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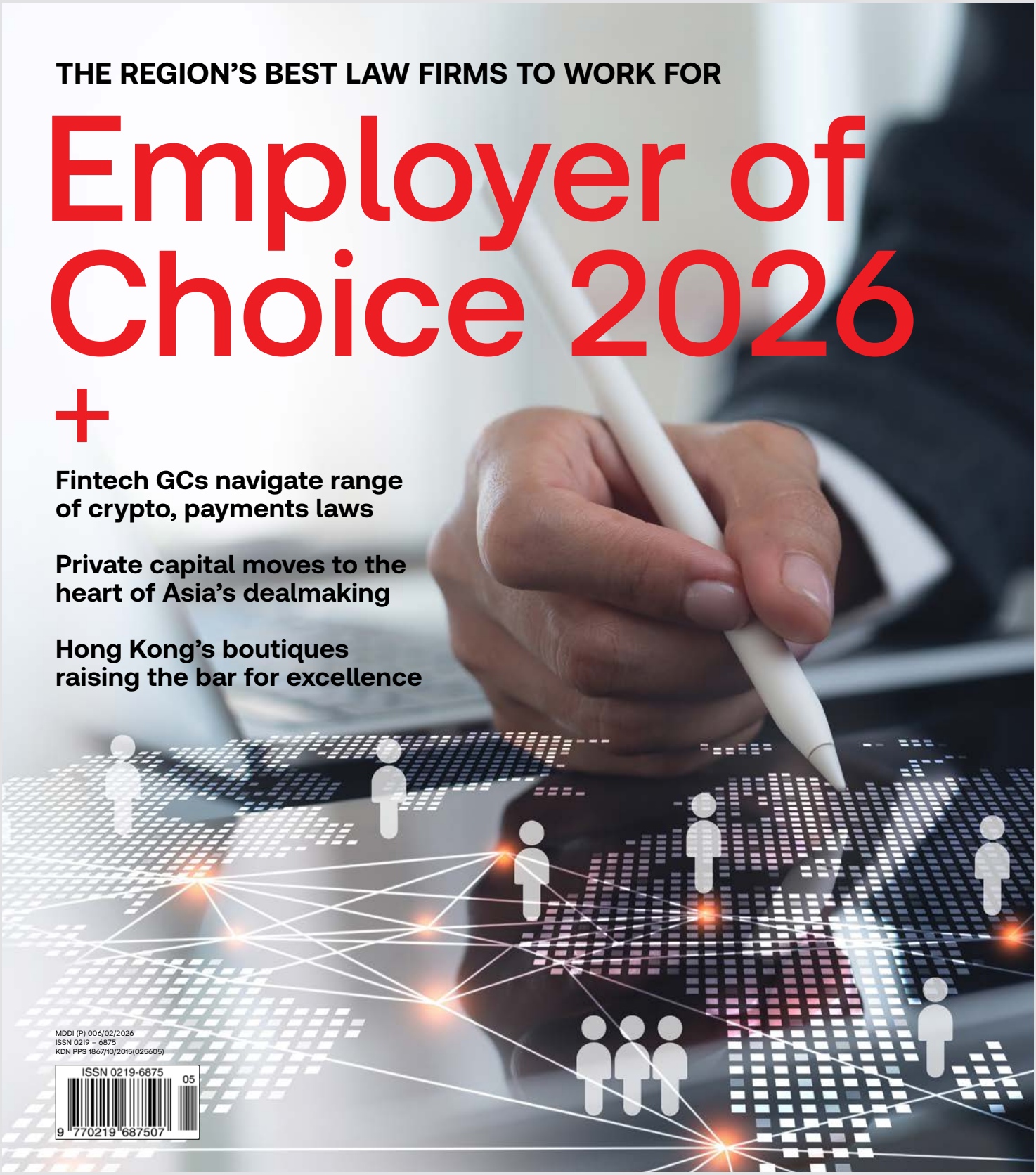

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中国国际经济贸易仲裁委员会
CHINA INTERNATIONAL ECONOMIC AND TRADE ARBITRATION COMMISSION

China International Economic and Trade Arbitration Commission (CIETAC), being established in 1956, is one of the major permanent arbitration institutions in the world.

Over 70 years, CIETAC has been committed to providing independent, impartial and efficient arbitration legal services for Chinese and international parties. It has accepted **80,000** arbitration cases, with parties coming from over **170** countries and regions and has grown into one of the most important and influential international arbitration institutions in the world. The arbitral awards of CIETAC have been recognized and enforced worldwide, and its credibility of arbitration has been widely recognized at home and abroad. CIETAC is known as the "International Brand of Chinese arbitration and Chinese experience of International Arbitration". In 2023, CIETAC retained its position in the "Top Ten Arbitration Institutions in China" and "Top Ten Arbitration Institutions for Foreign-related Services", ranking at the first place. According to the International Arbitration Survey 2021, CIETAC was ranked among the world's five most preferred international arbitration institutions. In 2025, the CIETAC Arbitration Rules are selected to be among the top five most preferred sets of arbitration rules in the Survey.

Both caseload and amount in dispute have witness increase year by year

- **25,143** cases accepted in total from 2021 to 2025
- The amount in dispute exceed RMB 100 billion yuan for **eight consecutive years**, with the total amount of RMB **818,683 billion** yuan (2021-2025). Specifically, the figure in 2025 was RMB **228.6 billion** yuan.
- Cases with disputed amount over RMB 100 million yuan totaled 1,090, around 100 of which were cases with disputed amount over RMB 1 billion yuan. Specifically, in 2025, CIETAC accepted **277** cases with disputed amount over RMB100 million and **28** of which were cases with disputed amount over RMB 1 billion (a year-on-year increase of **33.3%**).

The Panel of Arbitrators: Professional & International

There are **1,881** arbitrators in CIETACs current Panel of Arbitrators. They are from **145** countries and regions, including **112** countries and regions that have signed the "Belt and Road" cooperation documents. The parties can agree to nominate arbitrators from outside CIETAC's Panel of Arbitrators.

The cases were more international in nature and the types of cases are more diverse

- The cases accepted by CIETAC involved parties from **170** countries and regions, covered all of the "Belt and Road" countries. Over the past decade since the launch of the Belt and Road Initiative, CIETAC has accepted **3,826** cases involving "Belt and Road" countries, with a total amount in dispute of RMB **217,937 billion** yuan.
- From 2021 to 2025, a total of **3,487** foreign-related cases were accepted by CIETAC. Among them, the number of international cases in which both parties were non-Chinese parties were **362**, and the amount in dispute thereof exceeded RMB **10 billion** yuan. In 2025 particularly, the number of international cases were **82**.
- Cases accepted in 2025 covered more than **70** subcategories across **12** major categories, including construction and engineering, sale of goods, finance, corporate and enterprise governance, service, leasing, agency, intellectual property, cultural and entertainment industries, real estate, environmental protection, and low-carbon sectors.

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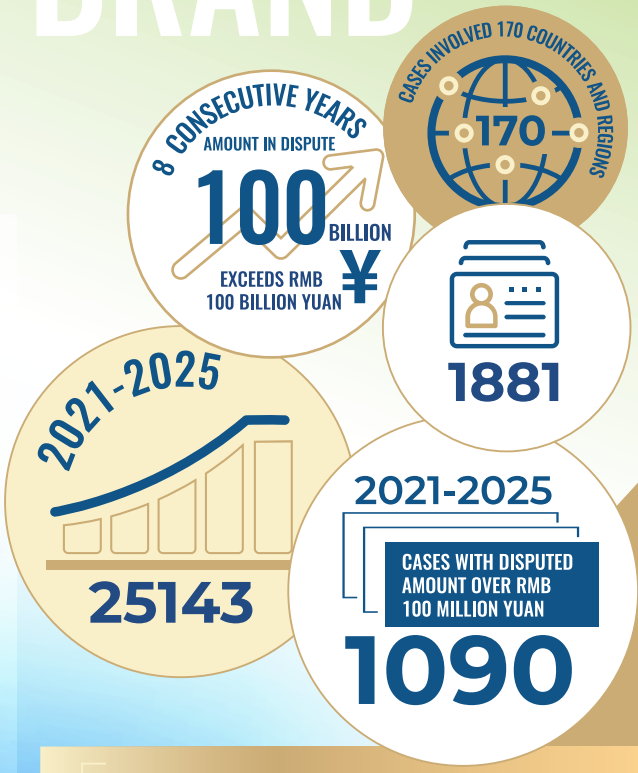
Website: www.cietac.org

WECHAT OFFICIAL ACCOUNT

The Arbitration Rules: keep up with the latest development and meet the needs of the parties

The 2024 CIETAC Arbitration Rules fully respect party autonomy, incorporate the latest achievements of international arbitration, innovate the arbitration system, continuously enhance the autonomy, flexibility, fairness, efficiency, convenience and transparency in arbitration, effectively satisfying the needs of the parties.

INTERNATIONAL BRAND OF CHINESE ARBITRATION



The Arbitral Awards: recognized and enforced worldwide

- The arbitral awards of CIETAC can be recognized and enforced in **over 170** countries and regions in accordance with the Convention on the Recognition and Enforcement of Foreign Arbitral Awards (New York Convention).
- In 2025, at least **16** arbitral awards were completely enforced in **10** countries, including the United States, the United Kingdom, Italy, Greece, Turkey, Indonesia, Uzbekistan, the Republic of Korea and Pakistan.

5 MOST PREFERRED INTERNATIONAL ARBITRATION INSTITUTIONS
5 MOST PREFERRED SETS OF ARBITRATION RULES

CIETAC

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April 2026

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Asian Legal Business

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From the editor

Built different

The conversation around artificial intelligence and the legal profession has, for too long, been framed as a zero-sum game, with junior lawyers cast as the inevitable losers. The fear is understandable. Tasks that once filled the early years of a legal career, from document review to due diligence to first-draft research memos, can increasingly be handled by AI tools with remarkable speed. Some partners have openly mused about hiring fewer first-years, and the anxiety circulating through law school campuses and training programmes deserves a serious response.

What it does not deserve is acceptance as fact, because the underlying logic does not hold up to scrutiny. Firms genuinely integrating AI into their workflows are finding that junior lawyers, freed from the most mechanical tasks of their early careers, are being pushed into substantive work far sooner than previous generations were. Associates are engaging with case strategy, client interaction, and meaningful negotiation earlier than they might previously have had the chance.

There is also a dimension to this shift that is only beginning to be appreciated. To extract real value from large language models, firms need lawyers who can work with these tools precisely and critically, and junior associates are extraordinarily well placed to develop that fluency. They are entering a profession being rebuilt around technology they have grown up alongside, and firms investing in that potential will build stronger, more adaptive teams.

Our Asia Employer of Choice rankings celebrate the firms getting the fundamentals of talent right, from mentorship and career development to culture and compensation. What the best of them share is a genuine commitment to growing their people at every level. Increasingly, that means recognising that how a firm approaches AI is itself a talent question, and that equipping junior lawyers to work alongside these tools gives them a compounding professional advantage that will define careers for years to come.

Ranajit Dam
Managing Editor, Asian Legal Business,
Thomson Reuters

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The Briefs

Your monthly need-to-know

Calm before the storm: How the Iran conflict is impacting legal work across Asia

About a month after the United States and Israel launched coordinated strikes against Iran on Feb. 28, under Operation Epic Fury, the reverberations are being felt far beyond the Middle East – and law firms across Asia are scrambling to keep pace.

The Strait of Hormuz, through which an estimated 84 percent of crude oil and condensate shipments were destined for Asian markets in 2024, has been under effective blockade since the Islamic Revolutionary Guard Corps declared the waterway closed on March 2. Tanker traffic has plunged by more than 90 percent, according to MarineTraffic data. Brent crude surpassed $100 per barrel on March 8 for the first time in four years, peaking at $126. The International Energy Agency has called it "the greatest global energy security threat in history."

For Asia, the exposure is acute. China, India, Japan and South Korea alone account for 75 percent of the region's oil exports and 59 percent of its LNG exports. South Korea has established an emergency economic task force, while the Philippines has declared a national emergency over energy supply.

Against this backdrop, lawyers at international firms in Hong Kong and Singapore say the legal environment is split: Advisory work on energy, sanctions and disputes is booming, but dealmaking has gone quiet.

Tom Kollar, managing partner of Mayer Brown Hong Kong, says his firm is seeing "a significant uptick in work across our Energy practice, where we are actively advising clients on the impact of the conflict on both their existing operations and future business plans." The legal issues span "supply chain disruptions, contractual considerations, sanctions compliance and regulatory risk."

This is no surprise, given the scale of the disruption. Gulf countries, including Qatar, Bahrain, and Kuwait, have declared

"The prevailing mood among our clients has largely been one of caution. Many have taken a wait-and-see approach to significant business decisions, preferring to hold off on major commitments until there is greater clarity on the trajectory of the conflict." — **Thomas Kollar, Mayer Brown**

force majeure on gas exports, with QatarEnergy among the first to halt production on 2 March. Kuwait Petroleum Corporation and Bahrain's Bapco Energies followed days later. Iraq has also declared force majeure on oilfields operated by foreign companies after export operations were effectively brought to a standstill.

Hallam Chow, international partner at Haiwen & Partners, echoes the trend, noting that "sanction, trade and maritime issues would be of immediate concern," but adds that the "energy and infrastructure sectors would have long-term needs given the interruption and disruption caused by the current conflict."

Nowhere is the legal complexity more visible than in the energy trading chain. "The Strait of Hormuz disruption began as a shipping issue but is now rapidly becoming a serious threat to Asian crude and petrochemical refineries," says Baldev Bhinder, managing director of Singapore-based Blackstone & Gold, whose firm acts extensively for oil traders. "While force majeure notices fly up and down the chain, this remains the calm before the storm."

