



GRMSEARCH
CHINA

LEGAL & FINANCIAL EXECUTIVE SEARCH AGENCY

MARKET REVIEW & SALARY SURVEY 2014

INTRODUCTION

GRMSearch is pleased to present its annual market review and salary survey for the financial year in the People's Republic of China (the PRC).

We aim to provide our clients and candidates, through the use of this in-depth market review and salary survey, the necessary guidance and advice regarding compensation levels for both private practice and in-house, based on the trends we have seen in the PRC's legal recruitment market.

We will take you through the two sides of the picture, in-house and private practice, comparing the current situation with what we saw last year, and finish with our predictions for the coming year.

All information included in this survey has been fully researched, through the help of our clients and candidates to whom we express our deep gratitude, and using our knowledge and understanding of the legal market in the PRC.

Please bear in mind that, as with all surveys, the results are based on averages, rounded to the nearest RMB1,000 and may therefore differ in individual situations. This survey is to be used as a guide only; please do not hesitate to contact us regarding individual cases.



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THE VIEW FROM PRIVATE PRACTICE

WHAT HAS THE LAST YEAR BEEN LIKE FOR JOBS IN THE LEGAL MARKET IN THE PRC?

Steady. Compared with Hong Kong counterparts, in which job openings grew 20% year-on-year, the PRC market maintained a steady demand for lawyers across various levels. Partner hiring was a similar level to 2012, though with less firms rapidly expanding at this level than in 2012.

LOOKING AT THE NUMBER OF HIRES OVER THE PAST YEAR, WHAT DOES THIS SAY ABOUT THE LEGAL JOB MARKET IN THE PRC?

2013 showed solid signs of recovery from the financial crisis. The market was restructured as small to mid-sized law firms absorbed talent by offering a route to partnership. Various firms also restructured internally to strengthen their crisis-proof competence.

Due to the continuing lack of IPOs in the US and HK during the first half of 2013, we did not see much hiring in capital markets teams but encouragingly redundancies were also down. IPO lawyers are moving to join M&A teams and naturally there were some losses to in-house teams working on corporate matters.

The labour intensive nature of IPOs led to an increase in demand for junior capital market lawyers. Movement among their more senior counterparts is rare as IPO matters are typically overseen by partners in order to keep costs down.

Firms are becoming more specialised, establishing niche focus areas led by high quality talent. Candidates are responding by looking towards specialising in particular industries or areas for their next career move. Even among corporate M&A and FDI lawyers there is an increasing demand for specialists in particular industrial sectors.

WHAT HAPPENED TO PRIVATE PRACTICE SALARIES IN THE PRC IN THE PAST YEAR?

Salary increments ranged from 5-10%, with most magic circle firms paying around the 7-10% mark.

WHAT ARE THE PREDICTIONS FOR THE REST OF 2014 FOR THE PRIVATE PRACTICE JOB MARKET?

Early indications are that this will be a busy year with a number of firms already in hiring mode.

WHAT WILL BE THE SPECIFIC GROWTH AREAS?

Regulatory investigation lawyers, especially FCPA lawyers, will continue to find themselves in high demand. Due to the high demand of in-house regulatory lawyers in 2012 and 2013, a number of private practice regulatory lawyers moved in-house. The demand was also facilitated by the latest changes in government regulations in China, the US and Europe.

It is foreseeable that the IPO pipeline within law firms will grow this year and next. With the CSRC lessening the threshold of IPO applications, we may see an increase in demand for US and HK capital market lawyers, however it remains to be seen if there will be a need to increase the size of these teams.

The high demand for common law qualified banking and finance lawyers evident since mid-2013 will continue into 2015, especially in Beijing.

WILL PACKAGES RISE?

We are not predicting a rise in salaries of more than 5%. The candidate pool of corporate M&A lawyers is rather saturated. People moves are predominantly affected by progression of seniority and change of partners.

While some firms were still unable to pay bonuses in 2013, others were willing to reward high performers. We do however not foresee an increase in bonuses over the next year.

WHERE SHOULD AN AMBITIOUS CANDIDATE BE LOOKING FOR THE BEST CHANCE TO GET PROMOTED?

Our suggestion is small-to mid-sized offices. These firms offer candidates more autonomy to develop and shine in a collegiate working environment. Candidates will still get exposed to top class work, big brand names, and where necessary, receive specialist training. As there firms maintain close panel relationships, lawyers will have more client facing opportunities.

