

Switzerland

Chamber of commerce:

Chambers of Commerce and Industry in Switzerland
47 Avenue d'Ouchy
PO Box 205
Ch-1000 Lausanne 13
Switzerland
Tel: +41 21 613 3535
Fax: +41 21 613 3505

Professional body:

Fédération Suisse des Avocats
Bollwerk 21
Case Postale 8321
Berne CH-3001
Switzerland
Tel: +41 31 328 3536
Fax: +41 31 328 3538

The Swiss investment funds industry

**Lionel Aeschlimann and Martin Lanz
Schellenberg Wittmer
Zurich and Geneva**

Switzerland is today one of the world's major financial centres, notwithstanding the fact that it is neither an EU member state nor a member of the European Economic Area. Primarily known for its wealth management expertise, the Swiss financial industry continues to develop and diversify its offering of financial products and services.

At the end of 2005 there were 954 Swiss and 3,980 foreign investment funds licensed for public distribution in Switzerland by the Swiss Federal Banking Commission (the FBC). These investment funds had assets under management amounting to CHF275.5 trillion (\$226 trillion). The Swiss investment fund market realized an exceptional increase of the assets under management of CHF88.9 billion (47.6%) during 2005. The market for structured products has also continued to expand. The attractiveness of Switzerland's financial centre is further evidenced by the turnover of the SWX Swiss Exchange (SWX), which reached CHF1.449 trillion in 2005; around 7,940 securities were listed on the SWX as of December 2005.

Following criticism from the Swiss financial industry for its tendency towards over-regulation, the FBC has confirmed on several occasions since 2005 that it will now focus its regulatory approach on pragmatism, consultation and differentiation to keep over-regulation in check. Based upon these principles, the FBC seeks to consult and act in concert with the parties involved, and to favour self-regulation whenever appropriate. Of course, such self-restraint will not prevent the FBC from taking action to ensure the proper functioning of the market and the protection of investors, while also evolving to keep abreast of international developments in the sector. Before any new regulations are issued, it has become clear that all the above elements shall be considered. This often leads to intense discussions, checks and balances, and the risk of slowing down the legislative process. The reform projects described below illustrate how the Swiss legislator now manages these challenges.

Financial Market Authority Act

In February 2006 the Swiss federal government approved the draft Federal Act on the Financial Market Authority (the Finma). The Finma will merge the existing FBC, the Federal Office of Private Insurance and the Federal Control Body for the Prevention of Money Laundering into one integrated regulatory authority. Although embodied in a new structure benefiting from better allocation of human resources and more comprehensive supervision of the Swiss financial markets, the Swiss supervisory framework will remain basically unchanged under the Finma.

A management committee will handle the day-to-day supervision of the Swiss financial markets. Management committee members will be appointed by the board of directors of the Finma. The board of directors will also be responsible for determining the strategic objectives of the integrated authority, and for taking decisions on issues of major importance.

Under the draft Federal Act on Finma, the sanction regime will be harmonized, streamlined and refined for the entire financial industry by introducing revised penal provisions and administrative sanctions such as a suspension of professional activities or confiscation. However, the authorities competent for imposing such sanctions – the Federal Department of Finance and the Federal Criminal Tribunal – will remain unchanged.

The Swiss parliament should begin debating the draft Federal Act on Finma this year. It is not likely, however, that this legislation will come into force before 2008.

Collective Capital Investments Act

A promising step forward for the Swiss fund industry has been laid down in the draft Federal Act on Collective Capital Investments (the CCIA), which is intended to replace the existing Investment Funds Act. To increase competitiveness in the Swiss fund industry, additional investment schemes will be introduced. In the future, the Investment Company with Variable Capital (following the pattern of the Luxembourg Sicav) and the Limited Partnership for Collective Capital Investments (comparable to the Anglo-Saxon limited partnership) (the LPCCI) will be available. It is still unclear whether closed-ended investment companies (Sicafs) will be subject to the CCIA or remain unregulated. The entry into force of the CCIA is targeted for January 2007.