Several companies have already declared force majeure on shipments, but whether such declarations hold up requires a rigorous case-by-case evaluation. "Force majeure is not a universal solution – it is specific to each individual contract, which may vary across the trading chain. Its success depends heavily on causation and mitigation," explains Bhinder.

The critical point, he argues, is that many parties are underestimating their duty to mitigate. For Asian refineries optimised for Middle Eastern crude slates, switching to alternative grades is technically possible but commercially painful.

"I don't think parties appreciate the need to demonstrate mitigation rather than just passing up and down force majeure notices," Bhinder says. "Where I see potential arbitration claims would be in respect of mitigation." Once participants are forced to buy expensive substitute cargoes, he warns, "the financial pain will cascade down the chain, and I would expect arbitration claims to arise."

While disputes and advisory work accelerate, the transactional picture is more muted. Kollar notes that his finance and debt capital markets teams "have seen clients adopt a wait-and-see approach as they navigate ongoing market volatility." A similar dynamic is playing out in M&A, where "deal pacing has shifted to 'slow go' in many cases as parties take stock of the evolving geopolitical landscape," he says.

The Federal Reserve Bank of Dallas estimated on March 20 that a one-quarter closure of the strait could lower global GDP growth by an annualised 2.9 percentage points in the second quarter, and by 1.3 percentage points if the disruption persists for three quarters. Such macroeconomic uncertainty naturally depresses appetite for large-scale commitments.

Yet the market is not uniformly frozen. Simon Green, head of Asia at Charles Russell Speechlys, reports a "very busy Q1 2026 for Hong Kong with enquiries from Chinese clients looking to list on the HKEX," alongside "merger and restructuring activity picking up."

Most notably, Green highlights a sharp increase in enquiries from clients "looking to set up family offices in Hong Kong and Singapore in addition to the ones they might already have in the Middle East." These clients see both jurisdictions as "stable economies, providing a door into China and Southeast Asia for future opportunities, and offering attractive tax incentives."

"It's not all doom and gloom," Green says. "Economic turmoil and geopolitical instability create immediate operational challenges, which clients have had contingency plans for. But they also create business opportunities."

Despite pockets of activity, the overwhelming sentiment is one of restraint. "The prevailing mood among our clients has largely been one of caution," Kollar says. "Many have taken a wait-and-see approach to significant business decisions, preferring to hold off on major commitments until there is greater clarity on the trajectory of the conflict."

"Everyone is super cautious," says Bhinder. While the oil industry is relationship-driven and traders are reluctant to litigate, "if losses are big enough, they would have little choice but to do so."

Chow strikes a more hopeful note, observing that despite the disruption, "we have not seen any material impact on the day-to-day business which remains strong and resilient." He adds: "Given the significance of the Middle East in the global economy and world trade, I believe that normalcy and prosperity would again return to the region very soon."

As of March 27, Trump has announced a further 10-day pause on strikes against Iranian energy sites. But with the Strait of Hormuz remaining effectively closed, analysts suggest Iran retains considerable leverage over any resolution. Whether diplomacy prevails or the conflict deepens, lawyers across the region are bracing for the next phase. "Right now, we are in the calm, right before the storm," says Bhinder. ●

FORUM

Earning the real edge

With the AI hype steadying, law firms in Asia are asking a sharper question: Where does it actually create an edge, and where does it just keep you in the game? The answer, they say, has less to do with the technology than with how deeply it shapes lawyer judgment, client outcomes, and the way firms work.

Many firms are investing heavily in GenAI with the expectation that it will deliver more value per hour and justify higher rates. How will you measure whether your AI investments are actually creating competitive advantage?

Rohit Shukla
chief digital officer, Khaitan & Co

At Khaitan & Co, we don't look at generative AI as a separate initiative, it's part of our broader digital transformation journey. Our lawyers work with a curated set of tools and closely with our Digital & Innovation team, so adoption stays grounded in real workflows and day-to-day practice.

When we think about impact, we're carefully separating efficiency from true differentiation. Faster drafting or quicker research is useful, but that is increasingly becoming standard across firms.

What matters more to us is where AI starts to create a real edge, more consistent, high-quality output across matters, better use of our internal knowledge and precedents, and freeing up lawyer time for more strategic, client-facing work. We also look at how this translates into client experience, are we more responsive, more predictable, and better able to handle complex work at scale?

Given where the technology is today, we're not chasing short-term metrics or rate justification. The focus is on building a strong foundation and embedding AI into how we deliver legal services and work on practice transformation.

Joonki Yi
managing partner, Bae, Kim & Lee

BKL does not rely on generative AI as a substitute for legal judgment or decision-making. Instead, we are cautiously exploring its limited use in supporting tasks.

While internal productivity gains – such as faster turnaround times and reduced workload – are meaningful, we believe these benefits are likely to be quickly commoditized and therefore insufficient, on their own, as a basis for competitive advantage.

Accordingly, BKL evaluates AI's impact based on whether it improves success in client pitches and mandates; enhances profitability under fixed or capped fee arrangements; and enables lawyers to focus on higher-value work, thereby increasing share of wallet among key clients.

We consider AI to provide a true competitive advantage only where such effects are consistently observed and demonstrably influence client selection and engagement outcomes. Ultimately, AI itself is not the differentiator; rather, what matters is whether it enhances client outcomes and leads to measurable gains in mandates, profitability, and client share.

Manolito A. Manalo
managing partner, Ocampo, Manalo, Valdez & Lim Law Firm

Last year, I came across a survey report examining the attitudes of U.S. law firms and their clients regarding AI technology.

The findings indicated that smaller firms are more willing than their larger counterparts to implement AI not only for routine administrative tasks but also for complex legal activities such as research, case strategy, and contract review.

For firms our size, the AI technology offered us a competitive edge that did not exist until recently, making its adoption a logical and strategic choice.

Interestingly, the report also highlighted that clients exhibited a greater enthusiasm for AI in the legal sector, with approximately 40 percent of respondents believing that AI-enhanced law firms could deliver both superior and more affordable services due to increased efficiency and smarter use of resources.

I view this as a strong vote of confidence toward AI adoption. The message from clients is clear: they welcome this shift and see real value in it. While our firm is just at the beginning of its AI journey, we believe that we are on the right path, thanks to Thomson Reuters.

APPOINTMENTS

Katie Chung
Leaving: Norton Rose Fulbright
Going to: Baker Botts
Practice: International Arbitration
Location: Singapore
Position: Partner

U.S. law firm Baker Botts has hired international arbitration partner Katie Chung in Singapore from Norton Rose Fulbright, as it looks to build out a premier disputes practice across key global hubs.

Chung, who spent nearly 16 years at Norton Rose Fulbright in roles spanning associate to partner, joins Baker Botts' litigation department as part of a broader strategy to anchor its international arbitration capabilities in London, New York, Washington D.C., Houston, Dubai and Singapore.

She brings close to 20 years of experience advising clients in high-stakes, Asia-related international arbitrations under all major arbitration rules, with a focus on complex, high-value disputes in energy, aviation, financial services, infrastructure, technology and telecoms. In addition to her counsel work, Chung regularly sits as an arbitrator in ICC, SIAC and HKIAC arbitrations seated in Singapore and Hong Kong.

"Katie adds meaningful depth to our international disputes platform and strengthens our ability to serve clients across Asia. This is a deliberate step in the continued expansion of our global capabilities, and building our on-the-ground arbitration presence is both timely and strategic," said Danny David, managing partner of Baker Botts, in a statement.

Baker Botts launched its Singapore office in 2022 and now has six partners in the city-state.

Ricky Chow
Leaving: HKEX
Going to: Kirkland & Ellis
Practice: Capital Markets
Location: Hong Kong
Position: Partner

Paul Coggins
Leaving: Norton Rose Fulbright
Going to: Watson Farley & Williams
Practice: Maritime
Location: Tokyo
Position: Partner

Sumarsono "Jacky" Darsono
Leaving: RPC
Going to: HFW
Practice: Dispute Resolution
Location: Hong Kong
Position: Partner

Nidya Kalangie
Leaving: SKC Law Firm
Going to: HHP Law Firm
Practice: IP
Location: Jakarta
Position: Partner

William Lee
Leaving: Walkers
Going to: Harneys
Practice: Banking, Corporate
Location: Hong Kong
Position: Partner

Michele Kythe Lim
Leaving: Institute of Corporate Directors Malaysia
Going to: RDS Partnership
Practice: Corporate Governance
Location: Malaysia
Position: Partner

Joanne Loi
Leaving: Commerce & Finance Law Offices
Going to: Han Kun Law Offices
Practice: Capital Markets
Location: Hong Kong
Position: Partner

Echo Shen
Leaving: Haiwen & Partners
Going to: Jia Yuan Law Offices
Practice: Capital Markets
Location: Hong Kong
Position: Partner

Chris Studebaker
Leaving: IBM Japan
Going to: Simmons & Simmons
Practice: Dispute Resolution
Location: Tokyo
Position: Partner

Frankie Tam
Leaving: Eversheds Sutherland
Going to: Baker McKenzie
Practice: Data & Technology
Location: Hong Kong
Position: Partner

Arijit Tiwari
Leaving: Simmons & Simmons
Going to: Ashurst
Practice: Loans & Markets
Location: Singapore
Position: Partner

Janice Wong Heu Fun
Leaving: Jayasuriya Kah & Co
Going to: Zul Rafique & Partners
Practice: Employment
Location: Malaysia
Position: Partner

APAC grapples with disputes funding shortfall as risks surge

Across the Asia-Pacific region, the cost of staying ahead of legal risk is rising. And for many multinationals, the money simply is not there to meet it. That funding gap, quietly widening against a backdrop of geopolitical turbulence, regulatory sprawl and technological disruption, is fast becoming one of the most consequential vulnerabilities facing businesses in the region.

The warning comes from Baker McKenzie's annual Global Disputes Forecast, which polled 600 senior decision-makers from multinationals across sectors including industrials, consumer goods, retail, life sciences and technology in the Asia-Pacific region. About 200 of those respondents were from Singapore and Hong Kong.

Nearly half of Asia-Pacific organisations say their disputes budget for 2026 is not enough, even as the range and frequency of legal threats continues to expand.

"Rising litigation frequency and diversified disputes categories, such as cybersecurity, tax, ESG, sanctions, and operational disruptions can stretch limited internal resources even further," notes Nandakumar (Kumar) Ponniya, who heads the dispute resolution practice of Baker McKenzie in Asia Pacific.

Under-funding, he cautions, often forces companies into premature settlements, incomplete investigations, or the inability to engage specialised counsel early.

"This combination of escalating risk and constrained budgets ultimately undermines dispute outcomes by weakening evidence collection, slowing response times and reducing negotiation leverage," says Ponniya.

What makes the funding gap noteworthy is the sheer scale and complexity of the risks it leaves unaddressed. According to the survey, 87 percent of Asia-Pacific companies expect to face cross-border or multi-agency investigations in 2026, outpacing the global average of 82 percent.

And regulators no longer act alone. Tariffs, sanctions regimes and export controls have multiplied, and enforcement agencies across jurisdictions are increasingly coordinating their actions. For multinationals, a single business decision can now trigger simultaneous scrutiny from multiple agencies in multiple countries.

"Many of our survey respondents this year point to geopolitical developments, including tariffs, sanctions, export controls and evolving trade arrangements as major drivers of disputes exposure," says Ponniya.

Compounding the challenge, the spread of data localisation requirements and digital sovereignty legislation is layering additional regulatory complexity, pushing enforcement bodies in different jurisdictions to work more closely together than ever before.

The drivers of exposure are not always obvious ones, either. Ponniya points out that a rise in whistleblower activity across the region is increasingly setting off coordinated investigations that span multiple borders.

"These dynamics can add pressure on multinational organisations to manage simultaneous investigations across borders, heightening risks for those that lack robust cross-border coordination and data preservation capabilities," he adds.

For organisations caught between rising exposure and constrained budgets, alternative dispute financing is emerging as a critical pressure valve. Third-party funding, once a niche instrument, is becoming a mainstream tool.

Ponniya notes that in several jurisdictions like Australia, Hong Kong and Singapore, third-party funding is now permitted in international arbitration, offering clear regulatory frameworks that have encouraged corporate uptake.

Beyond that, contingency and conditional fee arrangements also offer viable alternatives across various jurisdictions. And in markets where dispute financing is more mature - Australia being a prime example - insurance-based solutions such as after-the-event (ATE) insurance are also seeing increased uptake.

Yet even as financing options expand, the underlying risk environment keeps generating new categories of exposure that budgets must somehow absorb.

Supply chains remain a major flashpoint. From the pandemic to geopolitical realignments, years of disruption have left global supply networks exposed and prone to litigation. "This volatility contributes to an increase in contractual disputes, force majeure claims and liability disagreements," says Ponniya.

Then there is artificial intelligence. As businesses across the region accelerate AI adoption, they are opening new legal frontiers that existing frameworks are ill-equipped to handle, furthering straining that already-stretched legal budgets.

"Rapid adoption of AI in business is giving rise to new areas of contention that intersect with employment rights, algorithmic decision making and data protection considerations," says Ponniya. "In some cases, a single incident can trigger several of these issues at once, requiring organisations to address regulatory, contractual and operational challenges concurrently."

Faced with this reality, the old model of reactive, siloed legal management is unaffordable. Organisations that wait for disputes to arrive will likely find themselves both operationally and financially overwhelmed.

THE Q&A

Vishal Bali, Thomson Reuters

Thomson Reuters crossed a notable milestone in February: One million professionals have chosen CoCounsel, its professional-grade AI, signalling that the industry has moved well beyond experimentation. **Vishal Bali**, Managing Director of Asia and Emerging Markets at Thomson Reuters, says that the bar for adoption is high — the technology must be fiduciary-grade, locally intelligent, and trusted enough to stake a career on.

