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An overview of economic development in Indonesia

Rahmat Bastian
BT Partnership
Jakarta

As a country once badly hit by the economic crisis of 1997, from which it is still recovering, foreign investment to Indonesia has an important part to play in the improvement of the Indonesian economy. This position has been consistently supported by the recent administration. The former president, Megawati Sukarnoputi, declared 2003 as year of investment and more recently, president Susilo Bambang Yudhoyono traveled to (among others) the US, the UK, the Middle East and Australia to promote Indonesia as the favourite destination for foreign investors, supported with joint efforts in combating the rotten corruption and reshaping all investment policies to become more market friendly. The government's optimism regarding the growth of foreign investment into Indonesia can be seen from the investment target set for 2006, which estimates growth of at least 15.2%.

Although the public mostly think that conditions in Indonesia are still not conducive for large-scale foreign investment, they are expecting and hoping that a first wave of foreign investment after those efforts can help stabilize and improve the national economy.

To reform this investment climate, the president recently issued a package of policies containing 85 steps that must be taken by the government within the forthcoming year. This policy package includes four elements deemed crucial in increasing foreign direct investment and export – policy and governance, customs and excise, taxation and manpower.

Policy and governance

The government will simplify the investment process, shortening the average time it takes to set up a foreign investment company from 150 days to just 30 days and limiting the number of examiner desks with lower chance of interaction with the examiner in person. The progress of each investment application is also monitored on a strict basis to ensure that each issue can be addressed in an effective manner.

Customs and excise

The government will (i) accelerate the flow of goods by speeding up the customs examination process, facilitating cargo processing and implementing lower costs at Indonesian ports; (ii) expand the role of

bonded zones by extending the function of bonded warehouses (TPBs) and changing some concepts of bonded zones to attract investors to invest (such as improving TPB regulations, automating certain TPB activities and enhancing customs facilities in the bonded zones); (iii) eradicate smuggling; and (iv) accelerate the registration and application process for excise facilities. The government had also submitted a draft of new act on customs and excise for parliament deliberation which will stimulate the flow of goods into or from Indonesia.

Taxation

The government will (i) give tax incentives for investment by perfecting the country's tax laws; (ii) implement a consistent self-assessment system by adjusting the income tax tariff, evaluating prepayment/installment payment systems and improving tax services; and (iii) promote transparency and disclosure by conducting tax audits, investigations and disclosure programmes and by improving the citizens' knowledge of taxation.

The government has also submitted a draft of new act on taxation for parliament deliberation which shall include among others a reform on income tax, value added tax and taxation procedural laws.

Manpower

The government will try to (i) create an industrial relations climate that supports the expansion of employment, including amending the Manpower Law; (ii) establish a quick, cheap and fair settlement of industrial relations disputes by establishing a specialized industrial relations court in provincial areas; and (iii) accelerate the process of issuing manpower licenses to create a flexible and productive manpower market.

As well as the policy package, the government has also issued various sector-specific regulations that facilitate the growing of business and a conducive climate for investment in Indonesia. The regulations and its respective various sectors are as follows.

Banking and finance

To bring stability to the banking sector, under the Law no 24 of 2004 the Deposit Insurance Agency (the DIA) was set up, and was operating effectively by September 22 2005. The DIA has two functions: to insure customer's savings and to conduct the settlement of failing banks. The DIA will ultimately insure the balance of each customer in the amount of Rp100 million (\$10,750). Deposit in *sharia* banks will also be insurable.

The stability of the banking sector is also underpinned by com-

mercial banks with at least adequate (if not strong) capital. For this purpose, in mid- 2005 the Bank of Indonesia announced a requirement to all commercial banks (both conventional and *sharia* banks) to adjust their minimum Tier I capital (consisting of paid-up capital and disclosed reserves) to equal at least Rp80 billion by December 31 2007 or December 31 2008. Failure to do this would result in these banks' business activities being restricted, or being required to compose an action plan to be approved by the Bank of Indonesia, or being fined up to Rp50 million. The Tier I capital requirement is higher for banks that already have Tier I capital of Rp80 billion.

