

New Era

INTERVIEW WITH
CUATRECASAS CEO
JORGE BADÍA

Spain Top 100

THE BIGGEST LAW FIRMS
BY REVENUE

PropTech

THE REAL ESTATE
REVOLUTION

Oporto

STEPPING OUT FROM
THE SHADOWS

Growth spurt

ANTAS DA CUNHA ECIJA
IN EXPANSION MODE

Crusade against corruption

WHITE COLLAR CRIME
BOOMING

In-house Spain

INTERVIEW WITH AZORA'S
MARÍA LUISA VARA

In-house Portugal

PROFILE OF CASAIS
GROUP'S MANUEL LUÍS
GONÇALVES

A close-up portrait of Pedro Rebelo de Sousa, a middle-aged man with grey hair, wearing a dark suit, white shirt, and a patterned tie. He is looking directly at the camera with a neutral expression.

AT THE

CROSSROADS

SRS Advogados is set to review its strategic plan, and despite ending an alliance with Simmons & Simmons ten years ago, another merger has not been ruled out – managing partner Pedro Rebelo de Sousa says ‘significant change’ is inevitable

3rd Edition

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DEEP DIVISIONS EXIST IN EVEN THE MOST SUCCESSFUL LAW FIRMS

by ben cook

Lawyers can be difficult to manage. They are highly intelligent people with strong views and opinions and getting them to operate as a cohesive unit can be challenging for managing partners. To coin a well-used phrase, it can be like “herding cats”.

Even in the biggest, most successful law firms – which you would assume are managed well – there can be deep divisions and cliques. The ability to unite these factions is what sets the most talented managing partners apart from the rest. Recent goings on at Cuatrecasas illustrate this point. Though Jorge Badía, the firm’s managing partner, was confirmed as Cuatrecasas CEO at the recent partnership election, he had faced a strong challenge from Cani Fernandez, a partner specialising in EU and competition.

Fernandez is highly respected at the firm and widely considered to be an inspiring leader. But on this occasion, Badía came out on top. However, when we interviewed Badía for this issue, we found a man showing great humility in his moment of victory. He will know that, despite coming out as the winner in the election, the fact that he faced such a strong challenge indicates that he has some work to do in order to heal some rifts at the firm.

The fact that Badía is well aware of the importance of trust among the partnership indicates that he has the qualities to succeed in this task.

Elsewhere in this issue, we explore how PropTech is disrupting the real estate industry. It is imperative that lawyers operating in this sector fully understand how such technology is changing the fundamental dynamics of this industry – if they fail to do so, they will soon become obsolete. As we report, there has been an explosion of PropTech start-ups in Spain in recent years – as a result, real estate lawyers are battling to stay ahead of the game.



N 85 | 06.04.2019

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Editorial policy

Iberian Lawyer provides a window on the Iberian legal profession for domestic and international law firms and general counsel. The magazine is funded by subscribers and advertisers, as well as sponsoring law firms that provide the Legal Updates and Profiles within the Special Reports.

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MANAGING PARTNER

Baker McKenzie appoints Javier Menor as Barcelona office managing partner

Baker McKenzie has appointed Javier Menor as managing partner of its Barcelona office. He will replace Montserrat Llopert, who became managing partner in 2017. One of Menor's key responsibilities will be working with the firm's Madrid office managing partner, Rodrigo Ogea, to further integrate the two offices.

Menor is the head of Baker McKenzie's corporate and venture capital department in Barcelona. His areas of expertise include advising on M&A and private equity deals. Menor joined Baker McKenzie from Deloitte in 2015.

SPORTS LAW

RLD hires Rosalía Ortega to head sports law department

RLD has recruited Rosalía Ortega to head its new sports law department.

Ortega was previously managing partner of her own specialist sports law firm, Sports Law Services.

Prior to that she worked at law firms Tebas & Coiduras and Medina Cuadros. Ortega's clients include athletes, sports clubs, federations and referees. Her expertise includes image rights and player contracts.



PUBLIC LAW

Pérez-Llorca recruits Ana Cremades as counsel

Pérez-Llorca has recruited Ana Cremades as counsel.

She was formerly a lawyer at the Spanish energy ministry and has more than ten years experience in the area of public law. Her expertise includes public, administrative and regulatory law.

MANAGEMENT RESTRUCTURE

CRS Advogados appoints Nuno Pereira da Cruz as managing partner

Lisbon-based Cruz, Roque, Semião e Associados (CRS Advogados) has appointed Nuno Pereira da Cruz as managing partner.

Pereira da Cruz will remain in the role until 2021.

It is the first time the firm – which has three partners and ten lawyers – has elected a managing partner.

A firm statement said the firm – which focuses on providing services to SMEs – had made the change to its governance structure “as a result of the growth that has been registered since its foundation in 2015”.



SANCTIONS

Squire Patton Boggs recruits Lupicinio partner José María Viñals

Squire Patton Boggs has recruited Lupicinio Abogados partner José María Viñals.

Viñals, who headed Lupicinio's Madrid office, will join Squire Patton Boggs as a partner specialising in international trade and sanctions.

He joined Lupicinio in 2008 – he had previously been a lawyer at Freshfields Bruckhaus Deringer in Madrid.

Viñals' experience includes advising Iranian oil and gas companies as well as Russian banks on challenges to EU sanctions.

Last month it emerged that Lupicinio had signed a framework agreement with the Office of the Attorney General of Venezuela to advise on international sanctions imposed on the Latin American country.

Viñals other areas of specialism includes mergers and acquisitions and asset finance. His clients include investment funds and hedge funds. Businesses he has represented include Caixa, Isolux Corsan, Boeing, Royal Access, Smart Union General Trading, Ioec, Tubos Reunidos, Ampopoyan, Acerinox and Duro Felguera.

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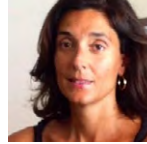
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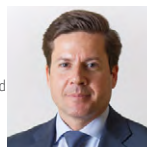
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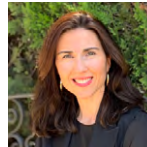
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BILBAO

Uría Menéndez's Bilbao office recruits Irantzu Irastorza as a partner

Uría Menéndez's Bilbao office has recruited Irantzu Irastorza as a partner. Irastorza formerly headed the legal department at Kutxabank. Prior to that she was an associate at Uría Menéndez from 1999 to 2009.

Salvador Sánchez-Terán, managing partner of Uría Menéndez, said: "It is a great privilege for our firm that a professional of the stature of Irantzu, who has developed a brilliant professional career and who knows the Basque Country business sector well, returns to Uría Menéndez to head the Bilbao office's commercial law team."

PROMOTION

Bird & Bird promotes Alexander Benalal to partner

Bird & Bird's Madrid office has promoted Alexander Benalal to partner.

Benalal (pictured) specialises in commercial law and new technologies.

He joined the firm in 2005 and his expertise includes commercial contracts and transactions, intellectual property, insurance and insurance mediation, data protection and e-commerce.

Meanwhile, the firm has also appointed banking and finance lawyer Adrián Calvo and energy lawyer Juan de Navasqués to counsel.

Coral Yáñez, co-head of the Bird & Bird office in Madrid, said: "The excellent work of Alexander, Adrián and Juan has allowed us to continue improving the services we offer – the internal promotion of our lawyers is also an essential factor for the growth and strengthening of the firm."



LISBON

SRS appoints four new partners

SRS Advogados appoints four new partners: **Cláudia Varela**, **Maria Paula Milheirão**, **Neuza Pereira de Campos** and **Raquel Cuba Martins**.

The promotion of the four lawyers, all women, means the firm now has 27 partners, 12 of whom are women.

Varela, formerly of PLMJ, specialises in employment law, while Milheirão is a corporate/M&A lawyer who joined SRS in 2001.

Pereira de Campos, who leads the firm's real estate department, began her career as a trainee at Simmons & Simmons Rebelo de Sousa (as SRS Advogados was formerly known) in 2003.

Raquel Cuba Martins, who heads the firm's corporate and M&A department, has been with the firm since 1999.

"This is a very important step in affirming the organic growth of the firm, said Pedro Rebelo de Sousa, managing partner of SRS. "For us, it is fundamental to continue our culture of meritocracy and the retention of talent –these promotions also confirm how much diversity is embedded in our DNA."



MADRID

Clifford Chance promotes Ignacio Díaz to partner

Clifford Chance's Madrid office has promoted Ignacio Díaz to partner. Díaz (pictured), who joined the firm in 2008, specialises in international arbitration.

Prior to joining Clifford Chance, Díaz was a lawyer at Garrigues.

Díaz's appointment is one of 30 partner promotions the firm has made across its global offices. The firm now has more than 500 partners.

LATERAL HIRE

CCA recruits Tomás Assis Teixeira from GPA

Lisbon-headquartered CCA Law Firm has recruited associate Tomás Assis Teixeira from GPA - Gouveia Pereira, Costa Freitas & Associados. Teixeira, who had been at GPA for 11 years, specialises in real estate and will lead the tourism and leisure practice at CCA.

Domingos Cruz, managing partner of CCA, said: "The invitation we addressed to Tomás Assis Teixeira is part of CCA's strategy. He was chosen based on his experience, knowledge and leadership skills. Our goal is to build a team of reference, capable of giving an effective response to the challenges we face every day. We are very satisfied with Tomás' decision and we are counting on him to continue to grow."



HOT PROPERTY

The Spanish and Portuguese real estate sectors have been buzzing with activity of late as investors target returns in the Iberian property market, and law firms in Madrid and Lisbon have been cashing in



Real estate-related work has long been a major source of revenue for Iberian law firms. In addition to advising real estate companies, lawyers also pick up significant instructions from businesses that supply services to the real estate sector. In one prime example, Clifford Chance recently acted for Alba on the acquisition of a stake in Verisure Securitas, a company that provides security alarms for residential properties. Real estate finance is another area that offers substantial opportunities for law firms as investors look to boost returns in the Iberian market – in a major recent deal, Linklaters acted for the lenders on the €1.5 billion refinancing of Spanish real estate investment trust Merlin Properties. Property deals in Portugal are also driving demand for top level legal advice as investors snap up properties in Lisbon - Morais Leitão recently advised Deutsche Finance International on the creation of a joint venture with FS Capital and the acquisition of an office building located in the city's Avenida Duque de Loulé. Meanwhile, DLA Piper was instructed by Corum Asset Management on the acquisition of a property in Grijó, Vila Nova de Gaia, Portugal, which is occupied by food retailer Pingo Doce.

CLIFFORD CHANCE ADVISES ALBA ON €4.8BN VERISURE DEAL

Clifford Chance advised Madrid-based investment company Corporación Financiera Alba on the acquisition of a 7.5 per cent

stake in Verisure Securitas from Hellman & Friedman (H&F).

The transaction was valued at €4.8 billion. Verisure Securitas is a company that provides security alarms for residential properties and small businesses in Europe. The Madrid-based Clifford Chance team advising on the transaction was led by **Samir Azzouzi**, and included **Jaime Velázquez, Pablo Hernández, Roberto Grau, Julia Villalón, Diego Domenech** and **Clara Iglesias**.

Practice area:

M&A

The deal:

Corporación Financiera Alba's acquisition of a 7.5 per cent stake in Verisure Securitas from Hellman & Friedman

Firm:

Clifford Chance

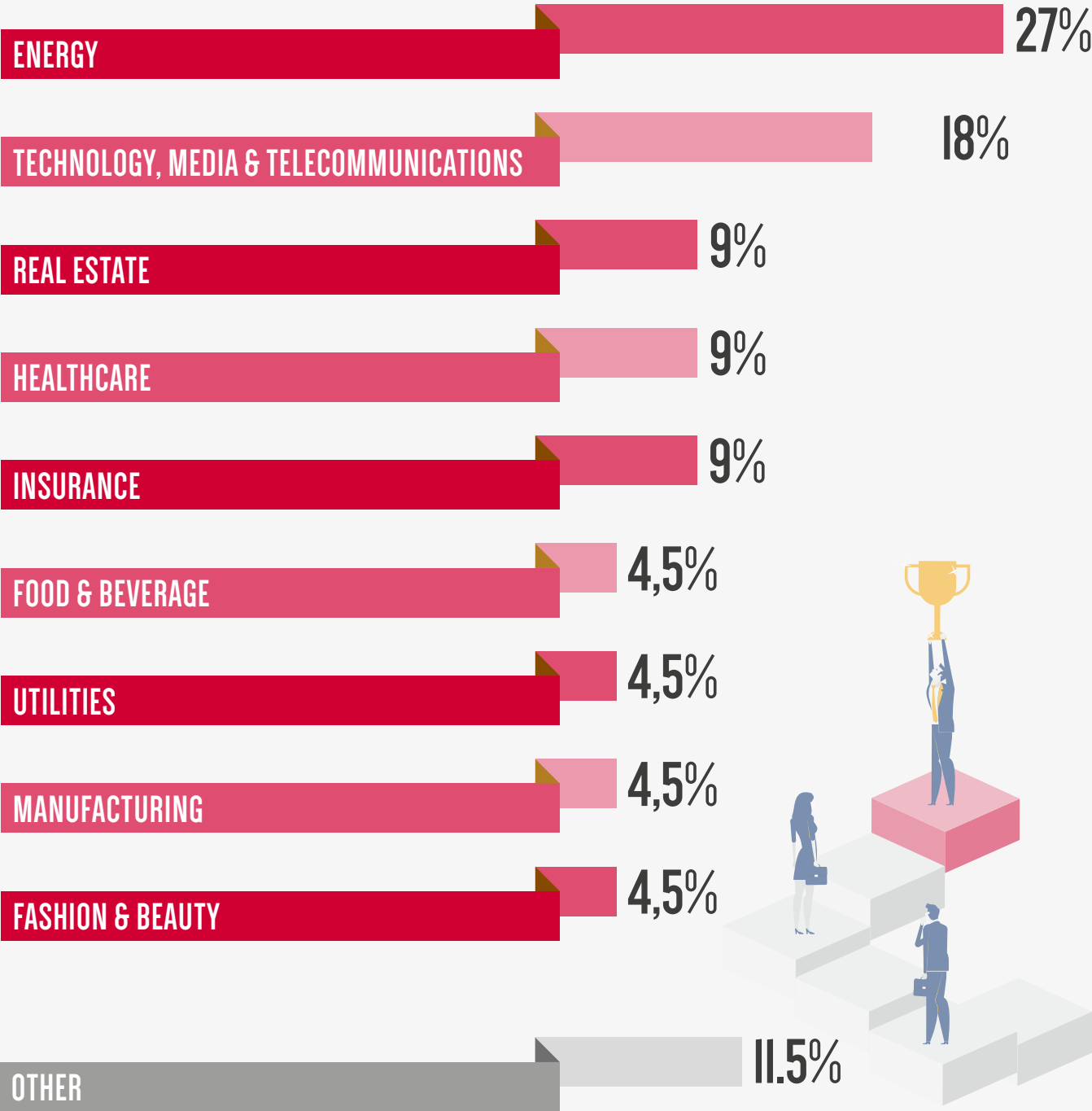
Lead partner:

Samir Azzouzi

Value:

€4.8 billion

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LINKLATERS ACTS FOR LENDERS ON €1.5BN MERLIN PROPERTIES REFINANCING

Linklaters advised a syndicate of lenders on the €1.5 billion refinancing of Spanish real estate investment trust Merlin Properties' existing debt.

The Linklaters team included partner Pedro de Rojas (pictured), Francisco Sainz-Trápaga and David Suárez.

Merlin Properties, which is listed on the Spanish Stock Exchange, is focused on the acquisition and management of commercial assets in the Iberian Peninsula.

Merlin Properties reported revenues of €509 million in 2018.

Practice area:

Finance

The deal:

Refinancing of Spanish real estate investment trust Merlin Properties' existing debt

Firm:

Linklaters

Lead partner:

Pedro de Rojas

Value:

€1.5 billion

MORAIS LEITÃO ADVISES DEUTSCHE FINANCE ON JV AND PROPERTY DEAL

Morais Leitão advised Deutsche Finance International on the creation of a joint venture with FS Capital and the acquisition of an office building located in Avenida Duque de Loulé in Lisbon. Morais Leitão also advised on the financing of the acquisition by Caixa Agricola.

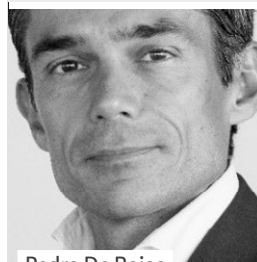
The Morais Leitão team was led by partner João Torroaes Valente (pictured), and included Bernardo Silveira, Manuel



Samir Azzousi



Luis Filipe Carvalho.



Pedro De Rojas



João Torroaes Valente

Ponces Magalhães and Sara Ferraz Mendonça.

The team also included partners Bruno Santiago and Filipe Lowndes Marques, as well as Elmano Sousa Costa.

Practice area: Real estate

The deal: Advising Deutsche Finance International on the creation of a joint venture with FS Capital and the acquisition of an office building located in Lisbon.