Limited Partnership for Collective Capital Investments

The introduction of the LPCCI in Switzerland will be of great importance because at present the Swiss legal framework does not provide investors and promoters with a tailor-made investment scheme for private equity investments. The LPCCI has been specially designed for such investments. According to the draft CCIA, the LPCCI will be structured around the legal regime currently applicable to the Swiss limited partnership. It will qualify under the CCIA as a closed-ended investment fund – that is, the investors will not be entitled to request the redemption of their interests in the LPCCI at their net asset value.

As for Swiss limited partnerships, the LPCCI will consist of an agreement between a partner with unlimited liability and the limited partners. The general partner – that is, the partner with unlimited responsibility – will have to be organized as a Swiss corporation (*société anonyme*). It will be exclusively responsible for the man-

agement of the LPCCI, but will be authorized to delegate some of its functions. The limited partners, whose responsibility will be limited to the amount of their investment in the LPCCI, will have to be qualified investors – institutional investors and/or high-net worth individuals. The LPCCI will provide for important flexibility in regard to the structure of the investments and the paying up of the limited partners' commitments.

Structured products

As indicated above, the Swiss market for structured products has been enjoying an extraordinary boom in recent years. Initially reserved to a limited circle of qualified investors, structured products have become considerably more accessible. This development may be partly explained by the limited regulatory restrictions applicable to structured products in Switzerland up to the present and, as a result, by the considerable freedom in structuring and marketing such products.

This situation has raised the interest of the FBC, which issued a highly controversial position paper on structured products and similar investment schemes in June 2005. According to this position paper, structured products must comply with a certain number of criteria to avoid requalification as a Swiss or foreign investment fund and the resulting prohibition, as a practical matter, on any public distribution.

The position paper has raised several issues regarding the legal regime governing structured products, and given rise to a passionate debate which has come into play in the Swiss parliament's review of the draft CCIA. Although some uncertainty will remain, under the draft CCIA structured products will in principle fall outside the scope of the CCIA provided that they are issued, guaranteed or distributed by a Swiss bank, a Swiss securities dealer or a Swiss insurance company and they are distributed on the basis of a (simplified) prospectus. These legislative proposals are not yet definitive, and may therefore change before the entry into force of the CCIA.

Swiss asset managers of investment funds

Finally, the draft CCIA will introduce a new obligation for Swiss asset managers managing Swiss investment funds to be licensed by the FBC. In contrast, Swiss asset managers managing Ucits funds will have the option of becoming supervised by the FBC under the CCIA. This option has been introduced further to the entering into force of Ucits III, to maintain the competitiveness of the Swiss asset managers and allow them to continue managing UCITS.

Distribution of non-authorized foreign investment funds in Switzerland

The FBC recently broadened the scope of exemptions to the regulations on public offerings of foreign investment funds. Such public offerings require authorization by the FBC of the collective investment scheme and the authorization of the entity acting as distributor. Existing exemptions or safe-harbours already permitted the offering of non-authorized foreign investment funds to institutional investors (that is, banks, securities dealers, pension funds, insurance companies, fund management companies and commercial companies with treasury managed professionally, but with the exclusion of independent asset managers and high-net worth individuals), as well as the placement of shares or units in foreign unauthorized funds in discretionary managed portfolios.

As of April 1 2006, Swiss banks and Swiss securities dealers are now able to offer non-authorized foreign investment funds to their clients without any authorization, provided their clients can

demonstrate that they have liquid assets in excess of CHF5 million and that the bank and/or securities dealer acts on the basis of a written advisory agreement.

