

The International Tax Review

Guide to the world's top tax advisers



Part 2: North America

Canada

United States: east coast

United States: central region

United States: west coast

North America's tax advisers by areas of specialization

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The best in North America

In preparation for the 48th Congress of the International Fiscal Association in Toronto, *International Tax Review* asked in-house tax experts at multinationals in Canada and the US to identify the top tax advisers. Paul Lee analyzes the results

International Tax Review has identified the top tax advisers in Canada and the US. The results below are compiled from the responses to a questionnaire sent to over 600 in-house specialists at multinationals in Canada and the US (drawn from the *Financial Times 500*, *Fortune 500* and the *Times 1000*), supported by the views of leading tax professionals at

law and accountancy firms. There was a 30% response rate.

The respondents were asked to recommend the top four tax advice firms overall in their region, and the top three individual tax advisers. Additionally, they were asked to nominate the top two firms in each of seven or eight tax specialisms. These results are tabled on page 29.

Specialist areas

The specialisms covered in both the US and Canada are: mergers and acquisitions, cross-border transactions, capital markets, project finance, joint ventures, asset finance and personal taxation.

In addition, indirect taxation is included for Canada but not in the US. Sales and other indirect taxes are a feature of the US tax burden on companies, but they are generally imposed not by the national government but by the states.

Many tax professionals offer state taxation advice but the highly localized nature of indirect taxation in the US makes it impractical to include this category in this survey.

Good indication

The results should be viewed with care. In some cases there are clear gaps between firms, with some of the top firms in jurisdictions or specialisms receiving almost universal praise. However, just as often, only a few votes make the difference between the rankings of firms.

While the results give a good indication of the relative positions of different firms, a single place either way is not necessarily significant. Some firms which do not appear at all in the listings were recommended highly by some respondents.

Canada

RANK	FIRM	TAX PARTNERS	TAX FEE EARNERS	TOTAL PARTNERS	TOTAL FEE EARNERS
1	Osler, Hoskin & Harcourt	14	22	144	269
2	Davies, Ward & Beck	14	16	82	102
3	Price Waterhouse	52	225	269	1632
4	Stikeman, Elliott	16	26	122	260
5	Tory Tory DesLauriers & Binnington	9	11	110	211
6	McCarthy Tétrault	28	35	280	514

Figures are for the firms' offices in Canada

Law firms dominate the tax advice market in Canada. Only one of the big six accountants, Price Waterhouse, placed third, features in the top six firms in the overall best firm category. Even in the results for the specialist areas, Price Waterhouse, Ernst & Young and KPMG Peat Marwick Thorne are the only big six accountancy firms featured.

A leading accountant accepts that clients typically turn to lawyers as their first advisers. This is particularly true where technical transactions are involved. "It is frustrating to me but the biggest part of the work goes to the law

firms. Although there is a lot of experience and expertise at the accountancy firms, the top individual names are at the law firms and so clients tend to refer to them first," he says. "The result is the lawyers have more experience and prestige to bring to the next deal."

However, not all the top individuals are

at the law firms. A tax lawyer from a leading Canadian law firm comments: "I am not surprised that Price Waterhouse have done well. The firm has a number of highly respected individuals in the tax advice field, like Robert Dart and David Broadhurst. The other accountants do not have individuals of the same high quality."

But recently, Robert Dart left Price Waterhouse to take up a position in business, as president of Wittington Investments, part of the Weston family's business empire.

Another of the recommended individual advisers in the survey no longer offers

"The top individual names are at the law firms so clients tend to refer to them first"



tax advice in Canada. At the end of 1993, Robert Couzin of Stikeman, Elliott moved to the law firm's Paris office, which he now heads.

These are two of a number of moves which have seen senior tax professionals leaving practice. Other examples in recent years are Bill Anderson of KPMG Peat Marwick Thorne, who left the firm to go to Bell Canada Enterprises, and Peter Cumyn who left Stikeman, Elliott.

A senior accountant believes these moves are coincidental. However, he does mention there is concern about the threat of damages arising from litigation. Litigation is unlikely to be brought against the tax departments themselves, but the accountancy partnerships include audit practices. Auditors are often the first target of litigation.

"Many tax accountants do not enjoy the prospect of a law suit against their audit practice which they do not have any control over," he says. Under the partnership structure, all partners are personally liable for damages against the firm.

Canada does not allow limited liability partnership status of the kind which accountants in the US are now using to



Norman Loveland: Osler, Hoskin & Harcourt

shield themselves from the dangers of partnership (see News, p7). The alternative being considered in the UK, incorporation, is available to accountancy firms in Canada in only some provinces, not federally.