Firm: Morais Leitão

Lead partner: João Torroaes Valente

DLA PIPER ACTS FOR CORUM ASSET MANAGEMENT ON PORTUGUESE PROPERTY DEAL

DLA Piper advised Corum Asset Management on the acquisition of a property in Grijó, Vila Nova de Gaia, Portugal, which is occupied by food retailer Pingo Doce.

Corum Asset Management is a France-headquartered real estate investment company.

The deal was valued at €7.9m.

The DLA Piper team was led by partner Luís Filipe Carvalho (pictured), and included senior associate Paulo Anjo and associate João Neves de Sousa.

Practice area:

M&A

The deal:

Corum Asset Management's acquisition of a property in Grijó, Vila Nova de Gaia, Portugal, which is occupied by food retailer Pingo Doce

Firm:

DLA Piper

Lead partner:

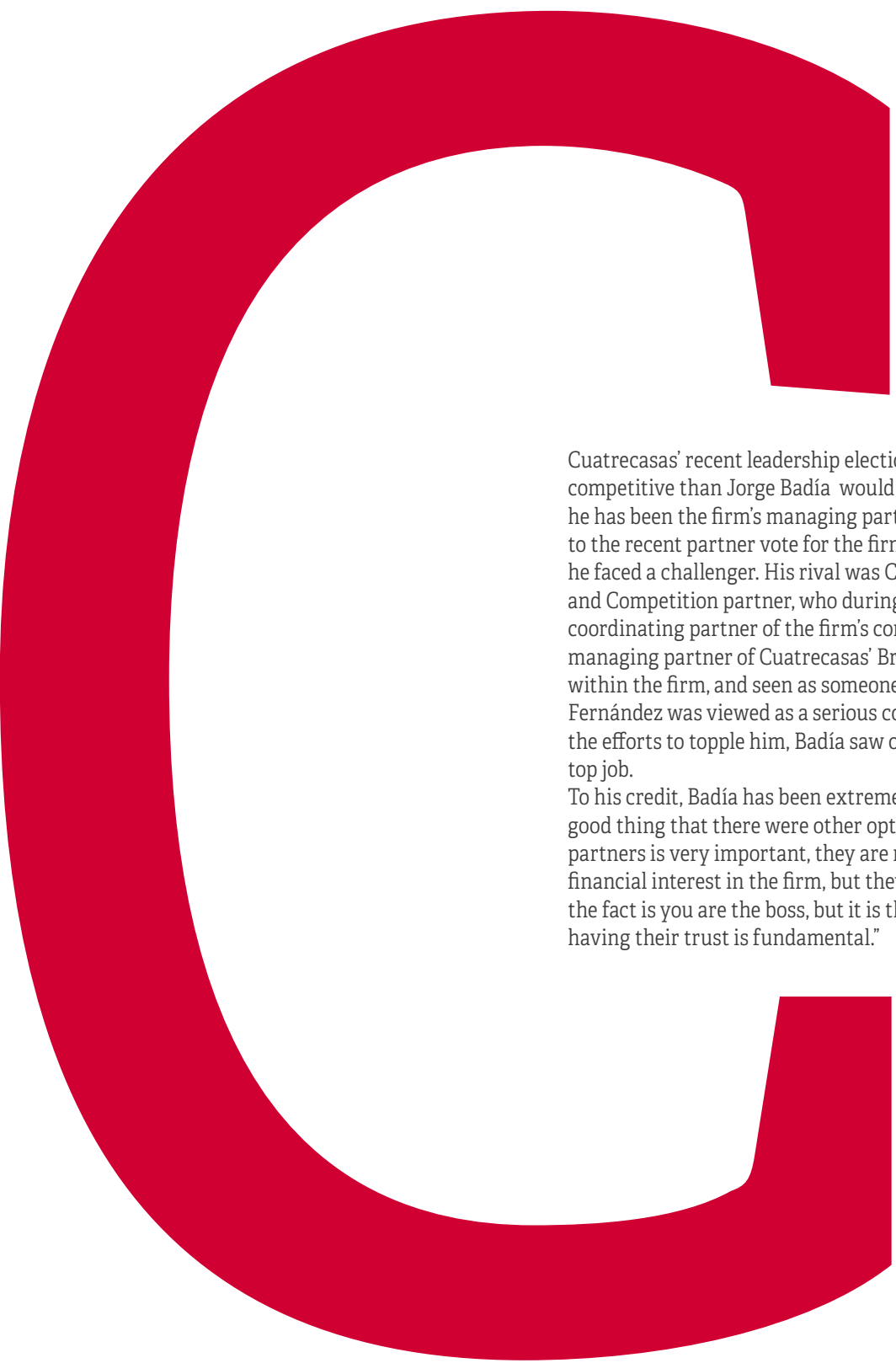
Luís Filipe Carvalho

Value:

€7.9 million

NEW ERA

Cuatrecasas CEO Jorge Badía recently won a hotly contested leadership election, now he wants to increase the firm's global reach, tackle the diversity challenge and win the battle for the best talent



Cuatrecasas' recent leadership election was probably a bit more competitive than Jorge Badía would have liked. Despite the fact he has been the firm's managing partner since 2015, when it came to the recent partner vote for the firm's new CEO earlier this year, he faced a challenger. His rival was Cani Fernández, the firm's EU and Competition partner, who during the period 2003 to 2018, was coordinating partner of the firm's competition and EU practice, and managing partner of Cuatrecasas' Brussels office. Widely respected within the firm, and seen as someone with many leadership qualities, Fernández was viewed as a serious contender for the role. But, despite the efforts to topple him, Badía saw off the challenge and held on to the top job.

To his credit, Badía has been extremely gracious in victory. "I think it's a good thing that there were other options," says Badía, "The trust of our partners is very important, they are not only shareholders who have a financial interest in the firm, but they are people who work here – yes, the fact is you are the boss, but it is the partners who choose you, and having their trust is fundamental."

CUATRECASAS' RECENT DEALS



APRIL 2019

Advised building material company Isolana on Abac Solutions' acquisition of a 30 per cent stake in the business



MARCH 2019

Advised Alberta Investment Management Corporation (AIMCo) on the acquisition of a 90 per cent stake in renewable energy company Eolia



FEBRUARY 2019

Advised GrandVision and Masvisión on the acquisition of Óptica 2000

Badía has spent his entire career at Cuatrecasas, the firm he joined back in 1987 and the place where he feels he has learnt a lot of life lessons. He has some significant challenges ahead of him, but the belief is the firm has a clear 'roadmap', which incorporates international expansion (the firm recently opened an office in Peru) and the goal of remaining a heavyweight law firm in Spain. But the number one priority is people. Badía has been the right-hand man of the firm's senior partner, Rafael Fontana, since 2015. His recent election win comes on the back of a year in which the firm's revenue grew by a notable 12 per cent to €277.4 million. The recent election means he has a mandate for the next four years and it also signifies an element of change at the top – Fontana has taken on more of an institutional role, which means that Badía has assumed more executive power. "We have a very trusting relationship,"

says Badía of his interactions with Fontana. "We are very complementary, he will take charge of the firm's institutional relations and the relationship with the partners and I will be focused on the day-to-day".

CHAMPIONS

A key objective is to ensure that Cuatrecasas remains a "national champion", as Badía puts it. This is because Badía identifies global firms that are trying to gain a foothold in the Spanish and Portuguese markets as one of the biggest threats to his firm. He adds that this is a challenge that domestic firms in France and Germany have already faced. "Being able to resist this, and remaining one of the main references in terms of national offices is a very important challenge," Badía says.

The firm is also very focused on being one of the top choices for clients when it comes to handling very complex or sensitive matters. Elaborating on this theme, Badía warns that it is dangerous to slip towards more "commoditised" services, that is services that have less value. In his view, the real challenge is to "not only be a champion in sales and have a dominant position in our main markets, but to do so by handling the type of cases we want, which are very important and complex cases."

However, in order to successfully achieve these goals, it is vital that law firms increase their global reach. The internationalisation of the firm, especially in Latin America, is another of the key parts of the road map that also incorporates the firm's current strategic



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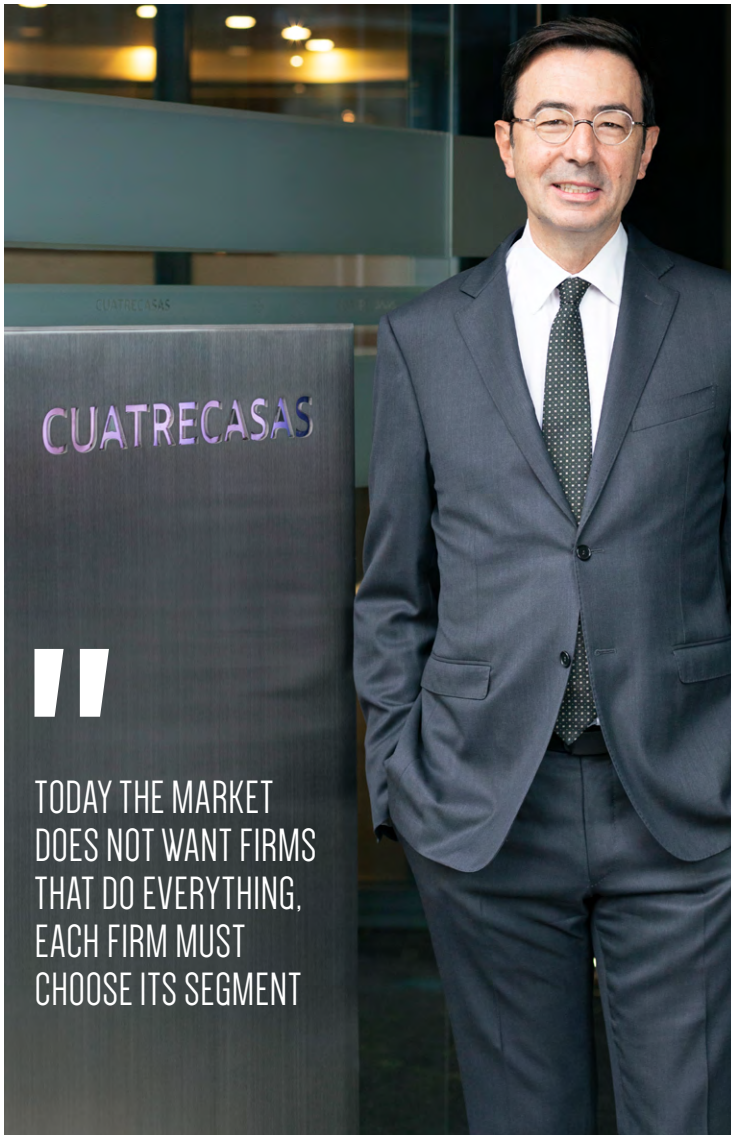
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foreign investment, and there have been significant transactions in sectors such as finance, energy, and real estate – fortunately we have been involved in many of these big transactions,” Badía says. There have been market rumours about friction between Cuatrecasas’ Spanish and Portuguese operations, but Badía insists that both offices are fully integrated, and that they work as a single unit. The objective, he says, is to be a leading firm in Portugal so that “the world comes to us because we are a great Portuguese firm.”

OPENING DOORS

In addition, the presence in Portugal, according to Badía, opens doors to markets that Cuatrecasas would not be able to access as a Spanish firm. The firm often trades in China on the basis of it being a Portuguese firm. “It [the Portuguese operation] opens the door to the African market, which will be increasingly more important”. While providing greater value for clients and expanding the firm’s international operations are important priorities, the firm’s key focus is people. “We have an outward-facing project, but the engine is very important, we have to be able to give our lawyers a very attractive career, to generate a virtuous circle,” says Badía, who is well-placed to comment on this topic. He joined Cuatrecasas 32 years ago and he says the firm has not only provided him with legal expertise, but it has also taught to him work as a team and be open to the world. “For me it has been a school for more than 30 years in which I have been continuously facing increasingly important challenges, and this is what we have to achieve for our lawyers – we have to take care of people or it does not work.”

Earlier this year, the firm’s recruitment of a new lawyer generated considerable publicity. The new face was former Spanish deputy prime minister Soraya Sáenz de Santamaría, who, after some

plan, which runs until 2020. However, in order to be a ‘champion’ in Spain and Portugal, handling the best cases for the best clients is not enough. “Today our clients have global needs and we have to serve them and give them solutions from other jurisdictions – having an adequate international footprint is another of the great challenges, if you want to be involved in major infrastructure work, or in big litigation, you have to have a greater global reach,” says Badía. The firm’s operations in Portugal will also be an important factor in the firm’s development in the coming years. “We have had two very good years in Portugal, which has been a major recipient of

discreet negotiations, joined the firm as a partner. “We took the initiative and approached her, she has not come to open doors for us, nor to use her influence or promote her agenda – she has come to make a career.” Badía describes Sáenz de Santamaría as a very easy-going person who is a team player – he also stresses that both parties have agreed that she will not get involved in any matters that could put her on a collision course with her political past. Consequently, they have decided to avoid any matters related to regulated sectors, for example, in order to avoid any questions arising about her independence.



IF YOU WANT TO BE INVOLVED IN MAJOR INFRASTRUCTURE WORK, OR IN BIG LITIGATION, YOU HAVE TO HAVE A GREATER GLOBAL REACH

BE HUMBLE

In order to recruit and retain the best talent, and create the best teams, it is essential to place a greater emphasis on issues such as diversity and inclusion, as well as placing a greater emphasis on young talent and female talent. “These issues are of the utmost importance because we have our eyes open and we see what is happening,” says Badía. He adds that, while Cuatrecasas is still able to attract the best talent, the legal recruitment market is changing. “There are people who, instead of coming to work for us, prefer to go to work as legal counsel at Amazon or Google,” Badía says. “We have to be humble and see what we

have to change.” He adds that because law firms have traditionally not addressed diversity and gender issues, change is vital. In an effort to tackle such issues, the firm currently has 200 staff on a flexible work schedule.

€277.4M

Cuatrecasas' 2018 revenue

Regarding the outlook for the Spanish legal market, Badía says firms have to make two fundamental decisions. Firstly, they have to decide how they want to position themselves in the market. “Today the market does not want firms that do everything, each firm must choose its segment,” Badía says. He adds that firms have to decide whether they want to do commoditised work with cheap resources and an emphasis on doing the job quickly, or whether they will target high value work. Once this decision is made, firms then have to communicate the decision to the market. The other big decision for the law firms is: what international footprint do they want to have? “The position of our firm on both issues is clear, and we see many opportunities,” Badía says. “We live in a more complex society, with delicate international relations, with many uncertainties, and all this is a breeding ground for opportunities to help our clients in these situations – I see a good future for firms if they know how to position themselves properly.” Internationalisation and retaining a leading position in the Spanish market are two of the major challenges that lie ahead for Cuatrecasas. But listening to Badía, the impression is that the firm is in good hands. The election has proved that not only does he have the support of his partners, but he also demonstrates one of the key characteristics of winners: humility.

Iberian Lawyer

TOP 100 SPAIN



In the first research of its kind, Iberian Lawyer reveals the top 100 law firms in Spain by revenue – the study shows that the vast majority of the country's law firms grew their revenue last year, partly due to increased international expansion

The combined revenue of the Top 100 law firms in Spain totalled almost €3 billion in 2018, according to new research by Iberian Lawyer. Our list of the 100 biggest firms by revenue includes the revenues of law firms headquartered in Spain as well as the revenues of the Spanish offices of international law firms.

Our sources indicate that the vast majority of firms in the Top 100 increased their turnover in the last year, with some of the leading firms attributing it, in part, to growth in their international practices, with a number citing growth in their practices in neighbouring Portugal as one of the key drivers. Not all law firms were willing to disclose figures, in these instances Iberian Lawyer has published an estimated revenue figure based on a range of factors, including: figures supplied by other comparable firms in the same jurisdiction; previous Iberian Lawyer research based on partners remuneration; overall figures supplied by firms' head offices; revenue per partner figures supplied by other comparable firms/offices; as well as additional market sources.

Garrigues was the firm that billed the most in 2018, with revenue totalling €364.6 million euros, which represented an increase of 2.1 per cent compared to the previous year. Major deals on which the firm was instructed during the year included the €32 billion Abertis deal. In another notable deal, the firm advised on Repsol's sale of a 20 per cent stake in Naturgy for €3.8 billion. Of course, a total revenue figure only tells part of the story, numbers indicating revenue per partner and revenue per professional (with professionals referring to lawyers, economists, or any other professional that bills for their services)

can give a better insight into a firm's efficiency. In the case of Garrigues, revenue per partner was approximately €1.3 million, while revenue per professional stood at around €270,000.