Banking

Recommended firms

Tier 1

Bär & Karrer
Homburger
Lenz & Staehelin
Niederer Kraft & Frey

Tier 2

Baker & McKenzie
Pestalozzi Lachenal Patry
Schellenberg Wittmer
Walder Wyss & Partners
Wenger & Vieli

Tier 3

Borel & Barbey
CMS von Erlach Henrici
Froriep Renggli
Nobel & Hug
Prager Dreifuss
Python Schifferli Peter & Partners
Vischer

Capital markets

Recommended firms

Tier 1

Bär & Karrer
Homburger
Lenz & Staehelin
Niederer Kraft & Frey

Tier 2

Baker & McKenzie
Nobel & Hug
Pestalozzi Lachenal Patry
Schellenberg Wittmer
Walder Wyss & Partners
Wenger & Vieli

Tier 3

CMS von Erlach Henrici
Meyer Lustenberger
Prager Dreifuss
Python Schifferli Peter & Partners
Vischer

Insolvency and restructuring

Recommended firms

Tier 1

Baker & McKenzie
Schellenberg Wittmer
Wenger Plattner

Tier 2

Bär & Karrer
Homburger
Lenz & Staehelin
Niederer Kraft & Frey
Walder Wyss & Partners

Tier 3

Froriep Renggli
Giroud & Anderes
Python Schifferli Peter & Partners
Vischer

Mergers & acquisitions

Recommended firms

Tier 1

Bär & Karrer
Homburger
Lenz & Staehelin

Tier 2

Baker & McKenzie
Niederer Kraft & Frey
Pestalozzi Lachenal Patry
Vischer
Walder Wyss & Partners
Wenger & Vieli

Tier 3

CMS von Erlach Henrici
Prager Dreifuss
Python Schifferli Peter & Partners
Schellenberg Wittmer

Tier 4

Borel & Barbey
Meyer Lustenberger
Tavernier Tschanz
Wenger Plattner

Baker & McKenzie

A striking set of deals sees Baker & McKenzie rise to tier two in capital markets, while successfully defending tier one and two rankings in other practice areas. One investment banking client was very happy with the firm's work, singling out the lawyers' ability to be "forthcoming with solutions to problems I had seen and problems I hadn't" and saying they do "very good, progressive work".

Leading lawyers Markus Affentrager and Lukas Glanzmann, who was described by a client as "very dedicated on the deal – he was very self-motivated," both did real estate acquisition financing for Eurohypo. One involved an element of Islamic finance

and was for SFr33 million (\$26.7 million), while the other came to SFr45 million. Elsewhere the firm has acted for UBS on a share finance acquisition.

The practice regularly advises Swiss Banks on regulatory issues, structured products and the authorization and distribution of funds in Switzerland. In debt work the firm has advised Clairant Finance Luxembourg on €600 million-worth of guaranteed notes, while in equity the firm has advised on the IPOs of freight and logistics company Panalpina, which raised SFr1.12 billion, and of Burckhardt Compression.

The firm has three partners and five associates in its top-tier insolvency and restructuring practice. This year it acted for the debtors on the liquidation of the Unifina and Herfina groups and on the Schmidlin Fassenden composition procedure. It also acted for the financing banks on the default of a real estate group. Other clients of the firm for this work include the Swiss Dairy Group and Uniwood.

In M&A, meanwhile, the practice has had another solid year, with Urs Schenker picked out by peers as the star of the team. Schenker represented technology group Hexagon on its public takeover of Leica Geosystems for SFr1.6 billion and acted for SIG on the sale of its battling division for SFr100 million. Both these deals took place in summer 2005, and the flow of deals continued when the firm advised Ascom on the sale of its transport revenue division for SFr200 million and guided Permira Funds through its acquisition of the Jet Aviation Group.

Leading lawyers

Martin Anderson
Martin Frey
Martin Furrer
Lukas Glanzmann
Urs Schenker

Key contact partners

Markus Affentrager
Marcel Giger
Urs Schenker

Bär & Karrer

Bär & Karrer is one of the most respected law firms in Switzerland, and keeps its top-tier position in almost all practice areas. The firm's main office is in Zurich, with a branch in Geneva and notary services provided by further branches in Zug and Lugano. Among a host of leading lawyers, respondents once again singled out Rolf Watter as "really a star in M&A, a professor, a law teacher and present on the boards of many companies".

