

Switzerland

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Martin Lanz and Lionel Aeschlimann Schellenberg Wittmer Zurich and Geneva

With an estimated share of 31.2% of the world market for cross-border wealth management business, and assets managed by Swiss banks in an aggregate of SFr3.465 trillion (\$2.66 trillion) (as of December 2004), Switzerland is a major centre not only for investment but also for private banking, in particular wealth management. At the end of 2004, 735 Swiss and 3,605 foreign investment funds had been licensed for public distribution in Switzerland by the Swiss Federal Banking Commission (the FBC). A large number of licence-exempt fund-linked structured products and privately placed investment vehicles had also been structured and/or placed in Switzerland. The attractiveness of Switzerland's financial centre is also evidenced by the turnover of the SWX Swiss Exchange (the SWX) which amounted to SFr1.224 trillion in 2004. Around 5,900 securities were listed on the SWX as of December 2004.

Switzerland regularly takes part in international panels and bodies discussing improvements of the regulatory framework in the financial markets. Regulatory trends continue to focus on transparency and information, but also on supervision, which seems necessary to protect investors and to ensure the markets function properly. This often leads to intensified harmonization, although this might not always be necessary to achieve these objectives. As Switzerland is neither a member state of the EU nor of the European Economic Area, it retains a certain independence in regulating its financial markets and is able to offer greater flexibility while still preserving a solid and reliable regulatory framework. The reform projects described below illustrate how the Swiss legislator manages these challenges.

Financial Market Authority Act

Somewhat contrary to the slow consolidation progress of the banking and insurance industry in Switzerland, the Swiss government is proposing to merge the FBC, the Federal Office of Private Insurance and the Federal Control Body for the Prevention of Money Laundering into the new Financial Market Authority (the Finma). The Finma will assume the responsibility of

an integrated regulatory authority, and will ensure more efficient and coherent supervision.

In line with these efforts, 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, confiscation or publication of sanctions (in other words, a naming and shaming approach). A matter of long debate has been the extension of the prudential supervision to investment managers, introducing brokers in general and foreign exchange dealers – and the views and interests continue to be controversial. The Financial Market Authority Act is expected to be discussed in parliament next year, and could be introduced, in full or in part, in 2007.

Collective Capital Investments Act

A promising basis and an important 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 the competitiveness of 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 English law limited partnership) will be available.

Following the *same business, same rules* principle, the draft CCIA further provides that, in principle, all forms of collective investment schemes will be subject to the CCIA and supervised by the FBC (whereas at the moment, only contractual schemes are covered by the Investment Funds Act). This would in particular mean that Swiss closed-ended investment companies (at present exempt from requiring an FBC licence) would need a licence. As an exemption to this rule, investment foundations will continue to be licensed and supervised by the Swiss Federal Office for Social Insurance or the competent cantonal authorities. Similarly, structured products will, in principle, continue to fall outside the scope of the CCIA.

The success of the CCIA will largely depend on the applicable tax regime. As a general rule, all investment vehicles will be transparent for tax purposes, but discussions continue as to whether the new tax regime should also be available for closed-ended investment companies (Sicaf). The main obstacle for

Swiss investment vehicles remains, in any event, the fact that they are not generally exempt from withholding tax. Given the increased international competition, one would hope that the Swiss legislator understands that an attractive regulatory and tax regime is a must for the Swiss investment fund industry.

It is not expected that the CCIA will come into force before 2007.

Insurance

Substantial progress has been made in respect of the revision of the insurance regulations, through the adoption of the Insurance Supervisory Act by the Swiss Federal parliament in December 2004. It modernizes the rules on solvency, expands corporate governance, and introduces rules for insurance groups and financial conglomerates. It also subjects insurance intermediaries to supervision, and allows captives to be exempt from supervision with the consent of the supervisory authority.

As a consequence of the revision of the Insurance Supervisory Act, the Insurance Contract Act will be amended, in particular regarding consumer protection. It seems that these modifications will only constitute a transitional solution, as a project to completely revise the Insurance Contract Act has already been started.

It is expected that both the Insurance Supervisory Act and the partially revised Insurance Contract Act will come into force in early 2006.