IS 2014 A GOOD TIME TO MOVE JOBS IN PRIVATE PRACTICE?

It already seems like there will be a broader range of opportunities on offer this year. With the economic and political uncertainty affecting the markets now resolved, the inherent risk in making such move will be lower in 2014.

THE VIEW FROM IN-HOUSE

WHAT WAS THE PAST YEAR LIKE FOR JOBS IN THE IN-HOUSE & COMPLIANCE MARKET IN THE PRC?

We observed a slight growth in senior level hires in 2013 compared with 2012, especially in PRC companies. The more junior headcounts were frozen in 2013. There was an increase in demand for more senior strategic candidates due to a number of compliance incidents in China. It was also reflected in the growth of outsourcing to external counsels in the PRC.

WHAT WOULD BE THE SPECIFIC GROWTH AREAS?

The demand for FCPA lawyers will increase in various MNCs and financial institutions. The same goes for general corporate and commercial lawyers with an international law firm background. As most international law firms are predominantly corporate transactional driven, general corporate and commercial lawyers are relatively rare in the market.

Following adjustments to employment laws and regulations in China, it is predicted that there will be an increase in demand for in-house employment lawyers. We foresee that the demand for senior legal counsels in general corporate commercial practices will also continue.

WHAT CAN CANDIDATES EXPECT IN TERMS OF SALARY AND PACKAGE WHEN MOVING IN-HOUSE?

Most lawyers who move in-house do so for a better work/ life balance and shorter working hours. Despite a survey last year revealing that a better work/ life balance may no longer be the case, the allure of more predictable working hours remains attractive.

Furthermore, some local candidates in international firms feel the bottleneck to partnership is in large part due to the internal transfer of partners from head office, and subsequently happy to take a cut to move in-house.

With regards to salary and bonus, our usual advice to candidates is to take a pay cut on the base salary in recompensate for the better lifestyle. The pay cut for US qualified lawyers will be more substantial at around 15-25% when moving in-house.

WHAT ARE THE PREDICTIONS FOR THE IN-HOUSE MARKET FOR THE REST OF 2014?

As discussed above, we foresee the growth of senior level hires in the PRC in-house market, especially for heads of legal, general counsel and other senior regional roles.

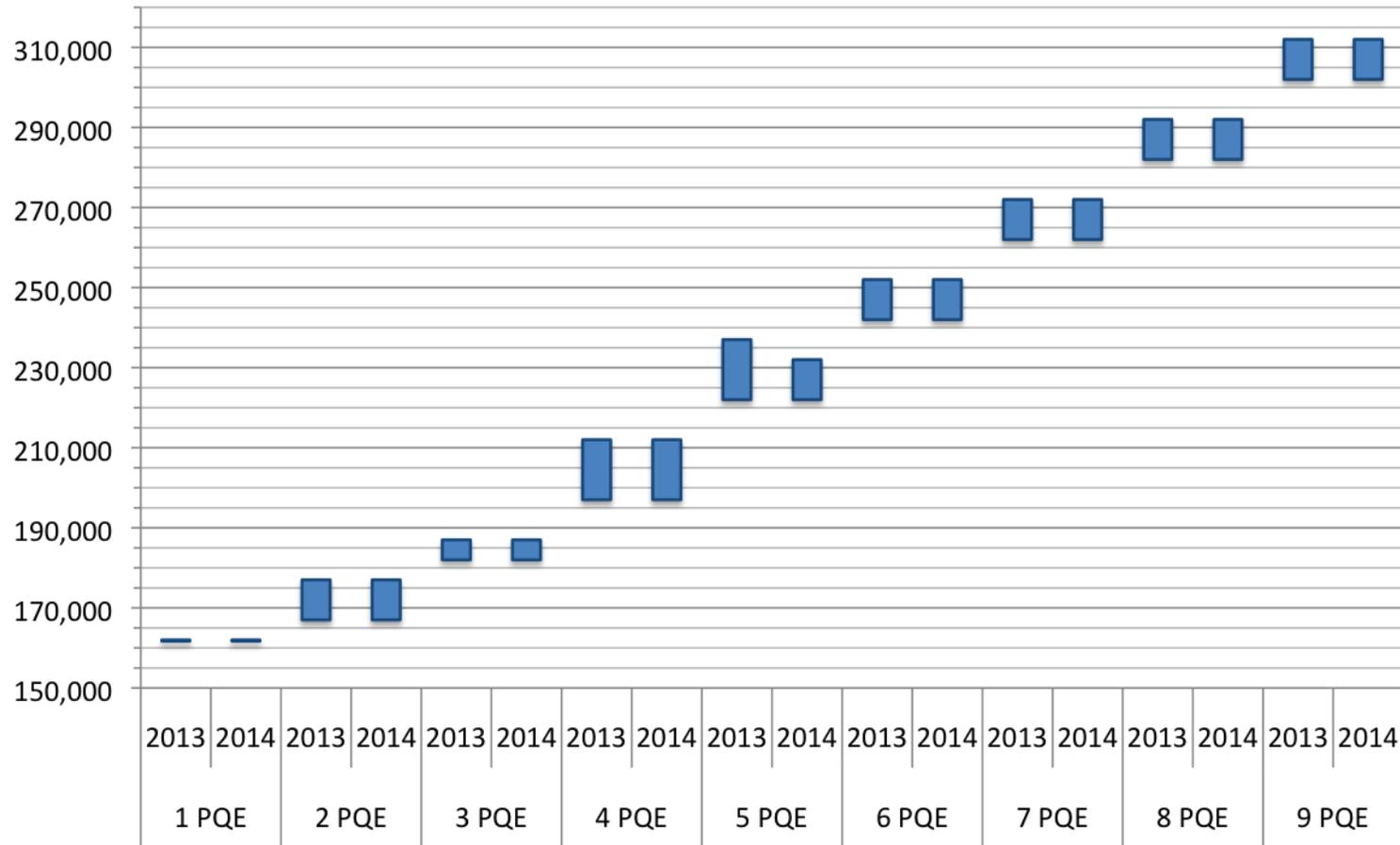
The market for mid-level in-house lawyers will be more competitive as an increasing amount of mid-level lawyers look to move. Roles are increasingly diversified with positions ranging from FCPA to litigation and employment roles in MNCS.