The firm has had another superb year for M&A work, advising Royal Dutch and Shell Transport and Trading Company on Swiss law aspects of their merger and acting for Swiss International Airlines on its merger with Lufthansa. In takeovers it acted for Silka on its offer for the shares of Sarna Kunststoff Holding and the offer by Swiss Prime Site for the shares of Maag Holding in a SFr200 million transaction.

The firm has an impressive record in advising on private acquisitions and the practice has assisted: Cablecom on its acquisition by Liberty Global; Banque Cantonale de Genève on its sale of Sécheron and HaslerRail; Citibank on the sale of the Swiss portfolio of Citigold International Wealth Management to BNP Paribas; and Saint Gobain on its acquisition of Sanitas-Troesch.

In capital markets, meanwhile, the firm acted for Alpine Select and Julius Bar on their respective rights offerings, the latter valued at SFr2.45 billion. It also acted for real estate company Swiss Prime Site on its rights offering of SFr270 million and, lastly, advised the lead manager on a SFr350 million transaction involving Kudelski security group. In debt the firm advised soft-

ware company Temenos on a secondary offering and convertible bond worth SFr2.25 billion and in structured products it represented Incentive Investment as issuer of a partially protected note on the Amex Oil Service Holdrs Index for \$25 million.

Leading lawyers

Urs Brügger
Felix Ehrat
Peter Kienast
Ralph Malacrida
Thomas Reutter
Eric Stupp
Michael Trippel
Rolf Watter

Key contact partner

Eric Stupp

Borel & Barbey

Borel & Barbey is a nine-partner, 20-associate Geneva firm that will celebrate its 100th anniversary in 2007 and continues to go from strength to strength.

In banking the firm advises Swiss and international banks and private equity companies, as well as smaller asset managers. Clients include UBS, Baring Brothers Sturdza, Fortis, Mirabaud & Cie, HSBC and Merrill Lynch. It regularly advises clients in investment funds and regulatory matters.

In M&A Nicolas Piérard handles domestic and cross-border transactions, while Nicolas Killen deals with private equity and corporate finance. In the second half of 2005, the firm acted as Swiss counsel to Siegwirk Druckfahrben in its acquisition of a division of Sicpa and also represented the management in the management buyout of Banque Baring Brothers Sturdza.

In 2006 Borel & Barbey acted for Goldman Sachs on a syndicated multicurrency term loan related to the refinancing of a multinational group with substantial activities in Switzerland. The practice was also Swiss counsel to Macquarie Global Property Advisors, a private equity group focused on real estate investment in Asia and Europe, in connection with the acquisition from Sony Europe and partial leaseback of a portfolio of properties, including one in Switzerland. At the time of going to press, it was representing Citibank on the financing of the acquisition of a US manufacturer of electronic equipment and software used in the management of payment systems.

Leading lawyers

Olivier Dunant
Nicolas Killen
Nicolas Piérard

Key contact partner

Nicolas Killen
Nicolas Piérard

Homburger

Homburger retains its top-tier placing for banking, M&A and capital markets this year after another magnificent set of deals. The market continues to think highly of a number of the firm's lawyers, with one client describing Daniel Daeniker and Claude Lambert as "very good M&A lawyers who know how to push through a deal smoothly." However, the same client went on to stress that in M&A "it is the excellence of the team that sets Homburger apart, rather than the brilliance of individuals".

The M&A team comprises nine partners and 11 associates, and has brought in some spectacular work this year. One stand-out deal involved advising UBS in its divestiture of its private banks and GAM unit to Julius Bär in a SFr5.6 billion deal. Elsewhere the firm represented Liberty Global Europe in its

acquisition of Cablecom for SFr2.8 billion, acted for Aare-Tessin for Electricity in connection with the sale by UBS of a 55.6% interest in Motor-Columbus for SFr1.3 billion and guided Johnson Electric through its competing takeover bid for the Saia-Burgess Electronics Holding. Lastly in M&A, the firm was counsel to Crucell in its SFr590 million public takeover of Berna Biotech.

The insolvency practice does not have the same high-profile and acclaim as the other areas, but it has been working steadily on some important mandates. In 2005 it advised Eastman Kodak on the financial restructuring of Gretag Imaging, and in 2006 has continued to act for Newco on its moratorium and composition proceedings and SAirGroup on composition proceedings.