Accountants encroaching

Although the law firms dominate the Canadian market, the accountants are positioning themselves to encroach on traditionally legal territory. A partner

from one top law firm comments: "Some law firms do feel sensitive about the role of the accountancy firms. In certain areas, the accountants have given opinions which can be seen as legal opinions, which makes some law firms uncomfortable."

Despite this movement in the market, the accountancy firms head only three specialist areas – indirect, cross-border and personal taxation.

These are the non-transactional areas which the accountants dominated in *International Tax Review's* survey of the top tax advisers in Europe (see *International Tax Review*, May 1994), and the international transactions area for which clients tend to favour the accountants because of their strong international networks. In the other five specialist areas, law firms are still the top tax advisers according to Canada's leading multinationals.

The top firm in the overall category is Toronto-based law firm Osler, Hoskin & Harcourt, closely followed by Davies, Ward & Beck, also based in Toronto. The two firms also share top place in both the mergers and acquisitions and joint ventures specialisms.

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Clients benefit from our advice on a wide range of Taxation issues. In fact, we were ranked first by the *International Tax Review*, in the area of the taxation of mergers and acquisitions and joint ventures. Additionally, we were also recognized for our expertise in the areas of indirect taxation, cross border transactions and asset finance taxation.

For further information about the Tax Group at Osler, Hoskin & Harcourt, contact our partners Norman Loveland at (416) 862-6463 or George Vesely at (416) 862-6452 or by fax at (416) 862-6666.

NORTH AMERICA'S TOP TAX ADVISERS

Norman Loveland, tax partner at Osler Hoskin, is delighted with the result, adding that it does not come as a surprise. Loveland puts the firm's success partly down to the size of the tax practice. "Ours is one of the largest tax practices in a law firm in Canada. Because of this size, we have a depth of talent to draw from, and also specialized expertise. We tend to specialize mainly in corporate tax law."

International expertise

The firm is particularly proud of its international tax expertise. Osler Hoskin was the top law firm in the cross-border category, placed behind accountants Price Waterhouse and Ernst & Young. Osler Hoskin's clients include many of the largest US multinationals, so the firm has considerable experience in cross-border work between Canada and the US.

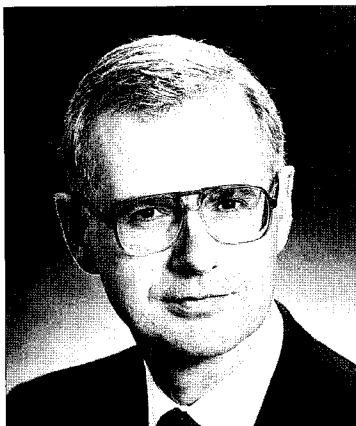
The second-placed law firm in the overall category, Davies, Ward & Beck, was founded in only 1961, so the firm is young in comparison with the other major Canadian law firms. "From the outset we earned a strong reputation, particularly in the tax field," believes tax partner David Ward.

The activities of the tax group are diverse. The tax work includes mergers and acquisitions, financings and restructurings, and also tax planning, transfer pricing and foreign subsidiary rules. The group also deals with tax dispute resolution, and litigation when negotiation fails. The survey reveals that Davies Ward is most respected in the mergers and acquisitions, capital markets and joint ventures categories.

High proportion of partners

Davies Ward has a remarkably high proportion of partners in the firm. Of the total 102 qualified professionals, 82 are partners. The proportion is still more exaggerated in the tax department, where there are 14 partners and only two other professionals. Ward believes this contributes to the firm's strength and derives from a strict recruitment procedure.

Price Waterhouse is placed third in the overall category. Carl Steiss, head of the international tax group, comments: "We are gratified by Price Waterhouse's result in this survey. But we can't rest on our laurels: the top-notch competition



David Broadhurst: Price Waterhouse

keeps us on our toes. That's good for the clients – ours and our competitors."

Price Waterhouse concentrates on international tax matters. Each tax specialist is assigned specific responsibility for current and emerging areas of interest in the tax field, such as profit repatriation techniques, joint ventures and financial instruments. However, Steiss is keen to make it clear that this specialization does not block the firm's view of the big picture.

"We are aware that in providing specialized tax expertise we must not compromise our ability to provide broader business solutions," he explains.

Growing market

As for the future, Price Waterhouse believes the prospects are good. Partner David Broadhurst says: "We expect the market for international tax services in Canada to grow, but we also anticipate changes in the kinds of services clients demand."

