

The thing about ... Jonathan Silver

Recently in Dubai, ASIAN-MENA COUNSEL's Patrick Dransfield photographed and spoke to Jonathan Silver, head of Clyde & Co's operations in the Middle East and North Africa for the past twenty-five years. The interview took place one day after Jonathan's 25th anniversary at the firm. Patrick asked Jonathan, who is a member of the firm's Global Management board, a series of questions on behalf of the In-House Community.

ASIAN-MENA COUNSEL: How has international practice changed in the Middle East in the last 25 years?

Jonathan Silver: I have been practising law in the United Arab Emirates (UAE) for more than 34 years, having arrived in Dubai in early 1980. At that time, there were only a handful of international law firms that had offices in the UAE. Those firms tended to bring lawyers to the region for a very limited period of time, typically one or two years (one year, in my case). The work was very much focussed on the UAE, and it was necessary for practitioners to turn their hands to any sort of legal problem (contentious or non-contentious) that was thrown at them.

Today, the position is markedly different. There are over 70 international law firms operating in the UAE, mostly competing for the same types of work. The focus is on work generated across the region, not just the UAE, and on the work generated by outbound investment. The market for legal services has grown enormously due to the expansion of the indigenous private sector, the rise of the quasi-government corporates, the globalisation of the world's economies and the increasing desire from federal and local government departments for external legal advice reflecting international best practice. As the market has become increasingly more sophisticated, the legal issues that arise and demands made by clients require input from specialist practitioners rather than the handling of a range of matters by one or more expatriate lawyer.

AMC: How has the in-house and regional legal market in the United Arab Emirates, the Middle East and North Africa developed, and what are the challenges for local and regional legal providers?

JS: The changes that have taken place from a political, commercial, developmental and legal perspective throughout the region have been enormous. The Middle East and North Africa has been recognised globally as a very attractive emerging market in

which indigenous corporations and multinationals are increasingly interested. The encouragement of small to medium sized business enterprises to develop and flourish has added a new dimension to the demand for services. Both local and international firms need to focus more and more on providing quality advice, practical and commercial solutions to clients' problems in an increasingly complex legislative environment, adding value to the client experience and accessing and understanding the scope and implications of an increasing volume of regulations. Appreciating and being sensitive to the cultural issues is as important as ever.

AMC: Was there a nascent in-house community when you first arrived in Dubai? How has the in-house legal community developed? Are there special challenges facing Middle East and North African in-house counsel?

JS: 34 years is a long time, but I can recall very few in-house counsel when I first arrived. There were, however, equivalents in the form of advisers to the Rulers of the seven Emirates who sat in the diwan (the Ruler's Office) in each Emirate advising on local and federal legislative developments. There was a slow, but steady, increase in the number of in-house counsel within corporations across the region during the next 15-20 years but the 'explosion' in the number of in-house counsel that now operate in the region has taken place over the last 10 or so years. Many of those in-house counsel face significant challenges, particularly if they are new to the region, in coming to terms with the rate at which the regulatory backdrop is changing throughout the region, in the rate at which their internal clients are developing and in finding the quality of outside legal advice and support they require. Although the recruitment of an in-house counsel is a step on the educational road for many regional corporates, in-house counsel face the significant challenge in educating their internal clients and managing their expectations.

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Standing proudly in the jurisdiction he helped develop

Photo: Patrick Dransfield



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AMC: How do you foresee the recent addition of South Africa to the Clyde & Co footprint of global offices assisting your MENA clients?

JS: The establishment of Clyde & Co offices in the Republic of South Africa is a further step in the firm’s strategy for servicing clients within Africa as a whole. Those offices complement our existing offerings in Tanzania and Tripoli and our extensive network of correspondents throughout the African continent. Numerous companies within the Middle East, and from Asia and other parts of the world, are investing in Africa as the continent develops. Many of those companies use Dubai as a regional headquarters. With our expertise on the ground, the strength and depth of our team in the MENA region (over 300 employees) and our experience of advising clients on their operations in emerging markets, we are in an ideal (and unrivalled) position to advise clients that are based in the MENA region on their investments in Africa.

AMC: Following the financial crisis, Islamic Finance has grown exponentially. What do you foresee regarding the opportunities and challenges for Islamic finance?