ALB: One million professionals is a striking number. What does that milestone tell you about where the legal profession in Asia-Pacific sits right now in its relationship with AI?

Bali: One million professionals represents a fundamental shift in how the legal profession approaches AI. We're seeing professionals move beyond the experimentation phase to demanding solutions that deliver real business value. In Asia-Pacific particularly, legal professionals are sophisticated adopters who understand that not all AI is created equal. They need AI that's purpose-built for their profession, that understands their regulatory frameworks and risk tolerance, and that can be trusted with their high-stakes work. This milestone validates our approach of building fiduciary-grade AI specifically for regulated industries.

ALB: Lawyers have always been held to an exceptionally high standard of accuracy and accountability. How does CoCounsel speak to those professional obligations in a way that general-purpose AI can't?

Bali: Legal professionals operate in an environment with zero-tolerance for errors, where speed cannot compromise quality or compliance. In this industry, the AI race isn't about who builds the fastest technology. It's about who professionals can trust to stake their careers – and clients' data – on.

General-purpose AI can generate plausible answers, but it can't meet the exacting standards and scrutiny that lawyers face every day. With over 150 years of understanding the accuracy and accountability legal professionals need, Thomson Reuters CoCounsel is built for the moments when being almost right is not good enough. Grounded in the gold standard of authoritative legal content – Westlaw and Practical Law, validated by thousands of domain experts, and secure by design.

ALB: For many lawyers — whether at a large firm or as part of an in-house team — handing sensitive client and matter data to an AI system is a significant leap of trust. How should legal professionals be thinking about data governance and information security when evaluating AI tools, and what should they be demanding from their technology partners?

Bali: In high-stakes professions, almost right is not good enough. Professionals need fiduciary-grade AI tools that improve their ability to withstand scrutiny in courtrooms and with regulators – not hinder it. When evaluating AI tools, legal professionals should consider two non-negotiables: data security boundaries by design (safe and secure systems that ensure customer data is not repurposed to train AI models) and AI grounded in authoritative content with clear citations, not just impressive outputs.

Data security isn't just a feature for us — it's fundamental to how we've built CoCounsel. Legal professionals are entrusting us with their most sensitive client information, and that's a responsibility we take incredibly seriously. Our fiduciary-grade AI is backed by a clear commitment that customer data remains theirs. This means Thomson Reuters does not repurpose customer inputs to train third-party models or generate outputs for other users.

The question isn't whether to adopt AI, but whether you're implementing it in a trusted, confident, and deliberate manner that upholds professional standards. ●

"Data security isn't just a feature for us — it's fundamental to how we've built CoCounsel. Legal professionals are entrusting us with their most sensitive client information, and that's a responsibility we take incredibly seriously. Our fiduciary-grade AI is backed by a clear commitment that customer data remains theirs."

Japan braces for M&A surge as Takaichi scores strong mandate

Japan's snap election on Feb. 8 delivered a seismic political result - and, for dealmakers, a powerful signal.

Prime Minister Sanae Takaichi's Liberal Democratic Party won 316 of the 465 seats in the powerful lower house, well above the 233 needed for a majority.

The election results "have set the stage for a significant shift in the nation's investment and M&A landscape, allowing the administration to pursue its economic agenda with renewed confidence and speed," says Tomoko Nakajima, head of Japan M&A at Magic Circle firm Freshfields.

Crucially, the two-thirds supermajority in the lower house will allow Takaichi's party to override votes in the upper house of parliament. For Nakajima, that legislative freedom translates directly into deal momentum.

"From a Japanese M&A practitioner's perspective, the implications are clear: a period of heightened deal activity, driven by political stability, fiscal expansion, and sector-specific initiatives," she notes.

Nakajima also points to a record full year budget of 122 trillion yen ($795 billion) for 2026 as evidence that policy signals are becoming tangible.

The backdrop to this political shift is a deal market already firing on all cylinders. According to Nikkei Asia, M&A involving Japanese companies surged to an all-time high in 2025, with LSEG data putting total deal value at 46.9 trillion yen, up 97 percent year-on-year. Investment bankers argue that the market still has significant room to grow, citing lower deal activity relative to GDP.

Specifically, inbound M&A reached a record $218 billion in 2025, a trend Nakajima anticipates continuing.

"Foreign investors are drawn to Japan's improving corporate governance, attractive valuations, and predictable regulatory environment," says Nakajima. "Private equity firms find opportunities in take-private transactions and carve-outs as corporates streamline operations and improve capital efficiency."

Nakajima sees corporate governance reform as a central pillar of deal activity. "Government reforms, including Tokyo Stock Exchange rules targeting low price-to-book ratios, prompt many listed companies to reassess portfolios. This creates a pipeline of assets for domestic and international buyers. We see growing willingness among Japanese boards to engage in strategic M&A for transformation, not just defence."

That shift in boardroom mentality is widely observed across the industry. According to Nikkei Asia, Japanese corporate managers who once waited passively for investment bankers to approach them have become markedly more proactive. Shareholder activism has added further pressure.

Plus, Japan's aging and declining population is driving a need for consolidation across sectors such as retail and insurance, while overcrowded industries like automobiles are long overdue for rationalization.

In the defence sector, the government has committed to increasing spending to 2 percent of GDP by end of 2027, aligning with NATO standards. "Japan's relaxation of arms export restrictions, underscored by the first-ever export of Patriot (PAC 3) missiles to the U.S. as revealed in November 2025, signals a strategic pivot unlocking new M&A opportunities in a historically closed sector," says Nakajima.

M&A aimed at acquiring AI technologies is also on the rise, as seen in SoftBank Group's acquisitions of AI chip maker Ampere Computing and ABB's robot business last year.

Nakajima flags AI, semiconductors, and advanced manufacturing as priority sectors under the new budget. Green energy, too, is generating strategic opportunities.

On the outbound side, after decades of caution, Japanese corporations are once again asserting themselves on the global M&A stage.

Nakajima notes that Japanese companies announced over $113 billion in overseas acquisitions in 2025 alone – nearly double the prior year. According to Nikkei Asia, AI capability acquisition has emerged as a key driver to Japan's outbound acquisitions.

Concerns have risen over the yen's weakness, but so far it has not proved a decisive barrier: while it makes overseas assets more expensive, it also inflates the future stream of dollar-based revenues for Japanese acquirers.

All in all, the sweeping election victory gives Takaichi a clear mandate to press ahead with ambitious spending and investment plans, likely ushering in a period of stable governance after a succession of short-lived administrations.

For Nakajima, that stability is the essential precondition for everything else.

"Challenges persist: currency volatility, global macroeconomic uncertainty, and fiscal management," she acknowledges. "Yet, from my perspective, Japan is entering a new phase of economic assertiveness, with M&A central to its story." ●

DEALS

$8 bln
Vietnam Airlines' acquisition of 50 Boeing 737-8 aircraft
Deal type: Aviation Finance
Firm: K&L Gates
Jurisdictions: U.S., Vietnam

$3.2 bln
Arise Digital Technology's acquisition of stake in True Corporation from Telenor Thailand Investments
Deal type: M&A
Firms: A&O Shearman, Baker McKenzie Thailand, Baker McKenzie Wong & Leow, Linklaters
Jurisdictions: Norway, Thailand

$1.78 bln
Consortium's acquisition of Royal Challengers Bengaluru from United Spirits
Deal type: M&A
Firms: AZB & Partners, Khaitan & Co, Touchstone Partners
Jurisdiction: India

$854 mln
CJ CheilJedang Corporation's sale of global feed and livestock business to Royal De Heus
Deal type: M&A
Firms: Baker McKenzie, DFDL, Eversheds Sutherland, Lee & Ko, Sok Siphana Sethalay, VILAF
Jurisdictions: Netherlands, South Korea

$760 mln
L&T Power's divestment of Nabha to Torrent Power
Deal type: M&A
Firms: Khaitan & Co, Saraf and Partners
Jurisdiction: India

$764 mln
UI Boustead REIT's Singapore IPO
Deal type: IPO
Firms: Allen & Gledhill, Christopher & Lee Ong, Dentons Rodyk & Davidson, Linklaters, Mori Hamada, Rajah & Tann
Jurisdictions: Japan, Singapore

Allen & Gledhill and Mori Hamada & Matsumoto have advised UIB REIT Management, manager of Singaporean industrial and logistics real estate investment trust UI Boustead REIT, on its S$973.6 million ($764 million) initial public offering on the SGX.

Rajah & Tann and Linklaters advised the bookrunners, while Dentons Rodyk & Davidson advised the REIT trustee.

The listing is the first mainboard and REIT IPO on the Singapore Exchange this year, Singapore's largest listing year to date, and the biggest REIT IPO since NTT DC REIT's $773 million offering in July 2025, according to Reuters.

The REIT's portfolio comprises 23 logistics and industrial assets, 21 in Singapore and two in Japan, Reuters added.

Allen & Gledhill's team comprised managing partner Jerry Koh and partner Long Pee Hua, while Mori Hamada's team was led by partner Masahito Saeki, with support from counsel Masayuki Aoyama and senior associates Ryo Onaka, Max Yuki Tominaga, and Hiroto Kimura.

Rajah & Tann's team comprised partners Raymond Tong, Jasselyn Seet, Norman Ho and Gazalle Mok, along with partner Justin Chua from Christopher & Lee Ong, the Malaysian member firm of Rajah & Tann.

Linklaters' team was led by partner and head of South and Southeast Asia capital markets Amit Singh, with support from counsel Joseph Wolpin. ●

$732 mln
Sunway Healthcare's IPO on Bursa Malaysia
Deal type: IPO
Firms: Baker McKenzie, Christopher & Lee Ong, Latham & Watkins, Mah-Kamariyah & Philip Koh
Jurisdiction: Malaysia

$423 mln
Delton Technology's Hong Kong IPO
Deal type: IPO
Firms: AllBright Law Offices, Jia Yuan Law Offices, Paul Hastings, Sullivan & Cromwell
Jurisdictions: China, Hong Kong

$326 mln
JSW Energy's fundraise
Deal type: ECM
Firm: Shardul Amarchand Mangaldas & Co
Jurisdiction: India

$310 mln
KKR's investment in PMI Electro Mobility Solutions
Deal type: M&A
Firms: AZB & Partners, Trilegal
Jurisdiction: India

Contract design is king in ASEAN energy deals

The ASEAN Power Grid project involves an estimated $250 billion in capex, and annual clean energy financing across the region must rise fivefold — reaching $190 billion by 2035 — to support transmission, interconnection and systems infrastructure. The scale of ambition is matched only by the complexity of the risks.

For foreign investors eyeing energy and port projects across Southeast Asia, the question is not simply whether to invest, but how to structure deals that can survive the region's well-documented political volatility and regulatory unpredictability.

Clear regulatory frameworks and consistent policies from ASEAN member states remain elusive, and political and financial risk leaves many private sector investors unwilling to contribute. Yet according to Ton van den Bosch, head of Projects, Energy and Infrastructure (PEI) transactions at Singapore-based law firm Drew & Napier, the challenge is less about the existence of risk and more about who bears it.

"Emerging markets are frequently described as 'high risk,'" van den Bosch says. "Many of these risks are well known and the issue often lies in how they are allocated. What differentiates successful projects is not the absence of risks, but whether they are consciously priced, mitigated and allocated to the parties best placed to manage them."

Investors often debate whether to manage risk through contractual design or political risk insurance (PRI). Van den Bosch is clear on which comes first. "Contracts remain the primary tool for allocating risks to the parties best placed to manage them," he says, pointing to tools such as offshore collection accounts, escrow arrangements, cash waterfalls, termination and step-in rights, and clearly defined compensation frameworks.

These mechanisms, he explains, not only secure predictable cash flows for the sponsor but are essential for lenders

in project finance. PRI, he adds, "complements this by covering residual sovereign or political risks and is most effective when layered onto a robust contractual framework."

The distinction between political and contractual risk is not always obvious to clients, but van den Bosch is precise about where the line falls. "Political risks arise from government action or policy changes that affect project viability — including expropriation, unfair or discriminatory treatment, currency inconvertibility, regulatory reversals, arbitrary tax changes or interference with operations." Contractual risk, by contrast, covers the more familiar terrain of counterparty performance, construction delays and operational disruptions.

Where political risk is a genuine concern, van den Bosch points to bilateral investment treaties (BITs) as an underused but powerful tool. A BIT, he explains, is an international agreement between two countries that sets out protections for investors from one country investing in the other, and crucially provides "access to international arbitration, offering a neutral forum to resolve disputes that may arise if host governments act in a way that undermines the investment." He notes that the track record of government compliance with BIT awards is generally good, and that awards can in principle be enforced in any of the 172 countries that are signatories to the New York Convention — though he cautions that "obtaining an award can take time and enforcement may be complicated by difficulties in locating assets or by sovereign immunity."

On the question of governing law, van den Bosch says English law remains the dominant choice for cross-border projects in the region, though Singapore law is gaining ground in specific contexts such as offshore wind in Taiwan. But choice of law is only part of the story. "The ability to actually enforce rights depends on factors such as the arbitration seat, local courts, the local recognition of awards, the possibility to attach and liquidate assets and the local doctrine on sovereign immunity." His recommended approach is a hybrid: combining English, New York or Singapore law for lender confidence with local law provisions for operational needs, offering "the best balance of predictability and enforceability."

The consequences of getting risk allocation wrong are not theoretical. Van den Bosch points to a recent greenfield project where poor collection and enforcement risk management led to cash flow disruptions and operational instability — specifically because payment clauses assumed prompt settlement from state-owned offtakers that were slow to pay. The fix, he says, lies in practical mechanisms: robust take-or-pay offtake agreements, letters of credit or escrow accounts, and where possible, multilateral guarantees from institutions such as the International Finance Corporation (IFC) or regional development banks.

The lesson, he argues, applies across the region. "Success depends on realistic, practical and enforceable mechanisms to secure cash flows and manage timing of collections, rather than relying on optimistic assumptions or complex documentation."