2014 has had a strong start as we've been instructed on more mandates than any first quarter since 2011.

US TRACK ASSOCIATES SALARY GRAPH

A graphical representation of the annual salary range for each position for 2013 and 2014.

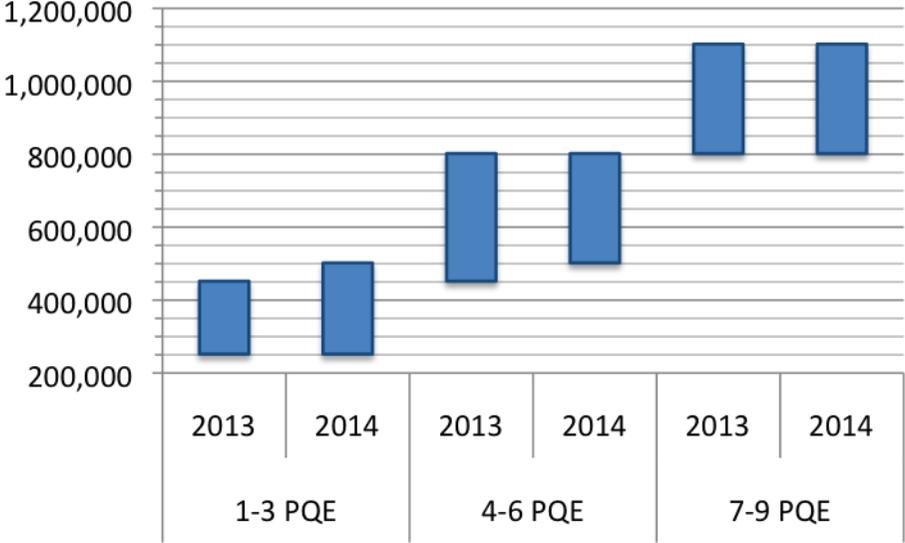
USD per annum



PRC ASSOCIATE - INTERNATIONAL FIRM SALARY GRAPH

A graphical representation of the annual salary range for each position for 2013 and 2014.