In banking the firm regularly acts for many of the major lenders on the market, and advised Barclays Capital, Credit Suisse Deutsche Bank London, JP Morgan and the Royal Bank of Scotland on a €9.6 billion senior facilities agreement for Nordic Telephone Company Holding and JP Morgan Europe. It acted for Deutsche Bank on a SFr1.275 billion senior revolving facilities agreement for Cablecom and for Commerzbank on a €690 million secured multi-currency term and revolving facilities agreement for Schmolz & Bickenbach and Swiss Steel. In financial services advice, Homburger's clients include Bank Vontobel, and the Zurich branch of State Street Bank Europe.

The firm's capital markets practice is led by René Bösch, who remains a well-known strength of the firm. Deutsche Bank and Credit Suisse instructed Daniel Daeniker and Stefan Kirchofer on the issue of SFr430 million-worth of convertible bonds guaranteed by the Lonza Group. Meanwhile Bösch acted for the underwriters on hybrid financings issued by Swiss Re for €1 billion and \$750 million, and advised the Royal Bank of Scotland on SFr500 million-worth of subordinated notes. In structured finance the firm advised the Capital Efficiency Group on its issue of preferred pooled shares for €360 million, and acted for Invista on a securitization programme.

Equity capital markets work has also been coming thick and fast over the past few months, and Homburger has won an impressive share of the work. In 2005 the firm was counsel to the issuer on the SFr1.1 billion IPO of the travel retailer Dufry on the SWX, and was counsel to Credit Suisse First Boston on the Panalpina IPO. In May 2006 the practice was involved in two more offerings, guiding Holcim through the offering of SFr1.7 billion of shares and BNP Paribas, Credit Suisse and UBS on the rights offering of Swiss Re. Both these offerings were listed on the SWX and then traded on the Virt-x, a cross-border trading platform for pan-European blue-chip companies. Hansjürg Appenzeller was picked out by his peers as a rising star in capital markets and M&A work.

Leading lawyers

René Bösch
Daniel Daeniker
Ueli Huber
Benedikt Maurenbrecher
Flavio Romerio
Heinz Schärer
Peter Widmer

Key contact partners

René Bösch
Ueli Huber
Daniel Daeniker

Lenz & Staehelin

Lenz & Staehelin is another of the big players in the Swiss legal market both in terms of numbers – it now has over 130 attorneys in the Zurich and Geneva offices – and reputation, with lawyers and clients queuing up to praise the firm's professionalism and expertise.

This was evident in banking, where the firm has had a successful year advising Petroplus on a €500 million acquisition facility provided by a syndicate of banks led by Barclays. It acted for a Swiss multinational group on a SFr 1.2 billion syndicated term and revolving credit facility. Other clients of the firm include UBS, Deutsche Bank, Credit Suisse and ABN Amro and it has given financial services advice to the International Swaps and Derivatives Association.

The firm has had another superb year in capital markets. In debt, for example, it advised Digicel on listing the first high-yield bond on the SWX under new listing rules for bonds. The firm then represented Fortis Luxembourg Finance on the issue of credit-linked notes in Switzerland under the firm's \$3 billion euro medium-term note programme. Elsewhere the practice advised Pargesa Holding and Kudelski on issuing guaranteed and convertible bonds worth SFr660 million and SFr350 million respectively. In securitization the firm regularly acts for arrangers, underwriters and originators. One of these deals involved leading lawyer François Rayroux acting for the originator on securitizing the real estate ownership of Credit Suisse in London.

In equity work Lenz & Staehelin represents issuers and underwriters. By far the largest offering involved guiding Julius Baer Holding through the first rights offering in Switzerland with a listing on the new EU Prospectus Directive-compatible segment of SWX for SFr2.56 billion. Elsewhere the firm represented Zurich Airport on its SFr350 million rights offering, and UBS and Deutsche Bank on the SFr100 million Esmertec IPO. Lastly, it advised the Danaher Corporation on the public takeover of Leica Geosystems Holding for SFr1.1 billion.