Broadhurst expects the creation of a North American free trade area under the North American Free Trade Agreement (Nafta) will encourage more Canadian small and medium-sized companies to expand into the US, Mexico and else-

"We expect the market for international tax services in Canada to grow, but we also anticipate changes in the kinds of services clients demand"

TOP TAX ADVISERS IN CANADA

1 Robert Couzin	(Stikeman)
2 George Vesely	(Osler Hoskin)
3 Robert Dart	(Price Waterhouse)
David Smith	(Davies Ward)
Norman Loveland	(Osler Hoskin)
Jim Wilson	(McCarthy Tétrault)

where. The effect will be to increase the international tax advice market in Canada.

Broadhurst anticipates new challenges in the future. "Governments are placing increased pressure on sophisticated international tax planning through joint tax audits, the enactment of various anti-treaty shopping measures and more rigorous examination of transfer pricing. As a result, the types of tax services required by clients will change," he says.

Transfer pricing experience

Ernst & Young's success in the specialisms does not come as a surprise to Allan Lanthier, director of international tax for the firm in Canada. "Indirect tax and international tax are two of our most important areas, which we think of ourselves as market leaders in. We are also strong in personal taxation," he says.

In the cross-border category, the firm believes it has particular skill in the transfer pricing field. The firm worked on the first two test US/Canadian advance pricing agreements. Ernst & Young hired Jack Calderwood, former director of international audit for Revenue Canada, when he retired from the service. He is now the firm's senior transfer pricing specialist.

Foreign desk programme

The big advantage the accountancy firms have over the law firms are their international networks, Lanthier believes. Ernst & Young in particular gains from its well-established foreign desk programme. This involves Canadian tax experts spending time in Ernst & Young offices in New York and London, sharing their expertise about Canadian tax law with colleagues and clients overseas.

"The benefits of the programme come as much when the lawyers return as from their time abroad. They return with experience, an international outlook and a range of useful contacts," says Lanthier.

United States

The US has the world's most developed tax advice market. To do justice to the number of firms offering tax advice, the US has been divided into three regions (see map). The number of professional advice firms across the US means a national survey would be either too superficial or too large and disparate to be informative.

The intention was to have four separate regions for the survey, separating the east coast into two, with the north-eastern region including New York, Boston, Washington DC and Philadelphia and the south-eastern region including Miami and Atlanta.

Eclectic choice of firms

However, in-house tax specialists at both multinationals and other US companies are more eclectic in their use of advisers. Many tax directors at companies based in the south-east of the US recommend some north-eastern firms. Also, perhaps more surprisingly, some executives at north-eastern companies rate south-eastern firms more highly than their large, often more famous, north-eastern rivals.

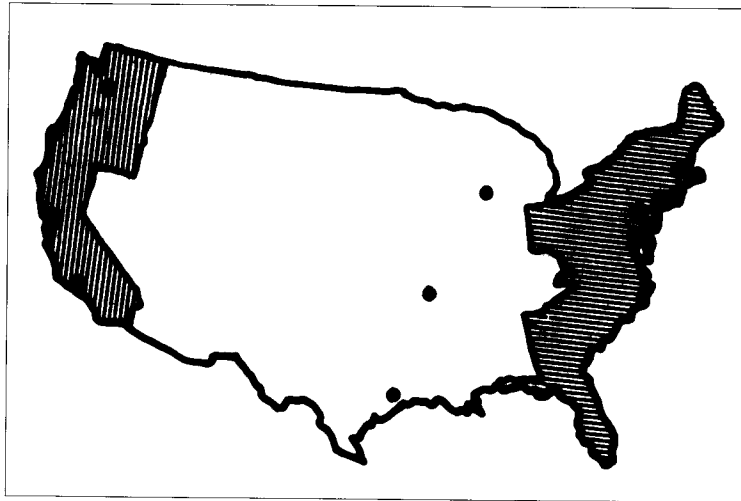
The two regions are therefore merged into one. This creates a more unwieldy sector of the tax advice market and also produces some surprising results with the relative positions of north-eastern and south-eastern firms. However, this larger region reflects the way in-house tax specialists view the tax advice market.

As a substitute for a national survey, combining the results of the three regions further would be of limited value. One adviser, highly recommended in his own region, comments: "Two thirds of my clients are on the opposite side of the US." But a national listing of in excess of 40 firms would certainly be impractical and would probably also be misleading.

No geographical barriers

Companies in the US do not feel hampered by geographical barriers in the use of tax advisers. If in-house tax specialists regard firms or individuals highly, they will use the firm regardless of its location in the US.

For example, a number of tax directors at east coast-based companies mention Palo Alto law firm Fenwick & West, par-



ticularly in the field of mergers and acquisitions. The firm is placed third in the overall rankings for the west coast region, a remarkable result, especially considering the firm's size.