For investors willing to do that work, the rewards are real. "Emerging markets in Southeast Asia can deliver significant returns that are hard to achieve in more mature markets, making them an attractive alternative for investors willing to balance risk and reward," says van den Bosch.

EXPLAINER

Can Sri Lanka's Companies Act amendments finally bring corporate transparency?

For years, the question of who truly owns a company in the island nation of Sri Lanka has not always had a straightforward answer. Shares held through nominees, instruments that passed hands without a trace, and ownership structures designed more for obscurity than efficiency have long been features of the corporate landscape.

The Companies (Amendment) Bill, 2025, presented to the Sri Lankan parliament on June 5 last year, is designed to change that. Through a comprehensive amendment to the Companies Act, No. 07 of 2007, which has governed the country's corporate sector for nearly two decades, the bill takes direct aim at opacity in corporate ownership and sets a new standard for transparency and accountability.

1 Why was the bill introduced?

To understand the bill, some background is necessary. Sri Lanka has, in recent years, been vulnerable to money laundering and terrorist financing risks.

"Deficiencies in customer due diligence, inter-agency coordination, and enforcement led to the country being placed on the (Financial Action Task Force) Grey List on two occasions," explains Savantha De Saram, managing partner of Sri Lankan law firm DL & F De Saram.

And with an AML/CFT Mutual Evaluation by the Asia/Pacific Group scheduled for March 2026, the pressure to sustain and deepen these reforms has become urgent.

It is against this backdrop, De Saram explains, that the Companies (Amendment) Act formed part of a broader effort to close regulatory gaps, strengthen institutional controls, and align Sri Lanka with international AML/CFT standards.

Under the bill, for the first time, businesses operating in Sri Lanka will be compelled to disclose their beneficial owners - the people who ultimately control or benefit from a company, even if their names do not appear on any official records.

This directly meets an IMF structural benchmark and aims to make Sri Lanka's framework consistent with FATF standards, the international guidelines for combating money laundering, terrorist financing, and proliferation financing, notes De Saram.

2 What does the bill actually change?

The bill introduces concrete changes across several areas of corporate law. First of all, an ultimate beneficial ownership (UBO) regime will be in place for the first time in Sri Lanka.

"Companies and service providers who provide company secretarial services (including lawyers), will be required to obtain, maintain, and update a register of beneficial owners, identifying natural persons who ultimately own or control 10 per cent or more of the company, directly or indirectly, or who otherwise exercise effective control," notes De Saram.

Additionally, ownership and control must be traced through offshore structures and nominee arrangements to the ultimate natural person. And companies must also appoint a designated UBO officer.

"Non-compliance attracts serious criminal penalties, with liability extending to UBO officers and service providers, including lawyers, who are in default," says De Saram.

"Lawyers providing company secretarial services or acting as UBO officers are therefore directly exposed if these obligations are not met," he adds, pointing out that non-compliance carries fines of up to 1 million Sri Lankan rupees ($3,175) and/or 10 years imprisonment.

3 What does this mean for businesses and lawyers in Sri Lanka?

Lawyers believe that the amendments do not just change the law, but they demand a fundamental shift in how the legal profession operates.

"The amendments represent a significant cultural shift for the legal profession," says De Saram. "Historically, Sri Lankan corporate practice did not require this level of upfront verification, ongoing monitoring, or personal exposure for lawyers. That position will now change."

For lawyers, the day-to-day implications are significant. Beneficial ownership, AML/CFT, and customer due diligence requirements can no longer be treated as peripheral or administrative matters.

As De Saram puts it, lawyers will increasingly be "called to account" where a client is taken on or a transaction is completed without satisfying statutory disclosure, verification, and reporting requirements.

Meanwhile, clients will present their own challenges. "Clients may view transparency as intrusive," says De Saram. "Clients are likely to push back on the cost and administrative burden of complying with these obligations including appointing an UBO officer. Enhanced Customer Due diligence imposed in the case of certain transactions may also be a concern to clients."

Yet despite these challenges, the broader picture is a positive one. "The amendments strengthen Sri Lanka's position as a rules-based jurisdiction aligned with global AML/CFT expectations, enhancing credibility with foreign investors, correspondent banks, and multilateral institutions," says De Saram.

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ALB SE ASIA IN-HOUSE LEGAL SUMMIT 2026

20 MAY – HILTON SINGAPORE ORCHARD

OVERVIEW

ALB SE Asia In-House Legal Summit is back happening this **20 May 2026** at **Hilton Singapore Orchard**! Join leading legal, compliance, and risk professionals for a high-impact, one-day program exploring emerging trends and key industry developments. Beyond the sessions, connect with the top legal experts in the region and senior in-house leaders through dedicated networking breaks and conversations designed to help you build relationships, exchange practical ideas, and stay ahead of what's next. Walk away with actionable takeaways to help you plan—and lead—with confidence in the year ahead.

Photos from live event that took place in Singapore on 22nd May 2025 at the Shangri-La Hotel, Singapore

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Digital playbook

As Asian governments introduce clearer rules around digital currencies and new payment systems, fintech legal leaders are building flexible frameworks to keep pace, all while making sure they stay on the right side of very different laws in each country. Those who prepare early, engage regulators openly, and use tools like AI thoughtfully will be best positioned to thrive. **By Sarah Wong**

ALB: As Asian markets increasingly adopt open banking and embedded finance frameworks, how is your organization adapting its legal infrastructure to enable new partnership models and data-sharing arrangements while maintaining regulatory compliance?

Viki Thillainadesan, general counsel & director, Xendit: We've treated open banking and embedded finance as a shift from "contracting with a customer" to "building an ecosystem". Practically, that means a more modular and expansive legal stack: (i) standardised templates (so we're not reinventing the wheel each time), (ii) a clear governance model for data sharing with the right agreements and controls in place (roles and responsibilities, purpose limitation, consent/notice, retention, third parties), and (iii) upfront diligence and onboarding requirements that set expectations early.

On the compliance side, we start by looking at each market individually, "who is regulated for what" and then structure the partnership and operating model accordingly. That typically includes staying within licensing scope, being clear on permitted activities, documenting accountability across parties, and ensuring the right operational safeguards sit behind the arrangement (e.g., security standards, incident handling, audit/cooperation, and change management). The ultimate goal is to enable new models at speed without creating ambiguity around risk ownership.

Gabriel Li, SVP legal, Kredivo Group: Southeast Asia is not a single market. It is a collection of distinct legal systems at different stages of regulatory maturity, and that reality has to be reflected in how legal infrastructure is designed from the outset. In conversations with regional counsel, a recurring theme that emerges is the challenge of harmonising legal infrastructure across the region.

Two broad approaches are common. Some organisations align systems to the most stringent jurisdiction as a baseline. While this offers regulatory comfort, it can limit flexibility in markets where frameworks are still developing. Others favour a modular structure: a clear core governance standard supported by adaptable local compliance layers. This supports consistent management of data use and accountability, without embedding one jurisdiction's expectations into every market.

The common thread is that uniformity is less important than architectural interoperability. The challenge lies in designing guardrails that are consistent yet flexible enough to reflect differences in regulatory maturity across the region.

Chloe Sung, general counsel, ZA Bank: Open banking and embedded finance frameworks are the inevitable future of financial services in digital finance/Smart Banking era, while the maturity level varies across Asian jurisdictions.

From a legal perspective, our legal infrastructure focuses on three key areas. First, partnership governance underpins many of our business models that rely on fintech collaborations. These partnerships are structured to address API access and integration, data-sharing arrangements, liability and risk allocation among business partners, and consumer protection obligations. They also account for regulatory expectations placed on respective partners, including outsourcing requirements, third-party risk management, and operational resilience. Second, for open banking specifically, our data protection framework ensures that customer-consented data

sharing is conducted in compliance with local data protection laws, with contractual restrictions in place governing how business partners may process and onward-share that data.

Third, when engaging business partners and service providers, we maintain continued compliance with legal and regulatory requirements through a structured approach to third-party risk and regulatory oversight. This includes conducting thorough due diligence, preserving audit rights and enabling regulatory monitoring, and establishing clear procedures for regulatory reporting, incident escalation, and incident management.

Overall, the key challenge we face is balancing innovation with legal and regulatory compliance, namely, proposing new partnership models that expand beyond traditional financial institutions under existing legal and regulatory framework.

ALB: What are the most significant legal and regulatory challenges your organization encounters with cross-border payments in Asia, and how do emerging technologies (such as blockchain, CBDCs, or real-time payment networks) factor into both your opportunities and risk assessments?

Thillainadesan: Cross-border payments still bring the same core challenges: differing licensing regimes, AML/CTF expectations, sanctions screening, consumer disclosures, FX controls, settlement and chargeback mechanics, and the practical reality that a "single customer journey" often spans multiple regulated entities and vendors. The complexity is rarely one rule in isolation, it's the way requirements interact across jurisdictions and counterparties.

Emerging technologies can improve outcomes (speed, transparency, reconciliation), but they also introduce new considerations around governance, operational resilience, and regulatory clarity. Real-time rails tighten timelines for screening, exception handling and incident response. Concepts like tokenisation, blockchain-based settlement and

"Emerging technologies can improve outcomes, but they also introduce new considerations around governance, operational resilience, and regulatory clarity. Real-time rails tighten timelines for screening, exception handling and incident response."

- Viki Thillainadesan, Xendit

CBDCs are evolving at different speeds across markets, and the right approach is usually to be pragmatic: assess what is actually live and permitted in market, and test opportunities against a strong control environment.

More broadly, where the technology is new or the regulatory approach is still emerging, constructive engagement with regulators and industry bodies matters. For any responsible player, the emphasis should be on complying with existing obligations, being transparent on risk controls, and not getting ahead of what's legally supported in the markets you operate in.

Li: Cross-border payments face constant regulatory flux. In discussions that I have observed, and almost as a feature in the many talks that I have attended on this topic, there is growing recognition that it is more productive to focus on structural technological shifts rather than reacting to incremental changes in features. Automation, decentralised infrastructure, and increasingly, AI-driven systems with autonomous functions, are the buzzwords of our era. While these technologies offer theoretical efficiencies, supervisory approaches remain uneven.

A recurring theme amongst experienced legal teams is the importance of institutional elasticity. Rather than ensuring that the legal infrastructure can evolve with a similar cadence as the underlying tech, the emphasis has shifted to building governance structures capable of accommodating changes that bring some semblance of longevity with it. This includes disciplined model governance and internal controls that can withstand heightened supervisory scrutiny. In this environment, the focus is less on predicting which technologies will dominate and more on ensuring that organisational architecture remains stable as standards develop.

Sung: Cross-border payments remain a complex regulatory area in Asia due to fragmented regulatory regimes and requirements.

The most significant challenges we face span three broad areas. The first is licensing and regulatory fragmentation, where the complexity arises from the need to comply with varying legal and regulatory requirements across jurisdictions, covering areas such as money transmission and remittance, foreign exchange controls, and AML/CTF obligations. To address these challenges, we partner with local licensed intermediaries for our cross-border payment services. The second is AML, sanctions, and transaction monitoring, as cross-border payments inherently increase our exposure to sanctions regimes, anti-money laundering enforcement, and transaction monitoring obligations. In response, we have put in place robust compliance controls across our cross-border payment infrastructure.

The third challenge relates to emerging technologies. Real-time payment infrastructures, for example, present both significant opportunities and meaningful uncertainty for us, including regulatory uncertainty, as the legal and compliance landscape continues to evolve alongside these innovations.

While real-time payment infrastructures could significantly improve cost efficiency, transparency, and customer experience, we must learn about their risk implications in terms of (a) legal and regulatory requirements for operating them; and (b) their potential impact should they fail to perform as expected.

In our risk assessment and management, we make reference to use cases to understand and predict potential risk or impact and develop controls to ensure operating these technologies safely and securely. We also go through pilot and sandbox before deploying new technologies while monitoring legal and regulatory developments.

ALB: How does your organization structure its data governance framework to balance compliance with data localization requirements and regional frameworks such as APEC's Cross-Border Privacy Rules (CBPR) system, while maintaining operational efficiency and customer experience?

Thillainadesan: A sensible approach in this space is to build "privacy and residency by design" rather than bolt it on later. That typically starts with understanding what data you hold and why: data categories, how it is collected, where it flows, where it is stored, who can access it, and the lawful basis for processing. From there, you put layered safeguards in place: policies and training, technical controls (access management, logging, encryption, segmentation), and contractual controls with vendors and partners (clear processor obligations, incident reporting, audit/cooperation and sub-processor governance).

On localisation, the practical answer is that it varies by market. You generally need a framework that can accommodate local storage requirements where they apply, while still allowing operational consistency and a good customer experience. For cross-border transfers, reputable programmes align to local law and recognised transfer mechanisms, and where regional frameworks exist (such as CBPR-style approaches), the benefit is having a consistent baseline and a way to demonstrate maturity. The best outcome is a model that protects customers, satisfies regulators, and avoids unnecessary friction.

"AI can accelerate output without building the foundational reasoning skills that good legal work requires. Here, there needs to be an emphasis on training to ensure that younger lawyers develop technical capabilities in a structured way."

- Gabriel Li, Kredivo Group

Li: Data localisation continues to evolve across Southeast Asia, adding operational complexity. Conversations with privacy specialists suggest that a checklist approach to compliance is increasingly insufficient. Mature organisations focus on embedding data stewardship into routine operations. Data governance can be likened to intelligent urban infrastructure: the goal is not to create more roadblocks, but to design interchanges and signals that allow high-speed data to flow without collision.

Predictability and clarity reduce friction while reinforcing regulator and customer confidence. When expectations are well understood, business teams can operate efficiently within known boundaries. Strong data governance enhances rather than constrains efficiency. It should function as the rails along the highway that allow operations within the organisation to accelerate while cushioning any unintended impact.