JS: Over the last 10 years, the growth in the Islamic Finance market globally has been very significant indeed. The MENA region is a key part of that growth. The Islamic finance sector is currently worth over US\$1 trillion, and Dubai has joined the race to become a global Islamic finance hub. The recent announcement by

the DIFC that it will issue a US\$700 million sukuk suggests that other Dubai-related entities will also look to take advantage of the improving economic conditions and low pricing to raise money from the Islamic market.

We have been involved in Islamic finance for a number of years, and having recognised the ever-growing importance of this practice area (not only in the region but internationally), we have recently brought in Islamic finance specialist Adil Hussain to head up Clyde and Co’s Islamic finance practice.

The foremost challenge is to improve the regulatory, legal and tax frameworks in order to create a level playing field, which will in turn enable the Islamic finance sector to flourish even further.

Both indigenous corporates and others are attracted to an alternative form of financing and in the case of companies which are not indigenous to the region, an alternative source of finance for the future development of their operations. The challenge for institutions providing Islamic Finance is to satisfy the demand, educate the non-Islamic world on the structure and benefits of Islamic Finance and to market their services to a broader audience.

AMC: What keeps you up at night?

JS: Fortunately, other than overnight flights, nothing. I think I have always had (or have developed) the ability to ‘switch off’ when the very long days that we work in the region finish.

AMC: How should a new major client engage with Clyde & Co to ensure the best results? Is the firm offering any special arrangements beyond the usual?

JS: I have always seen the relationship between ourselves and our clients as a partnership. The objective is to develop long and mutually beneficial arrangements between Clyde & Co and its clients that will stand the test of time. I am fortunate in having advised many companies for 20 or 30 years. The key in establishing any new arrangement is to understand the client’s business and its requirements and expectations. Clyde & Co, because of the breadth and depth of its operation in the region and the scope of the services the firm provides, can offer almost any client the type of arrangement that suits that client best. I can recall one multinational client for which we have acted in the region for more than 15 years that began its relationship with us by requesting us to set aside, at its cost, half a day, so that it could make a presentation to us on its business and the various business models it adopted. I think that approach has helped us immensely to provide the sort of service and advice that that particular client requires.

AMC: What advice would you give a young person interested in a career in the legal arena?

JS: Think carefully before embarking on a legal career and be under no illusions. Achieving success in a legal practice is a difficult task. It is not a career that will suit everyone.

The legal profession is changing rapidly and further, radical

changes will take place over the next 5-10 years. This will provide some interesting opportunities. The demands are enormous (and increasing with time); the challenges that are created by the regulatory environment and the ways in which clients operate are increasing; the expectations of clients and peers continue to grow; and the competition is fierce. Nevertheless, I have enjoyed my time in the law immensely. Much of the work that I have been asked to undertake has been extremely interesting and I have gained a great deal of satisfaction from the successes that our clients have achieved.

AMC: What are your interests outside of the firm? How do you control your time so that you can pursue them?

JS: My family is the most important part of my life. I have always participated in sport, although to a diminishing degree as the demands of my work and family life increased. I also have a great interest in music, but had, some years ago, to stop performing because I could not allocate the necessary time to continue. In order to discharge the responsibilities that I have today, I have to organise and allocate my time very carefully so that the work element does not become ‘all-consuming’. It is a delicate balancing act. The key is to ensure that one has the necessary resources and support available to ensure that one can extract as much value as possible from the considerable amount of time that one is required to devote to work, and still allow time for the many other things that life has to offer.

AMC

Jonathan has over 34 years of experience working in the Middle East in the areas of international mergers & acquisitions, private equity, banking and finance, restructuring and foreign direct investment. He has worked with clients operating in most business sectors including insurance, financial services, international trade, energy, construction, shipping and commodities.

He has led numerous transaction teams; assisting clients navigate the regulatory complexities of multi-jurisdictional transactions across the Middle East and North Africa.

Jonathan is the head of Clyde & Co’s operations in the Middle East and North Africa, holding this role since the merger of Clyde & Co with his own practice in 1989. He chairs the firm’s MENA Regional Board and is a member of the firm’s Global Management Board. Prior to establishing his own firm in the UAE in 1981, Jonathan trained and qualified as a solicitor with a leading firm in the City of London, working first in London and later in the UAE.