FATF Recommendations Against Money Laundering / Insider regulation

In January 2005, the Swiss government opened the consultation procedure on the proposed legal amendments through which the revised Forty Recommendations of the Financial Action Task Force on Money Laundering (the Recommendations) will be implemented into Swiss law. As Swiss law is to a large extent already compatible with the Recommendations, the suggested modifications will introduce a regulation of professional art dealers as well as dealers in precious metals, gemstones and real estate, and constitute for the rest essentially a refinement of actual law.

The proposed legal amendments also suggest an expansion to the insider-trading provisions of the Swiss Federal Criminal Code. At present, insider regulations are only relevant if the confidential facts relate to the issue of new equity securities, share buybacks, mergers, takeovers, restructurings and similar events of comparable significance. The provisions do not, however, extend to profit warnings. This limited scope of application proved to be unsatisfactory, and it is now proposed to drop the limiting language from the statute. This would have the effect that the interpretation of what constitutes *confidential facts* would be left to legal authors and jurisprudence.

The legal amendments proposed in connection with the FATF Recommendations are likely to be discussed in the Swiss parliament next year, and could be introduced in 2007.

Banking

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

Borel & Barbey

CMS von Erlach Henrici

Froiep Renggli

Prager Dreifuss

Python Schifferli Peter & Partners

Vischer

Capital markets

Recommended firms

Tier 1

Bär & Karrer

Homburger

Lenz & Staehelin

Niederer Kraft & Frey

Tier 2

CMS von Erlach Henrici

Pestalozzi Lachenal Patry

Schellenberg Wittmer

Walder Wyss & Partners

Wenger & Vieli

Tier 3

Baker & McKenzie

Prager Dreifuss

Python Schifferli Peter & Partners

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

Beglinger Hollenstein

Froriep Renggli

Giroud Roger Anderes

Python Schifferli Peter & Partners

Vischer

Mergers and acquisitions

Recommended firms

Tier 1

Bär & Karrer

Homburger

Lenz & Staehelin

Niederer Kraft & Frey

Tier 2

Baker & McKenzie

Pestalozzi Lachenal Patry

Vischer

Wenger & Vieli

Tier 3

Borel & Barbey

CMS von Erlach Henrici

Prager Dreifuss

Python Schifferli Peter & Partners

Schellenberg Wittmer

Walder Wyss & Partners

Tier 4

Tavernier Tschanz

Wenger Plattner

Baker & McKenzie

Baker & McKenzie has become one of the largest and most respected law firms in Switzerland. During its 40 years in the country, it has developed into a sure-fire member of the cream of corporate law firms. The firm has a presence both in Zurich and Geneva; Urs Schenker leads the Zurich office and is admired for “consistently getting the mandates in” by one competitor, while Martin Anderson’s manages the Geneva office. The firm’s continued growth is reflected in its hire of four associates this year.

Baker & McKenzie’s Swiss insolvency practice is one of the best in the country, and undeniably merits a top-tier rating again

this year. It consistently advises on many of the more complicated and high-value restructurings to reach the Swiss market. Schenker, Lukas Glanzmann and Richard Gassmann share leadership of the eight partners and seven associates that comprise the group. Last year, the firm’s Zurich office advised the Erb Group on its SFr2 billion (\$1.55 billion) liquidation, and acted for the management of Swisslog in respect of its SFr300 million reorganization. Schenker and Marcel Giger worked on the Swisslog restructuring, which was achieved in part through a debt-for-equity swap. Also in Zurich, Baker & McKenzie represented Swiss Dairy Food during its SFr400 million restructuring, and Schenker and Glanzmann advised Credit Suisse Big Star on its SFr80 million reorganization in June 2004. After a busy 12 months, the insolvency practice received praise from peers, who confirmed that Baker & McKenzie “had positioned itself as a top firm in this area”.

Despite insolvency and restructuring being unpopular among most of the biggest firms in Switzerland, the success of this side of the business for Baker & McKenzie has fed into other areas. For example, the firm received two M&A mandates from insolvency client the Erb Group. Baker & McKenzie advised its client in connection with the sale of its subsidiary, Volcafé, the world’s second largest green coffee trader, to ED&F, and in respect of the sale of its car business to a Belgian buyer for SFr100 million. Other M&A deals handled by the firm included acting for Tuxedo in respect of its SFr100 million merger with Kardex, advising Clariant on the sale of its emulsion business to the Rose Group for SFr300 million, and advising Pexion on the sale of all shares in its holding company for \$50 million.