National client base

Fenwick & West partner James Fuller is not surprised by the national support for his firm. "Our practice is not regional, and our clients are spread all around the country and in a number of foreign countries. We do work for a significant number of large corporations. For example, we represent 20% of *Fortune* magazine's 100 largest corporations in the US," he says.

In contrast, one of the largest west coast manufacturers uses no west coast firms at all for tax advice. The tax admin-

istrator turns to some east coast firms, but says: "Most of our consultants are located outside the US." As a large company, it has sufficient resources in the tax department to cover most domestic tax issues.

Expanding in-house departments

Albert Remeikis, national director of corporate finance at Price Waterhouse, says this is an increasing feature of the market. "In the tax market in general, but especially in the US, companies are expanding their tax departments. They increasingly do the day-to-day work in-house, and rely less and less on outside advisers. When they do turn to external advisers, they need specialists and skilled experts."

Some in-house tax specialists at US-based multinationals do not restrict their recommendations to US tax firms. For example, the tax director at one of the world's largest consumer products companies recommends the small Italian firm, Studio Maisto e Miscale, based in Milan. He rates this firm second overall, and also favours it in the mergers and acquisitions and (perhaps less surprisingly) cross-border specialisms.

Some in-house tax specialists are unwilling to recommend any firms, because the way their company uses tax advisers does not give experience of a wide range of consultants. Many companies use a small group of tax advisers for



Albert Remeikis: Price Waterhouse

NORTH AMERICA'S TOP TAX ADVISERS

US: east coast

RANK	FIRM	TAX PARTNERS	TAX FEE EARNERS	TOTAL PARTNERS	TOTAL FEE EARNERS
1	Price Waterhouse LLP	265	2289	970	10,606
2	Ernst & Young LLP	410	3300	1750	14,350
3	Baker & McKenzie	58	97	N/A	N/A
4	Arthur Andersen	declined to participate in this survey			
5	KPMG Peat Marwick LLP	471	2521	1482	12,565
6	Cleary, Gottlieb, Steen & Hamilton	N/A	N/A	73	300
7	Sullivan & Cromwell	8	33	107	400
8	Dechert Price & Rhoads	17	32	129	324
9	Jones, Day, Reavis & Pogue	44	85	360	1020
10	King & Spalding	14	25	131	294
11	Simpson Thacher & Bartlett	7	22	95	450
12	Cahill Gordon & Reindel	6	17	60	225

Figures are for the firms' offices in the US

TOP TAX ADVISERS IN EASTERN US

Sam Fouad	(Ernst & Young)
Anthony Bartolini	(Dechert Price)
Bill Corey	(Sutherland Asbill)
Willard Taylor	(Sullivan & Cromwell)
Herbert Odell	(Zapruder & Odell)
Michael Schler	(Cravath, Swaine)
Albert Remeikis	(Price Waterhouse)
Benjamin Cohen	(Cahill Gordon)

all their business. This system enables the in-house specialists to develop close working relationships with their advisers and ensures a consistent standard of advice.

The director of taxes at a major consumer products multinational comments that the culture of his company is "to use a select group of consultants for all international projects". The company's select group is drawn from a medium-sized New York-based law firm, one of the big six international accountancy firms and one of the largest UK-based law firms. He is unwilling to go further in recommending firms or individuals.

One feature of the responses is the fact that the tax advisers recommended by the respondents are only rarely the same advisers used by the legal departments of the respondents' companies. Comparing the results of the survey with the *National Law Journal* listings of the legal advisers to the top US corporations (published in May 1994), the trend for the tax department to have its own, specialist tax advisers is well established.

Accountants dominate

The results across the US are dominated by the big six accountancy firms, particu-



Anthony Bartolini: Dechert Price & Rhoads

larly Price Waterhouse, Ernst & Young, KPMG Peat Marwick and Arthur Andersen, and law firm Baker & McKenzie. With a few exceptions, these firms take the top five places in each of the three regions. The exceptions are Chicago-based firms McDermott, Will & Emery and Mayer, Brown & Platt in the central region, second and fifth respectively, and Fenwick & West, third on the west coast.

What Baker & McKenzie and the big accountancy firms have in common are their formal international networks.

Most law firms have in recent years

"Companies increasingly do day-to-day tax work in-house, and rely less and less on outside advisers. When they do turn to external advisers, they need specialists and skilled experts"

established foreign offices and have good informal links with law firms around the world. Says Michael Schwartz, partner in charge of KPMG Peat Marwick's transfer pricing group: "Many law firms are forming alliances with foreign law firms to try to offset the advantage of the international practices of the accountants."

However, the accountants and Baker & McKenzie are firmly established as global firms with offices around the world.

