

# AN OVERVIEW OF MAJOR LAW FIRM MOVEMENTS IN CHINA (2023)

S|S|Q



Legal Market, Legal Talent

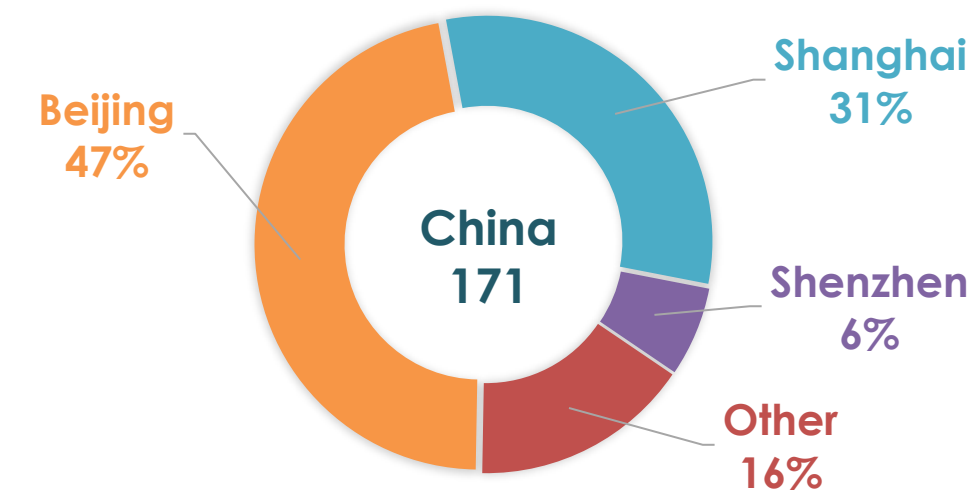
SSQ has collected and analysed major movement data on various types of law firms in China in 2023, including their key lateral hires, new office openings/closures and new firm mergers/alliances.

## LATERAL HIRES

### *Hiring Number and Location*

We recorded 171 lateral partner moves in 2023, broken down by city location as follows:

Total number of Partner moves in 2023	Beijing	Shanghai	Shenzhen	Other
171	80	53	11	27



Beijing and Shanghai remain the most active lateral hire market in China – collectively, they account for about 78% of the whole country, with each representing about 47% and 31%, respectively.

In comparison with 2022, which recorded 97 partner moves across the county, the lateral hire activity seemed much busier in 2023. That reflected the increasingly uncertain nature of the market which drove more senior practitioners to seek change.



## LATERAL HIRES

### Three Firm Types

Among the 171 partner moves, only 11 were hired into major foreign law firms (10), 4 into China-foreign alliance law firms (4), while the remaining 156 partners moved into major Chinese law firms (24). The 24 hiring Chinese law firms include all the 'Red Circle' firms, around 10 large national firms, and a few well-regarded boutiques.