ALB: As traditional financial institutions increasingly partner with and compete against fintech companies, how does your organization navigate the complex landscape of antitrust considerations, licensing requirements, and regulatory expectations surrounding such collaborations across your key Asian markets?

Thillainadesan: In many markets, banks and fintechs are now both partners and catalysts for each other: there's a shared interest in improving customer outcomes, resilience and innovation, while operating within clear regulatory guardrails. The legal task is to make collaboration safe, structured and regulator-friendly.

In practice, that usually means being clear on roles and responsibilities in a way regulators recognise, staying disciplined on licensing boundaries market-by-market, and ensuring the right governance sits behind the partnership (oversight, controls, incident handling, and cooperation). It also means keeping a close eye on regulatory change and supervisory priorities, because expectations can evolve quickly (e.g. particularly around outsourcing, operational resilience, cybersecurity and consumer outcomes).

On competition and broader conduct considerations, the principle is straightforward: collaborate in a way that is transparent, compliant, and avoids creating confusion around accountability or customer impact. The test of a good partnership is that it can be explained clearly, both internally and to regulators, and it stands up when the environment changes.

Li: Navigating this intersection requires genuine technological literacy, not just legal fluency. Legal teams need to understand how digital ecosystems function: how data flows, where automated decision-making sits and what accountability gaps those systems may create. Without that basic grounding, most legal advice prepared risks being technically accurate but practically unworkable.

The most valuable contribution a legal team can make here is to function

as a teacher, turning complex regulatory concepts into clear and actionable guidance that builds confidence across regulators, partners and internal stakeholders. Regulators in this region respond well to organisations that demonstrate they understand the risks, not just the rules.

The differentiator is getting ahead of issues rather than reacting to them. Transparency and accountability are not constraints on good partnerships. They are what make those partnerships defensible, durable and scalable.

Sung: In bank-fintech collaborations, we work with fintech companies through API integration and embedded finance, and the legal complexity generally arises in three areas. The first is licensing, where regulatory expectations focus on ensuring that regulated financial activities are not outsourced to unlicensed entities. To address this, our collaborations are structured so that regulated activities remain within our organisation, while fintech partners provide technology or support services rather than regulated financial services. The second is regulatory responsibility, where even when services are delivered through fintech partners, we remain fully responsible for legal and regulatory compliance. This is why we establish outsourcing risk management frameworks, impose contractual obligations for regulatory compliance on our partners, and maintain ongoing oversight and monitoring of those partners.

The third area is competition and antitrust considerations. Within fintech ecosystems, our legal team pays close attention to data access restrictions, exclusivity arrangements, and the potential anti-competitive effects of platform ecosystems, all to ensure that our collaborations remain compliant with local competition laws and licensing requirements.

ALB: Looking ahead, what regulatory or legal development in Asian fintech do you believe will have the greatest impact on how your organization operates, and what steps are you taking now to prepare for that shift?

"Growing interoperability between national payment systems could give rise to regional payment networks, reducing reliance on traditional correspondent banking and opening new possibilities for cross-border transactions."

- Chloe Sung, ZA Bank

Thillainadesan: The industry moves fast, and regulatory focus shifts. So even where you have strong frameworks, this is never "done". The important part is avoiding complacency: regularly revisiting assumptions, learning from incidents and near-misses, refreshing templates and playbooks, and maintaining open channels with regulators and stakeholders. What closes a gap today may not be enough tomorrow, the operating model has to keep evolving with the business and the markets.

Li: The development I watch most closely is not a single regulatory change but a structural shift in how legal functions operate. The risk is not that AI replaces legal judgment. The risk is adoption that creates a false sense of capability.

For the younger ones amongst us, AI can accelerate output without building the foundational reasoning skills that good legal work requires. Here, there needs to be an emphasis on training to ensure that younger lawyers develop technical capabilities in a structured way. For senior practitioners, the challenge is developing rigorous habits around interrogating AI outputs and maintaining the analytical discipline that regulatory work demands.

The steps we're focused on now involve building the right mentality. Put simply, we have to treat AI as a starting point rather than a conclusion. The legal teams that eventually acquire this capability will have a genuine advantage, not because they adopted AI the earliest, but because they used it in a way that strengthened rather than diluted their legal capability.

Sung: One of the most impactful developments for Asian fintech over the next few years will likely be the increasing regulation of digital assets and digital payment infrastructure. On the digital assets front, jurisdictions across the region are introducing clearer regulatory frameworks covering virtual asset trading platforms, stablecoins, and custody and settlement services, all of which will shape how we interact with digital asset ecosystems. At the same time, central banks across Asia are actively exploring central bank digital currencies, with prominent examples such as China's e-CNY and Hong Kong's e-HKD, which have the potential to fundamentally reshape cross-border payments and settlement infrastructure.

Beyond digital assets, real-time regional payment connectivity is emerging as another significant trend. Growing interoperability between national payment systems could give rise to regional payment networks, reducing reliance on traditional correspondent banking and opening new possibilities for how cross-border transactions are conducted across the region.

To prepare for these shifts, we could focus on strengthening regulatory monitoring and our engagement with regulators; structuring flexible legal infrastructure that facilitates evolving regulatory frameworks; and developing expertise in digital assets, blockchain, and new payment technologies.

ALB Employer of Choice 2026

Across Asia-Pacific's fiercely competitive legal landscape, the race to attract and keep the region's brightest legal minds has become as strategically critical as any courtroom battle, and the firms pulling ahead are those bold enough to dismantle the old playbook entirely. As artificial intelligence rewrites the boundaries of legal work and a new generation of talent demands purpose alongside prestige, the defining question for the profession is no longer how to win clients, but how to build workplaces worthy of the people who serve them.

Rankings by Asian Legal Business, text by Sachin Khasturia

In an era where artificial intelligence threatens to reshape the legal profession and talent retention has become as competitive as winning a landmark case, law firms across Asia-Pacific are confronting a fundamental question: How do you build a workplace where excellence and fulfilment coexist?

The answers emerging from leading firms reveal a striking departure from traditional models. Rather than treating employee satisfaction as separate from performance, forward-thinking firms are discovering that the two are inextricably linked. The conversation has shifted from work-life balance as a perk to sustainable performance as a strategic imperative.

At the heart of this transformation lies a recognition that the next generation of legal talent wants more than prestigious clients and competitive compensation. They want clarity of purpose, genuine ownership in their career trajectory, and workplaces that treat technology as an enabler rather than a replacement. Most critically, they want to know their voices matter.

Relationships over transactions

For firms navigating this landscape, the starting point is often deceptively simple: treating people as people, not billable resources.

Toby Grainger, managing partner at CMS Singapore, frames his firm's approach around a core principle. "Our value proposition centres on relationships," he explains. "We offer people clarity, responsibility and a culture that supports and energises them. High performance is a choice — it's enabled through

Hong Kong

- CMS
- Oldham, Li & Nie
- Robertsons
- Stephenson Harwood
- Tanner De Witt

India

- Fox Mandal & Associates
- Khaitan & Co
- Singh & Associates
- Singhania & Partners
- TLC Legal

Indonesia

- ABNR - Counsellors at Law
- Assegaf Hamzah & Partners
- DeHeng ARKO Law Offices
- Hanafiah Ponggawa & Partners (Dentons HPRP)
- UMBRA

Japan

- Atsumi & Sakai
- Mori Hamada & Matsumoto
- Nagashima Ohno & Tsunematsu

Malaysia

- Azmi & Associates
- Izad Kazran & Co
- LAW Partnership
- MahWengKwai & Asscociates
- Teng, Sheng & Fatima

Philippines

- Cruz Marcelo & Tenefrancia
- DivinaLaw
- Quisumbing Torres
- Romulo Mabanta Buenaventura Sayoc & de los Angeles
- Villaraza & Angangco (V&A Law)

Singapore

- CMS Holborn Asia
- Dentons Rodyk
- Drew & Napier
- Magellan Law LLP
- Rajah & Tann Singapore LLP

South Korea

- Bae Kim & Lee
- Kim & Chang
- Yulchon

Thailand

- Chandler Mori Hamada Limited
- Kudun & Partners
- Tilleke & Gibbins
- Weerawong, Chinnavat & Partners

Vietnam

- Global Vietnam Lawyers
- LNT & Partners
- Rajah & Tann LCT Lawyers
- Tilleke & Gibbins

METHODOLOGY

The research team evaluated the law firms based on feedback from survey participants on aspects such as job satisfaction, salary level, training opportunities, career development opportunities, opportunities for specialised guidance, transparency of the promotion to partner track, team collaboration, knowledge management and technical support level, work-life balance, career development prospects, and recommendation rate for their law firms. To ensure fairness and objectivity, respondents were asked to submit their questionnaire results anonymously.

DivinaLaw

clear goals, inspiring leadership, and the freedom to deliver in the way that works best, grounded in our values of excellence, integrity, community, and creativity."

This relationship-centred model extends beyond pleasant workplace culture. It fundamentally reshapes how firms think about development and retention. At Cruz Marcelo & Tenefrancia in the Philippines, the concept of being a "teaching firm" drives everything from how drafts are reviewed to how mistakes are handled.

Patricia A. O. Bunye, managing partner at Cruz Marcelo & Tenefrancia, notes the firm's approach. "Drafts are reviewed with the intent to enhance the capabilities of our lawyers and not merely to correct their work," she explains. "Within legal boundaries, mistakes are considered as a learning experience and an opportunity to help our lawyers improve. Excellence is cultivated through learning and training, and not left to chance."

Drew & Napier in Singapore has institutionalized this through a team system where junior lawyers typically work exclusively with one team leader. Adam Maniam, Director of Dispute Resolution at Drew & Napier, explains the logic: "This provides the team leader with full visibility on the well-being, workload and development of the junior lawyers." The proof, he suggests, is in retention. "The fact that the majority of the directors in Drew started in the firm as trainees shows that this approach has worked very well for us and will continue to work well."

Yet perhaps the most provocative articulation comes from LNT & Partners, which positions professional ownership as the ultimate differentiator. "We believe the most talented lawyers are not looking for a predictable routine, but for an environment where they are trusted to lead on high-stakes, complex matters from the very beginning of their careers," a spokesperson for the firm states. "By removing the traditional layers of bureaucracy, we allow our associates to work directly at the forefront of the legal market, transforming them into strategic advisors rather than just legal researchers."

AI anxiety

If relationships form one pillar of the modern employer value proposition, technology represents the other. But here the challenge is more nuanced. Firms must convince their people that AI and automation are allies, not existential threats.

Steven Wise, managing partner at CMS Hong Kong, takes a deliberately straightforward approach. "We're investing in tools that simplify work, strengthen relationships and free time for high-value activity," he says. "AI and automation support, not replace, our people. We focus on clarity, training, and transparent communication so technology feels empowering, intuitive and an enabler of better client service."

Cruz Marcelo & Tenefrancia has developed a more structured framework, categorizing AI use into restricted, controlled, and open-use tiers. "We strictly define AI as an assistive tool and never as a replacement for professional judgment," Bunye emphasizes. "No AI output replaces personal accountability, and all work remains subject to rigorous review and verification by a lawyer of the firm."

Tilleke & Gibbins has moved beyond pilot programs to full-scale deployment. Tiziana Sucharitkul, managing partner at Tilleke & Gibbins, describes the firm's multipronged strategy: "We have deployed Harvey and Microsoft Copilot across our offices and practices, backed by structured training and upskilling programs to build genuine AI fluency across all levels." What distinguishes their approach is the emphasis on user-led adoption. "We actively encourage everyone at the firm to identify where AI can improve their own work, because the strongest adoption happens when it is led by the people doing the work, not imposed from above," Tiziana notes.

LNT & Partners frames the technology conversation in more philosophical terms, describing their roadmap as "a strategic move towards augmented advocacy, where digital tools enhance rather than replace human intellect." A spokesperson for the firm positions AI as a "sophisticated co-pilot" that liberates practitioners to focus on strategy, negotiation, and complex problem-solving. "While technology can process

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CMS Hong Kong

CMS Singapore

information, only the seasoned human mind can provide the judgment, empathy, and ethical foresight our clients depend on," a spokesperson for LNT & Partners argues.

At Rajah & Tann Singapore, the approach centres on treating digital transformation as fundamentally human. Abdul Jabbar, deputy managing partner at Rajah & Tann Singapore, emphasises the importance of how technology is introduced. "New tools are introduced alongside practical guidance, real-world use cases and ongoing learning sessions, so that lawyers and business professionals understand not only how to use them, but why they matter," he explains. "By treating digital transformation as a people strategy as much as a systems strategy, we ensure our workforce remains adaptable, engaged and future-ready."

Beyond billables

The question of what makes a successful partner has evolved dramatically. Technical excellence remains essential, but firms increasingly recognise it as merely the entry point.

Grainger at CMS Singapore identifies a broad competency set: "Future partners need strategic thinking, commercial awareness, relationship-building, leadership, adaptability, and comfort with technology." The firm builds these capabilities through "clearer goals, cross-functional

Cruz Marcelo & Tenefrancia

collaboration, coaching, structured development pathways, and opportunities to lead initiatives that strengthen both commercial outcomes and the relationship-led culture we're committed to."

Cruz Marcelo & Tenefrancia elevates adaptability as the critical skill. "The rapidly expanding and evolving areas of practice offer vast opportunities. However, lawyers must be able to adjust to the changing times, and learn and employ the various tools that technology, business, and the social sciences offer," Bunye observes.

Drew & Napier, on the other hand, focuses on what Maniam calls the most critical competency: business development. "In an increasingly competitive legal market, business development is the most critical legal competency for the next generation of partners and arguably for the present generation too," he states. The firm has responded by significantly expanding its roster of business development and marketing professionals who work directly with lawyers to raise profiles and create new revenue streams.