The Bank of Indonesia regulations on standard measures banks should adopt when carrying out an asset quality assessment has been revised, in an effort to encourage banks to be prudent when determining the creditworthiness of borrowers. Funds should only be provided once the bank has satisfied itself as to the quality of the borrower and its assets. The revised regulation implements the *one debtor* and the *one project* concepts – namely, that commercial banks must apply uniform procedures of quality classification towards multiple accounts of earning assets used to finance one debtor, and of earning assets used to finance the same project.

Capital markets

Some new regulations in the capital market sector have also provided specific markets for the influx of foreign capital. In May 2003 the Indonesian Capital Market Supervisory Board (the Bapepam) decreed that all securities companies must increase their adjusted net working capital to at least Rp25 billion by December 31 2004.

Some securities companies that have been unable to fulfill the requirement have been trying to find alternative sources of funds, looking for more capital from their shareholders, inviting new shareholders to join, or through various other transactions. The market's recent achievements, and its prospective future, makes the position of these securities companies an attractive proposition for foreign capital and for offshore securities companies seeking ownership in the lucrative Indonesian securities market; such companies can be acquired for 85% to 99% of the paid-up capital, subject to the status of the acquirer.

Concrete actions

Until now the government has issued policies and taken actions aimed at attracting foreign investors to Indonesia, and continues to do so. As far as the policies themselves are concerned, the government must take concrete actions if it wants to be truly effective in triggering investment and kick-starting the economy. In light of the fact that many foreign investors from different countries have stated their commitment in investing in Indonesia, the government should make sure that these commitments come to fruition as actual investment through their next concrete actions.

Banking

Recommended firms

Tier 1

Ali Budiardjo Nugroho Reksodiputro
Hadiputranto Hadinoto & Partners
Hiswara Bunjamin & Tandjung
Mochtar Karuwin & Komar

Tier 2

Assegaf Hamzah & Partners
Bahar & Partners
Hutabarat Halim & Rekan
Makarim & Taira S
Makes & Partners
Melli Darsa & Co
Soewito Suhardiman Eddymurthy Kardono

Tier 3

DNC Law Firm
Hanafiah Ponggawa & Partners
Kartini Muljadi & Rekan
Soemadipradja & Taher
Tumbuan Pane

Capital markets

Recommended firms

Tier 1

Bahar & Partners
Hadiputranto Hadinoto & Partners
Makes & Partners
Melli Darsa & Co

Tier 2

Ali Budiardjo Nugroho Reksodiputro
Assegaf Hamzah & Partners
Lubis Ganie Surowidjojo
Mochtar Karuwin & Komar

Tier 3

Hiswara Bunjamin & Tandjung
Hutabarat Halim & Rekan
Kartini Muljadi & Rekan
Makarim & Taira S
Soemadipradja & Taher
Soewito Suhardiman Eddymurthy Kardono

Insolvency and restructuring

Recommended firms

Tier 1

Ali Budiardjo Nugroho Reksodiputro
Hadiputranto Hadinoto & Partners
Kartini Muljadi & Rekan
Lubis Ganie Surowidjojo

Tier 2

BT Partnership
Hutabarat Halim & Rekan
Makarim & Taira S
Makes & Partners

Tier 3

DNC Law Firm
Hiswara Bunjamin & Tandjung
Soebagjo Jatim Djarot
Tumbuan Pane

Mergers and acquisitions

Recommended firms

Tier 1

Hadiputranto Hadinoto & Partners
Lubis Ganie Surowidjojo
Melli Darsa & Co
Mochtar Karuwin & Komar

Tier 2

Assegaf Hamzah & Partners
Hiswara Bunjamin & Tandjung
Makarim & Taira S
Makes & Partners
Soewito Suhardiman Eddymurthy Kardono

