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Bangladesh

Political instability and poverty remain the dominant issues in Bangladeshi politics, in addition to continued labour unrest and a potentially unsettling election set for January 2007.

The ruling Bangladesh National Party (BNP), headed by Prime Minister Begum Khaleda Zia, holds a two-thirds majority in Parliament. However, the main opposition Awami League, led by Sheikh Hasina Wajed, and 13 other parties are viable challengers to the BNP and its three coalition partners.

Allegations have been raised that the government might rig the election to ensure a return to power. In July 2006, the Supreme Court Bar Association ordered the removal of the chief election commissioner, MA Aziz, and two other election commissioners.

Textiles and the ready-made garment industry have been largely responsible for the country's economic growth. According to the Asian Development Bank, gross domestic product grew by 5.6% in the fiscal year ending June 2005 compared with 5.4% the preceding year.

Bangladesh earns nearly US\$7 billion per year — 70% of total export revenue — in textile exports, mainly to Europe and North America. After the Multi-Fibre Arrangement, which limited the amount of textiles developing nations could export to the developed world, ended in January 2005 and the adoption of the World Trade Organization regime, Bangladesh feared its textile industry would lose out to China, India and Vietnam. However, United Nations Development Programme data show that exports grew by 2% in value and 4% in volume in 2005.

"This does not indicate that the Bangladesh garment industry has become more competitive," says Anand Kumar of the South Asia Analysis Group, a New Delhi think-tank. "The reality is that this increase has been largely due to restrictions imposed on China by the Western nations than to the ingenuity in Dhaka or Chittagong."

Industrial action is crippling industry performance. Many workers endure seven-day weeks for less than US\$20 a month. In May 2006, workers demonstrated their discontent with three days of rioting, during which 250 factories burned down, causing US\$70 million in damage and prompting the government to form a commission to set a minimum wage. "Political instability and strikes are considered to be another hurdle for the economic growth of Bangladesh," says ABM Nasirud Doulah, a partner with the law firm of **Doulah & Doulah**.

Bangladeshi industry also faces critical shortages of power and diesel fuel, while the distribution infrastructure is in decline.

Nevertheless, 2005 saw foreign direct investment soar by 83.6% to US\$845.3 million, and the government hopes to attract a further US\$10.5 billion over the next five years. Britain and the United States are the major investment sources, but regional players are on the increase. In 2006, India's Tata Group announced that it would invest US\$3 billion in steel, fertilizer, power and coal projects in Bangladesh, while the United Arab Emirates-based Dhabi Group and South Korea's Luxon Global have both committed to US\$1 billion each. Most projects are on hold until after the election.

Doulah says the Board of Investment plans to introduce legislation for large investment packages of more than US\$1 billion. "Such big ventures involve various new dimensions," he says. "This necessity emerged during the negotiations with the Tata Group as the government negotiators found the existing rules and policies wanting."

Bangladesh

[Fact File](#)

[Doulah & Doulah](#)

The Bangladeshi government also plans to boost the profile of its technology industry through companies such as Beximco Pharmaceuticals, maker of generic drugs and intravenous fluids. "The government's policies can also channel public resources into priority areas such as science, education and development of indigenous technological capacity, including traditional knowledge," says Zahirul Islam, senior associate at law firm **Islam & Co** and general secretary of the Bangladesh Intellectual Property Attorneys Association.

Legal & Regulatory Developments

Bangladesh inherited the English common law system and adapted it over the years under Pakistani rule to include some shari'a legal provisions.

In 2006, Bangladesh introduced penalties for frivolous and fraudulent lawsuits and adjournments. "This seems to have improved the speed of the judicial system," says Doulah.

The US\$30 million World Bank project known as the Legal and Judicial Capacity Building Project was set up to separate the executive and judiciary. According to the government, the new system will not be fully operational until 2010, prompting opposition criticism that the prolonged deadline is a ploy to stonewall the project. In April 2006, the Supreme Court issued a contempt of court ruling against four government secretaries, including the principal secretary to the prime minister, for failing to comply with its 12-point directive on separation of powers.

In 2006, the government approved 100% foreign ownership in tourism ventures.