International business accounted for 13.2 per cent of Garrigues' revenue. The firm, which is led by executive chairman **Fernando Vives**, has operations in 13 countries, including Portugal where the combined revenue of the firm's Lisbon and Oporto offices increased by 16 per cent in 2018. Major deals on which the firm was instructed in Portugal during the year included advising Merlin Properties on the acquisition of the Almada Forum shopping centre in Lisbon for €406.7 million. Meanwhile, the firm's Latin American practice increased its revenue by almost 10 per cent to €25.7 million

The second biggest biller was Cuatrecasas, where revenue increased almost 12 per cent to €277.4 million. Revenue per partner, at around €1.3 million, was similar to that at Garrigues. However, revenue per professional at Cuatrecasas (which stands at approximately €323,000) is higher than that at Garrigues. Significant deals that the firm was involved in during 2018 included advising Taiyo Nippon Sanso on its €5 billion acquisition of Praxair Inc. A statement from the firm – which is headed by CEO **Jorge Badía** – said the Madrid office had increased sales by 13.3 per cent, while the Barcelona office grew its revenue by 9.3 per cent. Billing at the firm's other Spanish offices increased by 3.4 per cent.



FERNANDO VIVES



JORGE BADÍA

Meanwhile, Cuatrecasas' offices in Portugal increased their revenue by 7.8 per cent, with the firm's other international offices reporting a 9.1 per cent increase in billing. The firm's offices outside Spain account for 12.3 per cent of the firm's total revenue. The firm's corporate and commercial practice accounted for 39.2 per cent of the total revenue, tax generated 37.1 per cent, litigation and arbitration contributed 22 per cent, while employment accounted for 8.3 per cent. The firm with the third highest revenue is Uría

Revenue per professional | The Top Five

When analysing firms for which comprehensive figures are available, Herbert Smith Freehills comes out as the firm that generates the most revenue per professional in Spain (€517,000). In this context, the term professional refers to lawyers, economists, or any other professional that bills for their services.

	Firm	Revenue per professional
1	Herbert Smith Freehills	517,000€
2	Linklaters	481,000€
3	Ashurst	469,000€
4	Clifford Chance	468,000€
5	Allen & Overy	447,000€



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TOP 100 | From 1 to 50 | millions of Euros

Firm	2018 Revenue
1 Garrigues	364,6
2 Cuatrecasas	277,4
3 Uría Menéndez	240,7
4 PwC Tax & Legal	155,8
5 Deloitte Legal	128,7
6 EY Abogados	123,6
7 KPMG Abogados	102
8 Baker Mckenzie	66,8
9 Linklaters	66,5
10 Clifford Chance	63,2
11 Gómez-Acebo & Pombo	62,01
12 Ejaso ETL Global	53,8
13 Pérez-Llorca	52
14 Legálitas	50,7
15 Auren	50,6
16 Ecija	44,5
17 Allen & Overy	43
18 Hogan Lovells	42,3
19 Herbert Smith Freehills	38,3
20 Roca Junyent	34,5
21 Rousaud Costas Durán RCD	34,4
22 Osborne Clarke	34*
23 Latham & Watkins	30*
24 DLA Piper	29,9
25 Jones Day	28*

Firm	2018 Revenue
26 Ashurst	27,7
27 BDO Abogados	25,55
28 Rivero & Gustafson Abogados	25
29 Ramón & Cajal Abogados	24,2
30 CMS Albiñana & Suárez de Lezo	24,06
31 Ontier	23
32 Broseta Abogados	21,5
33 Andersen Tax & Legal	21,5
34 Freshfields	21*
35 Simmons & Simmons	21*
36 Bufete Barrilero y Asociados	20,9
37 Sagardoy Abogados	20,8
38 Lener	20,1
39 Bird&Bird	20*
40 Martínez-Echevarría	17
41 Montero Aramburu	15,7
42 Grant Thornton	15,7
43 Elzaburu	15,3
44 Dentons	15,2
45 Crowe Legal y Tributario	13,8
46 Garrido Abogados	13,7
47 Mazars Tax & Legal	13,6
48 PKF Attest Legal y Fiscal	12,4
49 Eversheds Sutherland Nicea	12,2
50 Cremades & Calvo Sotelo	11,8

*Estimated by Iberian Lawyer

TOP 100 | From 51 to 100 | millions of Euros

Firm	2018 Revenue	Firm	2018 Revenue
51 King & Wood Mallesons	11,3	76 Bufete Escura	5,3
52 Balder	11,1	77 GVA Gómez-Villares & Atencia	5,3
53 Chávarri Abogados	10,8	78 Adarve	4,8
54 Pedrosa Lagos	10,7	79 Manubens Abogados	4,7
55 MA Abogados	9,3	80 Monereo Meyer Abogados	4,7
56 Marimon Abogados	9	81 Abdón Pedrajas	4,7
57 Filedfisher Jausas	9	82 Abril Abogados	4,5
58 Watson Farley & Williams	8,1	83 Lupicinio International Law Firm	4,5*
59 B. Cremades & Asociados	8*	84 Vaciero	4,4
60 Rödl & Partner	8	85 De Andrés y Artiñano	3,7
61 Toda & Nel-lo	8	86 DJV Abogados	3,6
62 Ventura Garcés & López Ibor	7,9	87 Grupo Gispert	3,6
63 Araoz & Rueda	7,5	88 Carrillo Asesores	3,4
64 Ceca Magán	7,1	89 Confianz	3,3
65 AGM Abogados	7,3	90 HispaColex	3,2
66 CCS Abogados	7	91 Pinsent Masons	3
67 Davis Polk	7*	92 RLD	2,9
68 Squire Patton Boggs	6,9	93 Net Craman Abogados	2,9
69 DA Lawyers	6,8	94 Briz Jurídico Tributario	2,8
70 UHY Fay & Co.	6,5	95 Gaona Abogados BMyV	2,3
71 White & Case	6*	96 Iberia Abogados	2,2
72 Arpa Abogados Consultores	6	97 Urraza, Mendieta & Asociados	2,2
73 Senn Ferrero & Asociados	5,8	98 Verdegay Abogados	2,1
74 Grau & Angulo	5,8	99 Alas Legal Advisors	1,6
75 JDA/SFAI	5,7	100 RBH Global	1,5
		TOTAL	2973,82

*Estimated by Iberian Lawyer



Menéndez, where billing increased by 2.3 per cent to €240.7 million. International business now accounts for a quarter of the revenue generated by the firm, which is led by managing partner **Salvador Sánchez-Terán**. Revenue per partner stands at around €1.7 million at Uría Menéndez, while revenue per professional was approximately €370,000, which is higher than that at Garrigues and Cuatrecasas. In Iberia alone, Uría Menéndez advised on 50 deals with a total value of €70 billion in 2018.

The positions fourth to seventh in our table are taken up by the 'Big Four'. Revenue at PwC Tax & Legal totalled €155.8 million, which put it above rivals Deloitte (€128.7 million), EY Abogados (€123.6 million), and KPMG Abogados (€102 million). However, the figures for revenue per partner and revenue per professional at the 'Big Four' give a clear indication of how their business models differ from the other major firms in our list – specifically, with regard to leverage, partners, generally speaking, make up a smaller proportion of the total number of professionals at the 'Big Four' compared to other

leading firms. To illustrate the point, if we take the example of KPMG Abogados, while revenue per partner (at around €2.3 million) is much higher than that at the 'big three' Spanish firms (Garrigues, Cuatrecasas and Uría Menéndez), revenue per professional is, in contrast, much lower at around €132,000.

Among the stand out performances in 2018 was that of Pérez-Llorca, where revenue rose 30 per cent to €52 million. Significant matters handled by the firm during the year included advising the bidders on the aforementioned Abertis deal. Revenue per partner totalled €1.3 million, while revenue per professional stood at around €290,000. It was also an outstanding year for Broseta, where revenues increased 32 per cent to €21.5 million euros. In 2018 the firm opened an office in Portugal through a merger with the Lisbon firm Roquette, Morais e Guerra. Revenue per partner at Broseta was around €1.3 million, while revenue per lawyer stood at €246,000.

There were also notable increases in revenue at Toda & Nel-lo, where billing went up to 33 per cent to €8 million, and at Ceca Magán, where income increased 34 per cent to €7.1 million.

However, a number of firms experienced a tough time in 2018. DLA Piper's Spanish revenues dropped 1 per cent to €30 million, while income at Cremades & Calvo-Sotelo fell 5 per cent to €15.9 million euros. There were also significant decreases in revenue at CCS Abogados (down 12 per cent to €7 million) and Moreneo Meyer Abogados (down 16 per cent to 4.7 million).

Revenue per partner | The Top Five

When analysing firms for which comprehensive figures are available, Legalitas comes out as the firm that generates the most revenue per partner in Spain (€3.5 million).

Firm	Revenue per partner
1 Legalitas	€7.2 million
2 Linklaters	€3.5 million
3 Herbert Smith Freehills	€3.4 million
4 Allen & Overy	€2.8 million
5 Clifford Chance	€2.6 million

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RENEWABLES IN PORTUGAL: some developments

Over the years, Portugal has become known for its renewables sector. Publicity of days in which all electricity consumed came from renewable sources, or perhaps more impressively of a monthly average renewable generation in excess of 100% of consumption (March 2018), made sure of that. Revisiting in brief the renewables sector in Portugal, focusing on wind and solar developments, spotlights certain features that should be of interest for potential investors.

In economic terms, the days of feed-in tariffs are over. At present, no direct financial support mechanism is in use for new projects. The guaranteed remuneration mechanism, while available subject to tender terms, has lacked implementation. No tender has recently been launched. Nor have rules therefor been set forth.

Portugal's approach to investment stability is one aspect. In spite of the crisis that scourged the country since the early 2010s, Portugal opted for maintaining the subsidies to renewables projects. At the political level, signs are admittedly not always clear. Late last year, for example, the Government decided to extend the CESE (Special Contribution on the Energy Sector) to subsidised renewables. Further, only a few weeks ago a Parliamentary report on 'excessive rents' touched on the possibility of repealing a statute extending the period of guaranteed remuneration. But renewables seem to continue beyond the grasp of attempts to substantially cut guaranteed rents. Shortly after disclosure of said report, the Secretary of State for Energy publicly reassured producers that no forceful position would be adopted. Changes to the applicable regime will in principle only be made through negotiations. In a nutshell, when it comes to investment in renewables, Portugal appears to tread a path of stability. The fact that the country has a strong, longstanding penetration into the renewables sector, together with the emphasis placed by various stakeholders on energy transition issues, renders it improbable that the situation is altered.

The issues around repowering and over-equipment of wind farms, as well as hybrid (wind-solar) farms, have drawn attention. A notable investor-friendly development in relation to the former was the enactment in January 2019 of a regulation clearing the way for an almost automatic renewal of pending applications in respect of licenses for cases of over-equipment in wind projects with guaranteed remuneration. Contingent upon the express acceptance by producers of a 45€/MWh fixed tariff (for a 15-year period) the prior opinion of the regulator as to such renewals was waived. Whether a general



Nuno Antunes

regime dealing with repowering, over-equipment and hybrid parks will be put in place, remains to be seen.

On the solar front, much hype has surrounded the announcement of an auction for a total of 1.35 GW. Expressions of interest seem to have reached 5 GW, with Government envisioning a nine-fold increase of solar power generation in the next decade. For 2019, the 20-odd projects expected to be concluded will generate just under 500 MW, with a target of 1,500 MW by 2021. Against a backdrop of non-existence of recent auctions and no enacted legal regime therefor, some stakeholders see the upcoming solar auction with anticipation given the perceived uncertainty of the regulatory and tax regimes.

Bankability is a critical issue, and certainly a source of apprehension. This is no minor issue, as the recent example of the *Ourika* solar plant (46 MW) illustrates. It was only after a long-term (20 years) PPA (Power Purchase Agreement) was concluded (i.e. with fixed price, reportedly below current wholesale electricity market price) that the fund *Allianz Capital Partners* decided to invest. Planned for completion by Q3 of 2019, the *Solara4* solar plant (220 MW) was the following acquisition. Reduction of volatility of prices was attained through long-term PPAs with private buyers. No subsidies were granted in either case.

If the flattening of renewable power capacity growth recently announced by the IEA (International Energy Agency) is to be countered, investment in renewable projects (new or re-fitted) need be bolstered. Portugal is contributing by showing no signs of taking the foot off the renewables throttle. With assurances of investment stability and certainty of economic terms, a new wave of investment in renewables (wind and solar) could be in the making. Interesting here might be whether, and if so how, the judgment of the Court of Justice of the European Union in Case C-405/16 P (Germany v Commission) could pave the way for a mechanism supporting investment in renewable projects.



REAL ESTATE REVOLUTION

The Spanish PropTech sector is expected to grow considerably in the coming years – with investment in the industry having more than doubled since 2017 – for law firms that develop the relevant expertise, a large untapped market awaits

Lawyers operating in the real estate sector need to get to grips with the revolutionary force that is 'PropTech', and they need to do it quickly. If they don't, their practices will be at risk. PropTech, as the new wave of real estate technology is known, is fundamentally changing the traditional bricks-and-mortar industry. In simple terms, PropTech is the application and utilisation of new technologies in real estate – and the digitalisation of this industry is not only transforming property transactions, both commercial and residential, but it is also impacting on the way buildings are constructed.

Those law firms in Spain that do channel their efforts into developing PropTech expertise will find they have the potential to tap into a rapidly expanding market. PropTech is a worldwide phenomenon – as is increasing investment in PropTech startups – and Spain is no exception. "In Spain, PropTech is a booming industry with 236 companies and 5,000 workers," says Ismael Fernández Antón, Ashurst partner and head of the firm's real estate

practice in Madrid. "Growth is expected to continue, with 7,500 direct jobs forecasted for 2019."

A wide range of PropTech tools are already being used in the market. Álvaro Otero Moyano, partner and head of the real estate and construction department at CMS Albiñana & Suárez de Lezo, says PropTech's uses include: helping buyers to look for properties via portals and virtual marketplaces; facilitating peer-to-peer transactions, such as short-term leases; and for market intelligence gathering via Big Data, which is used for appraisals and ratings.

VIRTUAL REALITY

PropTech is also impacting on the way lawyers handle real estate transactions in Spain. One example of this is the way in which it is becoming increasingly important during due diligence processes. "Clients are asking us if PropTech is currently being used in the building," says Javier Muñoz Méndez, partner at Pérez-

“

I THINK THAT IN THE NEAR FUTURE SOME INVESTORS WILL ONLY BE INTERESTED IN BUILDINGS WITH THE POSSIBILITY OF PROPTech, OR WITH PROPTech ALREADY IMPLEMENTED

Javier Muñoz Méndez

”

Llorca. “I think that in the near future some investors will only be interested in buildings with the possibility of PropTech, or with PropTech already implemented.”

However, up to now, the use of PropTech has been largely confined to the residential property sector in Spain. “This may be because it is easier to implement PropTech in the residential sector,” Muñoz says. “For example, virtual reality can show potential buyers a building or house that is not yet built.” Yet, while Muñoz predicts that the uptake of PropTech tools in the commercial property sector will take more time, he expects that they will soon become commonplace. Fernández Antón agrees that it is only a matter of time before PropTech begins infiltrating the commercial property sector. “We expect to see the development of visuals (such as virtual reality and the digital recreation of buildings and offices) in the

250%

Increase in PropTech industry investment in Spain in 2018
according to Savills Aguirre Newman

FOR HOW LONG WILL THE PROPTech START-UP TREND IN SPAIN CONTINUE?

Law firms that advise on the establishment of start-ups have enjoyed a significant flow of work from the Spanish PropTech sector in recent years. Figures from Savills Aguirre Newman show that 174 PropTech businesses have been created in Spain in the last six years. However, there are signs that demand for legal advice on the creation of start-ups may start to slowdown – there is a view that due to the dramatic increase in new start-ups, the market is close to saturation point, meaning there will be fewer start-ups in future. ■



ALVARO OTERO

commercial sector, which, in contrast with the residential sector, has not integrated these tools yet.”

Though the booming PropTech industry could be a potentially lucrative one for law firms, like many other disruptive technologies it will also create headaches for lawyers. “The slow evolution of the legal regulations compared with the evolution of technology is a big challenge,” says Fernández Antón. “This can sometimes result in a lack of modern legal tools for the effective and proper implementation of PropTech solutions.”

There are also doubts regarding the legal implications of the use and protection of data, particularly in the context of smart buildings and the internet of things. But this could potentially be very good news for lawyers because where legal certainty exists, so do business opportunities for law firms. However, the less optimistic viewpoint is that, in general, Spain has a significant number of older buildings in its property stock and, consequently, the opportunities for the creation of ‘smart buildings’ could be limited.

ATTRACTING INVESTMENT

Despite predictions about substantial

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growth in the Spanish PropTech sector, there is a view that a lack of sufficient financing or investment could potentially mean forecasts have to be revised. “It is calculated that putting a product in the market costs an average of €10m,” Otero says. It is also argued that, given most PropTech companies are start-ups, attracting investment can be tricky. “The majority of PropTech companies are start-ups – their main challenge is getting the attention of real estate companies and investors to

THE MAJORITY OF PROPTech COMPANIES ARE START-UPS – THEIR MAIN CHALLENGE IS GETTING THE ATTENTION OF REAL ESTATE COMPANIES AND INVESTORS TO OBTAIN FINANCING THAT ALLOWS THEM TO DEVELOP THEIR PROJECTS

Enrique Isla

obtain financing that allows them to develop their projects,” Enrique Isla, partner at Gómez-Acebo & Pombo, says. Doubters also highlight worries about the ability of start-ups to pay legal fees.