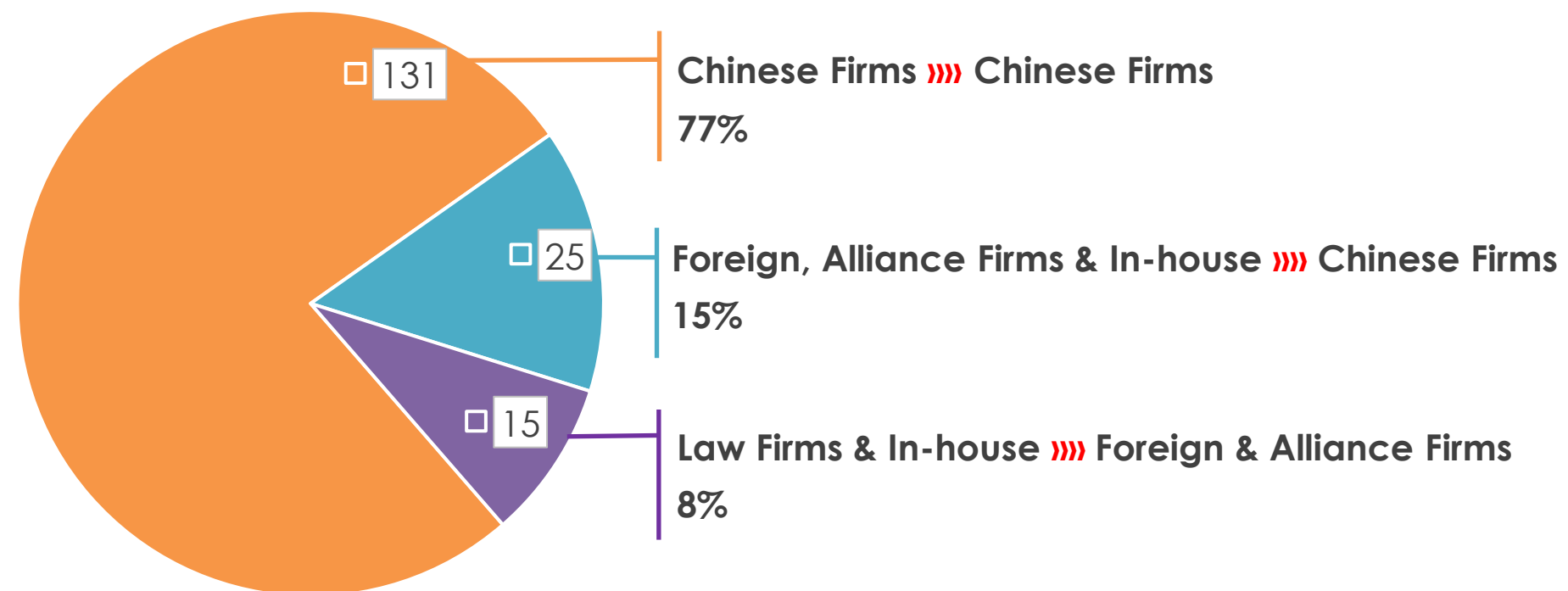
Among these 156 partners moving into Chinese law firms in 2023, 131 of them moved out of peer Chinese law firms, 11 out of foreign law firms, 4 from China-foreign alliance firms and 10 from in-house. Among the 11 partners moving into foreign law firms in 2023, 5 moved out of peer foreign firms, 3 from Chinese law firms, 1 from alliance firm and the remaining 2 out of senior in-house positions. The 4 partners joining China-foreign alliance law firms moved from 3 different Chinese law firms and 1 peer alliance firm.

Firm type (moves in) \ Firm type (moves out)	Chinese law firms	Foreign law firms	China-foreign alliances	In-house	Total number of moves (in)
Chinese law firms	131	11	4	10	156
Foreign law firms	3	5	1	2	11
China-foreign alliances	3	0	1	0	4
Total number of moves (out)	137	16	6	12	171

## LATERAL HIRES

### *Lateral trends*

Chinese law firms have become the dominant centre of lateral movements – for both partners moving in and partners moving out (131 of 171, or 77%). Chinese law firms have a wider range of options to find talent including foreign-related firms and in-house, but very few of these firms' partners will choose to move out of that Chinese circle (only 6 in 2023). In sharp contrast, foreign-related lateral moves account for just around 23% of the whole market (40 of 171), including a 15% loss to Chinese firms (i.e., the 25 hires made by Chinese firms from foreign and alliance firms and in-house) and only 8% new hires (i.e., the 15 hires made by foreign and China-foreign alliance firms).