No substitute for formal links

Maurice Emmer, tax partner at Baker & McKenzie, explains why formal links are more useful: "There is just no substitute for having your own people in your own organization that you have worked with for a period of time. Everyone is committed to the firm and to the success of the transaction," he says.

Thomas O'Donnell, coordinator of the North American tax practice group for Baker & McKenzie, believes the international networks are central to the reasons why his firm and the accountants stand out. A number of tax directors at companies comment that the main reason for recommending Baker & McKenzie is the international advice available.

"The firm lives and exists on the basis of international transactions. An important part of that work is tax expertise," says O'Donnell. Tax has always been a major part of the firm's practice. Of the firm's 1700 lawyers worldwide, roughly one quarter work in the tax field.

Peter Hart, vice chairman of tax services for Price Waterhouse in the US, also highlights his firm's international network as one of its significant advantages.

And JJ Coneys, national director of Price Waterhouse's international tax services, says: "Our international tax services network consists of more than 350 full-time partners and staff skilled in the complexities of tax laws in over 115 countries." The firm aims to produce a unified, integrated approach to tax reduction with an international perspective.

Law firms concede advantage

David Ryder, tax partner at McDermott, Will & Emery, second in the central region, recognizes that the accounting firms have an advantage in aspects of the international advice market because of their international networks.

"While the law firms, including McDermott, compete well in this area through networks of correspondent law firms throughout the world, the perception among many corporations is that large accounting firms have better access to answers to international tax questions," he says. McDermott is actively promoting its international tax practice, as this is an area the firm believes it is well suited to. Advisers at other firms have



David Ryder: McDermott, Will & Emery

noted this move, and recognize McDermott Will's expertise.

Often, US law firms develop informal links with the international offices of the accountancy firms in addition to foreign law firms, as a further aid to providing international advice. Remeikis of Price Waterhouse says: "International links are increasingly important the more global business becomes. There is less differentiation each year in which country a deal happens or where the results come from."

Domestic competition

However, within the US, there is considerable competition for the limited tax market. McDermott's Ryder explains: "Law firms in the US have always had a more significant presence in the tax advice area in comparison with accounting firms than is the case in most other countries of the world. In many ways the competition is quite keen and perhaps more so because one or the other does not dominate the market."

Nevertheless, many advisers emphasize the cooperation between law firms and accountants on specific deals. One of the top individuals in the east coast region, Anthony Bartolini, tax partner and vice chairman of Philadelphia-based law firm Dechert Price & Rhoads, says: "Our experience has always been that the client is best served where the law firm and accounting firm act together as a team to serve the client's needs. The client is never well served where the law firm and accounting firm try to second guess one another."

The cooperation between different advisers has distinct advantages for

Who should you turn to in the U.S. for tax advice?

International Tax Review pinpointed Price Waterhouse as a leading tax adviser in the United States.

Optimizing your worldwide tax position when you're doing business in the United States can be difficult. Selecting advisers who can help you integrate your worldwide and U.S. structures to their maximum tax advantage is an important decision. You would be wise to turn to Price Waterhouse.

Contact J.J. Coneys, National Director International Tax Services, in the New York office of Price Waterhouse to discuss how we can help you.

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US: central region

RANK	FIRM	TAX PARTNERS	TAX FEE EARNERS	TOTAL PARTNERS	TOTAL FEE EARNERS
1	Price Waterhouse LLP	265	2289	970	10606
2	McDermott, Will & Emery	46	115	314	500
3	Ernst & Young LLP	410	3300	1750	14350
4	Baker & McKenzie	58	97	N/A	N/A
5	Mayer, Brown & Platt	28	51	257	588
6	Arthur Andersen	declined to participate in this survey			
7	Kirkland & Ellis	13	25	209	568
8	Deloitte & Touche LLP	334	2638	1426	12200
9	KPMG Peat Marwick LLP	471	2521	1482	12565
10	Jones, Day, Reavis & Pogue	44	85	360	1020

Figures are for the firms' offices in the US

clients, according to Benjamin Cohen, partner at New York law firm Cahill Gordon & Reindel. "Our relationships with accountants have almost invariably been collaborative. There are many fine tax advisers at accounting firms who can and do make a positive contribution to any transaction in which they participate," he says.

Personal relationships

However, James Fuller of Fenwick & West, the top individual on the west coast, and also highly recommended by tax directors at companies based on the east coast, believes the nature of the firm for which an adviser works is unimportant. The real requirement is that the client and adviser have a good relationship.

"The practice of tax law is a personal service business. Clients seek out the adviser who can give them the best and most timely advice," says Fuller. "Knowledge of the law, creativity and experience are elements of this personal service business. There are some excellent tax advisers with law firms and there are some excellent tax advisers with accounting firms. The question is one of the individual, not the firm, whether an accounting or law firm."