The above-mentioned deal was also an M&A highlight, and the range and volume of deals that the firm worked on helped it to win Swiss law firm of the year at the *IFLR* awards. In the biggest deal Rudolf Tschäni advised Julius Bar Holding on the acquisition of three private banks and the asset manager GAM from UBS for SFr5.9 billion in December 2005. The highly rated Tschäni also advised MCG Holding as sole transaction counsel in the context of OZ's acquisition of seven subsidiaries from the company for SFr225 million. Andreas Rötheli guided Ferrovial Servicios on its acquisition of Swissport for SFr 1.1 billion and Guy Vermeil advised Intervet Holding on the sale of its wholly owned subsidiary Crina to DSM Nutritional Products.

Lastly, in insolvency and restructuring the firm has represented various financial institutions in the insolvency proceedings of SAirGroup and the Erb Group. Tanja Luginbühl acted for a UK creditor in the bankruptcy proceedings of Schmidlin Fassadentechnologie, while Martin Burkhardt guided ComCare through its debt restructuring and subsequent insolvency liquidation.

Leading lawyers

Jean-Paul Aeschimann
Stefan Breitenstein
Shelby du Pasquier
Beat Kühni
Matthias Oertle
Andreas Rötheli
François Rayroux
Rudolf Tschäni

Key contact partners

Beat Kühni
Shelby du Pasquier
François Rayroux
Rudolf Tschäni

Meyer Lustenberger

Meyer Lustenberger enters the capital markets and M&A rankings for the first time this year after winning praise from the market. It has offices in Zurich, Zug and Geneva and boasts a total of 21 partners and 22 associates.

In capital markets work the firm served as transaction counsel in Allreal Holding's commercial bond issue and SFr155 million (€98.1 million) share offering. Elsewhere it was transaction counsel on Dufry's share offering and acted as counsel to the banks on Dufry's SFr800 million (€506.2 million) initial public offering. Wolfgang Müller, meanwhile, recently spearheaded the firm's advice on the IPO of Swiss software company Simulation Analysis and Forecasting.

The firm had a busy 2005 in M&A too, representing Calida on the acquisition of the French luxury brand Aubade for €90 million. Other clients of the firm for this work include General Electric, the Bauholding Strabag Group, Cable & Wireless, the Carphone Warehouse Group and Micronas Holding, as well as a number of US and UK private equity houses.

Key contact partners

Wolfgang Müller
Thomas Lustenberger
Alexander Vogel

Niederer Kraft & Frey

Niederer Kraft & Frey has an outstanding reputation in banking and finance law, where one client described it as "extremely strong, possibly number one". This is backed up by a fantastic track record, the highlight of a great year being a €2.5 billion bridge facility for Xstrata, where the firm advised the bookrunners and lead arrangers. Other noteworthy deals included acting for ING Bank on a SFr800 million (€506.2 million) multicurrency term loan credit facility for Dufry International, and representing the Bank of Scotland on acquisition facilities for Candover in relation to a €480 million leveraged buyout.

The firm's largest debt instruction in 2006 so far has been the combined €1 billion and \$750 million issue of hybrid instruments by Swiss Re, both issued as part of the \$3 billion financing to fund its acquisition of the GE Insurance Solutions Corporation. In December 2005 the firm represented Sonata Securities on its issue of SFr767.3 million collateralized equity-linked limited liability obligations. In May 2006 the firm acted for Swiss Re again, this time on a \$1.1 billion rights and global offering, where it worked opposite fellow top-tier firm Homburger. Philippe Weber and Christophe Balsiger advised EFG International in relation to its SFr1.39 billion IPO, the largest SWX IPO of 2005, and on the debt side the firm acted for OZ Bankers on SFr50 million-worth of convertible bonds issued by ENR Russia Invest Finance.