Tier 3

Ali Budiardjo Nugroho Reksodiputro
Bahar & Partners
Hanafiah Ponggawa & Partners
Kartini Muljadi & Rekan
Soemadipradja & Taher

Project finance

Recommended firms

Tier 1

Hadiputranto Hadinoto & Partners
Soewito Suhardiman Eddymurthy Kardono

Tier 2

Ali Budiardjo Nugroho Reksodiputro
Hiswara Bunjamin & Tandjung
Hutabarat Halim & Rekan
Kartini Muljadi & Rekan
Lubis Ganie Surowidjojo
Makarim & Taira S

Tier 3

Hanafiah Ponggawa & Partners
Mochtar Karuwin & Komar
Soebagjo Jatim Djarot
Soemadipradja & Taher

Ali Budiardjo Nugroho Reksodiputro

Ali Budiardjo Nugroho Reksodiputro is composed of 12 partners and 27 associates. The firm also boasts nine of-counsel – six from Indonesia, two from the Netherlands and one from the US. Thanks to the firm's association with international leader White & Case it tends to have a more international practice than most of its rivals, a fact also given weight by its membership of international networks Lex Mundi, the Pacific Rim Advisory Council and the International Trademark Association.

Ali Budiardjo Nugroho Reksodiputro practices in a range of areas, including capital markets and mergers and acquisitions work, although the firm's real strength lies in its debt financing expertise. Emir Nurmansyah is highly recommended for debt-related work in the areas of banking, debt restructuring and project financing. Of the firm's foreign legal advisers, meanwhile, Theodoor Bakker was consistently singled out for his experience.

Leading lawyers

Theodoor Bakker
Emir Nurmansyah

Key contact partners

Theodoor Bakker
Emir Nurmansyah

Assegaf Hamzah & Partners

Founded in 2001, Assegaf Hamzah & Partners is a relatively small firm comprising three partners and 15 associates. Although a young firm, the lawyers have good training and experience. Founding partner Ahmad Fikri Assegaf was formerly a partner of Lubis Ganie Surowidjojo and partner Bono daru Adji previously belonged to Hadiputranto Hadinoto & Partners.

Assegaf Hamzah has represented major corporate clients in a wide spectrum of business activities, most notably advising leading telecommunication companies, stock exchanges and securities houses, as well as mining and oil companies.

Key contact partner

Fikri Assegaf

Bahar & Partners

Founded in October 1992, Bahar & Partners provides legal services in the fields of debt restructuring, corporate restructuring

and reorganization, mergers and acquisitions, capital markets, foreign investments, privatizations, and dispute resolution. The firm handles various domestic as well as international transactions involving diverse parties, and in recent times has acted for, among others, the Indonesian government, state-owned entities, private companies, banks, securities companies and mutual funds. The firm has also interacted with a variety of government agencies and institutions, such as Bapepam, Bank Indonesia, the Indonesian Bank Restructuring Agency, the Investment Coordinating Board, the Ministry of Justice and Human Rights, the Ministry of Agriculture, the Ministry of Trade and Industry, the Ministry of Finance, and the Ministry of State-Owned Enterprises.

Bahar & Partners is a member of Globalaw, a worldwide network of law firms, and the firm also benefits from a range of non-exclusive relationships with a number of international firms, thus encouraging the growth of its international network.

This year has been another busy one for the firm. In structured finance, the firm advised Adaro Indonesia in relation to the leveraged buyout and loan refinancing of Adaro Indonesia and Indonesia Bulk Terminal, which included the issue of \$400 million senior secured notes. As counsel to Kaltim Prima Coal, meanwhile, partners Atik Susanto and J Setianto Sunario led a team that advised on an asset-backed securities transaction by Indocoal Exports (Cayman). The secured notes issued in March 2006 were worth \$600 million.