But arguably the most important M&A deal the firm worked on was the merger of PSP Swiss Property and REG Real Estate Group, the largest and fourth-largest real estate companies listed on the Swiss Stock Exchange. Baker & McKenzie advised PSP on the merger, which was the first merger in the real estate sector in Switzerland and, at SFr4.2 billion, was one of the largest mergers of two publicly listed Swiss companies. Over 12 Baker & McKenzie lawyers from various practice areas worked on the deal.

Activity in the banking sector has been quieter this year, but the firm worked on a SFr250 million syndicated loan financing for a listed company, representing the Swiss bank arranging the deal. The firm has also been instructed to advise a bank on the structuring of a syndicated loan for the acquisition of a real estate portfolio. Baker & McKenzie is seen as “an expert firm in capital markets”. In December 2004, Glanzmann and Giger in Zurich advised the lead managers on Emmi’s SFr100 million initial public offering. The Zurich office also advised UMS Swissmetal Holding on its SFr50 million capital increase, and worked on the listing of Frutarom shares in February 2005.

Leading lawyers

Martin Anderson
 Martin Frey
 Martin Furrer
 Lukas Glanzmann
 Urs Schenker

Key contact partners

Martin Anderson
Urs Schenker

Bär & Karrer

Bär & Karrer can trace its roots as far back as 1938, but the partnership as it functions now was founded in 1969. It has grown to become one of the most high-profile and admired Swiss financial law firms, with more than 100 lawyers based in Geneva and Zurich and notary services provided by further offices in Zug and Lugano. The firm also has an office in London that represents both Swiss and non-Swiss clients. Its affiliate, BK-Services, is also based in the Zurich office, and provides accounting and administrative services for clients.

In capital markets, the firm attracts instructions on large and complex matters derived from its strength in restructuring. For example, the firm advised Cablecom on its three high-yield bond issues worth SFr390 million (\$304 million), €200 million (\$241 million) and €375 million. Bär & Karrer was also counsel to Swiss Life on a complex SFr834 million share offering combined with a SFr317 million convertible bond issue and €300 million eurobond in June 2004. The transactions formed part of an intricate restructuring of the group.

The firm possesses a strong banking practice. This year the firm advised Cablecom on its SFr150 million senior revolving facility agreement, and partner Peter Kienast served as Swiss counsel to Xstrata in relation to its \$1.4 billion facility and subscription agreement with Barclays Capital last year.

The firm is considered “the best for M&A” by one competitor, and is often found advising on big M&A deals in Switzerland. According to his peers, corporate partner Rolf Watter “stands out in the M&A market”. Last year his practice advised Forbo Holding on its acquisition by CVC Capital Partners for SFr730 million. Bär & Karrer’s M&A group also advised PSP Swiss Property on its merger with REG Real Estate Group; this SFr4.2 billion transaction was one of the largest ever in Switzerland and created the largest listed Swiss real estate company.

Leading lawyers

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

Key contact partner

Eric Stupp

Borel & Barbey

Founded in 1907, Borel & Barbey is one of the oldest firms in Switzerland. The firm now has nine partners and 19 associates, based in its office in Geneva. Olivier Dunant manages the banking practice, which is the area in which the firm is

strongest. Two other partners and three associates operate in this area, acting both for Swiss and international banks, including Baring Brothers, MeesPierson BGL, Mirabaud & Cie, HSBC and Merrill Lynch. The firm also has experience representing investment funds, insurance companies and asset managers on regulatory matters.