LAW FIRMS NEED TO BE IMAGINATIVE TO OFFER SOLUTIONS TO PROPTech CLIENTS

Iberian Lawyer spoke to Ashurst partner **Ismael Fernández Antón**, head of the firm’s Madrid real estate practice to get the lowdown on the Spanish PropTech industry, the opportunities it is presenting for law firms and the challenges it is posing for clients and lawyers alike.

What opportunities is the PropTech industry generating for law firms?

The PropTech industry is generating new business for law firms as clients are demanding advice on a wide variety of legal issues – this is creating opportunities for real estate departments, but also for lawyers working in the areas of corporate/ M&A, joint ventures, commercial, regulatory and compliance, IP, data protection, competition, finance, disputes, tax, insurance and employment.

What are the biggest challenges faced by PropTech clients?

PropTech (and technology in general) evolves rapidly and brings new value proposals which require time to be understood and accepted. This has shown to be easier with regard to the B2C models where the benefits for the final consumer are more evident (this is the case for online brokerage, for example) but the story is different for B2B PropTech proposals (which is potentially a bigger market than the one for B2C) where the client is more reluctant to change and tends to



prefer existing tools, which in the end requires an education process.

In brief, PropTech, as is the case with all digitalised businesses, is different in that it is inherently more complex and more connected – this requires a wider perspective when undertaking due diligence in order to properly assess the values and risks associated with a transaction.

What are the biggest challenges law firms face when representing PropTech clients?

The best legal advice starts with understanding the client’s business model and this can be difficult in the case of PropTech clients, where models are often innovative, disruptive and not easy to understand (blockchain and smart contracts, for example). The innovative aspect, along with the fact that the law can be slow in adapting to new demands means law firms have to be imaginative when offering solutions to some clients. 



THE SLOW EVOLUTION OF THE LEGAL REGULATIONS COMPARED WITH THE EVOLUTION OF TECHNOLOGY IS A BIG CHALLENGE

Ismael Fernández Antón



But the fact remains that the potential for PropTech in Spain is huge and it is a rapidly growing market. In 2017, the Spanish PropTech sector attracted a total of €54 million in investment, but this more than doubled to €134 million in 2018, according to Savills Aguirre Newman. While it is a sector that is growing quickly, it is also a highly complex industry which has a wide range of legal implications, thus the opportunities for lawyers are manifold.

€134 m

Amount invested in the Spanish PropTech industry in 2018
according to Savills Aguirre Newman

5,000

Number of people currently employed in the Spanish PropTech industry

However, the PropTech market will also pose considerable challenges for lawyers. By definition it is a highly innovative industry and keeping up-to-date with the latest developments will be key, as will fully understanding the associated risks. But for those firms that do successfully position themselves as 'go-to' firms for PropTech companies, the opportunities for their real estate departments – as well as their IP, commercial and regulatory lawyers – will be considerable.

'PROPTECH M&A WILL INCREASE IN THE COMING YEARS'

Transactional activity in the PropTech sector is expected to grow and this will generate many opportunities for law firms, while there is also significant venture capital activity, explains Gómez-Acebo & Pombo partner **Enrique Isla**.

What range of legal advice do PropTech clients require?

Often clients approach law firms for advice on regulatory matters, for example, on issues related to data protection and general compliance. However, in addition, we have recently advised on the creation of a co-working space for these types of companies. The creation and development of the PropTech industry is also generating work for law firms' venture capital and funds teams. The PropTech sector has also been the scene of some

important M&A transactions, which are expected to increase in the coming years.

What do you think are the emerging trends in the PropTech sector that lawyers need to be aware of?

In the land purchase and market study stage, big data will allow for increasingly faster, more exhaustive and scientific investment analysis, meaning it will be based less on intuition as was the case until recently. Management of the construction process will also improve, allowing the purchaser to have direct access to the status of the construction and possible changes, in addition to facilitating the inspection and delivery process.

Will there also be an impact on planning processes?

Digital transformation should be key in improving planning licence processing and giving more certainty on dates for granting licences. Some city governments are pioneers in this regard, although there is still a long way to go. ■

EASY RIDERS... ¡NO TAN EASY!

El debate jurídico que actualmente se está produciendo en torno a la figura laboral de los “riders” es de todo menos simple y de pronta solución.

Un *rider* va “donde le diga el pedido” y su “empleador” no es el propietario de un restaurante, de un fast food o de una pizzería, sino una plataforma online de food delivery.

Deliveroo, Glovo, Uber Eats, por poner algunos ejemplos, gracias a sus no ya tan pequeños ejércitos sobre ruedas, consiguen garantizar entregas de todo tipo de comidas las 24 horas del día, asegurándose con ello una facturación de millones de euros.

Para los *riders* la línea divisoria entre subordinación y autonomía se desvanece perdiendo así su más neta, rígida y anacrónica caracterización y abriendo paso a una nueva e híbrida “zona gris” sobre la que se ha pronunciado y se sigue pronunciando la Jurisprudencia que afanosamente, y a veces de modo contradictorio, intenta calificar el trabajo desempeñado por uno de los símbolos más representativos de la “gig economy”.

La Jurisdicción social española (Valencia, Madrid y Barcelona) considera a los *riders* como trabajadores autónomos. En Italia, el asunto ha sido resuelto de manera diversa. En un primer momento, la sentencia del Juzgado de lo Social de Turín 778/2018, definió como autónomos a los cinco trabajadores que demandaron a Foodora, estableciendo que éstos no eran empleados de la sociedad y negando la existencia de una relación de dependencia, ya que la plataforma digital no les obligaba a realizar las entregas.

Posteriormente, la Corte de Apelación de Turín 26/2019 consideró que esta labor podría ser incluida en la híbrida figura de la llamada “hetero-organización” que contempla el art. 2 D.Lgs. 81/2015, especificando que si bien es la empresa contratante la que claramente organiza la modalidad en que viene desempeñada la prestación en base a un sistema de turnos por ella establecido determinando los horarios, zonas de prestación del servicio, direcciones en las que deben realizarse las entregas comunicadas a través de un sistema app y tiempos de entregas, la relación de colaboración seguía siendo técnica y jurídicamente “autónoma”. Aun así consideraba que, no obstante dicha autonomía, en todo lo concerniente a la seguridad, retribución, categoría profesional, horario, vacaciones y jubilación, la relación de estos cinco *riders* con Foodora debía beneficiarse de las normas que regulan el trabajo dependiente o por cuenta ajena (art. 2.1, D.Lgs. 81/2015) reconociéndoles de este modo la retribución directa, indirecta y diferida establecidas para los dependientes del V nivel del CCNL (*Convenio Colectivo nacional del Lavoro*) Logística Transporte Mercancía, donde quedan encuadrados los repartidores de las empresas de mensajería.

Dicha sentencia, en realidad, no supone ningún paso adelante, aunque tampoco podría haberlo dado, ya que su con-

tenido se fundamenta en una ley ya existente no pensada para estos casos y, por lo tanto, obsoleta en relación a este tipo de actividad.

En cualquier caso el intento clasificatorio efectuado por la Jurisprudencia italiana sirve de poco ya que la única solución debería ser la redacción de una nueva normativa acorde a estas nuevas profesiones y adaptada a nuestros tiempos.

Tampoco ha servido para nada el intento por parte de los Sindicatos de introducir la figura del *raider* en el CCNL de Logística Transporte y Mercancía identificándola y tratándola como un dependiente o por cuenta ajena.

El Parlamento italiano aún no se ha pronunciado sobre este tema, sin embargo, la Regione Lazio, una de las veinte Regiones en las que se divide Italia y en la que se haya la capital Roma, ha puesto en marcha una tentativa con la *Legge Regionale* del 12 abril de 2019, n. 4 en la que ha trazado la primera norma en Italia, en general, del llamado “trabajo digital” (si bien dicha norma ha desencadenado una serie de polémicas y dudas sobre su constitucionalidad respecto a los límites y reparto de competencias contemplados en el art. 117 de la Constitución italiana, entre ellos, la potestad legislativa del Estado y de las Regiones).

La Ley Regional evita, deliberadamente, hacer referencia a cualquier tipo de calificación jurídica (en términos de autonomía o subordinación) de la modalidad contractual que representa el trabajo en plataformas digitales, limitándose a enunciar un esquema de tuteladas para los trabajadores a los que les sería aplicado (accidente de trabajo o enfermedad laboral; formación en materia de seguridad; seguro por accidente, daños a terceros y gastos de manutención de los medios de locomoción imprescindibles para el desempeño del trabajo a cargo de la plataforma; normas sobre maternidad y jubilación; rechazo del salario a destajo; y por último, indemnización al usuario en el caso en el que el servicio no pueda llevarse a su fin por causas non imputables al trabajador).

Una nueva demostración de la atención transversal prestada al fenómeno del “trabajo en plataforma digital”, lo representa el hecho de que la norma regional fue dictada pocos días antes de una significativa toma de posición por parte del Parlamento Europeo que, el pasado 16 de abril, dictó una Resolución con vistas a la adopción de una Directiva relativa a las “condiciones de trabajo transparentes y abiertas en el marco de la Unión Europea”.

Dicha resolución establece los llamados “derechos mínimos” para todos los trabajadores de la Unión que dispongan de “un contrato de trabajo o una relación laboral” de los definidos por el Derecho de cada uno de los Estados miembros y caracterizado por un tiempo de trabajo efectivo de duración superior “a una media de tres horas a la semana y por un período de referencia de cuatro semanas consecutivas”.

Podemos concluir diciendo que urge hallar cuanto antes un nuevo contrato de trabajo para la economía digital, que tome en consideración el nuevo escenario económico y productivo del nuevo mundo laboral y que se adapte a los profundos cambios producidos en los últimos años.

Abogado Francesco Rotondi
 Abogada Giulia Leardi



PEDRO REBELO DE SOUSA

AT THE CROSSROADS

SRS Advogados is set to review its strategic plan, and despite ending an alliance with Simmons & Simmons ten years ago, another merger has not been ruled out – managing partner Pedro Rebelo de Sousa says ‘significant change’ is inevitable

What next for SRS Advogados? It's a question that many Portuguese legal market observers are asking and it's a question that the firm is posing itself. Rumours suggesting that SRS has been in talks about a possible merger with an international firm have been doing the rounds in Lisbon, but it appears that any imminent link-up with a foreign player has been ruled out. But that's not to say it couldn't happen at some time in the future. All options are on the table, but first the firm wants to step back and perform an assessment of its current strategy. With its current 2015-20 strategic plan expiring next year, the firm is ready for a shake-up that could involve a substantial change in direction.

The firm's managing partner Pedro Rebelo de Sousa is well aware that, when conducting a strategic review, it can be beneficial to get an external perspective on an organisation's current position. To this end, the firm will shortly be appointing a new chief operating officer (COO), who is a former banker. The appointment of COOs is an emerging

trend among leading law firms in Portugal – in April this year, PLMJ appointed the former managing director of the Portuguese Automobile Club, João Mendes Dias, as its COO. The appointment of SRS' new COO – who will have an instrumental role in developing the firm's new strategy – is evidence of an acknowledgement within the firm that it needs the input of “business-minded professionals”. The firm's leadership recognises that lawyers can have a tendency to focus on issues within clearly defined parameters, with the result that they may sometimes miss the ‘bigger picture’. De Sousa says: “Lawyers are very specific, but we need to have someone [from outside the profession], as we are a service provider.”

OUR BET WAS TO BE ONE OF THE FIRST INTERNATIONALLY-MINDED LAW FIRMS, ALL OUR PARTNERS WERE TRAINED INTERNATIONALLY

PEDRO REBELO DE SOUSA.

MAGIC NUMBER

So what changes could the firm potentially undergo? It is highly unlikely that the firm will suddenly look to substantially grow its number of fee earners. In the past, the firm had almost 200 lawyers, but there is a feeling that it was too high a number and that the ‘magic number’, as De Sousa, puts it, is around 100 lawyers. At present the firm has 27 partners and 110 fee-earners in Portugal. Like many Portuguese law firms, SRS does not reveal information about its revenue, but the firm is believed to generate around €15 million in income each year. With regard to the firm's future potential strategy, De Sousa says that size is not important. “Dimension is not the driver, the driver is profitability,” he explains.

During the period 2001-2009, the firm was in an alliance with Simmons & Simmons, but though the firm benefited greatly from the link-up, ultimately the two parties decided to go their separate ways. De Sousa served two terms on the

SRS IN NUMBERS

- **27** Partners
- **110** Fee Earners
- **€15 m** Estimated annual revenue (firm does not disclose its annual revenue figures)
- Contribution of major practice areas to total revenue:
 - 40%** Corporate M&A
 - 20%** Employment/Insurance
 - 20%** Arbitration/Litigation

board of Simmons & Simmons. “It was extremely educational particularly with regard to the issues facing partnerships,” he says. “Our bet was to be one of the first internationally-minded law firms, all our partners were trained internationally.” Simmons & Simmons was also instrumental in helping SRS to get a clear understanding of the concept of sector-specialisation and also helped the firm understand and interpret the relevant metrics of each sector, an experience that has improved extremely valuable for the firm. SRS also managed to significantly improve its administrative functions as a result of its link-up with Simmons & Simmons – indeed, it has been a lasting legacy, with some market observers arguing that the benefits accrued as result of the alliance means that SRS remains today one of Iberia's most sophisticated law firms in terms of its use of metrics and its approach to aspects of law firm management.

CRACKS APPEAR

But once the firm had ‘grown up’ in a manner of speaking, cracks in its relationship with Simmons & Simmons started to appear. “When we got to maturity, all the leading firms in Portugal wanted to be ahead of the curve in Portuguese-speaking countries in Africa,” according to De Sousa.

However, as De Sousa, acknowledges, ventures into countries such as Angola and Mozambique were seen as a “risky exercise” by firms based in London. In De Sousa’s view Simmons & Simmons had a different approach to international expansion compared to some of its competitors and, as a result, was not prepared to “fully embrace” the ideas of local offices in foreign jurisdictions in the way some of its rivals have.

Despite the break-up with Simmons & Simmons, SRS still has a very amicable relationship with its former partner, according to De Sousa. However, he adds that the split also resulted in significant benefits for SRS, namely that Simmons & Simmons’ rivals were suddenly more willing to refer work to the Portuguese firm. “We are now a top choice of their [Simmons & Simmons] competitors and they represent a sizeable part of our business,” he says. “We have been very happy being independent.”

WE ARE REVISITING OUR STRATEGY AND WE WILL HAVE OUR NEW COO LOOKING AT IT, WE WANT TO MORE CLEARLY DEFINE OUR STRATEGY AND WE CAN’T ANTICIPATE THE CONCLUSIONS

PEDRO REBELO DE SOUSA.

Though the firm does not rule out another merger at some point in the future, market rumours of discussions with Dentons – who are considering the launch of a Portuguese operation – are wide of the mark, according to De Sousa. “We have not talked to Dentons, we have not talked to any international players,” he says. “We are revisiting our strategy and we will have our new COO looking at it, we want to more clearly define our strategy and we can’t anticipate the conclusions.”

WE ARE NOW A TOP CHOICE OF THEIR [SIMMONS & SIMMONS] COMPETITORS AND THEY REPRESENT A SIZEABLE PART OF OUR BUSINESS

PEDRO REBELO DE SOUSA.

CHINA RISING

De Sousa says the international strategy of major international law firms has changed and this is partly due to the rise of China as a major force in the international legal market. “When I went to China years ago, they were asking me what lockstep is, but they now have firms’ with 3,000 lawyers,” he says. “Chinese firms have opened offices in London and Paris – having a small office in Beijing will lead us nowhere.” De Sousa adds that law firms will also face the problem of rivals from China poaching their top talent.

Yet Portugal is a jurisdiction “of interest” to Chinese clients, according to De Sousa. “This is because of Portuguese-speaking countries in Africa, such as Angola and Mozambique, but also Portugal can be used as a platform by China for entry into Europe.”

Whatever direction SRS decides to take next, the firm appears to have some momentum, with De Sousa saying the firm grew by 17 per cent in the last year. De Sousa also comes from a very influential family – his brother, Marcelo Rebelo de Sousa, is the president of Portugal. However, Pedro Rebelo de Sousa says he has never exploited his connections for business purposes. “My brother has not sent me a single client – I haven’t been to the presidential palace since my brother became president.”