At the time of writing, Bahar & Partners was representing the underwriters of UBS Securities Indonesia in relation to a planned international bond issue by a major agricultural company.

Key contact partner

Wahyuni Bahar

BT Partnership

BT Partnership is composed of 14 lawyers, including the founder Rahmat Bastian, who the market recognizes as “an exceptionally strong commercial litigator”.

The firm is particularly highly recommended for insolvency and restructuring matters. It has a long history of handling a wide range of corporate insolvencies, corporate reorganizations and debt restructurings, and has been involved in some landmark bankruptcy matters. Many foreign bank creditors rely on the firm to represent their claims in bankruptcy proceedings or to provide advice in relation to restructuring negotiations.

Key contact partner

Rahmat Bastian

DNC Law Firm

DNC Law Firm has traditionally specialized in banking and finance advice. However, the firm's practice also covers the transactional side of commercial lending as well as advisory work relating to the structuring and development of new financial products. Other aspects of the firm's practice include funds, derivatives and other structured financings. The firm draws upon its finance skills to provide advice on Indonesian projects and on cross-border projects.

Key contact partner

Titi Maria

Hadiputranto Hadinoto & Partners

Established in 1989, Hadiputranto Hadinoto & Partners (HHP) is now a multi-practice law firm. Today the firm is composed of 54 legal consultants, including 12 associates. HHP is the Indonesian member firm of Baker & McKenzie's global legal network, and its lawyers attend the regional training sessions and workshops that are regularly presented by Baker & McKenzie. In March 2006, HHP was awarded *IFLR's* Indonesian law firm of the year award for the sixth successive year.

The firm has handled a significant amount of debt restructuring work over the past year, as well as playing a key role in some of the most complex and high-profile corporate and debt restructurings to have occurred in Indonesia. HHP is affiliated with Buananusantara Manunggal (B&M Consultants), an Indonesian business consulting firm comprising two expatriates that offer advice on international trade, finance and investment.

HHP has been involved in the biggest refinancing transaction to occur in Indonesia this year. The firm, led by Daniel Ginting, represented the Singapore branch of Credit Suisse as arranger and the Bank of New York as trustee on Buni Resources' \$800 million note issue, the proceeds being used to refinance a previous note issue in 2005.

In another landmark deal for Indonesia, the firm acted for Fitch Ratings on Kaltim Prima Coal and Arutmin Indonesia's issue of \$600 million future export receivables. The transaction was Indonesia's first-ever future flow securitization, as well as the country's biggest cross-border securitization, and the biggest-ever future flow securitization of coal receivables in the world. It was also the first investment-grade transaction to come out of Indonesia since the Asian financial crisis.

Other finance work included advising Energi Mega Persada, one of Indonesia's biggest oil and gas companies, in relation to the provision of a \$275 million guaranteed loan from Credit Suisse, and in a project-related deal, acting for Credit Suisse as arranger of a \$210 million loan facility to Domas Agrointi Prima used to construct the biggest fatty acid and alcohol plant in Asia.

In November 2005 Ginting was at the helm again, this time acting for the Bank of Tokyo-Mitsubishi in relation to a financing package granted to Mitratama Perkasa for the construction of a coal handling and coal crusher facility, which will be rented to PT Kaltim Prima Coal, the biggest coal producer in Indonesia. The firm also served as deal counsel on Indonesia's first initial public offering of 2005, by Excelcomindo Pratama, and advised JP Morgan as lead underwriter of Indosat's \$250 million bond issue, one of the biggest offshore bond offerings by an Indonesian company at that time.

M&A mandates, meanwhile, included representing SwissAsia Global Hong Kong in the sale of its 52.05% stake in Bank Lippo to Santubong Investments for \$300 million, acting for Bank Bukopin in relation to the \$50 million acquisition of Bank Persyarikatan Indonesia, and advising Sampoerna Strategic on its purchase of plantation company Sungai Rangit.