Local Law Firms

As yet, there is little specialization among Bangladeshi law firms due to the relatively undeveloped legal market. Most firms are general practices and one firm in particular, **Doulah & Doulah**, is taking on most of the substantial projects.

Many prominent lawyers are involved in local politics and are publicly affiliated with a political party, a situation that has also politicized the Bangladeshi legal market.

Doulah & Doulah, originally an intellectual property (IP) firm, has grown into one of Bangladesh's largest full-service legal practices. The firm's senior lawyer and founder is ABM Badrud Doulah, who established the practice in 1965.

Huq & Co is a corporate firm with long-time ties to Beximco Pharmaceuticals, Bangladesh's leading pharmaceutical exporter and which, in 2005, listed on London's Alternative Investment Market.

Chancery Chambers is a Dhaka-based, full-service firm with 18 lawyers on its team. Managing partner Sigma Huda is also the United Nations' special rapporteur on human trafficking.

Kabir & Associates, which began as a maritime practice, is now a full-service operation with offices in Chittagong, Dhaka and Khulna.

Lee Khan & Associates is another major corporate and commercial firm, advising companies such as GSP Finance Co and consumer products company Marico.

Moudud Ahmed, partner at **Moudud Ahmed & Associates**, is a Bangladesh National Party leader and the minister for law, justice and parliamentary affairs.

Tawfique Nawaz, who heads **Juris Counsel**, a banking and litigation firm, is senior counsel to the Central Bangladesh Bank.

On the other side of the political fence, **Kamal Hossain & Associates** partner Kamal Hossain is a prominent

opposition leader as well as a litigator. He leads the Gono Forum, one of the 14 opposition parties led by the Awami League. MA Wadud is another prominent partner at the firm.

Another opposition activist, M Amir-UI Islam, heads **The Law Associates** and is president of the Supreme Court Bar Association of Bangladesh.

Rokanuddin Mahmud, partner at **Rokanuddin Mahmud & Associates**, is an advocate of legal reform and a critic of Bangladesh's judiciary.

Advisers' Legal Alliance is a five-member general corporate firm that also handles admiralty law and taxation transactions. **Bangladesh IP Law Office** is the firm's intellectual property (IP) unit.

Syed Ishtiaq Ahmed of **Syed Ishtiaq Ahmed & Associates** is also chairman of the Bangladesh Institute of Law and International Affairs, a legal policy think-tank.

A Hossain & Associates has acted for the World Bank on a capacity-building project for the Central Bangladesh Bank.

Other commercial firms in Dhaka include **Azizul Haq and Associates**, **MRI Chowdhury & Associates**, **Sobhan Hussain & Co** and **The Law Counsel**.

Construction and real estate specialists include **Legal Remedy** and **SA Kasem & Associates**.

Remfry & Son is a prominent taxation law consultancy. **Selim Ahmed Siddiqui** undertakes tax and intellectual property (IP) work.

H & H Co is a specialist in legal matters related to aviation.

Islam & Associates is an IP specialist. Joseph D Costa is the firm's new District Court attorney.

Other IP offices include **Afsana Wahab**, **Karim & Co**, **Muquith Khan & Associates** and **Muhiuddin & Colleagues**.

Foreign Law Firms

There are no foreign law firms with permanent offices in Bangladesh. **Clifford Chance**, **Jones Day** and **Slaughter and May** are among the few global firms to have undertaken recent Bangladesh-related work.

AREAS OF EXPERTISE

Banking

Banking

Local Law Firms

Key Practitioners

Notable Clients

Doulah & Doulah

Amina Khatoon

Wachovia Bank

Amina Khatoon of **Doulah & Doulah** is the adviser to US-based Wachovia Bank on various foreign exchange transactions on a cross-border basis with banks and corporate entities in Bangladesh.