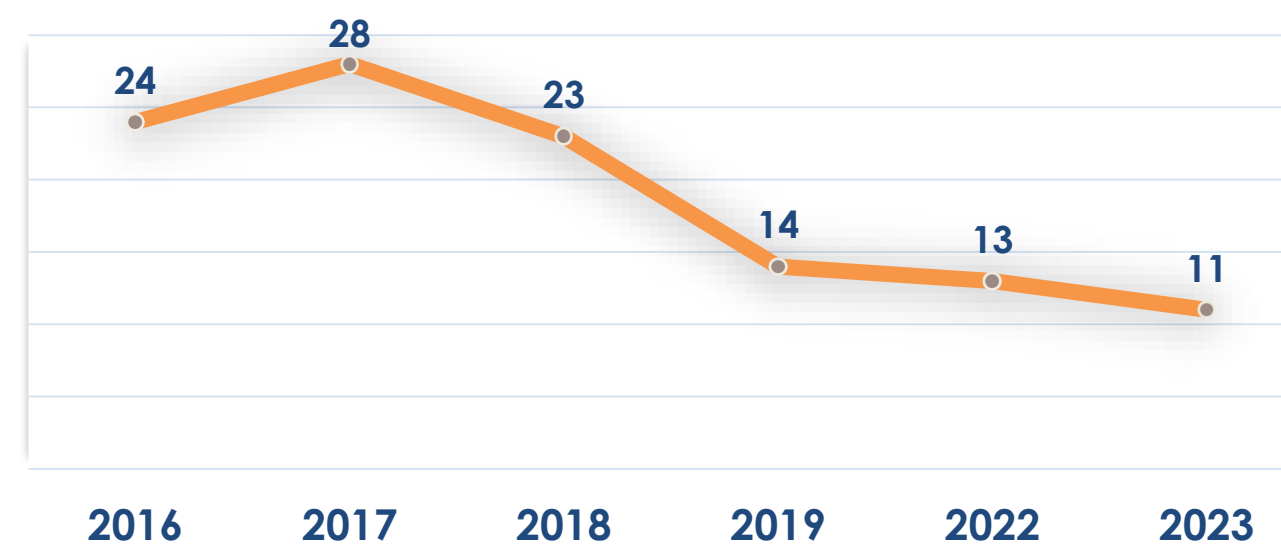


## LATERAL HIRES

### *Foreign Law Firms*

The number of partner hires made by foreign law firms in China continued to decline in 2023, according to the historical SSQ data:

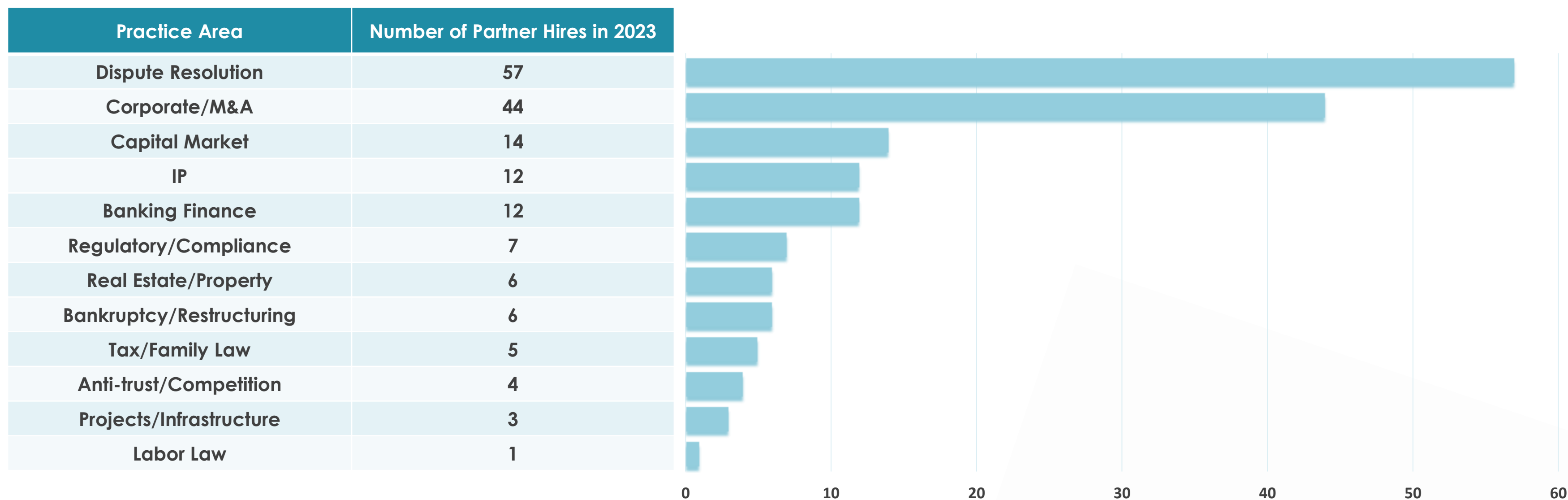
Year	Number of partner hires by foreign law firms in China
2023	11
2022	13
2019	14
2018	23
2017	28
2016	24