Leading lawyers

Sri Indrastuti Hadiputranto
Erwandi Hendarta
Mark Innes
Indri Prमितaswari Guritno

Key contact partners

Sri Indrastuti Hadiputranto
Erwandi Hendarta
Timur Sukimo

Hanafiah Ponggawa & Partners

Hanafiah Ponggawa & Partners (HPP) is a full-service law firm consisting of five partners and 20 associates. The firm receives high recognition from, and extensive connections in, the international community, as shown by its membership of Meritas.

Hanafiah Ponggawa & Partners was reorganized at various points in the 1990s, in efforts to provide clients with specialized legal services, before assuming its present structure in 2001. The firm's impressive client roster includes multinational companies, large and small domestic companies, financial institutions, government agencies and individuals.

HPP has had a busy year, advising clients across the range of practice areas. The firm, led by partners Al Hanafiah and Indra Allen, advised Kuala Lumpur Kepong on the acquisition of plantation company Jabontra Eka Karsa. The \$9 million deal closed in April 2006. HPP also advised HSBC in relation to an extension of a *murabaha* agreement, worth \$292 million. At the time of writing the firm was advising Bosowo Energi on gaining a stake in a 2x100MW power plant, which was expected to close in August 2006 at an estimated \$170 million.

Hanafiah Ponggawa & Partners enjoys close relationships with, and has represented, several government agencies, provincial governments and state-owned companies. For example, the firm has advised the Jakarta provincial government on several major infrastructure projects, including the development of the Jakarta metro subway project, the west Jakarta waterworks privatization project, and the north Jakarta land reclamation project. The firm has also represented and advised various foreign national governments and institutions including the governments of the US, Germany, South Korea and Australia, as well as the International Monetary Fund.

Key contact partners

Al Hakim Hanafiah
Fabian Buddy Pascoal
Andre Rahadian

Hiswara Bunjamin & Tandjung

Hiswara Bunjamin & Tandjung (HB&T) has a total staff of 25 lawyers, including its foreign counsels. The firm's client base is predominantly foreign and it represents many blue-chip multinational corporations, major banks and investment banks. The firm is associated with leading international law firm Herbert Smith, and receives support from that firm's Singapore and other Asian offices, as well as benefiting from its excellent international network. Herbert Smith seconds leading lawyers to HB&T, including David Dawborn, who is present in Jakarta as senior foreign counsel.

The firm's partners are highly regarded Indonesian lawyers with extensive experience in representing both international and Indonesian corporate, financial and natural resource sector clients. And in Afifi Nasution, the firm has an experienced senior Indonesian consultant who has experience of high-level Indonesian oil and gas transactions and government expertise.

The main reason for the success of the firm this year has been due to its sterling work in energy matters. This sector has seen a lot of activity recently, driven by high oil and commodity prices. The firm has been involved in a number of major energy M&A and energy finance transactions. There has been considerable focus on transactions involving Indonesian coal from Kalimantan (Borneo), driven by huge demands for ener-

gy sources in north Asia and India. The firm provides ongoing support to long-standing resource clients such as Rio Tinto and BP, and the firm has also been working with the global commodity groups of Morgan Stanley and Merrill Lynch in relation to Indonesian coal matters.

In the past year, HB&T has been increasingly acting for big foreign investors on acquisitions and new investment projects, including Hutchison Telecom, Securicor, Merrill Lynch, Deutsche Bank and Sime Darby.

HB&T represents major investment banks in relation to their activities and investments in Indonesia, this niche practice having expanded further over the past year. The importance of the firm can be seen in the reputable clients it assists such as Goldman Sachs, Morgan Stanley and Credit Suisse.

Most recently, Dawborn led a team that provided Indonesian legal advice on one of the first international initial public offerings to originate from Indonesia in three years. HB&T joined forces with associated firm Herbert Smith's Singapore office to act for CLSA as the coordinator, bookrunner and underwriter of Indonesian construction company Total Bangun Persada's IPO. The deal is expected to signal the start of a series of IPOs coming out of Indonesia over the coming year, which of course is excellent news for the capital markets departments of the country's leading firms.

