q1 2018	Q1 2017	Company name	Value (US\$m)	Deal count	% Value change	Value (US\$m)	
1	15	Allen & Gledhill	1,021	1	891.3%	103	
2	-	Shearman & Sterling	678	2	-	-	
3	-	Clifford Chance	520	1	-	-	
4=	-	K&L Gates	461	1	-	-	
4=	6	Latham & Watkins	461	1	-13.2%	531	
6	1	Herbert Smith Freehills	371	3	-87.9%	3,074	
7=	-	Allens	249	1	-	-	
7=	-	Weil Gotshal & Manges	249	1	-	-	
9	12	AZB & Partners	212	2	12.8%	188	
10	-	Rahmat Lim & Partners	181	2	-	-	

Asia Pacific (excl. Japan) Exits league table by deal count

Ranking			Q1 2018			Q1 2017	
Q1 2018	Q1 2017	Company name	Value (US\$m)	Deal count	Count change	Deal count	
1	3	Herbert Smith Freehills	371	3	1	2	
2	-	Shearman & Sterling	678	2	2	-	
3	7	AZB & Partners	212	2	0	2	
4	-	Rahmat Lim & Partners	181	2	2	-	
5	-	Hogan Lovells International	95	2	2	-	
6	2	Allen & Gledhill	1,021	1	-2	3	
7	-	Clifford Chance	520	1	1	-	
8=	-	K&L Gates	461	1	1	-	
8=	14	Latham & Watkins	461	1	0	1	
10=	-	Allens	249	1	1	-	
10=	-	Weil Gotshal & Manges	249	1	1	-	

Criteria

All data is based on transactions over US\$ 5m and is based on the Mergermarket's M&A deals database. Deals with undisclosed deal values are included where the target's turnover exceeds US\$10m. Deals where the effective stake acquired is less than 30% will only be included if the value is greater than US\$100m. Full deal inclusion criteria can be found [here](#).

Trend data: Based on the dominant geography of the target company and excludes lapsed and withdrawn bids. Sector trends based on the dominant sector of the target.

Global cross-border M&A: Based on the dominant geography of the target and bidder company being in a different region.

Inbound: Global/US/Japan: The dominant geography of the target is X and the dominant geography of the bidder is any other country excluding X. Europe/Asia/Africa & Middle East: The dominant geography of the target is X and the dominant geography of the bidder is any other region excluding X.

Outbound: Global/US/Japan: The dominant geography of the bidder is X and the dominant geography of the target is any other country excluding X. Europe/Asia/Africa & Middle East: The dominant geography of the bidder is X and the dominant geography of the target is any other region excluding X.

Top deals: Based on the dominant geography of the target company.

League tables: Based on the dominant geography of the target, bidder or seller, and excludes lapsed and withdrawn bids. Private equity buyout league tables are based on advisors advising the bidder only on buyout deals with target dominant geography being the country/region and excludes lapsed and withdrawn bids. Private equity exit league tables based on advisors advising the target/seller on exit deal with target dominant geography being the country/region and excludes lapsed and withdrawn bids. Private equity buyout and exit combined league tables are based on advising the bidder on buyout deals AND the target/seller on exit deals, excluding lapsed and withdrawn bids. Equal rankings are based on having both identical values and deal counts reported in one table.

All values are in US\$.
M&A Trends and Top Deals correct as of 8am (GMT), 29-Mar-2018. Cut off date 28-Mar-2018
League Tables correct as of 10am (GMT), 04-Apr-2018. Cut off date 31-Mar-2018.

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