



Financial Institutions Practice

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Fangda Partners is the Preeminent China-based International Law Firm

Founded in 1993 and one of the most prestigious law firms in the region, Fangda Partners has over 700 lawyers. We serve a wide variety of major clients – including large MNCs, global financial institutions, leading Chinese enterprises and fast-growing Hi-tech companies – on an extensive range of commercial matters through our network offices in Beijing, Guangzhou, Hong Kong, Shanghai and Shenzhen, offering PRC law and Hong Kong law.

We are the firm of choice for clients’ most challenging transactions and legal issues in many practice areas. Since we were founded, we have advised on some of the largest and most complex corporate and finance transactions in China, the region and globally. We have also assisted our clients with many renowned and complex cases and arbitrations, compliance and government investigations in the region.

Our service to clients is premised on the dual foundations of strong local law capabilities and a global business outlook. Our lawyers are qualified in many jurisdictions, including the People’s Republic of China, Hong Kong SAR, England and Wales, the United States, Singapore and Australia.

Our understanding of the laws and processes in major jurisdictions around the world enables us to advise our clients effectively on the largest and most complicated cross-border matters in China and elsewhere. Our strengths have been widely recognized by our clients and peers. Chambers has commented on our cross-border capabilities in the following terms – “outstanding quality of its lawyers”, “high level of service that is comparable to international firms”, and “strong global outlook”.



Financial Institutions Group

Our Financial Institutions Group is renowned for our participation in most of the market-leading deals, for our deep understanding of the financial services sector in China, and for our ability to help clients navigate complex financial services regulatory environments. We also advise Chinese financial institutions on their outbound activities.

Fully fledged services

We offer fully fledged services relating to financial institutions and the Chinese financial market, ranging from regulatory work to transactions involving financial institutions. We advise all key participants in the financial services sector, including investment banks, financial sponsors and hedge fund managers, broker-dealers and corporate finance advisers.

Most experienced team

Our team comprises leading lawyers who have extensive experience in advising financial institutions on regulatory and M&A matters. Our team has developed longstanding relationships with clients and know their businesses well. We offer a unique combination of international execution capabilities with clear understanding of domestic processes to ensure that deals are completed efficiently, effectively and in clients’ best interests.

Understanding regulators

We have developed close working relationships with many of the regulatory bodies in China. This practical experience enables us to provide clients with well informed tactical advice, as well as sound technical analysis.

Fintech expertise

We offer particular expertise in fintech, a rapidly developing sector in the Chinese market. This includes in-depth understanding of the regulations affecting blockchain, e-signature, data privacy, big data, financing licensing, security and operational issues.

Practical and business-oriented approach

We bring a practical and business-oriented approach to offer the full range of commercial legal services needed by businesses in the financial services sector, including corporate and M&A expertise, and contentious and non-contentious regulatory experience.

Recognition

Top Tier Firm (China)
IFLR 1000 Financial Law Firm Rankings, 2019

M&A Firm of the Year - China
China Law and Practice, 2018

China Firm of the Year
China Law and Practice, 2018

Investment Fund Firm of the Year - China
China Law and Practice, 2018

PRC Firm, Hong Kong Office of the Year
Asian Legal Business, 2018

The Corporate Firm of the year
IFLR Asia Awards, 2018

Notable Matters



M&A

- **Commercial Banks and Finance Companies**

A privately-owned technology company on its proposed acquisition of a foreign-funded bank in China

UBS on its US\$2 billion pre-IPO investment in the Postal Savings Bank of China

UBS on its US\$500 million investment in the Bank of China and on the subsequent sale of its shares following the expiry of the lock-up period

The **Royal Bank of Scotland**, as the lead consortium investor, on the US\$3.1 billion acquisition of a 10% stake in the Bank of China

Citibank, as consortium head, on the US\$3.06 billion acquisition of a stake in Guangdong Development Bank

J.P. Morgan and Citibank on the conversion of its commercial banking branch in China into a wholly-owned subsidiary

J.P. Morgan Securities (Asia Pacific) on its establishment of a greenfield guarantee joint venture in China

China Construction Bank on its acquisition of Bankco WestLB do Brasil, a subsidiary of WestLB in Brazil

- **Trust Companies**

A domestic investor on the acquisition of controlling stake in a trust company

J.P. Morgan on its investment in Bridge Trust Company

Bank of Montreal on its investment in COFCO Trust Company

The **Royal Bank of Scotland** on its acquisition of a stake in Suzhou Trust Company, one of the first investments in a PRC-incorporated trust company by a foreign investor, and the subsequent sale of that stake



- **Securities and Futures Companies**

J.P. Morgan on its proposed establishment of a full-license securities joint venture in Shanghai

Nomura on its proposed establishment of a full-license securities joint venture in Shanghai

A European bank on its equity step-up from 33% to 51% in its existing securities joint venture

China Renaissance on its establishment of a full-license securities joint venture with two Chinese shareholders under the CEPA regime

HSBC on its proposed establishment of a full-license securities joint venture with Qianhai Financial Bureau in Shenzhen Qianhai under the CEPA regime

The **Royal Bank of Scotland** on its establishment of a securities joint venture with Guolian Securities and its subsequent exit

