

4IR Ready

FinTech, Innovative Technologies & Disruption

DECEMBER 2019

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KDN PP 12853/07/2012 (030901)



(L-R) Raphael Tay, Lim Kar Mem and Ko Chia Chea

Welcome Note

The Fourth Industrial Revolution — 4IR — is the emergence and convergence of different technologies embedded onto devices and even human bodies, the merging of the different horizons of the physical and digital spheres that propel humankind into another transformative age such as the world has never seen or could ever have imagined.

Through the four Industrial Revolutions of humankind, each revolution was accompanied by monumental changes that challenged long-held beliefs and norms — from mechanical

production, energy and mass production, electronics and information technology to what we are experiencing now. The seismic shift in the lives of the people has no doubt brought about uncertainty, but also the potential to achieve sustainable economic growth and global prosperity. Disruption in the 4IR, as unpredictable and unsettling as it may seem, is not only an attribute of some of the most innovative ventures today, but is also a catalyst in fostering strong collaborations between pre-digital incumbents and new disruptive businesses that are at the forefront of the revolution of our time.

As businesses evolve along with innovation and technological advancement to meet the changing demands of new consumption patterns and business models in the 4IR, business strategies have evolved to adapt to the new environment in order to stay relevant and competitive in the market. **“M&A in the Digital Economy”** co-written by myself and **Lim Kar Mern** expounds on the various M&A strategies of the digital era, such as businesses leveraging on technology to create value in a deal and its potential risks and pitfalls in cybersecurity and digital taxation.

“Acqui-hiring” is also an emerging trend of M&A as talent and intellectual property increasingly become the key asset of companies. **“Acqui-hiring: The New Trend of Acquisition”**, co-written by myself and **Ko Chia Chea**, explains the distinguishing features of an acqui-hire from a traditional M&A transaction. Transactional lawyers should recognise these features to maximise the benefits or protection to their clients arising from the transaction.

From electric vehicles, automated vehicles to flying cars, mobility in the transportation industry has taken progressive leaps in the last decade. In **“4IR Mobility: Automotive Automated”**, Kar Mern compares the autonomous vehicle (AV) laws and regulatory frameworks of two of the top 25 most AV-friendly countries in the world and draws a conclusion on where Malaysia stands today.

For more perspective on the trend and role of the regulatory framework on innovation and advancement of technology, we sought the special contribution of **Tetsuo Morishita**, Professor of Law at the Sophia University Law School in Japan; **Prof Tran Viet Dung**, Dean of the International Law Faculty of the Ho Chi Minh City University of Law; and **Kim Byoung-Pil**, practice professor of the College of Business at the Korea Advanced Institute of Science and Technology (KAIST). In collaboration with these academia and professionals from Japan, Vietnam and South Korea, we present **“Innovation and Advancement of Technology: Trend and Policy”**.

We cannot embrace innovative technologies without also participating in the discourse of privacy and data protection. From fintech apps, biometric on-boarding to cloud computing, artificial intelligence and the Internet of Things, Kar Mern explores global issues that evoke a sense of urgency in balancing privacy, disclosure and surveillance especially in the big data economy in **“Who Watches the Watchers?”**

In conjunction with the exploration of the issues affecting privacy, Kar Mern and myself sought the special contribution of **Fabian Horton**, lecturer at The College of Law Australia and principal solicitor at ConnectLaw in Victoria, Australia; **Piyabutr Bunaramrueang**, lecturer at the Faculty of Law in Chulalongkorn University, Thailand, and **Benjamin Tham**, adjunct lecturer at the School of Law, Singapore Management University and legal associate at David Llewelyn & Co LLC. Together, we collaborated on **“Cross-Border Comparison of Privacy Laws”** to provide some insight into how each of these jurisdictions — Malaysia, Australia, Thailand and Singapore — deals with the protection of data in the face of increasing cross-border activity.

Finally, a special issue on innovation would be incomplete without the views and opinions of the entrepreneurs themselves. In **“Entrepreneurs’ Responsible Innovation”**, we asked entrepreneurs questions relating to the responsible and ethical

nature of innovation and tech development. Our special contributors for this article are **Stuart Thornton**, CEO and co-founder of Hoolah, a Singapore-headquartered start-up providing instalment payment solution; **Jack Cheong Jin Xi**, CEO of Poladrone, a regional drone technology company, and **Johann Benji Wong**, a Malaysian entrepreneur developing a new online escrow payment app called “Yay!”

In this Special Issue of LHAG’s *Legal Herald*, we hope to have shared some of the latest issues of 4IR and in highlighting the key global trends of business innovations, regulatory changes and legal challenges, we welcome you to join us in our journey of becoming 4IRReady.

Raphael Tay Choon Tien

Partner
FinTech Practice

The Team

Raphael Tay (rtt@lh-ag.com)

Corporate partner Raphael, who also heads the FinTech Practice in LHAG, has more than 30 years of practical experience in both local and cross-border work, notably in the areas of corporate and commercial, mergers and acquisitions (M&A), and information and technology law. He was the principal adviser in a software audit dispute for an oil and gas company ranked among the Fortune Global 500 and has advised in many cross-border M&A deals, which led to a nomination of “Overseas Practice Law Firm of the Year” in the *Asian Legal Business Malaysia* Law Awards in 2018, and was also commended as a Notable Practitioner in the M&A and Technology and Communications categories in the IFLR1000 2020.

Raphael is also the director of the ASEAN+6 Mergers and Acquisitions Programme at the College of Law (Asia) and an adjunct lecturer of the ASEAN Business and Investment Law course conducted by the Chulalongkorn University, Thailand.

Lim Kar Mern (lkm@lh-ag.com)

Kar Mern is an associate in the M&A and FinTech Practice in LHAG. Apart from M&A and general corporate and commercial advisory, she is very interested in technology and has experience providing advisory to tech companies and start-ups at various stages of funding, particularly on fintech, AI, data privacy, software licensing, IT contracts and software audits.

Kar Mern has experience in law and policy reform work, having advised on and drafted legislation for the revamp of Malaysia’s public transport system in 2010, the reform of employment rights relating to people living with HIV/AIDS at the workplace and also for the reform of practices and regulations of the Construction Industry Development Board of Malaysia.

Ko Chia Chea (cck@lh-ag.com)

Chia Chea is an associate in the M&A and FinTech Practice in LHAG. She has experience advising global companies on IT contracts, data privacy laws, software audits and acquisition of IT companies. She has also assisted in cross-border transactions involving corporations from countries such as Hong Kong, Singapore, Sri Lanka and Germany.

Chia Chea has written e-Alerts for the firm in relation to the Securities Commission’s new regulation of digital asset exchanges and property crowdfunding platforms, and the framework for electronic trading platforms in the wholesale financial markets issued by Bank Negara Malaysia.