

**asialaw**

**Profiles 2007**

A Guide to the World's Law Firms  
and Legal Markets

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Asia Law  
& Practice

# Preface

Welcome to the 11<sup>th</sup> annual edition of *Asialaw Profiles*.

*Asialaw Profiles 2007* is a reference guide for corporate executives, in-house counsel, lawyers at local and international firms, and anyone with a professional interest in the world's legal markets.

Since *Asialaw Profiles* was first published in 1996, the world's markets have become increasingly integrated and Asia has emerged as a key driver of global economic growth. Big business deals that take place in any part of the world usually have an important Asian dimension, while business deals completed in Asia frequently have global ramifications. With this in mind, the 2007 edition of *Asialaw Profiles* has been expanded to provide global coverage. *Asialaw Profiles'* traditional focus on Asia is now complimented by new chapters on the legal markets in most of the world's key jurisdictions.

*Asialaw Profiles* combines an editorial overview of the legal environment in each jurisdiction with a specialist directory containing the contact details and in-depth profiles of many leading regional and international law firms.

The **editorial** sections of *Asialaw Profiles 2007* are independently-written summaries of the legal landscape in each jurisdiction. During their research, our writers travelled widely, interviewing hundreds of lawyers and related professionals around the world. Many more interviews were conducted by telephone, and law firms in all jurisdictions were invited to provide information about major deals and cases on which they worked. We would like to offer our sincere thanks to everyone who assisted with our research.

*Asialaw Profiles 2007* introduces a newly-refined editorial format. To enable quick and easy referencing, the tables in each chapter provide at-a-glance information on law firms' notable clients and key practitioners. The editorial chapters also provide information on the most important legal developments and deals in each practice area. As always, the editorial sections are wholly independent from the directory sections of the publication.

The **directory** sections of *Asialaw Profiles 2007* present information that has been supplied by law firms (unless otherwise stated). Law firms in all countries were invited to participate, either with a simple directory entry, or a directory entry combined with a detailed profile of the firm's services. The law firm directory at the end of each chapter contains the entries of all participating firms. Those firms that have also provided profiles of their services can be identified by the cross-reference details on top of their directory entries, indicating the pages on which their profiles can be found. We would like to thank all of the law firms that have participated in the directory sections of *Asialaw Profiles 2007*.

We welcome your feedback on any part of *Asialaw Profiles 2007* and trust that it will be a useful tool in understanding the world's legal markets and in identifying and selecting new legal advisers.



James Burden  
Publisher



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M a l a y s i a

## Malaysia

**Capital City:**..... Kuala Lumpur  
**Population:**..... 24,385,858 (July 2006 est.)  
**Principal Languages:**..... Bahasa Melayu (official), English, Chinese (Cantonese, Mandarin, Hokkien, Hakka, Hainan, Foochow), Tamil, Telugu, Malayalam, Punjabi, Thai.  
**Principal Religions:** Muslim, Buddhist, Daoist, Hindu, Christian, Sikh; Shamanism is practiced in east Malaysia.  
**Currency:**..... Malaysian Ringgit (MYR)  
**Exchange vs. US\$:**..... 3.68 (September 2006)  
**GDP Growth:**..... 5.3% (2005 est.)  
**Key Industries:**..... Rubber and oil palm processing and manufacturing, light manufacturing industry, electronics, tin mining and smelting, logging, timber processing.  
**Major Exports:**..... Electronic equipment, petroleum and liquefied natural gas, wood and wood products, palm oil, rubber, textiles and chemicals.  
**Key Trading Partners (Exports):**..... US 19.5%, Singapore 15.4%, China 11.3%, Japan 8.3%, Thailand 4.8%, Hong Kong 4.1% (2005)  
**Major Imports:**..... Electronics, machinery, petroleum products, plastics, vehicles, iron and steel products and chemicals.  
**Key Trading Partners (Imports):**..... Singapore 26.4%, Japan 11%, China 9.2%, US 9.1%, Taiwan 5.4%, Thailand 4.9%, South Korea 4.9%, Indonesia 4.2% (2005)  
**Government Type:**..... Republic  
**Chief of State:**..... Tuanku Syed Sirajuddin ibni Almarhum Tuanku Syed Putra Jamalullail, the Raja of Perlis.  
**Head of Government:**..... Prime Minister Abdullah bin Ahmad Badawi  
**Cabinet:**..... Cabinet appointed by the prime minister from among the members of Parliament with consent of the paramount ruler.  
**Judicial Branch:**..... Federal Court (judges appointed by the paramount ruler on the advice of the prime minister).  
**Legislative Branch:**..... Bicameral Parliament consists of the Senate, or *Dewan Negara* (70 seats; 44 appointed by the paramount ruler, 26 appointed by the state legislatures), and the House of Representatives, or *Dewan Rakyat* (219 seats; members elected by popular vote to serve five-year terms).  
**Legal System:**..... Based on English common law; judicial review of legislative acts in the Supreme Court at the request of the supreme head of the federation; has not accepted compulsory International Court of Justice jurisdiction; Islamic law is applied to Muslims in matters of family law.