Firm culture

Not all advisers agree that the individual is of overriding importance. Dechert Price's Bartolini emphasizes the style of his firm sets it apart from other top-ranking law firms. "Because of our firm's culture, we add what I call a team effort to the skills of our individuals," he says. "In our view clients are firm clients, not clients of individual partners or offices.



Stanton Kessler: Mayer, Brown & Platt

We draw the necessary talent from whatever office, in the US or Europe, has those talents."

Price Waterhouse's Remeikis believes the difference between law firms and accountants is irrelevant to clients. What matters is that the advisory team as a whole, both legal and accounting, produces the right ideas and gets results. "Advisers cannot afford to be parochial," he says.

Individual advisers

The central importance of having talented individual advisers is emphasized by both clients and the advisers themselves.

"In many ways the competition between law and accounting firms is quite keen and perhaps more so because one or the other does not dominate the market"

TOP TAX ADVISERS IN CENTRAL US

John Simon	(Sidley & Austin)
Ernest Aud	(Ernst & Young)
Mel Adess	(Kirkland)
Stanton Kessler	(Mayer Brown)
George Javaras	(Kirkland)
David Ryder	(McDermott)
Larry Dubin	(Hopkins & Sutter)

Baker & McKenzie is placed top overall on the west coast. Emmer, one of the leading tax partners in the Palo Alto office of the firm, explains this by referring to the skills of the individuals involved. Some of the firm's most talented individuals have migrated to the west coast over the past decade.

They have been attracted by what Emmer calls a ferment of business, especially in the hi-tech industries. "The companies here are very active, with many start-ups. Companies are keen to tap foreign markets almost from the start," he says. The result is a different atmosphere for advisers in comparison to the more established markets in the rest of the US.

Cross-border transactions

Unsurprisingly, the view that accounting firms and Baker & McKenzie are in a better position to give tax advice on international deals is seen in the results of the survey for the cross-border transactions specialism.

The firms take top four places in the category in all three regions, with the exceptions of McDermott, third in the central region, and New York-based law firm Skadden, Arps, Slate, Meagher & Flom, third on the west coast.

The advantages are not all on the side



US: west coast

RANK	FIRM	TAX PARTNERS	TAX FEE EARNERS	TOTAL PARTNERS	TOTAL FEE EARNERS
1	Baker & McKenzie	58	97	N/A	N/A
2	Ernst & Young LLP	410	3300	1750	14,350
3	Fenwick & West	10	20	44	125
4	KPMG Peat Marwick LLP	471	2521	1482	12,565
5	Price Waterhouse LLP	265	2289	970	10,606
6	Morrison & Foerster	12	36	190	550
7	Arthur Andersen	declined to participate in this survey			
8	Skadden, Arps, Slate, Meagher & Flom	20	59	244	917
9	Stoel Rives Boley Jones & Grey	12	30	145	314
10	Irell & Manella	10	13	85	150

Figures are for the firms' offices in the US

of the accounting firms in the area of international taxation. There are specific aspects of this category where law firms are better placed to service the needs of clients.

Stanton Kessler, partner at Chicago-based Mayer, Brown & Platt, says: "The international pricing and advanced pricing agreement areas are ones in which law firms have a particular advantage over accounting firms in that clients can rely on legal confidentiality. In the planning stage, clients are able to look to their lawyers for potential litigation strategy as well as potential dealings with the IRS."

Transactional skills

The law firms are more highly regarded in the transactional categories covered in the survey. In the mergers and acquisitions, capital markets, project finance, joint ventures and asset finance specialist areas, law firms are in general far more highly placed than the accountants.

New York-based Cahill Gordon & Reindel tops the list of recommendations for mergers and acquisitions on the east coast. Cohen says: "We have an unusually broad and diverse transactional tax practice at Cahill Gordon, with particular emphasis on mergers and acquisitions, financings, reorganizations and restructurings, joint ventures, and international tax planning."

These areas of emphasis are reflected in the results for the firm, placed first in mergers and acquisitions, second in joint ventures and also recommended, alongside some of the biggest names in the east coast law firms, in the capital markets specialist area.



James Fuller: Fenwick & West

Avoiding specialization

However, even though the firm encourages its lawyers to concentrate on technical transactional work, it hopes to avoid narrow specialization. "Each of our tax lawyers is encouraged to develop a broad base of expertise, rather than to specialize more narrowly, enabling him or her to develop the range of experience and comprehensive technical background essential to a practical and creative approach to the practice of tax law," says Cohen.