## LATERAL HIRES

### Practice Areas

A breakdown of the 171 partner hires by main practice areas is as follows:



For the first time, in 2023, the dispute resolution practice has surpassed corporate/M&A and become the number one area attracting the most lateral hires. The lateral activities in this single area account for one third (33%) of the whole market (57 of 171), which solidly exemplifies the transformative nature of the market – a change from transaction-focused to dispute-focused.

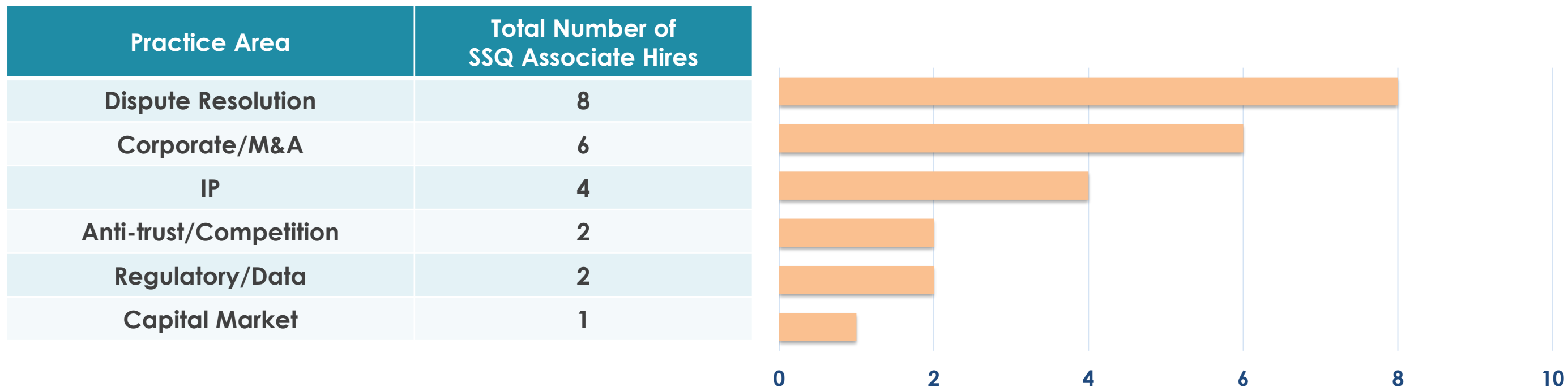
## LATERAL HIRES

### Associates

SSQ worked with 16 law firms in China in 2023 and hired 23 experienced associates. This included 6 foreign law firms who hired 9 associates, 4 China-foreign alliance firms hiring 8, and 6 PRC law firms hiring 6.

In previous years SSQ placed around 50 associates into approximately 25 law firms each year, so this year both the number of associate hires and the hiring firms have dropped significantly. This reflects the fact that when a law firm's business becomes increasingly uncertain, more partners may try to change career platform, but fewer law firms will choose to increase headcounts, and associates could either get stuck where they are or find themselves jobless.