Regulatory advice is another speciality of the firm, and this year it guided Winterthur Asset Management through setting up a new Swiss fund management company and establishing the largest-ever Swiss investment fund. Its expertise was also required on the complex regulatory issues thrown up by the sale of a stake in Rothschild's Continuation Holdings by Royal & Sun Alliance Insurance to Jardine Strategic Holdings.

Niederer Kraft and Frey is also strong in mergers and acquisitions. In the largest deal over the year, the firm once again represented Swiss Re on its acquisition of General Electric Insurance Solutions for \$7.4 billion. Other highlight deals included acting for private equity house GermanCapital in a complex deal involving the acquisition of Bullith Batteries by Leclanché from GermanCapital and other investors in exchange for Leclanché shares, and the public tender offer by GermanCapital for all the publicly held shares of Leclanché. Finally, it acted for Bloomberg on the private acquisition of shares in Brainpower from the major shareholders, and on the public tender offer for the shares in Brainpower held by the public.

Leading lawyers

Ulrich Benz
François Bianchi
Peter Honegger
Peter Isler
Urs Pulver

Key contact partner

Peter Isler

Pestalozzi Lachenal Patry

Pestalozzi Lachenal Patry has gained a solid tier-two reputation in banking, capital markets and M&A, and is expanding rapidly to help its push for a top-tier placing. In January 2006 it promoted antitrust specialist Christoph Lang and banking and finance specialist Sébastien Roy to the partnership.

In banking and finance work the firm served as Swiss counsel to Infor Global Solution on the financing of its SSA Global, Extensity and Systems Union Group acquisitions worth a combined total of \$3.6 billion. The firm revealed its international expertise when it was selected to advise the financial advisors on a *shariah* project financing in Saudi Arabia, and acted for a different client on setting up of one of the first insurance derivative funds in Bermuda, which featured a Swiss management structure.

The corporate and commercial section of the firm is headed by leading lawyer Jakob Höhn, who remains highly-rated by his peers. The practice has been involved in some impressive deals in the last few months, including representing the majority shareholders in relation to Motor Columbus' offer for energy services provider Atel. Höhn himself acted for Japanese company Sumida on its SFr560 million unsolicited tender-offer for Saia-Burges, a manufacturer of electronic components, and also represented Credit Suisse First Boston as lead manager of Helvetia Patria's equity rights offering.

Leading lawyers

Robert Furter
Jakob Höhn
Gerhard Niggli

Key contact partner

Robert Furter

Schellenberg Wittmer

Schellenberg Wittmer recruited two associates into the banking practice this year, including one from rival firm Pestalozzi Lachenal Patry. It now has nine partners and 10 associates in its financial services and regulatory team, and this strength in depth has enabled the team to handle a number of interesting deals this year. Two standout transactions in the last few months of 2005 saw Philippe Borens act for the Swiss subsidiary of the Hertz Group as a borrower in a \$15 billion secured lending transaction, and Mark-Oliver Baumgarten and Roger Fankhauser advised Chancenkapiital as arranger of the acquisition of the German Wolffkran Group, a world-leading crane producer.

The team kept up its high standards in 2006. In March the firm advised Züblin Immobilien on a SFr350 million (€221.5 million) syndicated loan, and acted for Bayerische Landesbank as facility agent and security agent on financing agreements for retail company Karstadt Quelle. Schellenberg Wittmer also provided financial services advice to Unicredito Italiano on Swiss tender-offer law and supervisory law connected to its acquisition of HVB. Other clients of the firm include Banque Syz & Co, Banco Santander and Liechtensteinische, all of which received advice on investment funds and capital markets law this year.

In debt capital markets work the firm advised BNP Paribas and Zurich Cantonal Bank as lead managers of public and SWX-listed bond issues, and acted for Mizuho International on private placements of equity-linked issues, while leading lawyer Martin Lanz acted for the Pacific Life Insurance Company on its euro medium-term note programme.

In equity work Lanz, described by one peer as "really great to work with ... a very good lawyer", advised Credit Suisse and Erste Bank on the SFr96.2 million IPO of Winterthur Technologies, and acted for Bank am Bellevue as offer manager of the Sumida Corporation's hostile takeover bid for the shares of Saia-Burgess Holding.