Leading lawyers

David Dawborn
Iril Hiswara

Key contact partners

David Dawborn
Iril Hiswara

Hutabarat Halim & Rekan

One of the leading commercial law firms in Indonesia, Hutabarat Halim & Rekan is comprised of four lawyers and two of-counsel. The founding partners have a high profile in the international sphere – Nini Halim is an active member of the Inter-Pacific Bar Association, and Hutabarat is a licensed member of the Indonesian Association of Capital Market Legal Consultants. He is also a member of the International Bar Association and Insol International. This allows the firm to maintain good connections and to practise in the international arena.

The firm has a branch office in Batam (an industrial island near Singapore) to facilitate clients' needs in doing business in that area. This reinforces the firm's networking in Singapore as the financial centre of the region. Since 2002, the firm has also had an active presence in, and provides legal services for investors doing business in, the Democratic Republic of Timor Leste.

Key contact partners

Rosana Chung
Peter Fanning
Pheo Hutabarat

Kartini Muljadi & Rekan

Name partner Kartini Maljuadi is respected widely for her many years of experience and for her strong connections in the Indonesian banking industry and in government. Although market feedback suggests that Muljadi has scaled back her involvement in transactional work, the firm continues to pick up plenty of interesting and complex deals and shows no signs of losing its status as a solid choice for the full range of corporate and financial law advice.

Kartini Muljadi has been an adviser to Indonesian banks on compliance with new lending limits regulations, and advises on restructuring matters.

Leading lawyer

Kartini Muljadi

Key contact partner

Kartini Muljadi

Lubis Ganie Surowidjojo

Founded in 1985 by partners Timbul Thomas Lubis, Mohamed Idwan Ganie and Arief Tarunakarya Surowidjojo, Lubis Ganie Surowidjojo has built up a good reputation for banking litigation, and a strong client base among local Indonesian banks. Lubis Ganie Surowidjojo is one of the largest firms in Indonesia and employs some 50 lawyers, including eight partners and two foreign consultants.

Lubis Ganie Surowidjojo maintains an extensive client base including foreign and Indonesian private and public companies, government bodies, joint venture projects, partnerships and individuals. The firm's corporate and commercial department is recognized for its expertise in corporate finance, project finance, capital markets, privatization, infrastructure projects, corporate reorganizations (including mergers and acquisitions), bank and debt restructuring, foreign investments, general banking and secured transactions, bankruptcy, tax, structured finance transactions and information technology. The firm also specializes in intellectual property, labour law, distribution of goods and services, maritime and shipping, international trade and property development.

Lubis Ganie Surowidjojo has been involved in many large infrastructure projects in Indonesia. The firm has also played an important role in a number of transportation projects, particularly toll road developments. Lubis Ganie Surowidjojo has also had a presence outside of Indonesia and has provided legal services on a number of projects, including the Metro Manila skyway project.

Lubis Ganie Surowidjojo has also become actively involved in a number of major debt restructurings. For example, the firm was appointed Indonesian legal counsel to the Astra Group, to which is provided assistance in the restructuring of over 100 companies. Lubis Ganie Surowidjojo has also assisted IBRA in the biggest debt restructuring in the world, the \$6.7 billion restructuring of Asia Pulp & Paper, with a staggering array of multinational creditors.

Leading lawyer

Arief Tarunakarya Surowidjojo

Key contact partners

Mohamed Idwan Ganie
Arief Tarunakarya Surowidjojo

Makarim & Taira S

Makarim & Taira S was founded in 1980 by Nono Anwar Makarim and Frank Taira Supit, and has since grown to become a multi-disciplinary practice with five partners, three senior foreign counsels and 30 associates.