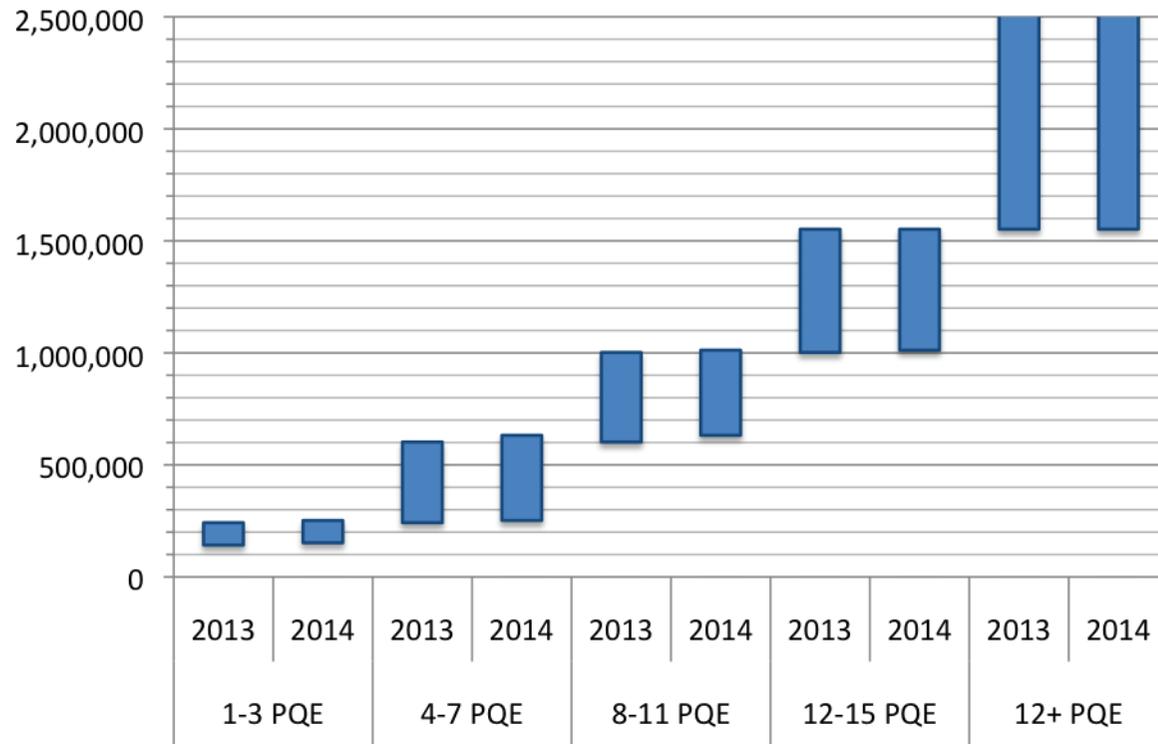
RMB per annum



IN-HOUSE: PRC SOLE QUALIFIED LAWYERS

A graphical representation of the annual salary range for each position for 2013 and 2014.

