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PROGRESS REPORT

2016

Myanmar

## WELCOME TO VDB LOI'S PROGRESS REPORT LOOKING BACK AT 2016

As has become customary, we update our clients at the beginning of each year on the progress we made as a firm in the previous year. Here are the salient points of VDB Loi's practice in 2016.

It was a very dynamic year for our firm! We grew significantly in Myanmar, creating exclusively dedicated practice teams as well as launching a few new ones (such as Disputes and Energy). Our approach must have worked because we are proud to say we were involved in an astounding 25% to 33% of this year's approved (MIC) investments in the country, and in 5 out of the 7 power projects signed in 2016.

Other big news came from Indonesia, where 3 new tax controversy partners joined the firm, boosting the firm to a leading position for the tax controversy niche. VDB Loi in Cambodia benefited from a robust real estate market. We assisted international lenders in the power and financial sectors. In Vietnam, we focused this year mostly on Corporate M&A work, taxation and on telecommunications. The team in Laos grew strongly in 2016, racking up the largest financing transaction in Indochina.

We sincerely thank you, our clients and valued relationships, for the opportunity to serve you and work with you to make 2016 as successful as it was!

We trust that this report is an interesting read, and we hope we have the opportunity to work with you (again) in 2017!

**Jean Loi**  
Managing Partner  
jean@vdb-loi.com

**Edwin Vanderbruggen**  
Senior Partner  
edwin@vdb-loi.com



*"...widely considered a powerhouse."  
- Asialaw*

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*"... commercially creative firm with very high standards."  
- Legal 500*

## PRACTICE TEAMS IN MYANMAR

We are known for providing the ultimate in ground connectivity to our clients. We believe that specialization, along with tenacity, is necessary to achieve this. Therefore, in 2016, we ramped up our headcount and the number of our senior advisors, and we converted to a system of exclusively dedicated practice teams in Myanmar.

We have created 4 general practice teams (Corporate M&A, Banking Finance, Licensing and Disputes) and 4 specialized teams (Energy, Telecommunications, Infrastructure Real Estate & Construction and Taxation).

Each practice team comprises a team leader, who assists a partner to manage the team, and minimum 4 to maximum 10 advisers who are exclusively dedicated to only one team. All team members are, just like partners Edwin Vanderbruggen and Jean Loi, residents of Myanmar.

*“VDB Loi obtained the MIC permits for 25% to 33% of the approved Myanmar investment in 2016”*

### Partners



**Edwin Vanderbruggen**  
Senior Partner



**Jean Loi**  
Managing Partner

### General Practice Areas

#### Corporate M&A



**Bryan Alexander**  
Team Leader

#### Banking and Finance



**Jeffery Martin**  
Team Leader

#### Licensing



**Daw May May Kyi**  
Team Leader

#### Disputes



**U Aye Kyaw\***  
Team Leader

### Main Specialized Practice Areas

#### Energy



**Chris Sheridan**  
Team Leader

#### Infrastructure Real Estate



**Nar Wah**  
Team Leader

#### Telecoms



**Jonathan Linton**  
Team Leader

#### Taxation



**Honey Htun Wai**  
Team Leader



\* U Aye Kyaw & Associates VDB Loi

## ELECTRIC POWER

### WE MOVED TO A LEADERSHIP POSITION IN ELECTRIC POWER

In 2016, our energy practice grew to a clear leadership position in the market. We assisted in one role or another on 5 out of 7 power projects signed in 2016.

We also racked up most of the engagements for foreign owned hydropower plants (in total 1,500 thousand MW, which represents 100% of the publicly known sponsors from the EU, Korea and Japan). The team drafted and negotiated the first bankable hydropower concession agreement and PPA, and finalized the PPA for a 400MW power vessel deal.

We also drafted the first Myanmar wind PPA and secured licensing for the largest solar power project in Myanmar.

We helped found the IFC-sponsored Hydropower Developers Working Group in 2016, and senior partner Edwin Vanderbruggen serves on the Executive Committee.

In Lao PDR, we advised sponsors of mid-size hydropower projects and the lenders on the nearly US\$1 billion construction and operation of a transmission line.

In Cambodia, we assisted an international financial institution with the financing of a solar power facility.

*"VDB Loi worked on 5 out of 7 Myanmar power deals signed in 2016"*

*"...well known for its local market position which is evident in its representation on government privatization transactions."  
- Asialaw*

## DOMINANT ROLE IN THE MID AND DOWNSTREAM PETROLEUM SPACE

We helped the Myanmar Government tender the Thanlyin LPG import terminal and concluded an exclusive joint venture for the importation and distribution of petroleum products.

Building on our expertise acting for the Government in the petroleum products sector, our Energy Team was the obvious choice for additional engagements in fuel and fuel infrastructure in 2016.