Though SRS’ future is unclear, the one certainty is change. “In one year’s time, we will have significant change with regard to our strategy,” De Sousa says. What that change will be is not yet known, but the story of SRS will be one to follow closely in the coming months. ■



LOCONTE & PARTNERS

ITALY INCREASES THE TAX INCENTIVES FOR INVESTMENTS IN START-UPS AND INNOVATIVE SMEs

Italy increases the tax incentives for investments in start-ups and innovative SMEs

The Italian Government has increased the attractive measures for those who want to invest in the share's capital of Italian start-ups and small and medium-sized enterprises: the incentive indeed, introduced for the first time by the Law Decree no. 179/2012, was already modified by the 2017 Italian Budget Law and now mostly increased by the 2019 Budget Law.

The law provided that investments made by both individuals and legal entities towards innovative start-ups and SMEs shall benefit from a substantial break on Italian income tax (IRPEF allowance for individuals, IRES deduction for corporations).

What innovative start-up and SME mean?

An innovative start-up is an Italian resident capital company, which meets some criteria and has as business objective the development or marketing of hi-tech goods and services.

A small medium-sized enterprise is a company with less than 250 employees per year and with an annual revenue of less than 50 million euro.

In order to encourage the growth of those companies and the investments in Italy by individuals and corporations, the Italian Government, during the last years, approved a special program providing financing funds equal to 200 million euro, available both to companies or individuals who want to invest in the share's capital of Italian start-ups and SMEs.

The incentives indeed have been introduced starting from January 1st 2017 and they are available until December 31st 2025.

Individuals who want to invest in start-ups and SMEs during the above period are allowed to deduct 30% of the amount invested – up to an investment of 1,000,000 euro per tax year

- from the total amount of taxes due in relation to the same tax period: this means that the tax saving is at maximum equal to 300,000 euro per year.

The 2019 Italian Budget has indeed reviewed the tax benefit and increased the allowance/deduction for those who want to invest from January 1st 2019 to December 31st 2019.

According to the above change, only in relation to 2019, the tax saving goes from 30% to 40% of the amount invested up to 1,000,000 euro: thus the maximum annual benefit available is equal to 400,000 euro.

If the amount of the tax allowance is higher than the amount of taxes due by the investor in relation to 2019, it is possible to use the allowance also during the following three tax years, provided that the shares bought during 2019 shall be kept for a minimum of three years, otherwise the investor loses the benefit.

Whether the investor is not an individual but a company (a legal entity) the benefit is slightly different.

The percentage of tax saving is the same: it was indeed equal to 30%, which, thanks to the 2019 Italian Budget Law, goes to 40% for the investments made from January to December 2019.

However, differently from the tax allowance available to individuals, in case of corporation the benefit is a deduction from the company's taxable base.

In other words, if the investor is an individual, he can cut off from the taxes due the 30% or 40% (in case the investment is made during 2019) of the amount invested. Conversely, if the investor is a corporation, it is possible to deduct the 30% or 40% of the amount invested from the company's taxable base, therefore the actual tax saving is equal to 24% (that is the current tax rate for corporate income) of the 30% or 40%, which means 7,2% or 9,6% on the total amount.

Finally, if a corporation buys the whole share capital of an innovative start up the tax deduction can increase **even to 50%**.

Other tax incentives for innovative start-ups are for instance:

- Exemption from the stamp duty;
- Tax credit of 19% on the individual taxable income up to 500,000 euro of invested capital in two years;
- Tax credit of 35% for the employment of high-skilled individuals;
- Fundraising through crowdfunding.

The incentive also applies to investments in Italian venture capital funds, CIUs, and other entities that predominantly invest in innovative startups and SMEs.



STEPPING OUT FROM THE SHADOWS

Oporto has been a hotbed of legal market activity in recent months as law firms look to capitalise on the city's economic growth – and this is only the beginning, with more firms expected to strengthen their presence in the northern Portuguese city in the near future

From a legal market perspective, the northern Portuguese city of Oporto has long lived in the shadow of the country's capital Lisbon. But, increasingly, major Portuguese law firms are taking steps to strengthen their Oporto practices. This is partly due to its growing status as a prime location for real estate investment, but investors are also targeting a range of other industries in the city, including the textiles and automotive sectors. In addition, Oporto's reputation as a technology hub and tourist destination is also growing. Indeed, the Oporto market has been a hive of activity in recent months. In one of the most eye-catching lateral hires in the Portuguese legal market recently, Garrigues' Oporto office recruited PLMJ partner Tomás Pessanha from PLMJ. Meanwhile, Miranda has also strengthened its presence there recently by incorporating local firm RPC (Rios, Pinho & Cristo Sociedade de Advogados). In addition, in April this year, Antas da Cunha Ecija opened an office in the Portuguese city as part of its strategy of targeting clients in the technology and real estate areas.

ATTRACTING TOURISTS

Oporto, and the north of Portugal in general, is flourishing due to the generally benign economic conditions in the country. PLMJ partner Miguel C. Reis, who heads the firm's Oporto office, says that there has been significant investment in the city's tourism and real estate sectors in the last five years. But now such investors are switching their focus to Oporto's services sector. Reis says that Oporto has become one of the most attractive tourist destinations in Europe, and he argues that it is now one of the well as one of the best Iberian cities for real estate investment, and consequently foreign corporates, as well as individual investors (particularly those active in the new technologies sector) are starting to view Oporto as an attractive location in which to establish a business. "In addition, being at the centre of a highly specialised manufacturing region, law firms also benefit from strong international investments in industries such as textiles, footwear, furniture and



MIGUEL C. REIS

BEING AT THE CENTRE OF A HIGHLY SPECIALISED MANUFACTURING REGION, LAW FIRMS ALSO BENEFIT FROM STRONG INTERNATIONAL INVESTMENTS IN INDUSTRIES [IN OPORTO] SUCH AS TEXTILES, FOOTWEAR, FURNITURE AND AUTOMOTIVE

Miguel C. Reis, PLMJ



BERNARDO LOBO XAVIER

MANY OF THE MAJOR NATIONAL LAW FIRMS, IF NOT ALL, HAVE OFFICES IN OPORTO AND MY PREDICTION IS THAT WE WILL CONTINUE SEEING NEW OFFICES OPENED

Bernardo Lobo Xavier

automotive," Reis adds.

Oporto is also establishing a reputation as a hub for technological development. Garrigues Portugal managing partner João Miranda de Sousa says that, given the close proximity of the universities of Braga (to the north) and Aveiro (to the south), "the region has become the cradle of highly qualified professionals and many new companies in the technology sector." He adds that it is a market that is particularly appealing to Iberian investors, given its proximity to Galicia, in the north of Spain and the north of the peninsular in general. With the region's business community rapidly expanding, law firms are responding by strengthening their teams in the Oporto market. Clients operating in the region are requiring increasingly sophisticated legal advice, and, this means law firms need greater knowledge, and a better understanding of the market. "The only way to provide an excellent service to the client is to be close to the client," says PLMJ partner João Velez de Lima. He adds: "The typical customer from the north of Portugal greatly values proximity."

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Oporto: THE MOVERS AND SHAKERS



APRIL 2019. Antas da Cunha Ecija opens an office in Oporto. The office is led by the firm's of counsel Ana Bastos, who heads Antas da Cunha Ecija's TMT, privacy and cybersecurity team. The office is located in the city's Av. De França.

APRIL 2019. Lisbon-headquartered law firm Miranda incorporates Oporto firm RPC – Rios, Pinho & Cristo Sociedade de Advogados. RPC, which has four partners and five associates, specialises in a range of practice areas including corporate, banking, tax, restructuring, employment, real estate and sport. The firm's four partners were Paulo Rios de Oliveira, João Coelho de Pinho, Susana Rios de Oliveira, and Miguel Cristo - while all four lawyers will make the move to Miranda, only João Coelho de Pinho and Susana Rios de Oliveira will become partners.

MARCH 2019.- Garrigues confirms the arrival of M&A partner Tomás Pessanha from PLMJ. Pessanha leaves PLMJ to head the M&A department in Garrigues' Oporto office. Pessanha had been a partner at PLMJ since 2007. His expertise includes advising private equity funds, as well as restructuring and insolvency matters. 

Oporto HAS ITS OWN CULTURE

Fernando Antas da Cunha, Antas da Cunha Ecija

MARKET PREDICTION

While it is possible to advise Oporto clients on highly specialised matters from Lisbon, there is considerable demand for lawyers and teams that have knowledge of the peculiarities of the Oporto market. This explains why many large Iberian law firms have a presence in Oporto. Bernardo Lobo Xavier, partner at Morais Leitão and co-ordinator of the firm's Oporto office, says he expects more law firms to establish a presence in the city. "Many of the major national law firms, if not all, have offices in Oporto and my prediction is that we will continue seeing new offices opened, even if they are smaller in size, in order to compete in certain

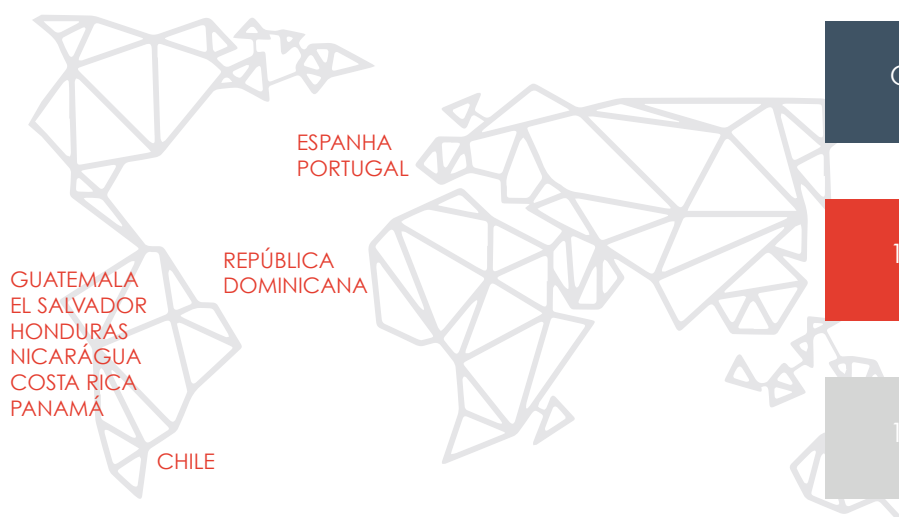


JOÃO MIRANDA DE SOUSA

THE REGION HAS BECOME THE CRADLE OF HIGHLY QUALIFIED PROFESSIONALS AND MANY NEW COMPANIES IN THE TECHNOLOGY SECTOR

João Miranda de Sousa, Garrigues

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AND FINANCIAL

PRIVATE CLIENTS

REGULATION

LABOUR LAW

REAL ESTATE

RANKING





JOÃO VELEZ DE

CUSTOMERS IN THE NORTH OF PORTUGAL GREATLY VALUE PROXIMITY

João Velez de Lima, PLMJ

areas,” he says.

However, others argue that, while not ruling out the possibility of more law firms opening in Lisbon, the bigger trend will be law firms strengthening existing Oporto teams. In addition, to the aforementioned recruitment of partner Tomás Pessanha by Garrigues, Morais Leitão has also reinforced its Oporto team by recruiting partner João Anacoreta Correia.

500
€ million

Total value of real estate investment in the Greater Oporto area during the period 2010-17

(Source: Porto City Council)

IN-DEPTH KNOWLEDGE IS VITAL

It’s clear that the Oporto legal market is expanding market, but who will be the winners and losers among the city’s law firms is unclear given that the way in which legal services are provided is changing. Miranda de Sousa says: “The current environment in the region is one of great vitality, with a significant flow of investment in several areas. We are confident that Oporto will experience sustained growth in the near future, in line with the rest of the country.” However, there is a caveat. The city’s growth will depend on “economic dynamism and competition, we also have to take into account the inevitable changes that are coming in terms of the way in which legal services will be provided in some areas,” according to Lobo Xavier. It is vital for lawyers to have an in-depth knowledge of the specifics of the Oporto market. Lawyers view it as a market that requires a great deal of flexibility and an ability to adapt to different types of customers. As a result, it is essential to have a strong local team. “While Oporto is from the same country, it has its own culture – it is essential that there is a true integration of brand and team,” says Fernando Antas da Cunha, managing partner of Antas da Cunha-Ecija.

Many firms are strengthening their presence in Oporto and others are expected to arrive soon. It is a city that currently offers plenty of opportunities for law firms, and there are certain to be even more in future. The outlook is bright and, as PLMJ’s Mafalda Moreira says: “This is only the beginning.”



MAFALDA MOREIRA

CRUSADE AGAINST CORRUPTION

White collar crime is booming in Spain, with law firm's practices in some cases increasing more than three-fold in the last decade – it's good news for criminal lawyers, but the high-profile nature of such cases brings considerable added pressures



More and more executives in Spain are getting into trouble. This is evidenced by the dramatic increase in white collar crime cases in recent years. And such cases can pose significant challenges for law firms given that they are often highly complex, can involve public companies and can also involve high profile individuals. Law firms white collar crime practices in Spain have seen a substantial increase in workflow in recent years. Baker & McKenzie, for example has seen a 300 per cent increase in such matters since 2012.

Meanwhile, Pérez-Llorca's economic crime practice has also reported substantial growth since its inception in 2008. One of the key factors in this upward trend is the greater emphasis lawmakers are placing on economic crimes. Jesús Santos, partner at Baker McKenzie, says that, since the reform of the Criminal Code in 1995, legislation has expanded its reach considerably in this area. The reforms, which establish the criminal liability of legal persons in Spain, are evidence

of Spain's attempt to align its criminal law with that of several major European countries, and as a result, Santos notes, this has ended "one of the most established principles in our order: *societas delinquere non potest*", that is, society cannot commit a crime. Óscar Morales, partner at Uría Méndez, says that criminal law, in general, is constantly expanding, particularly in an economic context. "The introduction of the criminal liability of legal persons regime, the successive reforms of legislation concerning stock



COMPANIES ARE INCREASINGLY AWARE OF THE IMPORTANCE OF BUSINESS ETHICS AND DEVOTE SIGNIFICANT RESOURCES TO THE IMPLEMENTATION OF INTERNAL DETECTION AND CONTROL MECHANISMS

Adriana de Buerba,
Pérez-Llorca

”

market-related crimes, as well as misappropriation, unfair administration, corruption among individuals and investor fraud are just some examples of this rapid expansion,” he says.

MORE CRIMES DETECTED?

Another factor in the rise in white collar crime cases is a greater inclination, in general, to devote more resources to detecting such crimes. Adriana de Buerba, partner at Pérez-Llorca, says: “Companies are increasingly aware of the importance of business ethics and devote significant resources to the implementation of internal detection and control mechanisms (such

as compliance systems and internal reporting or whistleblowing channels).” This is something that has undoubtedly contributed to the greater visibility of certain types of economic-related misbehaviour. Therefore, says De Buerba, “it is difficult to know if the statistical increase in judicial investigations and convictions for this type of crime is due to a real increase in irregular behaviour or to the existence of greater means of detection.”

This increase in cases is generating significant opportunities for law firms. Nowadays, in most large firms, economic crime matters represent a significant proportion of firms’ work. In addition, according to De Buerba, “the practice of criminal economic law has broadened its scope of expertise, business criminal lawyers not only work in court proceedings but also increasingly provide preventive advice as well as advising on internal corporate investigations”.

In response to this increasing demand, law firms have sought to strengthen their criminal litigation departments. Santos says the increase in these cases has given firms the opportunity to advise new clients, approaching cases from a new perspective that had previously gone unexplored. “However, on many occasions we move blindly because of the lack of jurisprudence in this matter – the truth is that this gives us, both lawyers and judges and prosecutors, greater creative freedom,” he says. “It could be said that we have the opportunity to contribute to the establishment

of jurisprudential bases for the future.” Despite these opportunities for law firms, Carlos Aguilar, partner at CMS Albiñana & Suárez de Lezo, points out that the risks faced by “economic operators” as a result of this aggressive criminal law, means “the reputation of the client can be put at risk too easily, which results in diminishing guarantees with regard to defense”.

THE RISKS

Cases involving politicians or other figures in the public eye pose considerable challenges for law firms. Dentons associate Adriana Antich says that when a firm defends a client in any



ON MANY OCCASIONS WE MOVE BLINDLY BECAUSE OF THE LACK OF JURISPRUDENCE IN THIS MATTER, THE TRUTH IS THAT THIS GIVES US, BOTH LAWYERS AND JUDGES, AND PROSECUTORS, GREATER CREATIVE FREEDOM

Jesús Santos,
Baker McKenzie

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CRIMINAL LAW IS RAPIDLY EXPANDING

Óscar Morales,
Uría Menéndez



such case, there is a “risk that society mistakenly believes that the defendants behaviour is associated with ideology, beliefs or opinions of the defence lawyer or, even the firm itself”. Another of the biggest dangers that law firms face are leaks that, according to Carlos Aguilar, happen excessively in the context of such cases. Another danger is that the media can pass judgement on the individuals involved before the case has been heard. “This can cause great harm”, he says, to the extent it can even affect legal professionals. It is also possible that prosecutors could ask for especially severe sentences due to the societal outcry. Although it is important to resist such pressure from the media, it is also important that lawyers keep track of everything that is published in relation to such cases. As Santos points out, it is recommended that clients develop a communication strategy, which

should be shared among all those involved. It should also be noted that it is commonly held belief among lawyers that it is important to involve colleagues from other practice areas – such as tax and labour, for example – in such cases. Morales says this ensures a deep and comprehensive knowledge of the case. This will help to ensure a satisfactory outcome to the case, lawyers say. White collar crime is a booming area of practice in Spain. This is partly because tolerance of such crimes is diminishing significantly. Jesus Santos says institutions at a European-level are pressuring member countries to do more to tackle such crimes.