Makarim & Taira S is favoured as Indonesian counsel by a number of leading international law firms, and has considerable expertise in acting as local counsel in international and multinational transactions. The firm is a member of the International Bar Association, the Inter-Pacific Bar Association, the Indonesian Capital Markets Legal Consultants Association and the Indonesian Receivers and Administration Association. The firm

is also in association with leading Australian outfit Minter Ellison.

While the focus of the firm's practice has been and remains in the corporate and commercial and finance fields, Makarim & Taira S has significant expertise and growing reputation in other practice areas such as major projects including power, telecommunications and ports, debt restructuring and e-commerce.

This year a team from the firm, led by "outstanding" senior foreign counsel Gregory Ranslam and senior associate Tasdikiah Siregar, helped Standard Chartered Bank in relation to the provision of a \$42 million loan to Moeladi. The deal closed in March 2006.

Among the year's other finance highlights, Makarim & Taira S advised Standard Chartered Bank on the refinancing of a facility to Peni in connection with the acquisition by Titan Petchem, and advised Deutsche Bank's Singapore branch on Magma Nusantara's \$150 million refinancing through its issue of secured step-down bonds.

Leading lawyers

Ratna Iskandar
Hilton King

Key contact partners

Ratna Iskandar
Tuti Simorangkir

Makes & Partners

Highly respected by the market, Makes & Partners is renowned for its "superb deal negotiation skills" and for its "strategy-led transaction counselors". Name partner Youza Makes is one of the most highly acclaimed legal experts in project finance, and as a result the firm is a market leader for landmark property developments, including hospitals, hotels and hybrid property products.

Makes & Partners retains its standing as one of the few Indonesian firms offering full-service capabilities to major business groups, multinationals and the Indonesian government, while remaining fully independent. However, the firm has continuously maintained substantial investments in creating a network of strategic legal alliances with top law firms in the US, Latin America, Europe, Asia and Australia.

In January 2006, Gunawan Widjaja joined the firm with impressive postgraduate legal credentials and a growing body of published work. He now belongs to a Makes & Partners team led by partner Iwan Setiawan, who at the time of writing was implementing Indonesia's first real estate investment trust (Reit).

Over the past year, Makes has handled a good flow of deals, including completing a \$250 million bridge loan facility from a major foreign bank to a top bottled water company, advising on a complex, high-profile foreign investor's acquisition of a publicly listed shipping company, and, at the time of writing, assisting with the \$450 million acquisition of one of the largest Indonesian pulp and paper conglomerates.

The firm also served as sole legal adviser in a mega-merger of various publicly listed pharmaceutical companies and, at press time, was in the process of closing various property and hotel management transactions, including the redevelopment and restoration of a landmark Indonesian hotel complex. The firm was also dealing with the financing of a \$5 billion oil and gas project.

Leading lawyer

Youza Makes

Key contact partners

Andi Gunawan
Youza Makes

Melli Darsa & Co

Melli Darsa is highly regarded by the market, and this reputation obviously rubs off on that of her 15-associate firm. Darsa is a capital markets lawyer who is increasingly developing a track record for advising international banks on structured finance matters. The firm as a whole is capable of providing expert advice in the fields of M&A, capital markets, banking and finance, structured and corporate finance and general corporate work.

Darsa has recently advised JP Morgan as lead manager of the \$140 million divestment of shares in the Indonesian Bank Restructuring Agency, and has also been acting for the Singapore branch of Credit Suisse and UFJ Bank on a \$95 million loan. Among other standout deals, the firm acted for Indosat as borrower and issuer of rupiah- and US dollar-denominated bonds and a rupiah-denominated loan syndication worth a total of \$925 million, issued as part of a pre-merger refinancing, and represented UBS as lead manager of an issuance of secured notes worth \$115 million.