Malaysia's predominant political party, the United Malays National Organization, has held political power in coalition with other parties since the country's independence in 1957. This has made for a generally high level of political stability that many observers credit as one of the most important factors in attracting foreign investment to Malaysia. The Barisan Nasional coalition secured over 90% of the parliamentary seats in the 2004 general elections.

The Malaysian economy grew by 5.5% in real terms in 2005, down from the impressive 7.1% growth recorded for 2004. Reasons cited for the drop include falling confidence in the construction industry and corporate sectors. The administration of Prime Minister Abdullah Ahmad Badawi has been criticized for not doing enough to encourage economic growth, with the strongest complaints coming from the construction sector.

In May 2006, the minister for international trade and industry, Datuk Seri Rafidah Aziz, launched *Emerging Malaysia 2006*, a guidebook on the national economy and doing business in the country. Writers who contributed their views to the publication endorsed the Malaysian government's attempts to protect strategic industries by capping foreign shareholdings in banks, power plants and telecommunications firms, despite moves by many of the country's neighbours to respond to foreign demands by opening up their markets to overseas investors.

The guide's writers expressed the view that an excess of bureaucracy and red tape exists alongside a stark deficiency in coordination among Malaysian authorities. A prominent example cited was the requirement that foreign investors who intend to set up plants in the country consult separately with federal and state governments before the requisite business licences and permits for land use can be obtained. An additional deterrent to foreign investment in the country are the limits currently imposed on foreign ownership.

Foreign investors remain hesitant to start businesses or purchase assets in Malaysia, despite attractive factors such as the presence of a cheap, skilled and English-speaking workforce and a sound legal framework. Nevertheless, with the announcement of the Ninth Malaysian Plan (9MP) in March 2006, the Malaysian economy is projected to grow by an average of 6% annually over the five years from 2006, underpinned by domestic demand and strong private investment and consumption.

Some notable macroeconomic strategies of the 9MP include higher contributions to growth from the private sector and government-linked companies; the attraction

of quality foreign direct investment to accelerate progress in technology; the promotion of new growth in agriculture, manufacturing and the services sectors, and broadening the knowledge-based economy.

The 2007 budget, announced on September 1 2006, contains even more encouraging news. For the first time in nine years, the business community has been given a 2% corporate tax cut. The Malaysian government's recent focus on promoting tourism and Islamic finance is also reflected in the budget. It allocates US\$40.7 million for tourism campaigns (Visit Malaysia 2007) and gives Islamic financing benefits in the form of a 10-year tax exemption for Islamic banks and *takaful* (insurance) companies that conduct their business in foreign currencies, tax relief for studies in Islamic finance and tax deductions on expenses incurred in setting up Islamic stock-broking companies and issuing Islamic products.

Another considerable focus is education, with an allocation of US\$9.1 billion for education and training as well as incentives for the purchase of computers and books. The government publicly supports the creation and maintenance of a skilled labour force.

### Legal & Regulatory Developments

The country's constitution is the supreme law of the country and safeguards the interests of all races and religions. Nevertheless, the Court of Appeal made a decision on September 19 2005 that it was legitimate for the National Registration Department to reject Lina Joy's application to delete the word "Islam" from her identity card on the grounds that the Syariah Court and other Islamic religious authorities had not confirmed her renunciation of Islam.

Counsel for Joy, Datuk Cyrus Das, is currently appealing against this decision and the appellate court's ruling that the Malaysian constitution divides Muslims and non-Muslims in the jurisdiction or makes a distinction between them. Das rebuts the proposition that the law can be divisive and contends that where constitutional rights are involved, it is the civil courts rather than the Syariah court that should have authority.

The Malaysian judiciary has recently expressed demands for complete independence. Under the present legal system, while high court and appellate judges are governed by the constitution and a code of conduct, lower court judges and magistrates remain civil servants whose wages are paid by the government. In August 2006, Malaysia's chief justice made known his desire to strengthen judicial independence and to abolish the colonial-era practice of employing judges as civil servants. An official proposal on the issue will soon be presented to the government.

The Bill for the Water Services Industry has been passed and, when implemented, will unravel the existing water concessions and water operations in Malaysia, which are currently vested with the state governments. The new law will see the establishment of the Water Commission, the transfer of authority from state governments to the federal government, and new guidelines and regulations for privatized entities and utilities in the water industry.

New regulations under the *Private Healthcare Facilities and Services Act 1998* came into force on May 1 2006.

The housing and local government minister, Datuk Seri Ong Ka Ting, announced on June 2 2006 that a National Solid Waste Management Bill is currently being formulated to streamline the policies to regulate solid waste management and recycling activities. The proposed bill will enable the Masterplan and Action Plan of the National Strategic Plan for Solid Waste Management to be implemented, with the aim of encouraging waste minimization and 3R (reduce, reuse and recycle) activities.

Tighter requirements for listing on the Malaysian Exchange of Securities Dealing & Automated