With regard to the future, it is anticipated that cases will become increasingly complex. As a result, companies will more commonly incorporate the relevant risk analysis into their decision-making processes. As a result, according to Morales, this will lead to a significant amount of work for lawyers. White collar criminal law is a practice area unlike any other.



MEDIA LEAKS CAN CAUSE GREAT HARM

Carlos Aguilar
CMS Albiñana & Suárez de Lezo



There are many opportunities for law firms specialised in this area, though even they have to adapt in order to effectively handle such cases, which often bring many added pressures. Morales says “This pressure means greater responsibility for the lawyer and great pressure to ensure an excellent result for the client.”

GARRIGUES, URÍA MENÉNDEZ AND BAKER MCKENZIE ADVISING ON BBVA ‘SPYING CASE’

One of the most high profile current white collar crime cases in Spain involves former BBVA president Francisco González and relates to an alleged spying scandal involving the bank. BBVA is alleged to have hired a retired police chief to carry out industrial espionage in order to prevent a construction company from acquiring a stake in the lender. BBVA has confirmed it engaged the services of the agency Grupo Cenyt, for which the retired police chief at the centre of the allegations worked. Baker McKenzie partner Jesús Santos is advising González on the case, meanwhile, BBVA has been advised by Garrigues and Uría Menéndez in relation to an internal investigation into the alleged spying.

GROWTH SPURT

Portuguese law firm Antas da Cunha Ecija has gone through a period of dramatic expansion in recent years – managing partner Fernando Antas da Cunha says that, despite a recent merger, maintaining a large amount of independence has been key to the firm's success



FERNANDO ANTAS DA CUNHA

Antas da Cunha-Ecija is one of the fastest-growing law firms in Portugal. In terms of headcount, the firm is now seven times the size it was when it was established four years ago. After its launch, it quickly forged a reputation for dynamism that caught the eye of Spanish suitors, which culminated in the firm founded by Fernando Antas da Cunha merging with Ecija two years ago. Since then, the firm has gained even more momentum and, earlier this year, the Lisbon-headquartered firm announced the opening of an office in Oporto. We spoke to Fernando Antas Da Cunha to find out why the firm had grown so quickly, what lessons it had learnt from the merger and what the future holds.

What have been the drivers of growth at the firm in recent years?

We started almost four years ago, in July 2015, and we have registered growth of more than 30 per cent per year. We started with only seven people and today we are 52. The reason for this growth is that, from the beginning, we focused on building a strategy that clearly distinguished us from our competitors. We started by investing in an area that, for us, is historical and natural, which is private clients. However, one of our key characteristics is our flexibility. We are always able to adapt to meet new challenges. We realised that the growth of digital law was inevitable, so we adopted a business plan focused on this area as a pillar of growth.

FROM THE BEGINNING, WE FOCUSED ON BUILDING **A STRATEGY THAT CLEARLY DISTINGUISHED US FROM OUR COMPETITORS**

How has the firm changed since the merger with Ecija?

There have been a number of changes and there will be more to come. Thanks to Ecija we have learned a lot and I believe we have contributed positively with our experience in more traditional areas. We share and develop management mechanisms for the group as a whole. We (the Portuguese team) are also involved in developing the group's overall growth strategy.

What are the most complicated aspects of a merger between firms?

Because of our model, we did not have excessive complications. We continue to be an independent firm in which there is absolute respect for our partners. We are in permanent contact, we share projects, but no procedures were imposed. In fact, we have absolute autonomy in the management of our office on a day to day basis.

In what new areas has the firm focused since the merger?

We are working in areas of digital law linked to new technologies. We have created the TMT/privacy and cybersecurity practice and the fintech & financial regulation practice.

Do you think the firm will grow even more in the coming years? If so, why?

We continue to grow substantially above our expectations and we expect growth to continue in the coming years. The reputation of the firm is also growing and, thanks to this, our ability to attract talent has increased. We believe that this, together with our strategic plan, will result in significant growth.

What advice would you give to firms that are considering a merger?

Taking into account our experience, I would certainly advise not renouncing your autonomy and independence. You cannot give up work in favour of a common culture. Maintaining the objectives of

each office, the culture of both organisations and the empathy between teams are fundamental elements of a successful merger.

Antas da Cunha Ecija has recently opened an office in Porto, do you plan to open more offices?

At the moment, with regard to Portugal, we do not plan to open other offices. We understand that with the offices in Lisbon and Oporto we are meeting the needs of the majority of our clients. However, in terms of international expansion and lateral hiring, we are considering several possibilities in markets where we want to establish ourselves.

WE REALISED THAT THE GROWTH OF DIGITAL LAW WAS INEVITABLE, **SO WE ADOPTED A BUSINESS PLAN FOCUSED ON THIS AREA AS A PILLAR OF GROWTH**

Is it possible that we will see more mergers between firms in Lisbon?

We all know that the legal market is very dynamic and restless. As a result, mergers and splits involving Portuguese firms are likely to occur. I think that there are also some international firms that are thinking about Portugal in terms of their expansion strategy, but they should bear in mind that our market is small and difficult to scale.

What benefits does it bring to clients to use firms with offices in several jurisdictions?

The benefits are numerous. Among other things, an interlocutor, the same service standards, the same level of knowledge among multidisciplinary teams that work together for clients present in various jurisdictions. In addition, it helps the internationalisation of our clients as we are present in the markets that make sense in terms of the expansion of Spanish and Portuguese companies.

As a lawyer, what gives you reason to be optimistic?

Although it is a very mature market, it is in constant change. Digital transformation has arrived, and we will have to face new challenges and adapt to a new reality. However, I believe the personal nature of the advice that each of our clients need is the distinguishing factor for law firms. ■

»»



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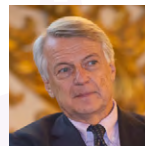
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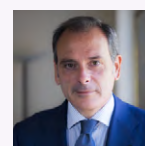
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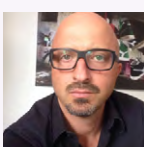
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CEO *FSI*



ELISABETH VANAS-METZLER
Deputy Secretary General
Vienna International Arbitral Centre

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MONDAY 10 JUNE		Partners	Address
8:45 13:00	■ Conference: "Innovation, intelligence and legal tech" ¹ Buffet lunch to follow	Deloitte.  INTESA  SANPAOLO Legal	Excelsior Hotel Gallia Piazza Duca d'Aosta 9, 20124 Milan
14:30 16:30	■ Roundtable "Doing business in Central Eastern Europe: opportunities for Italian investors" - Refreshments to follow	LED  TAXAND	LED Taxand Via Dante 16, 20121 Milan
16:00 18:00	■ Workshop: "Integrated compliance" Cocktail to follow	CARNELUTTI  LAW FIRM 	Studio Legale Associato Carnelutti Via Principe Amedeo 3, 20121 Milan
From 18:30	■ Corporate Counsel Cocktail	Gatti Pavesi Bianchi	Gatti Pavesi Bianchi Piazza Borromeo 8, 20123 Milan
19:00 20:30	■ Roundtable: "Urban regeneration. The active role of large investors. The Milan case study" - Cocktail to follow	GATTAI, MINOLI, AGOSTINELLI, PARTNERS  STUDIO LEGALE	Gattai Minoli Agostinelli & Partners Via Principe Amedeo 5, 20121 Milan
TUESDAY 11 JUNE			
8:45 13:00	■ Conference: "Africa and the Middle East: business opportunities and the role of Italy" ^{1 & 2} - Buffet lunch to follow	 Accuracy  BonelliErede	Excelsior Hotel Gallia Piazza Duca d'Aosta 9, 20124 Milan
13:00 15:30	■ Business lunch and roundtable: "Are you ready for sharing? The sharing economy from the inside"	Hogan Lovells	Museo Nazionale della Scienza e della Tecnologia Leonardo da Vinci Via Olona 6/bis, 20123 Milan
16:00 18:00	■ Roundtable: "Innovation and energy & infrastructure arbitration: face time between arbitral institutions, general counsel, legal experts" - Cocktail to follow	WATSON FARLEY & WILLIAMS	The Westin Palace Milan Piazza della Repubblica 20, 20124 Milan
16:30 18:30	■ Roundtable: "Grand Paris: an important European project on infrastructures: models, risks and opportunities" - Cocktail to follow	CASTALDI PARTNERS  1996	CastaldiPartners Via Savona 19, 20144 Milan
17:00 19:00	■ Roundtable: "Safeguarding secrets: how employment law can help companies to protect their most valuable assets - trade secrets" - Cocktail to follow	 Tos Laboris Italy Global HR Lawyers Toffoletto De Luca Tamajo  TESLA	Toffoletto De Luca Tamajo Via San Tomaso 6, 20121 Milan
17:00 19:00	■ Roundtable: "The online market of Food & Beverage products" - Cocktail to follow	Pirola Pennuto Zei & Associati  STUDIO DI AVVOCATI FONDATA DA 1912	Pirola Pennuto Zei & Associati Via Vittor Pisani, 16 20124 Milan
From 18:00	■ Roundtable: "The Rise of Corporate PPAs" Followed by starred dinner	aspo	Lume Via Giacomo Watt 37, 20143 Milan
From 19:00	■ Best PE Deal Makers Cocktail	 Freshfields	Freshfields Bruckhaus Deringer Via dei Giardini 7, 20121 Milan
20:00 22:30	■ Grand Opening New Milan Office. Discussion: "Public and private real estate development in Milan and Italy"	LC&P  STUDIO DI AVVOCATI LAVORO COMMERCIALE E PATRIMONIO	Lipani Catricalà & Partners Via Della Posta 8, 20123 Milan

The draft program continues on the next page...

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WEDNESDAY 12 JUNE		Partners	Address
6:15 8:30	■ Corporate Run	     	Meeting Point: Canottieri San Cristoforo Via Alzaia Naviglio Grande 122, 20144 Milan
9:00 11:00	■ Conference: “Brexit: what’s next for Britain and the EU?” Closing coffee to follow		Dla Piper Via della Posta 7, 20123 Milan
12:30 14:30	■ Business lunch: “The perspective of the circular economy in Italy”	 	Pavia e Ansaldo Via del Lauro 7, 20121 Milan
14:30 17:30	■ Roundtable: “International Agency Agreement and expatriates in fashion and Luxury industries” Refreshments to follow		Brian & Barry Building Via Durini 28, 20122 Milano
17:00 19:00	■ Roundtable for General Counsel & IP Counsel: “Maximising the efficiency of your IP portfolio” - Light Cocktail to follow		Brandstock Via Foro Buonaparte 12, 20121 Milan
18:00 19:30	■ Discussion: “Leadership, 5G and new technology: discussions with Luigi Gubitosi” - Cocktail to follow		Legance Via Broletto 20, 20121 Milan
19:30 23:30	■ Corporate Music Contest	    	Fabrique Via Gaudenzio Fantoli 9, 20138 Milan
THURSDAY 13 JUNE			
8:00 9:30	■ Breakfast on Finance		Gianni Origoni Grippo Cappelli & Partners Piazza Belgioioso 2, 20121 Milan
9:30 11:50	■ Roundtable: “And the winner is... Conversation on best practices and strategies to handle the claim and win in court”		SZA Studio Legale Corso Italia 13, 20122 Milan
9:30 13:30	■ Conference on International M&A ^{1 & 2} Buffet lunch to follow		Excelsior Hotel Gallia Piazza Duca d’Aosta 9, 20124 Milan
15:00 17:00	■ Roundtable “The rules and the data market” Refreshments to follow		Centro Congressi Stelline Corso Magenta 61, 20123 Milan
15:00 17:00	■ Compliance & Sport Management		Aspria Harbour Club Milano Via Cascina Bellaria 19, 20153 Milan
19:15 23:30	■ Corporate Awards		WJC Square Viale Achille Papa 30, 20149 Milan
FRIDAY 14 JUNE			
10:00 12:00	■ Roundtable: “New professionalisms, organization and industrial relations” - Refreshments to follow		LabLaw Studio Legale Corso Europa 22, 20122 Milan

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MAKING THE DEAL HAPPEN

María Luisa Vara, legal director at asset management business Azora talks to Iberian Lawyer about the challenges of setting up a 'high performance' legal department and the company's approach to selecting external lawyers

MARÍA LUISA VARA

“

BUILDING A LEGAL DEPARTMENT IS NOT EASY, BUT IT IS EVEN MORE CHALLENGING CONSOLIDATING AND COORDINATING IT

”

María Luisa Vara joined Azora ten years ago and was given the task of creating an in-house legal team – here she discusses what type of legal work the company outsources and how relationships with external lawyers work in practice

How long have you been with Azora and how has your role changed during that time?

I joined Azora in 2009. I came from the renowned Uría Menéndez law firm, where I spent a large part of my career. In particular, I advise on fund raising, investment and disinvestment operations, asset management and project finance. I have more than 18 years of experience in corporate and real estate practice.

When I joined Azora I had to set up the legal department, not only the processes but I also had to build a high performance legal team from scratch. Building a legal department is not easy, but it is even more challenging consolidating and coordinating it, because the Azora legal team is about making the deal happen, unwinding legal complexity and adding significant value beyond controlling risk. This means there is a lot of pressure and it poses challenges for the team every day. It is easy to say, but not easy to achieve.

In addition to coordinating the legal department, I am also responsible with my team for the in-house legal appraisal of projects as well as legal structuring and leading transactions. This includes the drafting, negotiation and closing of contractual documentation, which is my favourite part. In particular I am focus on fund raising, corporate transactions and the hospitality sector.

When I joined Azora, I became a member of the executive, management



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and investment committee and, in 2018, I was appointed secretary of the board of directors at Azora.

Which legal work do you outsource?

We usually work together with external law firms as our 'day to day' consists of operations or cases where there is the need for specialist advice. We are usually involved in very sophisticated operations in which we need various specialists. Even if it results in a bigger workload for Azora's in house legal team, we establish working groups with multi-disciplinary lawyers, even from different external law firms.

Do you have preferred law firms that you choose to work with?

We seek out and create excellent legal teams to handle transactions, with the decision based on individual lawyers rather than relying only on the law firm's brand.

How do you select the law firms?

We take into account their technical and legal knowledge, their experience in past cases, creativity when seeking legal solutions to complex issues, as well as other skills, such as communications, negotiations, interaction with the counterpart and all other advisers and public bodies, for example. I like accuracy and rigour in drafting. Selection is not easy. In my opinion, to make the

“

EVEN IF IT RESULTS IN A BIGGER WORKLOAD FOR AZORA'S IN-HOUSE LEGAL TEAM, WE ESTABLISH WORKING GROUPS WITH MULTI-DISCIPLINARY LAWYERS, SOMETIMES EVEN FROM DIFFERENT EXTERNAL LAW FIRMS

”



**MARÍA LUISA
VARA**
CV

🕒 2009-ON GOING

Azora
Legal Director

🕒 2004-2009

Uría Menendez
Lawyer

correct selection, the in-house lawyer requires seniority and a good knowledge of the specific legal sector in which they are involved, as well as a perfect understanding of the operation or case we aim to share with the external lawyer.

How often do you review the performance of external counsel and how does this review work?

I follow the performance of our external counsels on a day to day basis. My role does not consist of outsourcing a specific matter or case and limiting myself to coordinating it. In-house lawyers in Azora are on-board motors of business so, with necessary resources, either internal or external, we work directly on the day to day in each transaction or case. We make a transaction 'our own'

in terms of generating business or managing legal risks. The legal work has a huge exposure, for good and bad. Thus the performance of the work (internal or external) is 'on the table' on a day to day basis.

Has your budget changed in the last year? If so, how? And why?

The budget changes on the basis of the workload. Since I joined Azora, I have never seen a reduction in the workload, for one reason or the other. We do not get bored at all.

What is the biggest challenge your legal department faces?

Because the Azora legal team is about making the deal happen, unwinding legal complexity and adding significant value beyond controlling the risk, the challenge is to keep the high performance on a day to day basis. This is easy to say, but not easy to achieve.

What is your biggest frustration with external lawyers?

We like to work with external lawyers and I am not frustrated. However, frustration can come from a lack of proactivity, if lawyers are not business-drivers, or lack of accuracy and rigour.

Do the firms you use ask for feedback on their services? If not, should they?