Leading lawyers

Olivier Dunant
Nicolas Killen
Nicolas Piérard

Key contact partner

Nicolas Piérard

CMS von Erlach Henrici

CMS von Erlach Henrici has almost 40 years of experience in the Swiss financial law market. In this time, say market respondents, the firm has managed to develop “good visibility in Zurich” and a “steady, strong practice in banking”. Finance specialist and name partner Ernest Klainguti is, in particular, considered an experienced practitioner. The firm’s profile in this area is set to improve further, as CMS has recently absorbed five-partner banking firm Henrici Wicki & Guggisberg. Henrici Wicki specialized in banking and general commercial work for a largely banking, commodities and energy clientèle. CMS can count Bayerische Hypo- und Veriensebank, Rabobank, GE Capital, the State Bank of India, the Royal Bank of Scotland and UBS as regular clients, and it is likely that this list will grow after the addition of Henrici Wicki’s client list.

Among the firm’s standout deals, it advised Rabobank on its alliance with Bank Sarasion & Cie, and acted for Credit Suisse Asset Management on the acquisition of real estate portfolios.

Leading lawyers

Stefan Gerster
Kaspar Landolt
Johann Wille

Homburger

“If I could only mention one firm, it would be Homburger,” said a close competitor of this top-ranked Swiss firm. Homburger recently picked up the *IFLR* Swiss law firm of the year award for the second year running, and has cemented itself in the top rankings for nearly all areas in Switzerland. The firm’s office in Zurich houses a plethora of leading Swiss lawyers. Among them, René Bösch, head of the financial services team, is “definitely worth recommending” and the market considers Daniel Daeniker to be “well respected in capital markets”. Heinz Schärer, managing partner of Homburger and a specialist in M&A, is also recommended by many in the market.

Homburger’s four financial services partners regularly handle instructions from almost every major bank. Clients have included Citibank, Coutts Bank, the Credit Suisse Group, Bank Vontobel and UBS. As well as this, the firm represented Eurohypo in connection with the arrangement of a SFr150mil-

lion (\$117 million) unsecured credit facility with PSP Swiss Property, and acted for BNP Paribas on a leasing agreement with Dow Europe.

The firm strengthened its banking credentials on the borrower's side with a mandate from Holcim, when, in January 2005, the company set up a £1.6 billion (\$2.9 billion) revolving credit facility with Citigroup to finance its acquisition of Aggregate Industries. A Homburger finance team, including partner Claude Lambert, also advised lead arrangers CSFB, Deutsche Bank and Goldman Sachs on the financing of Cablecom, a sophisticated deal that involved several high-yield bonds and a SFr150 million senior revolving facility agreement.

The firm excels in capital markets, and its eight-partner team is regularly ranked in the top tier for its work in debt, equity and advice to the Swiss Stock Exchange (the SWX). Homburger receives most of its capital markets mandates from lead managers. Examples of such mandates over the past year have included advising Goldman Sachs and UBS on the combined capital increase, convertible and €300 million (\$361 million) straight bond issue by Swiss Life, acting for BNP Paribas and Merrill Lynch in relation to Swiss Re's €671 million convertible issue, and representing CSFB and BNP Paribas on the €160 million senior notes issue by Noma Luxembourg.

Homburger's close ties to the SWX won it a place on the first eurobond listing ever on the exchange, when it advised Bank Itau on the SWX listing of its \$125 million note issue. And the Credit Suisse Group instructed Homburger's René Bösch on its ¥90 billion (\$800 million) samurai bond issue. Equity side work, meanwhile, has seen Homburger advise Deutsche Bank in relation to the SFr34 million capital increase of Cytos Biotechnology, and act for CSFB and JP Morgan on Converium Holding's SFr533 million capital increase.

Homburger's insolvency practice is less conspicuous than its pre-eminent capital markets and corporate finance departments, but is still considered "solid" by the market. Ueli Huber leads the group, which is made up of five partners and nine associates. At the time of writing, the team is engaged in three separate restructuring cases: representing Eastman Kodak in respect of the financial restructuring of Gretag Imaging, Newco on its moratorium and composition proceedings, and SAirGroup in relation to its composition proceedings.

M&A is the firm's largest practice area, and Homburger unsurprisingly devotes many resources to it – nine partners and 15 associates belong to the M&A group. Over the past year the team has grown by four associates, reflecting an increase in demand for Homburger's legal advice on the largest and most complex M&A deals around. The firm was counsel to Roche Holding in relation to its €2.25 billion divestiture of its OTC division to Bayer HealthCare. This was one of the biggest deals of the year in Switzerland, and Homburger fielded a large team including practice head Heinz Schärer, Ueli Huber and Flavio Romero. Another divestiture saw Homburger advise Bayerische Hypo- und Vereinsbank on its sale of Bank von Ernst to the Royal Bank of Scotland and Coutts Bank for SFr500 million.