Capital Markets & Corporate Finance

Capital Markets & Corporate Finance

Local Law Firms	Key Practitioners	Notable Clients
Doulah & Doulah	ABM Nasirud Doulah, ABM Badrud Doulah	Morgan Stanley Institutional Liquidity Funds, Citigroup, Malaysian Export Credit Corporation
Huq & Co	Rafique-ul Huq	Beximco Pharmaceuticals
Foreign Firms		
Jones Day	John Phillips, Vica Irani, Sarah Moore, Jon Guyett	Beximco Pharmaceuticals
Slaughter and May	Simon Nicholls, Graham Earles, Stephen Wetherall, Ilora Choudhury, Simon Letherman	JP Morgan Cazenove

Law firms are listed alphabetically and not in order of preference

ABM Nasirud Doulah of **Doulah & Doulah** acts for Morgan Stanley Institutional Liquidity Funds on a transaction to acquire a US-dollar loan granted by a Hong Kong lender to Oras Investment. It also acts for Citigroup on various over-the-counter equity derivatives transactions with counter-parties over Bangladeshi underlying shares and on equity derivative transactions in the issue of market access products by Citigroup Global Market Holdings. Warrants provide the investors with an economic interest in the underlying shares. Doulah advised the Malaysian Export Credit Corporation on its US\$100 million commercial loan and the associated Supplier Credit Agreement in Bangladesh.

In October 2005, **Huq & Co** advised Beximco Pharmaceuticals on the admission of global depositary receipts to trade on London's Alternative Investment Market (AIM). Beximco is already listed on the Dhaka and Chittagong stock exchanges and has a market capitalization of US\$100 million. US law firm **Jones Day** has a team (including John Phillips, Vica Irani, Sarah Moore and Jon Guyett) advising on international aspects of the listing, the first time this has been done for a Bangladeshi company outside Bangladesh.

In November 2005, **Slaughter and May** announced it was advising JP Morgan Cazenove as sole book-runner on a cash placing by Asia Energy to raise US\$52 million. Asia Energy is an AIM-quoted company developing the coal basin at Phulbari in northwestern Bangladesh. The firm's team includes partners Simon Nicholls and Graham Earles, and associates Stephen Wetherall, Ilora Choudhury and Simon Letherman.

Dispute Resolution

Dispute Resolution

Local Law Firms	Key Practitioners	Notable Clients
Doulah & Doulah	ABM Badrud Doulah, ABM Shamsud Doulah	BNP Paribas, Cargill International, Wooyan, SSA International, KEIC, Sunrich Ship Management, Cotton Incorporated, Omnicon Freight Management, Crossway Services, Euromoney Institutional Investor

Doulah & Doulah has been involved in recent disputes including actions for BNP Paribas and for Cargill International by partner Badrud Doulah; for Wooyan, SSA International and KEIC by ABM Shamsud Doulah, who also represents Singapore's Sunrich Ship Management against KDS; a US-based company, Cotton Incorporated, against Monno Fabrics; Omnicon Freight Management against Topstar; and Hong Kong-based Crossway Services against Bright Syndicate.

Intellectual Property

Intellectual Property

Local Law Firms	Key Practitioners	Notable Clients
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Doulah & Doulah ABM Shamsud Doulah

Colgate Palmolive, Nokia, Britannia Industries, DCW Home Products, Hindustan Lever and Siam Cement Industries

Doulah & Doulah acted for Colgate Palmolive against Aromatic Cosmetics in intellectual property litigation and for Nokia against Salam Electrical Industries, Britannia Industries against Ratan Food Industries, DCW Home Products against Desh Flour Mills, Hindustan Lever against Lalbagh Chemicals, and Siam Cement Industries against Mongla Cement.

Labour & Employment

Labour & Employment

Local Law Firms

Key Practitioners

Notable Clients

Doulah & Doulah ABM Shamsud Doulah, ABM Nasirud Doulah

British American Tobacco, GAP Asia, Consistel Solutions and Etihad Airways, Hewlett Packard, Huawei Technologies, Intellisoft

Shamsud Doulah of **Doulah & Doulah** advises British American Tobacco, GAP Asia, Consistel Solutions and Etihad Airways on labour contracts. Under Nasirud Doulah the firm also acts for Hewlett Packard, Huawei Technologies and Intellisoft on similar matters.