LNT & Partners articulates perhaps the most expansive vision of modern partnership. "Technical legal skill is merely the baseline; the true differentiator lies in becoming multifaceted strategic advisors," a spokesperson for the firm contends. Their development program prioritises commercial acumen,

Drew & Napier

technological fluency, and emotional intelligence, immersing senior associates in client-side business simulations and high-level negotiations. "We believe a partner's ultimate value lies in being a trusted architect of growth," a spokesperson for LNT & Partners explains. "Therefore, our roadmap ensures that our future leaders are not only masters of the courtroom but also sophisticated navigators of the boardroom, equipped to lead with both precision and profound human insight."

Tilleke & Gibbins emphasises the importance of cross-cultural fluency, particularly given the firm's regional footprint across Southeast Asia. Tiziana notes that future partners "must be commercially minded, cross-culturally fluent, and skilled at managing complex client relationships across Southeast Asia's diverse markets and beyond."

The firm's regional platform becomes a training ground itself, enabling lawyers to work closely with colleagues across seven offices in Cambodia, Indonesia, Laos, Myanmar, Thailand, and Vietnam. "By making these experiences part of daily practice, we prepare future partners to lead with the commercial awareness, adaptability, and strong interpersonal skills needed in today's legal market," Tiziana adds.

Always learning

The most successful firms have abandoned the notion that

LNT & Partners

learning happens in discrete training sessions separate from client work. Instead, they are embedding development into the rhythm of daily practice.

DivinaLaw in the Philippines articulates this integration clearly. Renelie B. Mayuga, HR director at DivinaLaw, explains: "We integrate development into the workflow through post-matter reviews, coaching conversations, and collaborative engagements across practice groups." The firm's structured learning and development programs align with clearly defined career pathways, ensuring training connects directly to progression.

Tilleke & Gibbins takes a similar approach. Darani Vachanavuttivong, managing partner and managing director, describes how "supervisors engage frequently with team members to clarify expectations, manage workload, and identify areas for advancement." The firm's regional platform amplifies this by enabling lawyers to work across multiple jurisdictions, gaining exposure to different legal environments and commercial contexts.

"Learning is reinforced through everyday practice," Darani notes. "Because the firm functions as a unified regional platform, lawyers regularly work with colleagues across multiple jurisdictions, gaining firsthand insight into different legal environments and commercial contexts."

Drew & Napier has a different approach. The firm has institu-

Rajah & Tann Singapore

tionalised knowledge sharing through its Knowledge Management team and internal training sessions where teams share experiences from landmark cases. Notably, these sessions frequently involve junior lawyers, "who feel empowered to play a direct part in increasing the collective expertise across the firm," according to Maniam.

LNT & Partners has perhaps the most radical articulation of this philosophy. "We have moved away from the idea that learning is a separate activity from work; at our firm, the work itself is the greatest teacher," a spokesperson for the firm states. "We have created a structure where every case and every meeting is followed by real-time feedback, ensuring that the lessons learned from one project are immediately applied to the next."

Heard here

Perhaps nothing distinguishes modern employer-of-choice firms more than their approach to feedback. The question is no longer whether firms seek input from their people, but whether that input translates into visible change.

DivinaLaw has built multiple feedback channels, including 360-degree feedback systems, engagement surveys, and regular check-ins. But Mayuga emphasises the importance of closing the loop: "Feedback is consolidated, analysed, and

Tilleke & Gibbins

converted into clear action plans with defined accountability. We ensure transparency by communicating what changes are being implemented and the rationale behind them."

This transparency creates trust. "By making change visible and consistent, we reinforce trust in the process and encourage ongoing participation," Mayuga adds. "Our people understand that their voices contribute directly to shaping the firm, creating a feedback culture that is both meaningful and impactful."

Tilleke & Gibbins has taken concrete action based on survey responses. Darani points to a specific example: "Recent survey responses, for example, prompted the expansion of mental health support through an external counselling provider now available to everyone at the firm. Changes like these reinforce trust by showing that staff input directly informs policy decisions." The firm collects feedback throughout the year, not just during formal reviews, and maintains confidential surveys that provide broader insight into job satisfaction, mental health, and advancement opportunities.

CMS Hong Kong has embedded feedback into its operational rhythm. Steven Wise describes the approach: "We seek feedback regularly through surveys, listening sessions and day to day conversations. Leadership ensures it drives visible change by sharing actions taken, simplifying processes, adjusting priorities, and involving people in shaping improve-

ments, making feedback a clear driver of how we evolve and succeed together."

Cruz Marcelo & Tenefrancia employs both informal and formal mechanisms. The informal Open Door Policy, facilitated by the team system, allows associates to feel comfortable approaching partners with concerns. Formal performance evaluations provide structured 360-degree dialogue through one-on-one or panel discussions. "For the feedback loop to be effective, it must be closed whenever used," Bunye notes. "Thus, at a minimum, the Partners acknowledge the feedback and inform the person of the action taken or the resolution."

Drew & Napier emphasises accessibility. Maniam describes "a truly open-door policy where senior lawyers are always happy to speak to the juniors to hear feedback and discuss and implement changes that will benefit the firm and its employees." The firm also forms sub-committees to consider important issues, ensuring employees from various seniority levels are included or consulted.

LNT & Partners positions feedback as "the engine that drives our constant improvement." A spokesperson for the firm maintains continuous dialogue through regular meetings and open assessments rather than waiting for annual reviews. "Most importantly, we make sure that when someone speaks up, they see a result," a spokesperson emphasises. "By closing the gap between a suggestion and a solution, we show our team that their perspective is not only valued but is essential to our growth."

Enduring excellence

What emerges from these conversations is a fundamental reframing of what it means to be a desirable employer in the legal profession. This is not about reducing standards or lowering expectations. Every firm mentioned maintains rigorous performance requirements. Rather, it reflects a recognition that the most talented lawyers have choices, and they are increasingly choosing firms that treat them as long-term assets rather than short-term resources.

DivinaLaw captures this balance in describing its culture as emphasising "collaboration over competition, recognising that the best outcomes—for both clients and the firm—come from strong, cohesive teams." The firm invests in leadership development early, "preparing our lawyers for long-term roles within the firm."

Tilleke & Gibbins frames it as investment with intention. Darani explains: "We invest in our people with intention. Mentorship is at the heart of how we work. We don't limit it to legal skills; we focus equally on career direction, confidence-building, and supporting young lawyers as they grow into leaders."

The goal, as Darani describes it, is creating "an environment where high performance and genuine care coexist, so our team can build careers that are both successful and sustainable."

CMS Singapore connects this directly to retention and performance. Grainger notes: "We balance ambition with fulfilment by investing in development, simplifying processes, freeing time for meaningful relationships and creating an environment where people feel trusted, supported and part of something with long-term momentum."

For Cruz Marcelo & Tenefrancia, the focus is on building something enduring. "Ultimately, our goal is to build an enduring professional institution and not simply to provide short-term solutions," Bunye states. "Our lawyers are ensured of training and mentorship, impactful and meaningful legal work and merit-based advancement, in order to develop an enduring legal career."

At Rajah & Tann Singapore, this philosophy translates into active role redesign as technology evolves. "As workflows evolve, we actively repurpose roles and create new AI-enabled opportunities, ensuring technology expands career possibilities rather than narrowing them," Jabbar explains.

Finally, LNT & Partners ties fulfilment directly to trust and quality over quantity. "While our firm values hard work and professional competence, we also recognise that burnout undermines long-term employee fulfilment and retention," the spokesperson acknowledges. ●

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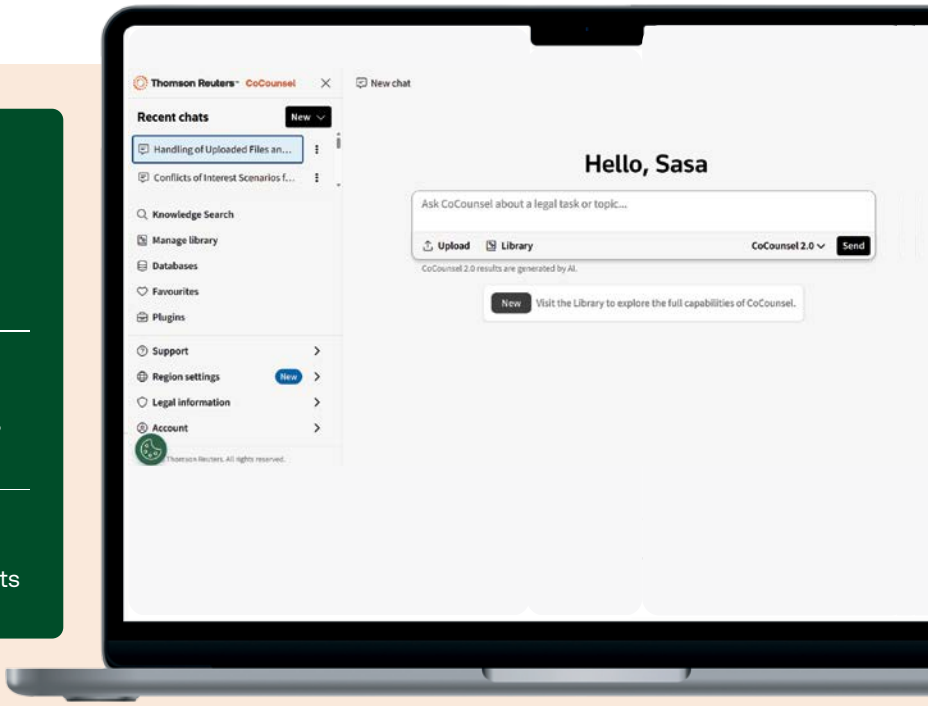

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Private power

Private capital has moved from the margins to the centre of Asian dealmaking, reshaping M&A across Singapore, India and Japan. As Western private credit markets show strain, Asia's more conservative credit culture may prove a structural advantage. The question is whether – and how long – it lasts. **By Sarah Wong**

Private capital has quietly become the dominant force in Asian M&A. Private equity, private credit, infrastructure funds and family offices have been driving deals across the region, filling gaps that traditional lenders are increasingly unable or unwilling to cover.

According to market reports, private equity now accounts for around 40 per cent of the M&A market, while private credit, a $2.1 trillion asset class, is expected to more than double by 2030.

Specifically, India and Japan were the only major markets to record deal value growth in 2025, with Japan hitting an all-time high.

But in the backdrop lies a warning. As reported by the Financial Times, private credit markets in the U.S. and Europe are showing real strain, battered by loan write-downs, dividend cuts, and deepening fears that AI will hollow out the software companies they spent years financing.

"The credit cycle has not been repealed," Goldman Sachs CEO David Solomon said in his annual letter to shareholders. Funds managed by KKR, BlackRock, Apollo and Blackstone have all marked down loan values in recent months. And while Asia's private capital markets are not immune to that warning, they are pressing ahead regardless.

Singapore: Built for this

Singapore needs little introduction when it comes to its importance to Asian finance. The city-state has spent decades building a legal system that international investors trust, a tax regime that makes it the natural home for cross-border holding structures, and a regulatory environment sophisticated enough to handle the most complex deals in the region.

The result is that most major private equity firms have quietly planted their regional flags here, and the deals done across Vietnam, Indonesia and the Philippines increasingly find their structural home in Singapore.

"Private capital has grown substantially in Singapore in recent times and is reshaping the competitive landscape in meaningful ways," says Maria Tan Pedersen, partner at Dechert.

"Highly sophisticated capital players can leverage their visibility of the changing landscape across the whole region and across different asset classes. A single corporate within a single industry will have a much harder time managing the complexity of all these investment factors." **— Nicola Yeomans, Mallesons**

Corporate buyers still carry real advantages: Institutional size, deep banking relationships, the ability to promise sellers a strategic future for their business. But private equity is closing the gap, and it is doing so by being faster and more certain.

"PE firms are more likely to rely on private credit as a primary funding source, allowing them to secure committed financing more quickly, meeting sellers' key needs of speed and deal certainty," says Tan Pedersen.

The structural differences between PE-backed and corporate acquisitions run deeper than financing, however. PE sponsors build exit into the architecture of a deal from day one, using leverage to enhance equity returns and structuring provisions that make assets easy to transfer to future buyers.

Corporate acquirers think differently: Longer time horizons, balance-sheet considerations, integration objectives that may take years to realise. Neither approach is inherently superior. But they produce very different kinds of deals, and sellers who understand the distinction are better placed to choose the right buyer for their circumstances.

And Singapore's regulatory framework adds its own layer of complexity to deal design. Under the Significant Investments Review Act, acquisitions resulting in a buyer holding 12 percent, 25 percent or 50 percent of an entity vital to national security or public interest require government approval.

For corporates pursuing full acquisitions, the process is typically manageable. But it's a different kind of dance for PE firms. "PE firms, especially those building a position over time, may need to front-load their SIRA approval applications to minimise deal uncertainty," Tan Pedersen notes.

Against this backdrop, private credit remains a supporting player in Singapore rather than the lead. Private credit accounts for only around 5–6 percent of financings across Asia-Pacific, functioning not as a rival to the banks but as a specialist gap-filler, stepping in where traditional lenders cannot or will not go.

Data centres are the clearest example: capital-hungry, structurally complex, and not always a comfortable fit for conventional bank lending. "Singapore, as a pre-eminent regional private credit hub, serves as a critical gateway through which such financing is structured and deployed," says Tan Pedersen, "although activity levels remain substantially lower than in the U.S. and Europe."

Where private credit does appear, it brings genuine flexibility, such as hybrid debt-equity instruments and shorter loan approval periods. But covenant-lite structures remain rare, notes Tan Pedersen, and borrowers in Asia are still expected to meet maintenance tests on leverage and interest coverage that their counterparts in New York or London negotiated away years ago.