The firm is exceptionally strong in insolvency and restructuring, and in February 2006 began advising the company trustees of British international boarding school Aiglon. In November 2005 it acted for the company trustees of tour operator Frantour, and at the time of writing the firm was busy representing the European headquarters of Procter & Gamble following its \$57 billion acquisition of the Gillette group, assisting the company on the integration of Gillette and implementing the resulting restructuring of the whole group.

In M&A, meanwhile, the team advised the Jet Aviation Group's majority shareholders in their sale of the company to the Permira Funds, a private equity house. In a demonstration of the firm's international capacity it acted as lead counsel to the Eurasian Natural Resources Group, a privately held group of companies active in the mining and mineral resources trading sector, on the sale of a 25% stake in ENRC Kazakhstan Holding for \$751 million. Finally, the practice acted as lead counsel to SWX-listed Sia Abrasives Holding in relation to its acquisition of privately held company Abrafoam.

Leading lawyers

Lionel Aeschlimann
Bernard Haissly
Martin Lanz
Martin Weber

Key contact partners

Lionel Aeschlimann
Mark-Oliver Baumgarten
Philippe Borens

Vischer

Founded in 2000, this fast-growing firm enters the capital markets rankings for the first time this year and remains well-positioned in M&A “at the top of tier two” in the words of a close competitor.

The firm’s banking assignments in 2005 included representing a leading Swiss bank as arranger of a combined syndicated acquisition finance and leasing transaction for a railway company, and advising on a syndicated leasing deal for another Swiss rolling-stock operator. On the international stage, Adrian Dörig advised Mizuho Corporate Bank on the Swiss law aspects of the acquisition financing of AZ Global Operations’ acquisition of Clariant International, and served as Swiss counsel to Global Crossing on the collateralization aspects of its issue of \$250 million senior secured notes. Stéphane Konkoly, who heads the firm’s French desk in Basle, acted as Swiss counsel to the municipal transport authorities of Geneva in a Swedish cross-border lease.

In equity capital markets work the firm acted as Swiss counsel to UBS and Citigroup in relation to Clairant’s share offering, and acted for Lombard Odier Darier Hentsch as offer manager in a share offering by Comet Holding. In early 2006 the firm continued to be busy, advising a major Swiss bank on an exchangeable bond issue.

Jürg Luginbühl heads Vischer’s “excellent” M&A department. Among a host of eye-catching deals this year, the firm represented Eos Holding in relation to the SFr1.3 billion (€822.6 million) acquisition of the shares in Motor Columbus from UBS. Elsewhere the firm guided the Barnes Group through the acquisition of Heinz Hänggi Stanztechnik, a developer and manufacturer of high-precision punched and fine-blanked components for SFr162 million, and acted for Zellweger Luwa on the spin-off and sale of its analytics division to US market leader Honeywell International.

Restructuring is another area in which Vischer is gaining a foothold. At the time of writing the firm was representing Menag Energie on the arrangement of its moratorium, and over the year has acted for clients on the recognition of a German insolvency in Switzerland and on the defence of a repayment claim by a liquidator.

Leading lawyer

Jürg Luginbühl

Key contact partners

Rolf Auf der Maur
Markus Guggenbühl
David Jenny
Jürg Luginbühl

Wenger & Vieli

Wenger & Vieli is a well-established Swiss firm with lawyers in Zurich, Zug, Beijing, Shanghai and Taipei. The firm has forged a sound reputation in all areas of financial law, and in particular bank lending, where this year it represented one of Switzerland’s biggest banks in relation to a SFr60 million (€37.9 million) acquisition financing, acted for the borrower of a €120 million property financing package from Deutsche Bank’s London branch, and guided a Zurich bank lender through two acquisition financings worth a total of SFr120 million.

Wenger & Vieli is a member of the Meritas Global Network, an organization of independent business and commercial litigation firms.

Leading lawyer

Andreas Hünerwadel

Key contact partners

Martin Hess
Michael Huber
Andreas Hünerwadel