Homburger has particular expertise acting for the buyer in an M&A deal and was counsel to Ciba Speciality Chemicals Holding in relation to its €475 million acquisition of Raisio Chemicals, HBM BioVentures on its acquisition of International BM Biomedicine Holding, K2 in connection with its €200 million purchase of Völkl Sports Holding and CT Sports Holding, and Synthes on its SFr1.6 billion acquisition of Mathys Medizinaltechnik. This last deal involved complicated contractual and antitrust issues and, in a market first, was closed outside of Germany because a German merger control ruling prevented two non-German parties participating. Lastly, the largest deal that Homburger was involved in was Holcim's SFr3.5 billion takeover of Aggregate Industries. The firm acted for Holcim in the transaction, which closed in April 2005.

Leading lawyers

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

Key contact partner

Claude Lambert

Lenz & Staehelin

Lenz & Staehelin is one of the most respected Swiss law firms, and is "number one in nearly all activities" according to the Swiss legal market. The firm is also one of the largest in the country. It can boast more 100 lawyers split evenly between the Zurich and Geneva offices, each with 17 partners and around 50 associates. Lenz & Staehelin competes with the best in terms of financial and corporate capabilities, and is top ranked for its banking, capital markets and M&A practices, building on its successes year on year.

Lenz & Staehelin is particularly recommended for its banking practice, led by Shelby du Pasquier in Geneva and Stefan Breitenstein in Zurich. The firm is considered to be "the clear leader for banking in Switzerland" by its peers, and one competitor said it was "still miles ahead". The practice is the firm's biggest, comprising 15 partners and 32 associates. Clients have included UBS, Credit Suisse, JP Morgan, Deutsche Bank and HSBC. Lenz & Staehelin's many bank deals this year included a SFr325 million (\$254 million) facility, acting for a consortium of lending banks.

In capital markets the firm had a strong year, developing its practice of advising corporate clients. As in banking, the team of seven partners is led by Shelby du Pasquier in Geneva and Stefan Breitenstein in Zurich. This year Lenz & Staehelin advised Geberit on its SFr170 million convertible bond and Serono on its convertible bond worth SFr600 million. On the equity side, meanwhile, Lenz & Staehelin partner Patrick Schleiffer advised on a rare Swiss initial public offering when he served as counsel to Ypsomed in relation to its SFr760 million

flotation last year. The firm's other clients in this area include UBS, Credit Suisse, HSBC, BNP Paribas and CAL.

Lenz & Staehelin has been most active in M&A, a practice group led by highly recommended lawyers Rudolf Tschäni and Andreas Rötheli. Tschäni handled the firm's biggest deal, when he led a team that represented Colgate-Palmolive in connection with its acquisition of the Gaba Group for SFr1.1 billion in June 2004. Tschäni also advised CVC Capital Partners on its purchase of Forbo Holding for an estimated SFr730 million. Other highlights of a remarkably busy year for Tschäni included acting for ED&F on its acquisition of a SFr85 million stake in the Volcafe Group.

The firm's corporate practice also extends to insolvency and restructuring work. Among the year's highlights, Lenz & Staehelin partner Guy Vermeil has advised Giovanola Frères and GTec on their moratoriums, while Patrick Schleiffer advised Tomos on its restructuring and Lukas Morscher represented the new investors of SwissLog during its reorganization process.

Leading lawyers

Jean-Paul Aeschimann
Stefan Breitenstein
Hans-Jakob Diem
Shelby du Pasquier
Beat Kühni
Matthias Oertle
Andreas Rötheli
Francois Rayroux
Rudolf Tschäni

Key contact partner

Rudolf Tschäni

Niederer Kraft & Frey

Niederer Kraft & Frey celebrates its 70th birthday in the top tier for every area of financial law apart from insolvency. The firm has its headquarters in Zurich, where it can field a team of more than 60 lawyers.