That conservatism looks less like a limitation and more like foresight right now. As reported by the Financial Times, the sell-off in U.S. and European BDCs has reaccelerated following a wave of write-offs, with funds cutting dividends and trading at steep discounts in some cases.

The culprits are familiar: Aggressive underwriting during years of near-zero interest rates, heavy exposure to software companies now facing AI disruption, and a retail investor base that is losing patience. Comparatively, Asia's more measured credit culture may prove to be a structural advantage.

"Private capital is uniquely placed to manage the complexity of the current deal landscape," says Nicola Yeomans, partner and co-head of private capital at Mallesons. However, "[while] private credit has been exciting for a couple of years, it is fair to say that the deployment has not been rapid," she adds.

Investors, she adds, are treating Asia Pacific as a hedge against volatility in more developed markets. But the headwinds are equally real. "The tariff and geopolitical uncertainty are having a significant impact on Asian businesses, particularly in sectors like manufacturing, services and logistics, making regionalisation more difficult to manage."

"Highly sophisticated capital players can leverage their visibility of the changing landscape across the whole region and across different asset classes. A single corporate within a single industry will have a much harder time managing the complexity of all these investment factors," notes Yeomans.

Regional banks are not standing still but busy upskilling in alternative credit structures and competing

"Corporates leverage established industry relationships, operational frameworks and synergies across business verticals. They can also justify higher valuations motivated by buoyant Indian capital markets and potential strategic value."

— Ishan Handa, AZB & Partners

for the same clients. "We have seen a number of examples of equity deals converting into hybrid debt structures to allow the investor to manage the downside risks," says Yeomans.

"I think that feature will accelerate and shift capital away from traditional PE rather than away from traditional lending in the region."

India: Maturing frontier

India - the world's fastest-growing major economy, the most populous country on earth, and right now one of the most actively contested arenas in Asian private capital.

"Private credit lenders are increasingly active in India where historically, growth was hindered by restrictive regulations and unpredictable enforcement," says Ishan Handa, partner at AZB & Partners. "India is fast becoming the epicentre of Asian private credit."

As reported by media, the country recorded 457 deals worth $13.7 billion in just the first half of 2025, with global PE firms steadily raising their India allocations and domestic corporates showing no intention of stepping aside.

"Private equity participation continues to grow in India, with global PE firms steadily increasing their India-allocations," observes Handa, citing a string of landmark transactions: Blackstone's acquisitions of Aadhar Housing Finance and AGS Health, KKR's acquisition of Allfleet, IHC's stake in Sammaan Capital.

But what is equally clear that corporates are not being displaced. JSW Paints acquired AkzoNobel. Torrent Pharmaceuticals took over JB Chemicals & Pharmaceuticals. Adani Enterprises is pursuing Jayprakash Associates.

"Corporates leverage established industry relationships, operational frameworks and synergies across business verticals," Handa explains. "They can also justify higher valuations motivated by buoyant Indian capital markets and potential strategic value."

PE firms bring something different to the table: Speed, flexible terms and certainty of capital. Sponsors, he adds, are increasingly thinking in platforms rather than individual acquisitions, with managers KKR, Blackstone and Brookfield dominant in real estate and infrastructure through systematic and scaled deployment.

The more telling development, though, is the emergence of hybrid structures that blur the line between corporate and financial buyer entirely. "Warburg Pincus and Bharti Group participated together in a joint control structure for Haier India, one of the largest deals in the Indian consumer space," notes Handa.

But the regulatory playing field is not level. Structurally, foreign PE firms in India rely on offshore financing through special purpose vehicles in overseas jurisdiction. That's because they face a tighter playing field than their domestic counterparts.

As Handa explains, Indian foreign exchange rules constrain everything from investment instruments and exit mechanisms to onshore holding structures, making the kind of leveraged buyout architecture routine in the West largely unavailable to foreign sponsors.

But domestic corporate buyers face none of these restrictions. Listed corporates also tap capital markets through QIPs for acquisitions, which is a funding avenue simply unavailable to foreign sponsors.

The good news, Handa notes, is that the field is being levelled incrementally. "RBI's recent liberalisation of regulations governing external commercial borrowings and permitting banks to participate in acquisition finance will further boost these advantages."

Where India's story becomes genuinely distinctive and most relevant to the wider private credit debate is in the rapid maturation of its credit markets. The contrast with the West could hardly be more pointed.

As reported by the Financial Times, the U.S. private credit industry is navigating a painful reckoning. The problems are specific to a market that grew very fast, lent aggressively during a prolonged period of cheap money, and is now facing the bill.

But India's private credit market is at a fundamentally different point in its evolution. Lawyers point to a functioning insolvency code, stronger enforcement rights for non-bank lenders, and a sustained wave of regulatory liberalisation as key forces transforming the risk calculus for lenders.

Deals are structured with non-bankable collateral, bullet maturities, PIK structures, and equity upside - terms that reflect a market still finding its pricing norms

"Business owners are increasingly looking to private capital to support the next phase of their businesses' development while preserving their legacy. This trend cuts across virtually all sectors with attractive businesses facing succession challenges across the board." **— Yohei Nakagawa, Latham & Watkins**

but doing so with growing confidence and institutional depth.

Recent regulatory reforms are accelerating the shift. "Introduction of market-driven pricing, shortened maturity periods and a widened lender and borrower base for ECBs is expected to facilitate greater participation by foreign lenders," Handa notes.

Regulations on cross-border guarantees have also been simplified, allowing more lenders to rely on corporate and personal guarantees for additional comfort. "Private credit evolves beyond its high-cost perception, whilst banks bring pricing competition and regulatory certainty," adds Handa.

And the drivers are as much demographic as financial. "India's large working-age population provides a long runway for consumption-led growth," Handa says. "Consumer expenditure is projected to grow significantly, driven by middle class expansion, urbanisation and rising disposable incomes."

Japan: The quiet boom

A decade ago, Japan was not on most international PE firms' priority lists. The East Asian market was considered too closed, too consensus-driven, too resistant to the corporate restructuring that creates the deal flow private equity depends on.

But that view has aged very badly. M&A deal volume involving Japanese companies approached $350 billion in 2025, marking a record high, according to Bloomberg. Seven of the ten largest PE deals across Asia-Pacific last year involved Japanese targets.

"Historically, international PE players had limited investment opportunities in Japan, a domestically focused market," notes Simon Cooke, partner at Latham & Watkins in Hong Kong. "Corporate Japan has also traditionally favoured long-term ownership structures and stability and has been relatively selective in divesting divisions or subsidiaries."

What changed was a combination of deliberate investment and structural pressure. International PE firms spent years building local teams and cultivating relationships with Japanese corporates, while activist shareholders pushed boards to think harder about capital allocation and non-core assets. As a result, PE deal volume soared by 454 per cent between 2015 and 2025, according to Preqin.

"Japan's deep pool of low-cost domestic bank debt has enabled PE investors to take on attractive leverage multiples on their transactions, resulting in the ability to pay compelling prices to sellers," Cooke explains.

Corporate buyers, constrained by group-wide balance sheet considerations and multi-layered approval processes, simply cannot move with the same speed or aggression.

Andrew Bishop, also a partner at Latham & Watkins in Hong Kong, believes private credit's growing appeal and influence in Japan lies in speed and structural flexibility, especially in competitive auctions. "Direct lenders can move quickly, tailor covenant packages, and accommodate features such as delayed-draw or acquisition facilities," he adds.

Yet Japan's private credit market remains far more measured and far less exposed to the vulnerabilities plaguing Western BDCs than its counterparts elsewhere. "Japanese megabanks continue to anchor large LBO financings, leveraging deep balance sheets and long-standing relationships," Bishop explains.

"Increasing deal scale and sponsor demands are testing traditional bank appetite," he says. "This creates entry points for private credit, particularly in mid-market take-privates and transactions where banks are constrained on leverage, tenor, or syndication risk. Sponsors increasingly treat direct lenders as strategic complements - capable of providing unitranche structures, higher leverage tolerance, or fully underwritten packages reducing execution risk."

The deepest driver of Japan's deal boom, however, is demographic. Yohei Nakagawa, partner at Latham & Watkins in Tokyo, points to succession M&A as the defining structural force.

"Business owners, including founder families, are increasingly looking to private capital, both domestic and foreign, to support the next phase of their businesses' development while preserving their legacy," Nakagawa says. "This trend cuts across virtually all sectors with attractive businesses facing succession challenges across the board." ●

ALB Hong Kong Firms to Watch 2026

Hong Kong remains a pivotal gateway for global capital and dispute resolution, nurturing a vibrant ecosystem of agile, high-calibre firms. From niche boutiques to emerging full-service practices, these players stand out for sector-specific expertise, cross-border fluency, and client-first innovation. This year, ALB spotlights the firms setting new benchmarks in quality and impact. The list is presented in alphabetical order, with select firms profiled. **By Asian Legal Business**

Shirley Choi & Co.

From left: Cyrena So, Norman So, Shirley Choi

Shirley Choi & Co. is a Hong Kong boutique law firm established in January 2025. Led by one partner and supported by a team of fee earners with international law firm experience, the firm focuses on private investment funds, regulatory asset management, and dispute resolution connected to fund operations and investments.

Since its launch, the firm has advised asset managers and platforms on the structuring, establishment, and operation of private funds across equities, hedge, fixed income, real estate and pre-IPO strategies. Mandates have included Hong Kong vehicles (OFCs and LPFs) as well as offshore structures in the Cayman Islands and British Virgin Islands, covering standalone vehicles, segregated portfolio companies, limited partnerships, and master-feeder arrangements. The firm has also advised family offices on investment platforms and governance protocols and assisted with umbrella trust structures for succession planning and asset protection. On the contentious side, it has represented Cayman-domiciled investment funds in multiple Hong Kong litigations concerning debt recovery and enforcement of securities entitlements.

The firm attributes its growth to partner-led execution, multi jurisdictional coverage across Hong Kong, Cayman, and BVI (coordinated with offshore counsel), and internal structuring workflows designed to optimize turnaround time. Its strategy is to deliver institutional-style funds advice through a boutique model, providing cohesive and compliant solutions from initial structuring through implementation and ongoing maintenance.

Business conditions have increasingly favored the firm as clients seek dispute resolution support alongside transactional work in a shifting financial and regulatory environment. Key members in this phase include Principal Shirley Choi, Consultant Norman So, and Associate Cyrena So, who support fund formations, disputes, and regulatory matters. Over the next 12 months, the firm plans to expand its disputes capability while continuing fund launches, compliance support, and targeted market updates for existing and new clients. ●

LIST

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29 APRIL 2:00-6:00pm SGT SILE Accredited CPD Activity **Public CPD Points:** 3.5	**Tanner De Witt**	**REGISTER:** gevme.com/Cybersecurity2026
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Revival under threat

Hong Kong reclaimed the top spot in global IPO market rankings for the first time since 2019, driven by a record number of A+H listings — a comeback that few had dared predict just two years earlier. But as the city basks in its revival, regulators and geopolitics are already casting long shadows over what comes next. **By Sarah Wong**

Hong Kong's capital markets roared back to life in 2025 in a manner few had predicted just two years earlier. The city ranked as the world's top IPO venue in 2025, with record-setting average daily trading volumes and fundraising levels rising sharply from a year earlier.

Total proceeds on HKEX reached HK$280 billion ($35 billion), up 218 per cent year-on-year, surpassing the HK$200 billion mark for the first time in four years and hitting the second-highest level in nearly five years.

The market was powered by mega-deals, including Contemporary Amperex Technology's (CATL) $5.3 billion H-share listing, alongside billion-dollar IPOs by Hengrui Pharmaceuticals, Haitian Flavouring and Food, and Sanhua Intelligent Controls.

"This surge was driven by factors like booms in A+H dual listings, tech and new energy sectors, and the appetite for international capital," says Bunny Pang, consultant at Hong Kong law firm Hastings & Co.

Indeed, Hong Kong's capital markets last year was dominantly marked by the rise of A+H dual listings - Chinese companies listed on both mainland and Hong Kong exchanges simultaneously - and increased activity under Chapter 18A (biotech) and Chapter 18C (specialist technology). Nineteen A+H listings are estimated to have contributed about half of total proceeds.

The exchange operator itself was a major beneficiary. Net profit at HKEX rose 36 per cent to HK$17.8 billion ($2.3 billion) in 2025, with core business revenues climbing 32 per cent to HK$27.1 billion ($3.5 billion).

The pipeline heading into 2026 remained robust, with more than 530 companies having filed applications for a Hong Kong listing, according to the exchange's website.

Targeting shoddiness

Yet behind the rosy figures, regulators were growing uneasy. On Jan. 30, the Securities and Futures Commission (SFC) issued a circular flagging what it described as "highly concerning issues" identified in certain listing applications amid the IPO surge.

The circular followed a December 2025 joint letter from the SFC and the Hong Kong Stock Exchange to 13 sponsors citing specific cases of concern.

"There is always the fine balance between how much enforcement becomes excessive over-regulation that could erode Hong Kong's competitiveness and drive deals to other markets such as Singapore or New York, which

favour a relatively light-touch approach," says Pang.

The SFC's concerns were wide-ranging. On document quality, the regulator noted problems including "unclear and convoluted descriptions of business models," excessive marketing language, and the selective presentation of industry data.

It also flagged unreasonably long documents due to repetition and the inclusion of boilerplate disclosures. In response, the SFC set a soft cap on listing document main bodies at 300 pages.

"Sponsors are now expected to provide concise, focused disclosures with emphasis on key material information such as business fluctuations and risks that are more specific to individual issuers rather than generic verbose filler in the listing document," explains Pang.

"The flip side of the argument is that brevity and efficiency on vetting will compromise investor protection from reduced disclosure. Ultimately whether the push for substance over volume would be achieved at the cost of reduced disclosure and investor protection largely depends on SFC's inspections and enforcement over sponsors cutting corners on critical details."