UBS on its RMB1.7 billion investment in and restructuring of Beijing Securities, a landmark securities transaction in the China securities market

Morgan Stanley on its RMB1.185 billion securities joint venture, Morgan Stanley Huaxin Securities, established with China Fortune Securities, and subsequent equity increase

Goldman Sachs on its establishment of its investment banking operations in China by way of joint venture with a newly formed domestic securities company, involving an innovative structure to set up a full-service platform on a greenfield basis

Credit Suisse on its business expansion and restructuring of its existing securities joint venture with Founder Securities

Citigroup Global Markets Asia on its establishment of a securities joint venture with Orient Securities

J.P. Morgan on its US\$120 million investment in an investment banking joint venture with First Capital Securities

CLSA on its establishment, restructuring and disposal of its securities joint venture in China, the first securities joint venture eligible to apply for an upgrade of its business scope

BNP Paribas on its exit from Changjiang-BNPP, the first foreign exit from a Sino-foreign securities joint venture established in China

CITIC Securities on its proposed US\$2 billion cross investment and joint venture with Bear Stearns, the first proposed China-outbound strategic alliance between Wall Street and a Chinese institution

- **Futures Brokerage Companies**

J.P. Morgan on its acquisition of a 49% stake in a PRC futures brokerage firm and related restructuring matters

ABN AMRO on its acquisition of a 49% stake in a PRC futures brokerage firm

The **Royal Bank of Scotland** on restructuring matters related to its futures brokerage joint venture in China

Gaohua Securities on its acquisition of a PRC futures brokerage firm

UBS Securities on its acquisition of a 66.7% shareholding in a PRC futures brokerage firm

- **Asset Management Companies**

An international mutual fund manager on its establishment of a wealth management joint venture in China

An international private fund manager on its establishment of a wealth management joint venture in China

UBS on its establishment of an online wealth management platform by setting up a joint venture with Qianhai Financial Holding

Nikko Asset Management on its acquisition of a 40% stake in Rontong Fund Management, the first Japanese asset manager to make a strategic investment in a PRC asset management company

UBS on its purchase of a 49% stake in China Dragon Fund Management, the first foreign investor to hold such a high stake in a fund management joint venture

UBS on its RMB3 billion pre-IPO strategic investment in China Cinda Assets Management, one of four state-owned asset management companies in China and the first asset management company to go public

Warburg Pincus on its pre-IPO strategic investment in China Huarong Asset Management. Huarong is one of four state-owned asset management companies in China

SG Asset Management on its establishment of a foreign-invested fund management company with Fortune Trust & Investment, its subsequent increase of its equity stake to 49%, and then exit

Credit Suisse First Boston on its joint venture with ICBC, the first fund management joint venture between a domestic bank and a foreign fund manager

Crédit Agricole on its fund management joint venture with the Agricultural Bank of China

- **Insurance Companies**

Morgan Stanley on its investment in Zhong An Insurance, at the time the only insurance company in China approved to carry out internet insurance business

BNP Paribas Cardif on its acquisition of a 50% stake in ING-BOB Life Insurance Company

The Carlyle Group on its initial investment in a 24.975% stake in China Pacific Life and on the subsequent conversion of its investment to 19.9% in its parent company, China Pacific Insurance

The National Trust on the RMB1 billion agreement to establish a life insurance joint venture with HSBC to provide a life insurance platform for HSBC in China

Advising on disposals of stakes in Chinese insurance joint ventures

- **Fintech**

Warburg Pincus on its investment into Ant Financial Services Group

An international client on its investment into Lufax, an online wealth management platform

Ant Financial on its domestic business and international expansion

Warburg Pincus on its investment into Cango, a leading automotive finance service platform in China, using cloud-based infrastructure

Morgan Stanley on its investment into Zhong An Insurance

A private equity firm on its proposed investment into WeBank

QTrade on its business cooperation with Tencent regarding the establishment of a financial market information-sharing platform

A global financial service provider on the proposed offer of a number of trading platforms on a cross-border basis



Regulatory

- Establishing new participants, obtaining regulatory authorizations and all legal and compliance steps
- The structuring and licensing requirements of PRC financial market acquisitions and joint ventures within legal and regulatory constraints, as well as in relation to ongoing PRC regulatory and compliance obligations
- The ongoing activities of banks, securities and fund management joint ventures and representative offices of foreign banks in China
- Optimal structuring of companies engaged in financial markets activities in the context of legal and regulatory constraints
- Fintech-related advice, including blockchain, e-signature, data privacy, big data, financing, licensing, security and operational issues
- Cross-border investment activities, for example through the QFII, QDII schemes, Stock and Bond Connect, including reviewing investment documentation and advice on regulatory issues
- Market misconduct, including misrepresentation, short selling, insider trading, and market manipulation, among other issues
- Foreign exchange issues
- Market access to, and risks associated with, the exchange clearing system and clearing houses in China
- Complex cross-jurisdictional regulatory investigations and enforcement issues
- In-depth reviews of the corporate governance of financial institutions, including all aspects of regulatory governance, systems and controls requirements, assisting with putting in place reporting structures and decision-making processes, and advising on board and committee regulation
- Data safekeeping, restrictions on cross-border data transfer, mandatory requirements and best practice under the framework of Cyber Security Law

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