Founding partner Hans Niederer "is the big name in capital markets," and the firm itself has had a "leading capital markets practice for over 50 years". This is best displayed in the versatility of the practice. The firm regularly advises on all types of capital markets transactions. This year, the "experienced" Peter Isler advised Swiss Re on its €672 million (\$810 million) convertible bond issue, and François Bianchi represented Swissfirst Bank and Zurich Bank in relation to Züblin Immobilien's SFr70 million (\$54 million) convertible issue in November 2004. The firm's largest single deal came when Isler represented the banks on the €1 billion Zurich Finance issue under its €4 billion euro medium-term note programme. Niederer Kraft & Frey completed advice on a varied range of debt products with an instruction from EFG Private Bank in connection with its €400 million Tier 1 capital issue. In the equity markets, meanwhile, the firm represented Givaudan on its SFr420 million share buyback programme.

François Bianchi has had particular success this year advising clients on Swiss Stock Exchange (SWX) listings for various programmes. For example, he acted for Deutsche Bank on the admission of its X-Markets programme, Dresdner Bank on the listing of its warrant and certificate programme, and the admission to the SWX of Merrill Lynch's derivative instruments programme. And on the other side of the coin, the firm worked on IBM's delisting from the SWX.

Niederer's banking practice ranks alongside the best in the country. Although the practice is predominantly lender-side, it still handles a large amount of varied work each year. This year, the firm advised Barclays Capital on a \$1.4 billion facility for Xstrata, JP Morgan Chase Bank on a €760 million syndicated term loan to Pai Partners, and CSFB on a SFr690 million syndicated facility agreement to Synthes Stratec in connection with its acquisition of Mathys Medizinaltechnik. At the end of last year, a complex mandate from the Royal Bank of Scotland saw Ulrich Benz advise the bank in respect of a SFr215 million syndicated term loan and a SFr56 million revolving facility for Swissport. The team then advised ING and HVB on a syndicated multicurrency term loan to the Messer Group, and acted for Credit Suisse on its SFr85 million loan to AFG Arbonia Forster Holding. Lastly, the firm acted for Swiss Re in connection with its \$4 billion letter of credit agreement with Bank of America, Barclay's Capital, Commerzbank, Dresdner Kleinwort Wasserstein and HSBC.

Niederer's corporate champion Peter Isler is "extremely good and very well known in M&A," and partners in the firm's M&A practice advised clients on some of the largest M&A deals in Switzerland last year. Bayer Healthcare hired the firm for its €2.16 billion acquisition of Hoffman-La Roche's consumer business, as did the sellers of Colgate-Palmolive in a transaction worth SFr1 billion. Isler handled the merger between Kardex and Tuxedo Invest for Kardex, a deal in which he successfully simplified the share capital structure of the client to get the deal done. Urs Pulver, meanwhile, represented Clayton Dubilier & Rice in connection with its purchase of VWR International from Merck.

The firm also has a proven track record advising on large restructuring deals, although the market does not consider that its expertise in this area is quite top-tier yet. Over the past year, Isler and Phillipe Haas guided Deutsche Bank through the capital restructuring of Swisslog, and the firm also represented JP Morgan on the restructuring of a SFr4.1 billion loan for Cablecom, including a debt-for-equity swap. Lastly, Niederer advised Lombard Odier Darier Hentsch & Cie in its capacity as equity underwriters on the capital restructuring of UMS Swiss Metalworks.

Leading lawyers

Ulrich Benz
François Bianchi
Peter Isler
Urs Pulver

Key contact partner

Peter Isler

Nobel & Hug

Nobel & Hug is a medium-sized firm with a focus on banking matters, both transactional and regulatory. Founded in 1982, it now has five partners and 13 associates in two offices in Switzerland. Nobel & Hug's headquarters are in Zurich, and the Zug office houses one partner and one associate.

Despite its relatively small size, the firm deals with a varied range of financial law matters. In particular, it regularly handles EU competition cases, capital markets transactions and insurance queries. Founding partner Peter Nobel has developed a particularly strong reputation in banking, and is seen as "a very high-profile lawyer ... he is the elder statesman of banking regulation."