On resourcing, the SFC identified a "concerning number" of sponsor principals simultaneously undertaking six or more active listing engagements - and in the most serious cases, up to 19.

The circular made clear that, absent very exceptional circumstances, it regards any sponsor principal handling six or more simultaneous engagements as lacking adequate resources to carry out their duties.

"The circular explicitly calls out over-reliance on external professionals, including legal advisers, without properly evaluating their competency, resources, or ability to deliver — treating this as a breach of sponsor duties," cautions Pang. "Sponsors must now ensure core due diligence is not delegated blindly, or face SFC regulatory actions or investigations."

He believes sponsors will now demand more rigorous proofs of expertise and the placement of adequate personnel with experience on IPO deals before engagement. "This will ultimately create an expectation on the quality of advice from legal professionals and an invisible ceiling on the number of IPO deals per law firm."

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- Bunny Pang, Hastings & Co.

The latest regulatory shift marks a subtle departure from Hong Kong's traditional market philosophy, which has long favoured a principles-based approach over prescriptive, rules-driven expectations.

"The SFC's circular is a shift away from principle-based regulation toward hybrid specificity — concrete thresholds such as a six-engagement limit and a 300-page cap, and mandatory timelines, while retaining flexibility," says Pang. "This evolution mirrors maturing markets like the UK's post-2008 reforms."

New restrictions

As Hong Kong's regulators were grappling with the quality of the IPO pipeline, a new complication arrived from the central government. Beijing is restricting Chinese companies incorporated overseas from seeking IPOs in Hong Kong, according to Reuters citing people familiar with the matter.

Reuters reported that the China Securities Regulatory Commission (CSRC) confirmed that some red-chip firms, which are companies registered abroad but holding assets and businesses in China via equity ownership, had received guidance to unwind their offshore structures before proceeding with a Hong Kong listing.

The dual regulatory pressure from the SFC on sponsor quality and from Beijing on corporate structures means the path to a Hong Kong listing has become more convoluted, even as the city's appeal remains high.

The record-breaking IPO surge has also exposed Hong Kong's growing dependence on the Chinese mainland. The total market capitalisation of HKEX currently consists of around 80 per cent from Chinese mainland companies, bringing significant exposure to the mainland's economic cycles, regulatory shifts, and policy regimes.

In March, China has set its full year GDP growth target for 2026 at 4.5 percent to 5 percent - the lowest on record in decades.

For Pang, the SFC's approach represents a calibrated response rather than a blanket crackdown.

"The SFC is keen to preserve listing quality and investor confidence when IPO volume surges. But as experienced during the last round of tightening of regulation in 2019, over-regulation and enforcement will dampen market activity," says Pang.

He believes the SFC can seek to resolve this tension by rolling out targeted measures rather than sweeping restrictions, including mandatory disclosures on team composition and principal workloads, and on-site inspections to assess compliance at the firm level.

"These allow high-volume players to justify exceptions, preserving activity while addressing bottlenecks like inexperienced staff or over-reliance on third parties," adds Pang. ●

State of origin

What looked like a textbook Silicon Valley exit has become the deal that may end a decade-long escape route for Chinese tech founders. Lawyers say the Manus case exposes a fundamental miscalculation that a change of address could erase the legal history of where technology was born. **By Charlie Wu**

The acquisition of Manus by Meta may be the deal that permanently changed the calculus for every Chinese AI startup dreaming of a Silicon Valley exit — and exposed the limits of a strategy known as "Singapore washing."

Manus, a general-purpose AI agent launched by Chinese startup Butterfly Effect in March 2025, was acquired by Meta in December in a deal valued at more than $2 billion. While the deal made headlines for its speed and scale, it also drew scrutiny from China's Ministry of Commerce, putting the entire Singapore-washing playbook on trial. The term refers to a pattern where Chinese tech firms relocate their headquarters or core operations to Singapore to access global capital and markets while ostensibly avoiding domestic regulatory constraints — a trend that has accelerated across sectors from critical minerals to tech and biotechnology.

Manus followed this playbook to the letter, shifting its headquarters to Singapore, reincorporating as a Singaporean entity, migrating its core team, and hollowing out its Chinese operations. But the Ministry of Commerce review has laid bare a fundamental flaw in the thesis: Chinese authorities maintain that if core technology was "conceived and developed" on Chinese soil, it remains subject to Chinese export laws. Regulators on both sides are now looking past the Singaporean facade to ask: who wrote the code? Where was it developed? Whose data trained it?

The review signals a fundamental shift in how governments treat advanced AI, now regarded as a strategic asset requiring state protection rather than a tradeable commercial product. For Chinese AI founders eyeing the exit door through Singapore, the warning is unmistakable: A firm cannot rewrite the history of its technology through Singapore washing.

Compliance trap

That warning is rooted in a regulatory reality that is becoming harder to navigate with every passing month. As Tony Tao, partner at Tian Yuan Law Firm, puts it: "Regulatory logic and priorities vary across jurisdictions, and rules are becoming increasingly specific and stringent, placing higher demands on the compliance adaptation capabilities of AI enterprises going global."

Chinese AI companies increasingly find themselves squeezed from both directions. On the outbound side, China's tightening controls over the "origin" of technology and data mean that cross-border transfers of core algorithm models or underlying code may fall within the scope of its export control catalogue, while data accumulated using domestic resources may require a security assessment before it can leave the country. On the inbound side, the US targets both technology and capital flows, while the EU's newly enacted AI Act imposes strict compliance requirements on high-risk AI systems. For a startup trying to straddle both worlds, the margin for error is razor-thin.

It is precisely this squeeze that has made Singapore so attractive as a middle path. But experts are careful to draw a line between legitimate restructuring and regulatory evasion. Lim Chong Kin, managing director of corporate and finance at Drew & Napier, frames the distinction: "There is a fundamental distinction between entities that deliberately misrepresent their ownership, control or operational reality by purporting to be 'Singaporean' in order to evade sanctions, export controls or regulatory scrutiny, and genuine multinational groups that make a strategic and substantive decision to establish regional or even global headquarters in Singapore."

The latter, Lim notes, is neither unusual nor new. It follows the same commercial logic that has drawn US, European, Japanese, and Korean multinationals to Singapore for decades.

"There is a fundamental distinction between entities that deliberately misrepresent their ownership, control or operational reality by purporting to be 'Singaporean' in order to evade sanctions, export controls or regulatory scrutiny, and genuine multinational groups that make a strategic and substantive decision to establish regional or even global headquarters in Singapore." — Lim Chong Kin, Drew & Napier

Tao agrees, describing Singapore washing as an attempt to "sever legal ties with specific jurisdictions through legal restructuring and operational relocation," migrating key assets, core personnel, and decision-making to reshape a company's control structure on paper.

Singapore itself has little tolerance for that kind of manoeuvre. "Where entities attempt to use Singapore structures to circumvent sanctions, export controls or anti-money laundering requirements, Singapore's response has been unequivocal," Lim says.

None of this has dampened genuine demand. Lim notes a significant increase in technology groups, not just Chinese ones, seeking to establish regional headquarters in Singapore and roll out products across ASEAN and global markets, translating into higher transaction volumes in corporate restructuring, licensing, and cross-border data transfers. Singapore's legal framework, regulatory predictability, and connectivity to ASEAN markets make it a sound strategic base. The problem, as the Manus case illustrates, is that sound strategy and regulatory evasion are not the same thing, and regulators on both sides of the Pacific are now well equipped to tell them apart.

Tests that matter

Choosing Singapore for the right reasons is only the beginning. Even companies with legitimate intentions face a demanding compliance landscape that many underestimate until it is too late.

Lim identifies three pressure points that AI firms most commonly overlook. The first is data. Singapore's Personal Data Protection Act governs how data is collected, processed, and transferred, but AI companies operating across borders must simultaneously satisfy data localisation and export control rules in every jurisdiction they touch. The second is sanctions and export controls. Most AI companies rely on hardware and software sourced from multiple jurisdictions, each carrying its own restrictions, and firms that fail to build regulatory change clauses into their contracts can find themselves exposed overnight. The third is transparency. Regulators and financiers alike are demanding clearer disclosure of beneficial ownership and real decision-making authority, and structures that lack genuine commercial substance face growing scrutiny from both Monetary Authority of Singapore (MAS) and Accounting and Corporate Regulatory Authority (ACRA).

For Chinese AI companies specifically, Tao points to three deeper risks embedded in the Singapore-washing approach. US regulatory regimes including the Committee on Foreign Investment in the United States (CFIUS) and Export Administration Regulations (EAR) are built around the concept of "substantial connection," meaning that a Singapore registration offers little protection if core R&D, data assets, or effective control remain Chinese. On the Chinese side, cross-border transfers of IP, data, and technical personnel carry their own licensing and assessment obligations, and what Tao calls "invisible outbound transfers" can trigger severe liability. Finally, Singapore's own economic substance requirements mean that shell structures will be denied tax treaty benefits and may face compliance investigations under global anti-avoidance rules.

The practical implications are significant. Lim is direct about what a credible Singapore operation actually requires: A management team with real decision-making power, dedicated technical and operational staff, and all required licenses in place. Companies should also conduct early regulatory mapping to identify applicable local, regional, and extraterritorial laws, clarify licensing obligations, and assess how cloud service arrangements including GPU access and AI model usage are viewed by regulators. Contractual protections matter too, particularly clauses that address regulatory change and compliance risk as a first line of defense against geopolitical shifts.

Tao's advice to Chinese AI startups is equally concrete: Screen technology attributes before any cross-border flow to determine whether core algorithms fall within restricted export categories; verify whether data qualifies as personal information or important data before transferring it overseas; and conduct a pre-transaction self-review of foreign investment rules, including China's Outbound Investment Security Programme (OISP), before accepting foreign financing or entering an acquisition process.

The throughline across all of this is the same. As Tao puts it: "Compliance in cross-border transactions for AI startups is not merely a matter of structural design, but a systemic project involving entity characterisation, regulatory application and liability allocation." ●

How professional acumen, fiduciary care can keep lawyers relevant in the AI age

By Natalie Runyon

Lawyers expect to gain a full five hours per week of worktime due to the efficiency derived from AI use, according to the Thomson Reuters 2025 Future of Professionals Report. Yet the fear of job loss among lawyers is rising, as those viewing AI as a threat or somewhat of a threat grew to almost two-thirds (65 percent) of those surveyed, according to the Thomson Reuters Institute's 2026 AI in Professional Services Report.

Many in the legal profession are asking how lawyers are uniquely valuable at a time when machines can process legal information faster and cheaper. The answer lies in understanding the difference between what AI does in processing legal information and what humans do in exercising legal judgment, says Kevin Lee, Founding Director of the Institute for AI & Democratic Governance.

Defining two levels of legal work

Understanding what makes lawyers particularly meaningful in this current AI moment requires distinguishing between two different levels of legal work. According to Lee, these involve the syntactic and the semantic:

- **Syntactic** — Lawyers process information, generate documents, and recognise patterns at the syntactic level, meaning those tasks in which AI excels and delivers promised efficiency gains. "The danger is that we will use this efficiency merely to generate more syntactic volume," Lee explains, adding this will result in faster processing of more documents at greater speeds. "If we do that, we will have automated ourselves out of a profession."

- **Semantic** — The semantic aspect of lawyering highlights the irreducible skills of legal practice, which include exercising independent legal judgment, reflecting on consequences, demonstrating care for clients, and fulfilling fiduciary duties.

This distinction is inherent within the practice of law definition. Many jurisdictions distinguish between "providing legal information" (not practicing law) and "exercising independent legal judgment" (the essence of legal practice). Lee contends that the existential risk facing lawyers is not AI completing legal tasks, but the temptation to reduce lawyers' role to verifying machine output. Conflating these two concepts requires increasing appreciation for the craft of legal reasoning and judgment.

Semantic qualities of legal judgment

The question of what makes lawyers especially relevant in the AI era is mainly answered in how and why they do what they do, rather than in what they do. Lee points to fiduciary duty and legitimacy as key semantic qualities.

- **Fiduciary duty** — When a client seeks legal counsel, it's legal judgment — not information processing — that the client wants. Lawyers, as part of their fiduciary duty, demonstrate human and legal understanding of the unique context of each case and the consequences of various legal paths forward. This bond of trust demands reflection, consideration, care, and proper purpose. It requires balancing competing interests, recognising unstated concerns, and exercising discretion in ways that honour both the letter and spirit of the law.

- **Legitimacy and meaning** — Beyond individual client relationships, lawyers serve a broader purpose in safeguarding law's connection to the narratives of justice and human dignity that legitimize its authority. "The artwork that one associates with the law connects actions and legal judgment of attorneys to the mythic meaning of justice, equality, and the rule of law," Lee explains.

How to deepen lawyers' relevance

Lee sees the five hours gained weekly through AI as a choice point: Lawyers can use them to deepen relevance through apprenticeships, reinvesting in client counsel and moral judgment, and reforming legal education.

The special relevance of lawyers in the AI age lies precisely in the human and semantic aspects of lawyering — and the five hours gained through AI represent a defining choice for the profession. ●

Natalie Runyon is the director of sustainability content within the Thomson Reuters Institute. She has more than 20 years of experience working and volunteering for multinational organisations, including Thomson Reuters, Goldman Sachs, and the Central Intelligence Agency.

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Recognizing this, ALB and Hui Ye Law Firm will co-host the **"China's Driving Force, Meeting a New Landscape – ALB Hui Ye Singapore International Legal Forum 2026"** on **21 May** in Singapore. This landmark event, the first of its kind with a Chinese law firm in ALB's HQ, and a foundational initiative for Hui Ye's Singapore office, will tackle critical issues for globalizing Chinese businesses. Discussions will cover cross-border investment risks, international dispute resolution, data compliance, and anti-fraud investigations, providing actionable insights for safe and sustainable global growth.

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