We assisted several oil and gas players to fine-tune their plans for a massive LNG terminal and distribution project in Myanmar. We helped with the procurement and development of one of the first offshore supply bases, and assisted in the procurement of a port/fuel terminal project.

We also acted for a “super major” on its proposed joint venture for importation and distribution of petroleum products.

*“It has advised on the tender process and financing for various infrastructure projects, as well as the privatization of state-owned entities.”*  
– Legal 500

*“Leveraging off our role as advisor to the government in this area, 2016 saw a significant rise in work on fuel terminals, ports, storage and LNG”*

### FIRST EVER INTERNATIONAL GATEWAY AND SPECTRUM LICENSES IN MYANMAR

Ever since 2012, we have been at the forefront of telecom developments in Myanmar, and that trend continued strongly in 2016.

In 2016, we helped operators bid for International Gateway Licenses and blocks of spectrum. We negotiated the first auctioned spectrum license in Myanmar.

We assisted 5 out of 7 tower companies in 2016, and took the initiative to co-found Connect2Everyone, an industry association for environmentally and socially responsible network infrastructure deployment.

We worked on datacentres and several subsea fibre optic cable projects. Our team assisted the purchaser of a 100% stake in a Myanmar company owning an urban fiber optic cable network.

In 2016, our team represented lenders or borrowers on virtually every telecom financing deal in Myanmar. We often represented international financial institutions or DFI's in that context.

In Vietnam, we helped a foreign purchaser acquire 100% of a licensed tower company.

*"We gain trust with our partners and customers when using VDB Loi for advice. They are very efficient, knowledgeable and are well informed especially on telecom, tax and labor laws."  
– Asialaw*



*"Acquisitions in the region while financing, IGW and spectrum is the focus in Myanmar"*

### THE FIRST PUBLIC PRIVATE PARTNERSHIPS

The newly created Infrastructure, Real Estate & Construction Team (IREC) worked on the concession, secured in December 2016, for the first urban development PPP, assisting a Japanese multinational developer. The project comprises transportation infrastructure, social infrastructure, hotels, commercial space, offices and residential towers, and will contribute up to US\$ 4 billion to the Myanmar economy. We drafted and helped negotiate the concession and all other project documents for this unique and trail blazing project.

Earlier, the team assisted co-sponsors with devising the structure for the Landmark project, a 200,000m<sup>2</sup> mixed use development and transport hub and the US\$ 2 billion KyaiKaSan mixed use development in downtown Yangon.

Unique for law firms, the regulatory advisers on our IREC team were instrumental in obtaining neighbour consents and construction permits, a true hallmark of our ground connectivity.

We also advise the Myanmar Government on improvement of the legal framework for PPP projects, sponsored by an international governmental organization.

*“Widely known regional firm with strongholds in some of Southeast Asia’s most promising emerging markets.”*  
- IFLR

*“VDB Loi helps negotiate the first ever urban transport and social infrastructure PPP in Myanmar”*



### DISPUTES ARE ON THE RISE

Our disputes team, in integrated cooperation with our locally qualified partners or network firms, provides litigation and arbitration services.

We took our litigation experience, and turned it into a high performance disputes practice. The response was overwhelming. In 2016, we have represented clients in a wide range of commercial matters, from as simple as debt collection to cross-border insolvency, shareholder disputes and international arbitration matters.

The claim to fame for the Disputes team this year was without a doubt our representation of a foreign Governmental organization in Myanmar, where an employee was remanded in connection with a fatal accident which was criminally prosecuted. Our team was able to get the accused released, negotiated a civil settlement with the victims and got all criminal charges dropped.

In Cambodia, we helped a client in its dispute with an insurance company following major damage at a power plant, resulting in a successful outcome. We also assisted on a collective labour dispute in the context of a major strike.

*"Very effective in finding the current regulations. No other firms seemed to be able to find the correct and relevant information."  
– IFLR*

*"We launched a disputes practice team, with much success"*



### COMPLEX ACQUISITIONS OF TELECOM COMPANIES AND FINANCIAL INSTITUTIONS

One of our core values is to “never give up”. This philosophy resulted in some remarkable wins for our Corporate M&A team in 2016, which advises on joint ventures, foreign investment, acquisitions and disposals, capital markets, restructuring and private equity.

We are particularly proud that we managed to implement the first ever transfer of shares in a Myanmar-owned company to a foreigner.

Despite a challenging regulatory environment in Myanmar, particularly in the context of the Government change in March, we assisted foreign investors and market entries for clients in a wide range of industries such as for a European multinational beverage producer, a European chemical concern, a power plant, a foreign bank licensed to do business in Myanmar, an Asian steel products manufacturer, a multinational in the logistics sector and a global manufacturer of high-tech information carriers.

In one regional M&A deal, we assisted in the simultaneous disposal by a Dutch multinational of subsidiaries in Cambodia, Indonesia, Myanmar and Vietnam. On that transaction, we also led the tax structuring for the entire Asian region.