Leading lawyer

Peter Nobel

Key contact partner

Peter Nobel

Pestalozzi Lachenal Patry

Pestalozzi Lachenal Patry is one of the more prestigious Swiss law firms, and has over a century of history. Geneva partner Alain Le Fort is chairman of the Geneva Bar Association and, in January this year, Sibylle Pestalozzi was appointed president of the Zurich Bar Association. This is the first time that lawyers from the same firm have chaired the two most important bar associations in Switzerland, and so reflects the high opinion that the Swiss legal market has for Pestalozzi's lawyers.

Other lawyers esteemed by peers include Jakob Höhn, who one competitor describes as "a good guy and definitely worth recommending". The firm is growing steadily and introduced three new partners this year: Urs Klöti in Zurich and Emmanuel Genequand and Serge Calame in Geneva. All are experienced in corporate finance, banking and capital markets transactions, and Emmanuel Genequand's practice also has experience handling Asian matters. About a half of the firm's clients are international, coming mostly from the US and Asia. The firm's Asian practice group maintains strong relationships with allied law firms throughout Asia.

The firm's international clients are mostly large multinational companies, such as Johnson & Johnson and Coca-Cola, but the list also extends to small and medium-sized businesses. Deutsche Bank, CSFB and Merrill Lynch all turn to the firm for advice on banking transactions.

Pestalozzi has an excellent track record in M&A, but its most noteworthy mandate of the past year came from Swiss Life. Pestalozzi advised on the insurance company's reorganization through a SFr834 million (\$650 million) share offering, a SFr317 million convertible bond issue and €300 million (\$361 million) eurobond issue in June 2004.

Leading lawyers

Robert Furter
Jakob Höhn
Gerhard Niggli

Key contact partner

Robert Furter

Schellenberg Wittmer

Schellenberg Wittmer was formed through the merger of two well-known Swiss law firms, Schellenberg & Haissly and Brunschwig Wittmer. Since then the firm has grown to become one of the largest in Switzerland, with 15 partners in Zurich and 17 in Geneva. The firm is pushing into the top levels of the Swiss banking market, and recently hired Mark Oliver Baumgarten from Homburger, along with five associates. Banking highlights for this year include representing Bayerische Landesbank on a €1.75 billion (\$2.1 billion) loan to German supermarket group Karstadt Quelle, and teaming up with Allen & Overy as Swiss transaction counsel for Converium on its \$1.6 billion credit facility.

Schellenberg Wittmer has a sizeable M&A practice that comprises 11 partners and 11 associates. Over the past year the firm acted as Swiss counsel to Lafarge in relation to its acquisition of the Hupfer Holding Group from the Haniel group, as well as on Lafarge's acquisition of various affiliates and assets of the Haniel group, including nine quarries and seven ready-mix plants in Switzerland, Germany and France. The entire transaction was valued at €92 million. The firm also acted as counsel to Swisscom on its acquisition of AGI Holding St Gallen for SFr115 million. The company held a 28.9% stake in Swisscom IT Services and was the result of a joint venture between Swisscom and AGI Holding. Swisscom now indirectly owns 100% of Swisscom IT Services.

Schellenberg Wittmer is particularly experienced in M&A within the banking sector, and advised on four bank acquisitions in the past year. The deals included advising Banque Mirabaud & Cie on its acquisition of the Basel Bank and Banque Jenni & Cie from Banque Sarasin & Cie, and acting for Banco Santander in relation to the cross-border merger of Santander Guernsey and Santander Switzerland.

The market noted that Schellenberg Wittmer "is becoming more prominent in capital markets," and with capital markets clients such as UBS, CSFB and BNP Paribas, it looks as if it will maintain its visibility in the market. In November 2004, partners Martin Lanz and Thomas Borens represented the guarantors of the SFr70 million (\$54 million) convertible issue from Züblin Immobilien. The firm also acted for Converium Holding in respect of its reduction in share value, plus capital increase, in a transaction worth SFr533 million, and advised Pacific Life Insurance Company on its \$8 billion euro medium-term note programme with ABN Amro in April this year.