"Law firms tend to have greater capabilities in the corporate area and in multinational tax planning. They can handle all aspects of a major international transaction, including both corporate and tax advice"

TOP TAX ADVISERS IN WESTERN US

James Fuller	(Fenwick)
John Peterson	(Baker & McKenzie)
Robert Siboni	(KPMG)
Maurice Emmer	(Baker & McKenzie)
Peter Kloet	(Ernst & Young)
Mary Ann Sigler	(Ernst & Young)

Corporate law knowledge

The skills of law firms, used to handling the legal as well as the tax side of transactions, is a significant advantage according to clients. Tax advisers also note this.

Kessler, of Mayer, Brown & Platt, highly recommended in both the mergers and acquisitions and capital markets categories in the central region, says: "Law firms tend to have greater capabilities in the corporate area (particularly acquisitions and joint ventures) and in regional and multinational tax planning. They are capable of handling all aspects of a major international commercial or financial transaction, including both corporate and tax advice."

Kessler believes Mayer Brown's well-established corporate practice, particularly in the capital markets field, is a key element in the high profile of the tax department. The tax department does considerable work structuring and planning deals for the firm's capital markets and mergers and acquisitions groups.

Stand-alone tax practice

This interdependence of the tax practice with other practices in the firm is not true of all law firms. McDermott's Ryder says: "In the majority of US law firms the tax practice areas merely serve the practice areas of the rest of the firm. At McDermott, Will & Emery the tax prac-

tice is a stand-alone practice. Many corporations which we represent in the tax area we do not represent in other ways."

Strategic merger

As part of the firm's emphasis on tax, McDermott merged with Washington DC boutique tax firm Lee, Toomey & Kent on January 1 1994. McDermott approached Lee Toomey to suggest the merger, because the firm felt it was under-represented in the tax field in Washington, with only five tax lawyers in the city out of a total of 100.

The addition of Lee Toomey's 18 lawyers, all but one of whom is a partner, adds significantly to McDermott's capacity in the federal capital. All Lee Toomey's clients (mostly among the Fortune 100 largest companies in the US) have stayed with the firm.

State and local tax expertise

Prentiss Willson, partner at San Francisco-based law firm Morrison & Foerster, placed sixth overall on the west coast, believes the firm has a strong tax department covering all aspects of US and international tax work.

However, Willson highlights one area of specialization in particular: "The most unique feature about our tax department is its substantial state and local tax practice, the largest of any law firm in this country. We represent more than half the *Fortune 500* companies in state tax disputes in virtually every jurisdiction in the US."



Benjamin Cohen: Cahill Gordon & Reindel

The state and local tax group represents half Morrison & Foerster's tax department. The group includes the leading academic scholar in the field and the former general counsels of New York state and New York city. "We believe we possess a unique depth and experience in this rapidly evolving and important field of taxation in the US," says Willson.

"The joint venture seems to be the way companies are doing business abroad these days, so prominence in joint ventures is a reflection of work helping clients internationally"

In addition to their success overall and in the cross-border category, Price Waterhouse and Baker & McKenzie are also particularly successful in other specialist areas. Baker & McKenzie is highly recommended in the joint ventures category, first on the east coast and second in the central region. O'Donnell says: "The joint venture seems to be the way companies are doing business abroad these days, so our prominence in joint ventures is a reflection of our work helping clients internationally."

Personal taxation

Price Waterhouse is particularly successful in the area of personal taxation, placed first in the central region and on the east coast, and second on the west coast (behind KPMG Peat Marwick). Carol Caruthers, director of the firm's personal financial services practice, believes the big advantage the practice has over the other top accountancy firms is that the practice is registered with the Securities Exchange Commission to provide investment advice. The practice can therefore implement investment strategies as well as plan them.

The main focus of the practice is on top executives at major corporations, both nationally and when they are posted abroad. The personal financial services practice works in conjunction with the Price Waterhouse expatriate taxation experts in the foreign jurisdiction, coordinating services for the client in the US. □

Coming soon ... Top tax advisers in Asia

International Tax Review is conducting further surveys for countries in the Asia Pacific region.

The results will be published in the October edition of the magazine.