A breakdown of the 23 SSQ associate hires by key practice areas is as follows:



In terms of practice area, this is very similar to the trend of partner hires, more than one third of associate hires SSQ made in 2023 (8 of 23, or 35%) are in the dispute resolution area. The other hiring practices including IP, anti-trust, and regulatory/data, account for another third, leaving the previously dominant transactional areas, namely corporate/M&A and capital markets, occupying just less than a third of the associate hiring market.

## OPENINGS AND CLOSURES

### Chinese Law Firms

SSQ recorded 21 new domestic offices opened by 15 national Chinese law firms. These 21 new offices were spread across the country in 15 different locations – the majority of which are tier-2 and tier-3 cities including Hangzhou, Qingdao, Hefei, Xiamen, Wuhan, Kunming, Changsha, Changchun, Shijiazhuang, Luoyang, Nanchang, Fuzhou, Zhengzhou and Wenzhou.

In the meantime, SSQ also recorded 8 Chinese law firms launching 15 new offices outside China. Covering 4 different continents – Asia, Australia, Africa and America, these 15 new international offices are located in 10 cities including Tokyo, Seoul, Singapore, Laos, Almatu, Bangkok, Sydney, Johannesburg, New York and Mexico.

Below is a representative list of these Chinese law firms’ domestic and international expansions in 2023:

Domestic new office launches		Overseas new office launches	
Law Firm Name	City Location	Law Firm Name	City Location
King & Wood Mallesons	Changchun	AllBright Law Offices	Tokyo
Guantao Law Firm	Nanchang Wenzhou	DeHeng Law Offices	Laos Seoul
AllBright Law Offices	Kunming Changsha	Han Kun Law Offices	New York Singapore
DaHui	Wuhan	Yingke Law Firm	Bangkok Johannesburg
Merits & Tree Law Offices	Hangzhou		



## OPENINGS AND CLOSURES

### *Foreign Law Firms*

In 2023 there were 4 major foreign law firms opening new offices in China – 3 of them are in Shenzhen and 1 in Beijing. In the meantime, 3 major foreign law firms shut down their offices in Beijing and Shanghai. Below is the list of these latest developments:

Office launches		Office closures	
Law Firm Name	City Location	Law Firm Name	City Location
Quinn Emanuel	Beijing	Proskauer Rose	Beijing
Holman Fenwick	Shenzhen	Latham & Watkins	Shanghai
Morgan Lewis	Shenzhen	Akin Gump	Beijing
Bird & Bird	Shenzhen		

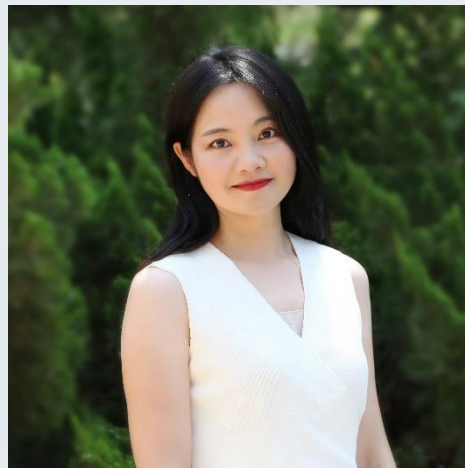
## MERGERS AND ALLIANCES

2023 witnessed the decoupling of Chinese law firm Dacheng with international firm Dentons, but there were also a couple of new domestic and international mergers and alliances involving major Chinese law firms, details of which are as follows:

Law Firm	Law Firm	M&A Details
King & Wood Mallesons	Eversheds Sutherland	In July 2023, the two firms announced the launch of a formal cooperation agreement, under which KWM (China) will refer all future matters requiring legal advice in the UK, Europe, Middle East, Africa and South America to Eversheds Sutherland (International). Further, clients of Eversheds Sutherland (International) requiring PRC legal advice will be referred to KWM (China).
Wintell & Co	Gongcheng Law Firm	In October 2023, the two firms, one headquartered in Shanghai and the other focusing on the northeast market, completed their merger which is 'the first time two Chinese law firms in two separate regions joined forces'.

## CONTACT SSQ

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