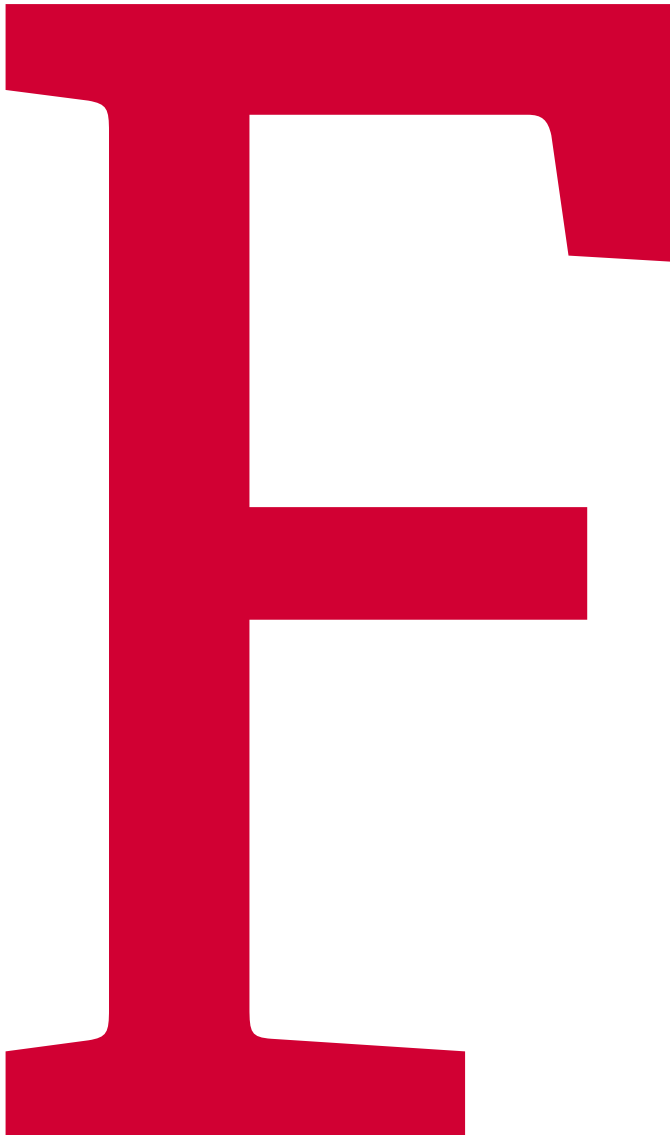
Yes, they do. But if not, we make sure they get our feedback, one way or the other. 📧

A BUSINESS- MINDED LAWYER IS HARD TO FIND

When searching for external advisers, clients are commonly seeking law firms that are able to adopt a business-focused approach, but such lawyers are often in short supply, says Casais Group's Manuel Luís Gonçalves

MANUEL LUÍS GONÇALVES





Finding lawyers that have a ‘business-minded’ approach is a preoccupation of many in-house lawyers. Manuel Luís Gonçalves, head of legal at Portugal-headquartered construction business Casais Group is no exception. “It’s sometimes difficult to find lawyers that look at legal issues from a business, or economic, perspective – external lawyers sometimes don’t have the knowledge of the business,” he says. As a result, “bridging the gap” between the specialisation of external lawyers and the business acumen on Casais Group’s three-lawyer in-house legal department is one of Gonçalves’ key challenges and a major priority. Casais Group operates in 16 countries and consequently, as Gonçalves describes it, “we are operating in many markets and this means there is a lot of legal risk to manage as we have to adapt to all the countries”.



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BRAND NEW CONCEPT

With regard to the structure of the in-house legal team at Casais Group, the members of the team are assigned different responsibilities. Gonçalves’ remit is administrative, international and executive committee issues, while other colleagues are responsible for litigation and employment matters, as well as commercial tenders. Gonçalves’ has spent 16 years at Casais Group, when he joined back in 2003, he says “the concept of a legal department didn’t exist”. Like many businesses,

»»

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Casais Group suffered during the period of the economic crisis of 2008-12, Gonçalves' says. Prior to the crisis the in-house legal department had one part-time lawyer and one trainee, but post-crisis the firm established a new legal team with two senior lawyers, which has since increased to three. Gonçalves says that Casais Group – which has an annual turnover of approximately €500 million – works with five or six law firms. They are believed to include Gómez-Acebo & Pombo, Uría Menéndez, PLMJ, Vieira de Almeida and Campos Ferreira, Sá Carneiro & Associados. Casais often uses external firms when it is entering partnership agreements with other businesses, or if it is involved in high-value litigation and wants to “mitigate the risk”, according to Gonçalves. What is Casais' strategy when selecting external law firms? “We prefer bigger firms for issues like labour and litigation, for the rest, we use local firms,” Gonçalves says. He adds: “When I choose a law firm, normally I don't choose based on a brand, instead I identify the qualities of the individual lawyer.”

“

WE NEED TO FEEL THE EXTERNAL LAW FIRM IS WORKING FOR THE SUCCESS OF THE CLIENT

”

PERFORMANCE REVIEWS

What qualities does Casais Group look for in its external lawyers? Gonçalves highlights industry knowledge, specialisation, in depth knowledge of

the company, and good risk management as top priorities. He adds: “Sometimes I will choose a firm based on reputation – for example, if they have a high level of specialisation in the capital markets.” Casais Group generally runs tenders when looking to select a firm – it will consider proposals from three law firms and then a recommendation is made to the board. Gonçalves says the key consideration is specialist knowledge, rather than price.

While Casais Group does review the performance of its external lawyers, it is not a formal process, according to Gonçalves. “It's an informal analysis,” he explains. “We as in-house lawyers know the company's objectives and we work with external lawyers to achieve our goals.” Casais Group reviews its legal service providers every year and this often involves the use of legal directories in order to investigate potential alternative providers.

BIGGEST FRUSTRATIONS

Given that Casais Group operates in so many different jurisdictions there is considerable pressure on the in-house legal team to keep abreast of legal developments in all of them. “This can be difficult to manage as it involves many different cultures and jurisdictions,” acknowledges Gonçalves.

Working with some external law firms can sometimes cause considerable frustration for in-house lawyers. Problems that can arise, according to Gonçalves, include a lack of feedback, and failing to work as a team with the in-house department. He adds that other issues can include law firms that fail to return calls or emails, or the client having to call the external lawyers several times due to the fact they are unresponsive. “We need to feel the external law firm is working for the success of the client,” Gonçalves says. Given that this implies that not all external law firms have the best interests of clients at heart, law firms that are client-focused will clearly be in great demand.

DANIEL TRUJILLO



WALMART'S TRUJILLO:

LIVING LARGER IN AN EXPANDED ROLE

Now in charge of global compliance and ethics for the mega-retailer, Daniel Trujillo says scaling up means more complexity

by anthony paonita



Daniel Trujillo has been everywhere. An Argentinian by birth, he's lived on a few continents, and worked for multinationals everywhere from his native Buenos Aires to Milan to London. He's got a few degrees—a law degree, an LLM and an MBA—and speaks five languages, Spanish, English, Italian, Portuguese, and French.

Trujillo was promoted earlier this year from compliance and ethics chief at Walmart International, the part of the giant U.S.-based retailer that operates outside the U.S., to compliance and ethics chief of the entire company. While at Walmart International, he set up an award-winning compliance program that sought to ferret out problems before they became serious. Since February, he's been taking those lessons to the company at large. Iberian Lawyer talked to him a couple of months after he settled in his new post, to see whether managing compliance for the entire enterprise was a big change from managing just a part of it. We also chatted about how he hires his staff, and whether compliance should be separate or part of the legal department.

Did we mention that he also participates in triathlons around the world?

What does your new role entail?

I am the executive VP, ethics and compliance officer for Walmart Inc.

How are the roles different? Obviously, the scope. But what's different other than its scale?

The complexity that comes with the scale. Walmart is a company that comes with half a trillion USD in revenue, that operates in 27 different countries, including the U.S. The U.S. represents a big portion of it, over \$320 billion, we have 2.3 million employees or associates, we have 12,000 locations in those countries. And if you think the Walmart gets 200 to over 250 million customers per week, if you think that our program covers 14 subject matters, from anticorruption, antitrust, anti-money laundering, privacy, labor and employment, responsible sourcing, trade, health and safety, wellness, food safety, etc. With all those things, you think how many things can go wrong. You have to put together a program that's effective not only detecting when things go wrong but at the same

time doing preventive work and being able to build a good culture of compliance
The level of complexity changes. In our international business we have 800,000 associates, worldwide we have 2.3 million. It changed a lot. The other things that changed a lot is helping the company drive change in various topics, related to those 14 subject matters.

I GO MORE **FOR THE ATTITUDE** THAN THE APTITUDE.

Shareholders are looking at supply chain ethics and compliance issues. Are you involved with that?

Yeah. I think that for my job building a program for a company that really cares about compliance and integrity, it's always interesting for me that people come to me and say congratulations, you really get your leaders to come out and talk about compliance

and doing the right thing. I wish I could take credit for it. But they really want to do the right thing. They support the program and the size we have, and they give us the resources. There are many things that stakeholders are expecting us to do. So it's not only the leaders, but our associates, customers and communities where we operate. It's easier when your leaders care about what you do.

When you hire someone, what's the process like? What kind of personality traits are you looking for? What makes you hire someone?

For me, there are situations where I go more for the attitude than the aptitude. Times where I can't go away from going for both. But one thing I know is that the aptitude won't work without the proper attitude. I think the other thing is I need to have people who are adaptable, who can work fast, flexible, they like change, they embrace change. And for sure, the number one thing is that they believe in doing the right thing, that they have a high level of integrity.



You speak a few languages, you've lived all over the world. Is the compliance unit a reflection of that?

I believe in diversity. We have a team of 2300 associates in my group. Over 51 percent of our total group are female. We have good diversity. I also believe in diversity of background. I have many nationalities in the countries we operate in on my team. We hire a lot of attorneys, but we also hire people from other backgrounds—CPAs, tech people. A team is stronger when you have diversity in terms of thinking, not just gender or religion.

I think in-house departments are freer when it comes to hiring...

The way I see things is vision drives strategy, and strategy drives structure. Our vision is to protect our shareholders and associates while we enhance our customer experience. We have to do two things right. We have to help the business and the shareholders and associates. If we don't do both as the same time, we are failing. So that requires having a set of skills in the team for people to do both. We have to be good partners. And that doesn't come with any profession in particular. To be able to talk to the business, you need a good mix.

For example, I took an MBA because I thought it would help me be a better attorney, to better understand the business.

A TEAM IS STRONGER WHEN YOU HAVE DIVERSITY IN TERMS OF THINKING, NOT JUST GENDER OR RELIGION

I saw that Walmart is booming in Central America. That must present some challenges. Is it a difficult business environment? Your background must help. But how does a company grow a business there?

There are countries where doing business is a little more complex. It might not be the country itself but the political situation or economic situation. One thing we do is we partner with them in understanding the complexities. We never compromise our integrity. But we need to

understand that doing the right thing in one country might be more complex than in other countries.

It doesn't mean we're changing our standards. But to be effective, applying your standards, you need to understand the nuances of a place. It happens everywhere, in Africa, Asia, Latin America. I've been lucky to have worked in all these places before coming to this role. And that's sometimes an advantage. But the company have leaders who know their markets very well.

WE NEED TO UNDERSTAND THAT DOING THE RIGHT THING IN ONE COUNTRY MIGHT BE MORE COMPLEX THAN IN OTHER COUNTRIES

What's your relationship with the legal department? Are you part of it or separate?

The general counsel is my peer. We work together but we're not part of the same group. Many companies do it that way, but it's been effective for us to be working together but not being the same group. We both report to a global governance leader that reports to the CEO.

I've been in legal and compliance roles. I don't think it's one size fits all. But I like how it works at Walmart. I've been working 30 years, and I like to know legal analyzes the law, but I have to help the business. So I have to put something together that helps the business do what it does. It's a little bit like being a translator between what law tells us to do and ensuring that the business can operationalize that.

One last question: What do you see as the biggest problem facing companies in legal and compliance in the next few years?

It's not different from what we were discussing years ago. Finding the right talent with the right mindset. Finding individuals who understand what the business and culture is, and how to makes things effective, in a rapidly changing world. ■

A BRIGHTER FUTURE

M&A activity in Latin America dipped last year, partly due to significant change in the political landscape – however, widespread privatisation programmes, along with anticipated activity in the energy and infrastructure sectors, means transactional lawyers' workflow looks set to increase



The year 2018 was a disappointing one for M&A lawyers in Latin America. Transactional activity declined compared to the previous year, as data shows – figures from Mergermarket reveal that the total number of deals declined by 8 per cent compared to 2017 (dropping from a total of 654 transactions to 600). Meanwhile, the total deal value dropped by 25 per cent to \$72.6 billion, down from \$97.1 billion in 2017. The decline in deal-making can be partly attributed to the significant amount of political uncertainty in the region in the last year. There were six presidential elections in Latin

America in 2018, including two in the most populous nations, Brazil and Mexico. The question now is: what impact will Latin America's new leaders have on M&A activity in the region? Given this context, *The Latin American Lawyer* explores recent trends in deal-making in Brazil, Mexico, Chile, Colombia and Peru and assesses where the biggest opportunities will be for M&A lawyers in the future:

BRAZIL

Brazil experienced the largest number of M&A deals in Latin America during the period 1 January 2017 to 31 October 2018,

according to a report by Deloitte. In total, there were 974 deals involving assets in Brazil during the period – the deals had a total value of \$93 billion. Mexico had the second largest number of M&A deals, with 307 acquisitions (with a total value of \$14 billion) involving assets in the country. Third was Chile with 221 deals with a total value of \$20 billion.

\$40.1BN

Total value of M&A deals in Brazil in 2018

Source: Mergermarket



ALEXANDRE BERTOLDI

THERE IS A GOOD OPPORTUNITY FOR SHORT-TERM APPRECIATION IF THE COUNTRY'S ECONOMY GETS BACK ON TRACK

Alexandre Bertoldi

"This was a surprising year not only for us, but for the [Brazilian] market as a whole," according to **Alexandre Bertoldi**, managing partner of Pinheiro Neto Advogados in Brazil. "When the prospects of a potential economic recovery, and even the end of a recession, came onto the horizon, the more aggressive players started coming to the fore," he says.

One of the main reasons why Brazilian M&A deals are appealing is that most assets were priced in the context of an economic recession, though the economy is now starting to grow again. As a result, assets are being offered to foreign investors at attractive prices and consumption is on the rise. "There is a good opportunity for short-term appreciation if the country's economy gets back on track," Bertoldi says. The number of deals that took place during the 2017-18 period

is an indication of the country's economic strength in the context of the wider region, even if it has been a period of elections and political turmoil.

There was significant M&A activity in Brazil's healthcare and domestic consumer industries, according to Bertoldi. "These segments are dependent on the domestic market," he says. If there is pent-up demand, reflecting an improvement in economic conditions, however slight, the result is very positive [for new investments]." However, according to TozziniFreire Advogados partner **Marcela Waksman Ejninsman**, M&A deals took place in a wide range of industry sectors. "The most significant volume of transactions in 2018 were seen in the finance, insurance, information technology, health



MARCELA WAKSMAN EJNINSMAN

THE MOST SIGNIFICANT VOLUME OF TRANSACTIONS IN 2018 WERE SEEN IN THE FINANCE, INSURANCE, INFORMATION TECHNOLOGY, HEALTH AND BEAUTY INDUSTRIES

Marcela Waksman Ejninsman

\$15.3BN

Total value of **Brazil-based Suzano Papel e Celulose's acquisition of Fibria Celulose, the Latin America's biggest deal by value in 2018**

and beauty industries," she says. "There was, and there still is, a suppressed demand for investment in these sectors, fuelled by changes in the political and legislative landscape over the past two years."

M&A activity in Brazil is likely to grow given the privatisation-driven agenda of Brazil's new government. "The social security overhaul will be a clear indicator of what we can expect in the years to come," according to Bertoldi. "If it is successful, the Brazilian government will be signalling to the market that other liberalising reforms are possible." He adds: "A sharp increase in M&A deals and capital market transactions is expected."

State-owned companies such as Lotex, Casa da Moeda do Brasil and Eletrobras – in addition to more than 20 airports and dozens of railways and highways – are included in the country's privatisation programme. A sale of Eletrobras, which could potentially be one of the largest deals, would be valued at around \$3 billion, although legal obstacles could prevent a quick sale. Last year, Pinheiro Neto advised Energia on the acquisition of two subsidiaries of Eletrobras, and Bertoldi says there could be similar opportunities for law firms



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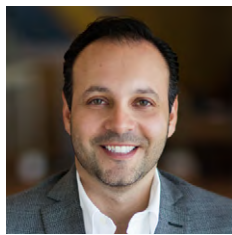
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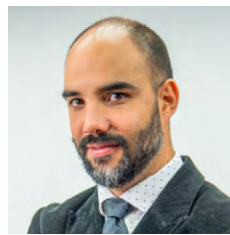
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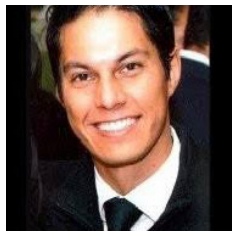
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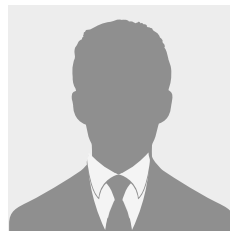
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Sarah Alvarez
Deputy General Counsel
Banco Mercantil del Norte, Mexico

in future. “If the Brazilian government manages to move ahead with one-third of its privatisation plans, this will be an overwhelming opportunity for law firms,” he says. However, Bertoldi also warns of challenges ahead – these relate to stringent rules in the public sector, as well as the risk of delays caused by court orders.