If you have any comments or wish to participate in this survey, please contact:

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Specialist areas of practice

Country	Mergers and acquisitions	Indirect taxation	Cross-border transactions	Capital markets	Project finance	Joint ventures	Asset finance	Personal taxation
Canada	<ol style="list-style-type: none"> Oler, Hoskin & Harcourt Davies, Ward & Beck McCarthy Tétraut Tory Ducharme Lawson Lundell 	<ol style="list-style-type: none"> Ernst & Young KPMG Peat Marwick Thorne Oler, Hoskin & Harcourt 	<ol style="list-style-type: none"> Price Waterhouse Ernst & Young Oler, Hoskin & Harcourt McMillan Bull Casgrain Stikeman, Elliott 	<ol style="list-style-type: none"> Stikeman, Elliott Davies, Ward & Beck Tory Ducharme Lawson Lundell 	<ol style="list-style-type: none"> Tory Ducharme Lawson Lundell McCarthy Tétraut Stikeman, Elliott 	<ol style="list-style-type: none"> Oler, Hoskin & Harcourt Davies, Ward & Beck Price Waterhouse 	<ol style="list-style-type: none"> McCarthy Tétraut Fosken Martinzait Oler, Hoskin & Harcourt 	<ol style="list-style-type: none"> Ernst & Young Price Waterhouse
US east coast	<ol style="list-style-type: none"> Cahill Gordon & Reindel KPMG Peat Marwick Price Waterhouse Davis Polk & Wardwell Dechert Price & Rhoads McDermott, Will & Emery Arthur Andersen King & Spalding Ernst & Young Wachtell, Lipton, Rosen & Katz 		<ol style="list-style-type: none"> Baker & McKenzie Price Waterhouse Ernst & Young KPMG Peat Marwick Jones, Day, Reavis & Pogue Cordert Brothers Weil, Gotshal & Manges King & Spalding 	<ol style="list-style-type: none"> Davis Polk & Wardwell Sullivan & Cromwell Weil, Gotshal & Manges Simpson Thacher & Bartlett Cahill Gordon & Reindel Cleary, Gottlieb, Steen & Hamilton 	<ol style="list-style-type: none"> Vinson & Elkins Davis Polk & Wardwell Sherman & Sterling KPMG Peat Marwick King & Spalding Price Waterhouse Baker & McKenzie Chadbourne & Parke 	<ol style="list-style-type: none"> Price Waterhouse Cleary, Gottlieb, Steen & Hamilton Simpson Thacher & Bartlett Davis Polk & Wardwell Weil, Gotshal & Manges Paul, Weiss, Rifkind, Wharton & Garrison 	<ol style="list-style-type: none"> Price Waterhouse Ernst & Young KPMG Peat Marwick Coopers & Lybrand Arthur Andersen 	
US central region	<ol style="list-style-type: none"> Ernst & Young Price Waterhouse Mayer, Brown & Platt Kirkland & Ellis KPMG Peat Marwick Sidley & Austin 		<ol style="list-style-type: none"> Ernst & Young Baker & McKenzie McDermott, Will & Emery Arthur Andersen KPMG Peat Marwick Price Waterhouse 	<ol style="list-style-type: none"> McDermott, Will & Emery Mayer, Brown & Platt Kirkland & Ellis Winston & Strawn Sidley & Austin 	<ol style="list-style-type: none"> Skadden, Arps, Slate, Meagher & Flom Sidley & Austin Winston & Strawn Baker & McKenzie 	<ol style="list-style-type: none"> McDermott, Will & Emery Baker & McKenzie Arthur Andersen Jenner & Block Sidley & Austin Deloitte & Touche 	<ol style="list-style-type: none"> Kirkland & Ellis McDermott, Will & Emery Baker & McKenzie Baker & McKenzie Sidley & Austin 	<ol style="list-style-type: none"> Price Waterhouse KPMG Peat Marwick Ernst & Young Deloitte & Touche Arthur Andersen
US west coast	<ol style="list-style-type: none"> Ernst & Young Fenwick & West Skadden, Arps, Slate, Meagher & Flom Price Waterhouse KPMG Peat Marwick Morrison & Foerster 		<ol style="list-style-type: none"> Baker & McKenzie KPMG Peat Marwick Skadden, Arps, Slate, Meagher & Flom Arthur Andersen Fenwick & West Morrison & Foerster 	<ol style="list-style-type: none"> Gibson, Dunn & Crutcher Morrison & Foerster Latham & Watkins Brobeck Phleger & Harrison 	<ol style="list-style-type: none"> Morrison & Foerster Loeb & Loeb Thelen, Marrin, Johnson & Bridges Allen, Matkins, Leck, Gumble & Mallory 	<ol style="list-style-type: none"> Morrison & Foerster Ernst & Young Fenwick & West Arthur Andersen Morrison & Foerster Wilson, Sonsini, Goodrich & Rosati 	<ol style="list-style-type: none"> Skadden, Arps, Slate, Meagher & Flom Morrison & Foerster O'Melveny & Myers Thelen, Marrin, Johnson & Bridges 	<ol style="list-style-type: none"> KPMG Peat Marwick Price Waterhouse Ernst & Young Coopers & Lybrand