M&A

Badrud Doulah, Shamsud Doulah, Amina Khatoon and Shamsun Nahar of **Doulah & Doulah** represent El Paso CGP in its acquisition of Khulna Power and EPED Holding in the acquisition of NEPC Consortium Power. Nasirud Doulah, Badrud Doulah and Hazera Khatoon are advising Coastal Petroleum in the acquisition of United Summit Coastal Oil. Nasirud Doulah, Shamsud Doulah, Amina Khatoon and Hazera Khatoon advise the Picnic Corporation on its merger with Summit Surma Petroleum. Nasirud Doulah also coordinated and advised ABX Logistics (Singapore) in its acquisition of ABX Logistics Bangladesh.

M&A

Local Law Firms

Key Practitioners

Notable Clients

Doulah & Doulah ABM Shamsud Doulah, ABM Nasirud Doulah, ABM Badrud Doulah, Amina Khatoon, Hazera Khatoon, Shamsun Nahar

El Paso CGP, EPED Holding, Coastal Petroleum, Picnic Corporation, ABX Logistics (Singapore)

Foreign Law Firms

Robert Muckle
(Temporary practice)

Hugh Welch

Raj Sehgal, Sanjeev Mehan

Law firms are listed alphabetically and not in order of preference

Commercial partner Hugh Welch at UK law firm **Robert Muckle** advised Raj Sehgal and Sanjeev Mehan on their acquisition of fashion house Visage, which was founded in Dhaka in the 1980s and now has offices in Bangladesh, Britain and China.

Project Finance, Infrastructure & Energy

Project Finance, Infrastructure & Energy

Local Law Firms

Key Practitioners

Notable Clients

Doulah & Doulah ABM Nasirud Doulah

KfW Entwicklungsbank, Alcatel,
Connell Bros, Peb Steel Asia,
Alliance Holdings, Nekan
Engineering, BAE Systems
Overseas, B2M Technologies**Foreign Law
Firms**Mayer, Brown, Ashish S Prasad
Rowe & Maw

Asian University for Women

Law firms are listed alphabetically and not in order of preference

Doulah & Doulah advised Germany's KfW Entwicklungsbank in its financing of the 230-kilovolt Baghabari-Serajanj-Bogra transmission line and the 230 kilovolt/132 kilovolt Bogra substation.

Doulah & Doulah represented Alcatel in its US\$42.5 million supplier credit arrangement with Aktel and advised on a joint venture between India's Connell Bros; a Bangladeshi counterpart, PEB Steel Asia; Alliance Holdings; and Nekan Engineering. The firm also acts for BAE Systems Overseas in its defense support contract with the Bangladesh government and on the formation of a trust for B2M Technologies.

Mayer, Brown, Rowe & Maw advises the Asian University for Women, under construction in Chittagong.

Securitization & Structured Finance**Securitization & Structured Finance****Local Law
Firms****Key Practitioners****Notable Clients**Doulah & Doulah ABM Shamsud Doulah, ABM
Nasirud Doulah, ABM Badrud
DoulahCalyon Bank, Aktel-Telecom
Malaysia International Bangladesh,
Technology Industries, Rabobank
NederlandLee Khan & Lee Marium Khan
AssociatesKfW Entwicklungsbank, Netherlands
Development Finance*Law firms are listed alphabetically and not in order of preference*

Local counsel **Lee Khan & Associates**, led by Lee Marium Khan, and international counsel, **Clifford Chance**, led by Hong Kong capital markets partner Stephen Roith, advised Netherlands Development Finance, Citigroup and Germany's KfW Entwicklungsbank as co-lead arrangers on the Tk12.6 billion (US\$180 million) micro-credit securitization launched by BRAC, a Dhaka-based non-governmental organization. The deal, signed in July 2006, is a taka-denominated securitization of receivables arising from micro-credits BRAC extends to low-income individuals.

Shamsud Doulah of **Doulah & Doulah** acts for Rabobank Nederland in its structured finance realization in Van Happen Manufacturing. Nasirud Doulah acts for Calyon Bank in its US\$50 million structured financing of Aktel-Telecom Malaysia International Bangladesh, a leading global system for mobile communications. Badrud Doulah advises Technology Industries on its guarantor charge for a Tk2.6 billion (US\$182 million) secured transaction between Sheba Telecom and Standard Chartered Bank.