

According to Azmi Mohd Ali, managing partner of Azmi Associates, this involves “widen[ing] the acceptability of Islamic finance internationally,”



Azmi Mohd Ali
Azmi & Associates

process in which Malaysian lawyers, and their peers in the financial services industry, will need to lay an important role.

Speaking to *ALB* earlier this year, Amir Fazael Zakaria, a senior counsel for AirAsia, said that Malaysian lawyers help push products in nascent Islamic finance markets, singling out Indonesia as the most obvious example. “Indonesia is a country with a population of almost 300 million, and is also untapped for Islamic finance. It is not just in terms of the aviation industry but for consumer banking. It’s why Malaysia continues to place itself as a hub. We have a head-start since we started taking baby-steps almost three decades ago.”

Some are looking even further afield than the world’s most populous Muslim nation. Zaid Ibrahim’s recent announcement that it would enter Australia to service the country’s hitherto non-existent Islamic finance market – while seen by many as yet another futile attempt to revive its sagging domestic fortunes – is evidence of the opportunities on offer for Malaysian law firms involved with the propagation of Islamic finance across the region.

“Exporting knowledge and know-how is an area where Malaysian law firms can – and have – to do better,” says Andri. “Indonesia and other countries in South-East Asia could benefit from our knowledge of how to structure Islamic finance deals, as well as from our knowledge of how to handle debt structuring and restructuring exercises.”

But the export of knowledge and know-how is not the only nexus through which Malaysian law firms can broaden their international horizons. The increasingly global outlook being adopted by the country’s corporate sector is also pushing the nation’s law firms into new areas of practice and jurisdictions.

Malaysian firms go international

Just as the last 12 months have seen the country’s economy become more cosmopolitan and international in outlook, so too has Malaysia’s legal services market started to look offshore for growth. In fact, it can justifiably be stated that 2009 was a year like no other in this regard, with a number of law firms opening offices overseas, striking alliances or joining international legal associations.

Naqiz and Partners, for example, set up a two-partner/two-lawyer practice in Jakarta under the moniker Bastaman Enrico; Mohamed Rizda & Co embraced its membership of LawWorld, an independent international network of international law firms of which it is the exclusive Malaysian member; while Zaid Ibrahim announced that it would enter Australia in 2010.

Azmi was perhaps the most active on the international expansion front. Over the past 12 months the firm has launched a China desk, entered into a strategic alliance with PRC firm ZhongYin, will soon announce a similar arrange with a yet-to-be named Indonesian firm and is in the process of achieving regulatory approvals to open an office in Singapore. The firm has also brought two new foreign legal consultants on board: Michael Doyle (US-qualified) and Suhaimi Laziri



Mohamed Rizda
Mohamed Rizda & Co

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Amir Fazael Zakaria
AirAsia

(Singapore). “Even from ancient times of international trade, going global will always catapult the economy towards greater prosperity. For law firms an international strategy is not only a matter of new sources of revenue, but also a matter of mutual learning of new skills and ways of thinking.”

For Syed Naqiz Shahabuddin, founding partner of Naqiz & Partners, an overseas office has allowed his firm to get a headstart on more established players in the cross-border market, while Rizda believes that his firm’s membership of WorldLaw allows it to handle work they might not otherwise have had. This is not to mention the firms that have international presences through different means, namely alliances and tie-ups with global law firms.

A new breed of Malaysian law firm

Despite the international expansion of a number of players last year, those firms with a meaningful presence outside of the country remain firmly in the minority. While this has a lot to do with investment flows (Malaysian clients have been slower to go outbound than their counterparts in Singapore, PRC or Hong Kong), for others it is a function of an over-regulated legal services market.

“Until recently Malaysian law firms faced restrictions in terms of self-promotion and publicity. This cultivated a very old-fashioned approach to law and took things like international offices out of the picture,” says Andri. “This will change now, **Cont p50**▶

TOP 10 GLOBAL ISLAMIC BOND ISSUER RANKINGS: 2010 Q1

Pos.	Issuer	Deal value (US\$m)	%share
1	Danga Capital Bhd	612	34.7
2	Dar Al-Arkan Real Estate Development Co	446	25.3
3	Khazanah Nasional Bhd	228	12.9
4	Saudi Hollandi Bank	193	11.0
5	Gamuda Bhd	97	5.5
5	Cagamas Bhd	94	5.3
7	PT Perusahaan Listrik Negara-PLN	32	1.8
8	Sunrise Bhd	29	1.7
9	Tradewinds Corp Bhd	15	0.9
10	Aeon Co Ltd	9	0.5

Source: Dealogic

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