Leading lawyer

Melli Darsa

Key contact partner

Melli Darsa

Mochtar Karuwin & Komar

Mochtar Karuwin & Komar is one of Indonesia's oldest and largest law firms. Established in 1971, in the early stages of modernization of Indonesia's commercial laws, MKK has grown in tandem with the country's legal system. The firm has four foreign legal advisers, including Thomas Goin and Alexander Jackson, who are well regarded both locally and regionally. Banking partner Emir Kusumaatmadja is also highly respected by peers and clients.

The firm has a history of acting for large international banks and multilateral lending agencies in the area of structured finance, project finance, sovereign lending and other types of commercial lending. The firm is a favourite of Clifford Chance, having been appointed as domestic counsel the international firm in several transactions. This level of referral work, along with a solid reputation among domestic clients, means that for the time being Mochtar's reputation is fully intact.

Leading lawyers

Thomas Goin
Alexander Jackson
Emir Kusumaatmadja

Key contact partner

Emir Kusumaatmadja

Soemadipradja & Taher

Soemadipradja & Taher comprises five partners, 30 associates and several expatriate foreign counsels thanks to its affiliation with leading Australian firm Freehills. The firm is a specialist adviser on bankruptcy and commercial litigation, banking and finance, capital markets, communications, energy and natural resources, general corporate and investment, insurance, intellectual property and technology, mergers and acquisitions, project finance and property projects and developments.

The banking and finance department handles all offshore and onshore lending transactions, bank regulatory advice, securities offerings, insolvencies and debt restructurings, as well as project financing matters. In the M&A area, S&T continues to be busy in the resources sector, acting for multinational investors on proposed acquisitions in a variety of industrial mining projects.

Key international clients are spread across a number of industry sectors, including the consumer goods, fashion, software and

automotive industries. The firm's projects experience is geared towards the development side, and includes advising on LNG, water, power stations and VSAT projects.

Leading lawyer

Rahmat Soemadipradja

Key contact partners

Dezi Kirana
Rahmat Soemadipradja

Soewito Suhardiman Eddymurthy Kardono

Established in 1992, Soewito Suhardiman Eddymurthy Kardono is a full-service corporate and commercial law practice which has built a fantastic reputation for itself among domestic and international clients. The firm is the second largest in Indonesia, and has an international element through its memberships of legal networks such as The Law Firm Network, The Employment Lawyers Association and Transatlantic Law.

This year, the firm represented Lehman Brothers in the takeover of a \$22 million loan previously granted by Bank Artha Graha to the Rajawali Corporation Group, which manages four Sheraton hotels in Bandar Lampung, Bandung, Nusa Dua and Senggigi. The firm, led by partner Retty Anwar Susandarini, also served as Indonesian counsel to Bank Niaga in relation to an international offer of \$100 million subordinated bonds listed on the Singapore exchange, and represented Jimmy Wang, a client of the Bank of East Asia, in acquiring shares of Bank Resona Perdania from Bank NISP.

Recent highlights in the project finance arena have focused heavily on construction work, such as on the construction of Seruyan Bentang Bridge. Other projects that have benefited from Soewito's solid advice include the acquisition of interests in Indonesian mining authorizations in Maluku, Halmahera and Lampung, Sumatra, and the financing and management of a coal mine in east Kalimantan.

Among the year's other highlights, name partner Retty Anwar Suhardiman led a team that represented the Metropolitan Life Insurance Company when it disposed of its entire stake (worth \$2.57 million) in MetLife Sejahtera to Asuransi Jiwa Sequis Life, and senior advisor Gaylord Watkins took the helm in the firm's role acting for Weda Bay Nickel, Weda Bay Minerals and various other subsidiaries in relation to Eramet's acquisition of Weda Bay Minerals' shares for C\$260 million.

At the time of writing, meanwhile, Soewito Suhardiman Eddymurthy Kardono was acting for Generali Asia in relation to its acquisition of shares in Asuransi Jiwa Arta Mandiri Prima from Asuransi Jiwa Manulife Indonesia, and guided Rak Minerals on the acquisition of a local mining company through the purchase of shares and assets.

Leading lawyers

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