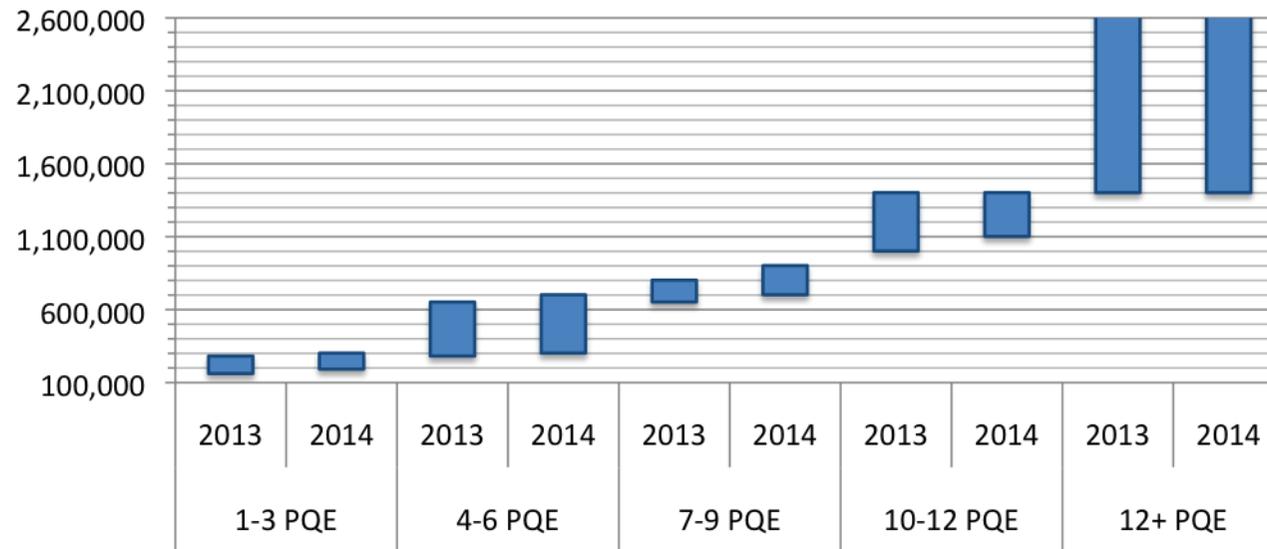
RMB per annum



IN-HOUSE: DUAL QUALIFIED LAWYERS

A graphical representation of the annual salary range for each position for 2013 and 2014.

RMB per annum



GRMSEARCH CHINA

QUICK INTRODUCTION

GRMSearch is an award-winning executive search firm offering contingent recruitment solutions, retained executive search and market information. We specialise in recruiting lawyers from associate to partner level and compliance professionals for listed firms and MNCs, law firms, investment banks and other financial services.

MEET OUR KEY STAFF



AUGUSTUS CHEUNG | a.cheung@grmsearch.com
ASSOCIATE | PRIVATE PRACTICE & IN-HOUSE LEGAL SEARCH

A qualified lawyer originally from China, Augustus has a strong network of contacts in law firms, state-owned enterprises and corporate conglomerates, coupled with hands-on industry experience working in Hong Kong and Beijing.



BEN COOPER | b.cooper@grmsearch.com
EXECUTIVE DIRECTOR | LEGAL & COMPLIANCE

A qualified barrister and member of the bar council of England and Wales, Ben has over seven years experience completing search mandates for mid-to-senior lawyers and compliance professionals globally.

CLIENT TESTIMONIALS

Augustus is an excellent legal recruiter. He is personable and always approachable. He listens, he understands and he cares. I have no hesitation recommending Augustus to those looking at exploring their next career move.

Agnes Cheng, Telstra

Ben is an outstanding recruitment professional par excellence. He has great experience of the region and knows the right people and the right talent for the right role. Certainly, a stand-out in the Hong Kong recruitment industry.

Yong Kai Wong, Head of Legal and Compliance at CITIC Capital

WHAT MAKES US DIFFERENT?

We pride ourselves on having a real, tangible passion for the legal, financial and corporate industries we service, and having a true understanding of who it is that shape these markets.

GRMSearch has been servicing clients in China for more than five years. Our consultants have an unparalleled knowledge of the market. A dedicated research, mapping and headhunting team ensures our data and candidate pool is up-to-date. We track candidates' career progression through specially designed league tables, which means if there is a person on a deal within a team, we know about it.

We are discreet, professional and effective. 98% of our clients return to us for repeat instructions and 71% of our placed candidates are referred to us by a satisfied customer.

WHO ARE WE?

GRMSearch is home to multi award-winning consultants (AsiaMoney Headhunters Poll 2012, Global Recruiter Industry Awards 2013) serving clients and professionals in the legal and financial sectors across Asia-Pacific, Australia and South Africa. Our head office is located in Hong Kong and in February 2014 we launched in Johannesburg, South Africa.

WHAT IS OUR BUSINESS MODEL?

Our team of experienced recruitment professionals offer either a contingent or retained solution, depending on what is best for our clients' immediate hiring needs and longer term objectives. For our candidates, our goal is to get you the right career move, on the right terms.

WORKING HARD FOR YOU.

We proactively seek the best professionals in the market and the most attractive roles with the best organisations. We focus on speed, accuracy and delivery of service for both candidates and clients in a discreet and professional manner.

The professionals we represent benefit from our long-standing relationships with the best companies in the market. The firms we recruit for have solid growth strategies and real, tangible career paths alongside attractive packages and salaries, allowing us to bring you genuine career and life enhancing moves.

WHY SPEND MONEY ON OUR SERVICE?

For clients, we recognise you have many recruitment tools at your disposal. We aim to be the most comprehensive recruitment solution a company has in its armoury. At GRMSearch we go out of our way to truly understand our clients' business and the markets which they recruit from.

IF YOU ARE A JOBSEEKER, WHY WOULD YOU USE US?

Our thorough knowledge and unique role in the market also enables us to give impartial, considered advice to candidates at all levels on their career path, whether this means advising them to explore options or to remain in their current position.