Leading lawyers

Lionel Aeschlimann
Bernard Haissly
Martin Lanz
Martin Weber

Key contact partner

Lorenzo Olgiati

Tavernier Tschanz

Geneva firm Tavernier Tschanz is a “great firm” that has “carved out a niche in the M&A market”. Despite having just five partners and 22 associates, the firm “is competing at a high level” in the Swiss market.

Tavernier Tschanz’s expertise lies in leveraged and management buyout transactions and divestitures. The firm has a wealth of experience representing large multinational companies, investment banks, private equity funds and smaller companies and entrepreneurs. This year, for example, the firm’s capital markets deal highlight involved it acting as counsel to Sicipa in relation to its €160 million (\$193 million) bond issue.

Tavernier has an international outlook and many of its lawyers in the firm have had some training or practical experience in the US or UK. For example, name partner Edmund Tavernier spent a year with Cleary Gottlieb Steen & Hamilton in New York, and Pierre-Yves Tschanz spent the early eighties working as a litigator in the US.

Key contact partner

Jacques Bonvin

Vischer

Vischer’s 23 partners, working from offices in Zurich and Basel, provide solid financial law advice to a growing list of clients. Founded in 2000, Vischer is a relative newcomer to the Swiss legal market, but it is “a young firm enjoying an aggressive expansion”. The market rates the firm as “very good in equity” and “growing in stature for M&A”. Felix Heusler heads the Basel office and Markus Guggenbühl manages the Zurich office.

The firm has had an especially active year in insolvency and restructuring. Among the highlights, Marc Russenberger and Alexandra Weiss advised a large creditor on a SFr53 million claim (\$42 million) in relation to the Newco liquidation, and David Jenny represented Big Star Holdings in respect of its application for a moratorium, as well as guided Teleglobe throughout its bankruptcy proceedings. Vischer’s real breakthrough in this area came, however, when it was brought in by Swiss International Airlines to advise on the insolvency proceedings of the SAir group of companies.

Key contact partners

Rolf Auf der Maur

David Jenny

Jürg Luginbühl

Walder Wyss & Partners

Peers of the “very capable” Walder Wyss & Partners praise Marcus Kroll for the growth and continued success of the firm’s abilities in complex finance transactions, saying that he has steered the firm into a “really strong position, particularly in structured finance”. “Markus Kroll was at the forefront of asset-backed financing right from the beginning” observes one respondent. Banking specialist Enrico Friz manages the Zurich firm’s 17 partners.

The firm does not restrict itself to top-end structured finance work, however, but handles a large amount of straight capital markets work too. Indeed, peers are astonished at the “sheer volume of mid-sized transactions” that the firm handles. “It’s a constant flow,” says one competitor of the firm. The firm is recognized as an expert by the Admission Board of the SWX Swiss Exchange. As well as transactional representations, the firm can provide advice on compliance matters, such as the establishment of banks, securities houses and trading systems in the Swiss market.

One deal highlight saw Kroll and Johannes Bürgi act as Swiss transaction counsel and advisor to Fifa on a \$260 million transaction relating to the cancellation risks of the 2006 World Cup. Other clients include Lufthansa, UBS and Microsoft.

Walder Wyss has also developed a reputation for winning its fair share of M&A mandates. This year, for example, it advised International BM Biomedicine Holding on its sale to HBM BioVentures for SFr80 million (\$61 million).

Leading lawyer

Markus Kroll

Key contact partners

Markus Kroll

Christoph Stäbli

Markus Vischer

Wenger Plattner

The market agrees that Wenger Plattner “deserves its top-tier ranking for insolvency and restructuring”. Competitors of the firm consider Fritz Rotzenbuhler “a solid administrator” and peers also praise Karl Wüthrich, the administrator leading the high-profile SwissAir case, calling him “really the number one in this area”.

Wenger Plattner has 49 lawyers, working out of offices in Basel, Zurich and Bern; of the firm’s 18 partners, eight work in Basel, eight in Zurich, and the remaining two in Bern. The firm specializes in commercial work, with a focus on corporate litigation. The firm can provide advice in a number of languages, including German, English, French, Italian, Portuguese and Polish.

Leading lawyer

Karl Wüthrich

Key contact partner

Gerhard Schmid