# **Breaking new** legal ground

Introducing a law firm model in Macau is long overdue, stress Rui Pinto Proença, managing partner of MdME, and Carlos Duque Simões, former managing partner of DSL Lawyers. In an interview that followed the announcement of DSL's integration into MdME, both lawyers also highlight the need to meet the demands of a market that increasingly calls for specialised and multilingual skills

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ringing a broader pool of talent under one roof to cater to the growing demand for specialised business law services was mentioned as a key driver for the integration of DSL Lawyers into MdME. The agreement, first reported by Macau Business's sister online publication, Macau News Agency, took effect on October 1. Macau Business sat down with Rui Pinto Proenca. MdME managing partner, and Carlos Duque Simões, former DSL Lawyers managing partner and now partner at MdME, who weighed in on an evolving landscape where specialisation is a prominent feature.

"Today, it is not easy for a lawyer to master all fields of law, as the legal landscape has grown significantly more complex with various layers and facets," notes Rui Pinto Proença, adding that "topics such as data, cyber, etc. have taken center stage, which was not the case a decade ago." This trend has "numerous ramifications and requires specialised knowledge." While in the past, law offices could easily operate with relatively small teams, primarily led by general practice lawyers, Carlos Duque Simões emphasises that "nowadays, having a versatile and specialised team is essential."

# Specialised, multi-layered

This entails finely-tuned expertise in specific fields and the ability to master different languages and diverse legal systems. As a result, local law offices have expanded to include more multilingual practitioners and professionals with a clear understanding of the legal systems of Macau, Hong Kong, Mainland China, among other jurisdictions. Simões adds that the increased investment from multinational Chinese companies in recent years has resulted in "a growing need for people proficient in various languages - that is, for multi-practice and multi-cultural teams."

In the same thread, Proenca underlines that "clients expect that full-service law firms such as ours are capable of



delivering specialised practice and sector knowledge in the official languages plus English." With the integration of DSL into MdME, the new MdME law office will comprise more than 40 legal professionals, including 12 partners across three offices-Macau, Hong Kong, and Lisbon-as mentioned in the press release announcing the agreement.

### Firm call

Contrary to the practice in many jurisdictions worldwide, lawyers in Macau do not have the necessary legal framework to establish themselves in a law firm structure, which is an entity dedicated to providing legal services. Currently, individual lawyers in Macau can collaborate with other legal practitioners under the same premises and a shared name, but, technically, each lawyer provides services individually within an arrangement defined as a law office. The SAR's Lawyers Statute indicates that a specific law governing law firms may be enacted after consulting the Macau Lawyers' Association and the Superior Council of Macau Lawyers. In 2020, Secretary for Administration and Justice André Cheong said the government was open to the possibility of regulating law firms in the city. For both Rui Pinto Proença and Carlos Duque Simões, it is about time for the SAR to take such a step, which they believe is long overdue.

"My view is that the law firm model should have been introduced decades ago. Frankly, I am not aware of any other jurisdiction around the world without a framework that allows lawyers to organize their practice as a law firm," Proença stresses.

Simões agrees that "this issue has long been overdue for resolution," adding that "the longer it takes to address, the more challenging it will become." Both lawyers underline that the current regime confounds clients.

"Quite often, when we are dealing with overseas corporate clients, they find it quite concerning that they are not





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interacting with a law firm," Proença notes. For the MdME managing partner, the current system not only "poses an obstacle to the development of the legal profession in Macau," but also "hurdles in terms of allocation of resources and the upward mobility of lawyers within more professionally oriented structures."

# Hengqin, step-by-step

In recent years, a number of Macau-based law offices have set their foothold on the neighbouring Hengqin island. As the trend toward integration between Macau and the Guangdong-Macau In-depth Cooperation Zone in Hengqin is set to be intensified, will MdME follow in the footsteps of counterparts and have a fully-fledged operation in partnership with mainland partners there? MdME managing partner Rui Pinto Proença does not harbour significant enthusiasm about such a prospect. He explains that there has been a joint venture model that other Macau law offices have adopted, where they team up with mainland counterparts. "I am not particularly excited about that approach, as it seems to me

that the Macau partners will always be in a junior partner position," he says. Nevertheless, MdME has a small unit in Hengqin, which is licensed to provide corporate secretarial services. "It's not a law office, but it's a first step." Regarding what lies ahead for the neighbouring In-Depth Cooperation Zone, he notes that "with the new institutional arrangement of co-management between Guangdong and Macau, we have a good foundation for future economic dynamics." This can be translated through further differentiation, vis-à-vis other places in mainland China, as a foreign investment destination. "For this to happen, there needs to be more freedom of movement of people, goods, and capital, certainly under a properly regulated environment." A flagship, large-scale, FDI undertaking could be a game-changer, Proença indicates. Staying away from an overly rigid legal system is of paramount importance, Simões adds. "The crucial point is that of investors' perception, as there should be flexibility in terms of arbitration and the choice of applicable law." In that respect, "some timid steps have already been taken in that direction," the former DSL managing partner concludes.