In Vietnam, we assisted with the successful purchase of a group of companies comprising 21 Vietnam affiliates.

In Cambodia we helped acquire 100% of a microfinance institution.

*“VDB Loi is one of the country’s top law firms. The partners know more about the legal environment in Myanmar than anyone else does.”*  
-IFLR1000

*“we managed to implement the first ever transfer of shares in a Myanmar-owned company to a foreigner.”*

## LICENSING

### AN ASTOUNDING 25% TO 33% OF APPROVED FDI OBTAINED ITS MIC PERMIT THROUGH VDB LOI

In 2016, the licensing team applied for a record number of applications to the Myanmar Investment Commission, confirming our leading position in this practice. When we compared the total investment amounts of the MIC proposals we managed for our clients and compared it with the official total numbers published by the MIC, we learned that between 25% to 33% of the approved FDI in Myanmar receives its MIC permit through our firm.

We prepared proposals, defended them and navigated the applications through various Government agencies in a wide range of sectors. The technical strength and the market position of the firm in this area were demonstrated when we managed to produce more than one proposal per week by the end of the year.

We also obtained licenses and permits for telecom operators, security firms, microfinance institutions and airlines.

*"... incredibly commercial in his approach"*  
- Chambers and Partners

*"More than one MIC permit application per week by the year's end"*



*“3 new partners in Indonesia, a major boost to the tax controversy practice”*

### NEW TAX LITIGATION PARTNERS IN INDONESIA

In 2016, VDB Loi continued to grow its reputation as a premier tax practice among law firms, with a dedicated tax team in each of its markets.

Three new partners joined VDB Loi in Indonesia Tommy Hendharto Oetomo, Olina Rizki Arizal and Bapak Rusmadi.

Furthermore in 2016, our tax team advised on the tax structure of the disposal of producing gas and pipeline assets in Myanmar, the largest shopping mall in Cambodia and an acquisition of a telecoms group in Vietnam.

In Indonesia, we successfully completed a record number of legal and administrative tax proceedings and we helped close dozens of amnesty deals.

*“Well integrated with legal teams allowing them to provide project services including tax due diligence and corporate tax structuring.”*  
– Asialaw



### LARGEST FINANCING IN THE REGION AND IN MYANMAR

We are proud to report that our Banking & Finance Team had a role on virtually every project financing transaction in Myanmar.

We have acted or are acting for every bilateral and international financial institution active in Myanmar, totalling over US\$ 1 billion in financing in 2016. That includes our representation of the lenders, two international financial institutions, on the largest Myanmar financing transaction so far, a combined US\$ 300 million.

Furthermore, our team in Laos assisted a Development Financial Institution with a nearly US\$ 1 billion financing project in Lao PDR, combined the largest of its kind this year in the region.

*"In 2016, VDB Loi acted for lenders both on year's largest financing in the region (US\$1 billion) and in Myanmar (US\$300 million)"*

*"... highly praised by peers and clients alike as a seasoned and informed professional."  
– Asialaw*

## THOUGHT LEADERSHIP

### CLEAR LEADER IN THOUGHT LEADERSHIP

In 2016, we published 198 pages of thought leadership, originally written materials. This is unique among law firms in our market.

In addition, we presented 25 detailed briefings on Myanmar legal and regulatory issues, 12 of which we organized and hosted ourselves. We confirmed our reputation as a leader in providing high value information and details at our briefings and through our briefing notes.



[www.vdb-loi.com](http://www.vdb-loi.com)

Find us on:



**Cambodia**

Level 6  
Phnom Penh Tower  
445 Monivong  
Boulevard  
Phnom Penh, 12250  
T: +855 23 964 430

**Laos**

4<sup>th</sup> Floor  
Alounmai Tower  
23 Singha Road  
Saysettha District  
Vientiane  
T: +85 62 145 4679

**Vietnam**

Level 20, Unit 4  
Bitexco Financial Tower  
2 Hai Trieu Street  
District 1  
Ho Chi Minh City  
T: +84 8 3914 7272

**Indonesia**

Plaza Bisnis  
Kemang Suite 211  
Jl. Kemang Raya  
No. 2  
Jakarta 12730  
T: +62 21 718 3415

**The Cityloft**

Sudirman Suite  
1119  
Jalan K. H. Mas  
Mansyur Kav. 121  
Jakarta, 10220  
T: +62 21 2555 6611

**Myanmar**

Level 8  
Centerpoint Towers  
No.65 Sule Pagoda  
Road & Merchant Street  
Kyauktada Township  
Yangon  
T: +95 137 1902  
+95 137 1635

**No. S-204**

Tha Pyay Kone Ward  
Zabu Thiri Township  
Nay Pyi Taw  
T: +95 678 108 091