MEXICO

With regard to M&A deals over the last two year period, Mexico has not only been the second most attractive destination for investment, but Mexican businesses have also been the third largest investor/acquirer in Latin America in terms of deal volume – Mexican investors completed 166 deals (with a total value of \$9 billion) during the period covered by the Deloitte research. According to **Ignacio Pesqueira**, partner at Mexican firm Galicia Abogados, the energy sector has attracted significant M&A investment. Galicia Abogados advised Actis, a leading investor in emerging markets, on the acquisition of InterGen’s portfolio in Mexico, which included large energy and natural gas assets, for \$1.26 billion. “Energy projects allow an opportunity for large-scale investors to deploy significant amounts of capital with a good balance between risk and return, and the energy sector has shown early signs of maturity that allows for players who invested early to look for cash-out opportunities,” Pesqueira says. “Meanwhile, local private equity funds will continue to look for opportunities, which will provide additional business for



ENERGY PROJECTS ALLOW AN OPPORTUNITY FOR LARGE-SCALE INVESTORS TO DEPLOY SIGNIFICANT AMOUNTS OF CAPITAL WITH A GOOD BALANCE BETWEEN RISK AND RETURN

Ignacio Pesqueira

M&A lawyers in the short to medium term.” However, the challenge for lawyers is the need for market specialisation when advising on energy deals, Pesqueira says. “The regulatory framework for such projects is specialised and demands industry focus, which is why M&A lawyers need to work closely together with sector-specific lawyers,” he explains. “This is not a natural combination and not many firms have the talents on both fronts, which imposes challenges and limitations across the board.” There is concern among law firms about how much appetite investors will have for risk in future. Pesqueira says: “Mexico is entering times of significant uncertainty, which is a major limitation for investors since

risk variables seem to be on the rise.” Legal and economic uncertainty, concerns about the sovereignty of judicial authorities, and issues such as low wages have hindered law firms’ ability to tap into Mexico’s potential to attract investment.

CHILE

Philippi Prietocarrizosa Ferrero DU & Uría partner **Federico Grebe** says energy, consumer financing, banking, agro-business, forestry assets and the salmon industry accounted for most of the 221 M&A deals (worth \$20 billion) that closed in Chile during the 2017-18 period. Economic growth in Chile is expected to continue, buoyed by international copper demand and a general feeling of increasing business confidence under the leadership of President Sebastián Piñera. His



government has introduced a draft tax reform that could make the Chilean tax code simpler and fairer, according to Deloitte. The demand for Chilean copper in China has been growing rapidly and prices have increased resulting in a “new interest in M&A transactions in the sector”, according to Grebe. He believes Chile will see a similar level of transactional activity



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this year “but, in terms of size, 2018 was a year of large transactions, which we do not believe will repeat itself in 2019”. Grebe adds that mid-sized M&A deals and antitrust matters represent the top opportunities for law firms.

COLOMBIA

There were 147 deals (with a total value of \$6 billion) in Colombia during the period covered by the Deloitte report, which made it the fifth most popular Latin American country for investment during the period. However, foreign direct investment in 2018 was 14 per cent lower than the previous year, according to the country’s central bank. “M&A activity in Colombia has been led by the financial and insurance sectors, followed by healthcare and retail,” according to **Lina Uribe García**, partner at Gómez-

THE INCREASING SOPHISTICATED OF COLOMBIAN PRIVATE EQUITY REGULATIONS HAS BOOSTED THE INCORPORATION OF LOCAL FUNDS AND THE ARRIVAL OF FOREIGN FUNDS

Lina Uribe García

Pinzón Abogados. “In 2018, we also perceived a reactivation of deals in energy, particularly renewables, and oil & gas.” As in most growing Latin American markets, foreign investors were the number

one acquirer of Colombian targets in the last year. “Local and international private equity funds were also very active in the M&A arena,

\$72.6BN

Total values of **M&A deals in Latin America in 2018**

Source: Mergermarket

acquiring or exiting local assets,” Uribe García says. “The increasing sophistication of Colombian private equity regulations has boosted the incorporation of local funds and the arrival of foreign funds over the last decade.” She adds that law firms foresee an increasing appetite for Colombian assets among foreign investors, given the relatively high liquidity of the country’s financial sector, intense competition among regional players to acquire strategic assets, and a mature investment banking market for M&A. In one recent deal, Uribe García acted as local counsel to Avianca in the negotiation of a joint venture with United Airlines and Copa Airlines, which will allow the airlines to share revenue. The firm also advised Exxon Mobil on the sale of its lubricants and fuels business in Colombia to Compañía de Petróleos de Chile (COPEC). “In 2019, we expect to see M&A activity in energy, real estate and infrastructure, as well as retail and healthcare, and there are reasonable expectations of an increase

in M&A deals involving infrastructure projects”, she says.

PERU

Despite having the highest GDP growth rate among countries in the region and stable inflation, Peru is yet to see its M&A market take-off in line with other Latin American nations. The reason is largely related to the political climate. “Since 2017, corruption scandals in public contracts have been exposed, and the Lava Jato investigation in Brazil created a lot of noise among investors”, explains **Jose Antonio Payet Puccio**, partner at Payet, Rey, Cauvi, Pérez Abogados in Lima.

\$23BN

Total value of **deals in the industrial & chemicals sector in Latin America in 2018**

Source: Mergermarket

The political turmoil affected the Peruvian M&A market in the last couple of years in that it impacted foreign investors’ assessment of the associated political risk. Payet says: “The most significant deals are local-to-local. Sectors that are typically attractive to local investors, and in which we expect growth in the coming year, include retail, industrial and market segments such as pharmacies and gas stations. We expect more deals and diversification in the near future.” ■

IBERIAN LAWYER SPECIAL REPORT

BANKING & FINANCE





MARKET SHAKE-UP

More and more financial entities are entering the Iberian lending market, a trend that is driving significant demand for legal advice as traditional lenders face an uncertain future

The lending industry in Iberia is hotting up. More and more financial entities, with significant amounts of liquidity, are entering the market with an appetite for providing finance and this is piling the pressure on traditional lenders. Alternative capital providers such as institutional investors and debt funds have enormous amounts of liquidity and are consequently targeting deals in Spain. DLA Piper partner **Juan**

Gelabert, says this environment is having an impact on a number of sectors. “The real estate sector continues to boom (though perhaps to a lesser extent than one or two years ago due to the declining asset prices), as does the renewable energy industry, due to the legal security offered by the new regulatory scheme,” he says. “In addition, the greater adoption of new instruments such as PPAs (in the renewable energy sector) is giving greater

security to funders.”

According to **José Christian Bertram**, partner at Ashurst the financing of M&A deals is still a key driver of work for finance lawyers. “There are a growing number of real estate transactions derived from divestments by certain entities, and a growing number of refinancing operations in renewable energy,” he remarks. The forces shaping the market at present include international and national political instability, the threat of lower GDP growth both in Spain and in the western world, in general, and the excess liquidity that is driving deals. Gelabert says problems stem from “increased competitiveness due to the arrival of alternative capital



JUAN GELABERT

providers, such as institutional investors and debt funds". There are still clearly differentiated market niches, especially in the case of leveraged finance deals where the structures and leverage which funds accept tend to be quite far from those acceptable to banks. "We are seeing more and more competition in certain sectors and segments, either because funds, at the expense of lowering profitability, opt for operations with less aggressive profiles, or because banks are beginning to feel more comfortable with more aggressive profiles." But competitiveness in the market is seen as a positive, since the growing presence of debt funds is a sign of confidence in the economy and the maturity of the financial market.

EXPONENTIAL INCREASE

Increasing competition and the challenge of being able to show clients a clear differentiation in your offering is one of the main problems facing banking and finance, says Ashurst partner **Nick Pawson**. "In recent years, there has been an exponential increase in regulation in certain

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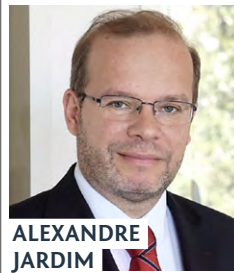
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sectors, including finance, that require the lawyer to adapt to new environments and sectors and guide their clients through them,” he says. Gelabert says lawyers are increasingly faced with more complex operations, which require a thorough knowledge of the issues and the market. He adds that the establishment of “multi-jurisdictional teams in which lawyers from different areas are involved is a very important differentiating element, which gives confidence to clients”. The use of technology will have a significant impact on the banking and finance sector. Bertram says that, in particular, it will change the way “customers, banks and funds interact in order to do deals, with the aim of improving processes and increasing efficiency and transparency”. The interaction between commercial banks and debt funds, says Gelabert, has resulted in the reappearance of financing structures such as unitranche debt term loan B’s, which require, he points out, more complex and tedious regulations that fit each player. This convergence between different sources and



NICK PAWSON

financing providers “is resulting in a significant documentary sophistication, as a result of the need to create solutions tailored to the different actors involved. We are also seeing the extension of these alternative structures to sectors beyond leveraged finance, such as project financing.”

PORTUGAL: NEW PLAYERS ENTERING FINTECH SECTOR

The sale of non-performing loan portfolios is driving considerable demand for legal advice in Portugal, says PLMJ partner Hugo Rosa Ferreira. In addition, there are a number of new players coming into the finance sector, particularly in the fintech industry. In addition, direct lending is a growing trend that has created a new market that is being tapped by Lisbon law firms. Meanwhile, Brexit and the restructuring of the EU banking sector is also creating opportunities for lawyers in the Portuguese capital. Rosa Ferreira adds that one of the biggest challenges more traditional banking and finance clients face is the reduced barriers to market entry for

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new players, including fintech companies and direct lending platforms that continue to disrupt the market. He adds that other issues the industry faces include: “Regulatory challenges and the increased cost of compliance, particularly related with more stringent rules regarding anti-money laundering. With regard to the outlook for the coming year, Morais Leitão partner Filipe Lowndes Marques says: “We expect a continued deal flow in line with 2018, with several real estate and renewables deals in the pipeline, and a continuing interest in the Portuguese market from foreign investors, with means associated

financings.” He adds: Regulatory and compliance matters will continue to represent an ever-increasing portion of our workload and fintech matters will continue to grow solidly.” From the perspective of lawyers, the major challenges include continuing pressure on fees “as clients continue on the path of reducing costs with regard to third-party service providers”, says PLMJ partner André Figueiredo. He adds that lawyers also have to adapt to a market in which “assistance to new fintech players requires new skills and knowledge and a different approach to the banking and finance market”.

»»



**VÍTOR PEREIRA
DAS NEVES**

FINTECH SECTOR DRIVING HUGE DEMAND FOR LEGAL ADVICE

The Portuguese fintech sector has the potential to generate a significant volume of work for the nation's law firms, according to AAA Advogados partner Vítor Pereira das Neves. He adds that issues driving demand for legal advice include cryptocurrency, and e-wallets. "Fin-Tech has become in this decade one of the hottest topics and we believe that it will continue to be for a long period of time," Pereira das Neves says. "Global investments in fin-tech (and insur-tech) have been increasing year after year and law firms are a very important player." He adds that related topics such as the prevention of, and fight against, money laundering and terrorist financing – as well as data protection issues – are also growing areas that are generating more business for lawyers." Meanwhile, the relocation of financial institutions as a consequence of Brexit is another opportunity for Lisbon lawyers. Banking and finance sector clients face two key challenges, according to Pereira das Neves. "The first one is that EU laws and regulations concerning fin-tech are always one

or two steps back in relation to the business and/or activities they intend to govern," he explains. "This creates a general sensation of uncertainty with regard to the qualification or even the lawfulness of certain types of activities and/or business." Pereira das Neves continues: "The second challenge relates to the legal consequences of Brexit, in particular for clients who will lose the authorisation to carry out financial services in the European Union. The non-existence of an agreement for a transitional period governing the transfer of a financial institution to a post-Brexit European Union results in a disordered relocation."

He adds: "Despite an undeniable tendency towards harmonisation, EU financial law has become more complex and technical. As a result, nowadays the banking and finance lawyer should be multifunctional and permanently up-to-date with developments."



RAFAEL BAZÁN

SPANISH DEBT RESTRUCTURING DEALS ON THE RISE

Debt restructuring transactions in Spain are on the increase, especially in the retail sector, as a consequence of the overall economic slowdown and this is generating significant work for banking and finance lawyers, according to Araoz & Rueda partner Rafael Bazán. "Furthermore, the need to reduce the balance sheets of Spanish banks in order to comply with European Central Bank banking supervision rules is an opportunity for law firms as foreign investors will still be interested in the acquisition of non-performing loans," he adds.

LACK OF PROFITABILITY

Banks and other financial institutions are plagued by a lack of profitability, in addition to having to face the challenges of digital transformation, technological innovation and increased regulatory requirements imposed by local and EU regulators. Meanwhile, the biggest challenges facing lawyers include digital transformation and 'legal tech', which will affect the "competitive positioning of law firms", according to Bazán.

He continues: "The new regulations on MIFID II, payment systems, data protection and real estate credits could also be an opportunity for banking and finance lawyers to provide additional services."

CLEAN-UP

With regard to the outlook for the banking and finance sector in the coming year, Bazán predicts that mid-sized and larger banks will continue to make "massive investments to transform their businesses into digital service providers". He adds: "The banking sector will continue to be subject to a process of clean-up, recapitalisation and restructuring and we also anticipate a higher proportion of shadow banking as in other countries."



WILLIAM SMITHSON

NPL DEALS AND REAL ESTATE FINANCING DRIVING DEMAND FOR LEGAL ADVICE IN PORTUGAL

Non-performing loan (NPL) deals and real estate-related financing and re-financing transactions are among the biggest opportunities for banking and finance lawyers at present, according to SRS Advogados partner William Smithson.

There is also considerable demand from clients for advice on the tax aspects of deals as well as the efficient structuring of financing agreements. This is against a background among increasing competition among finance providers as new players enter the market.

BOND ISSUES

The issues lawyers face concern the regulatory and compliance aspects of deals, as well as greater scrutiny of the associated tax arrangements. Meanwhile, bond issues will continue to be a popular form of financing, while there are also expected to be banking industry mergers.

“Current opportunities for law firms in banking and finance include NPLs and real estate finance and refinancing,” notes Smithson. “Client’s biggest challenges relate to efficient tax structuring and efficient financing structures – for banks, the challenges concern competition from the activity of private equity houses in the financing space and also an increase in the regulatory aspects of their activities.”

BIGGEST CHALLENGES

Smithson continues: “Lawyer’s biggest challenges are related to regulatory matters, compliance and increased scrutiny of tax efficient structures.” He adds: “We will continue to see an increase in real estate finance work and a continuation of the use of bond issues by Portuguese vehicles that are creating tax efficient onshore funding structures – we also anticipate that there will be concentration in the banking sector with some M&A transactions.”

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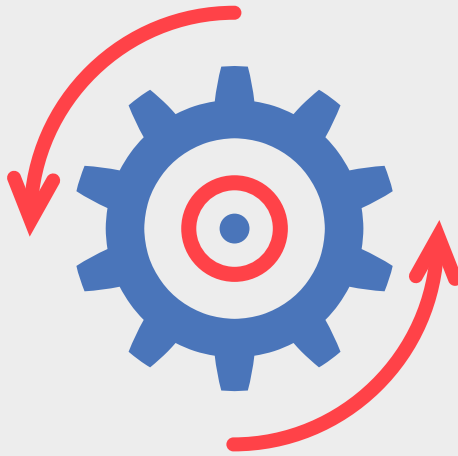
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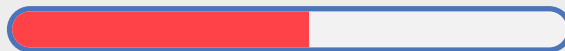
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LEGAL UPDATE



SPORT LEGAL UPDATE - SPAIN

REFORMS IN THE FOOTBALL PLAYER TRANSFERS REGIME

The FIFA Council, following the agreement of the Football Stakeholders Committee, approved important reforms in the player's transfer system.

The first reform package was published by Circular no. 1654 of November 26, 2018 and consists on the mandatory introduction by all the National Federations members of FIFA, of an "electronic transfer system in the national scope, in accordance with the principles of the model implemented for international transfers with the system of correlation of transfers (the ITMS), as well as a national system of electronic registration of footballers".

The ITMS emerged with the objective of resolving the existing problems in the transfer market in terms of transparency, especially with regard to transfers made, monetary flows and international transfers of minors. To this end, FIFA...

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FINANCIAL LEGAL UPDATE - PORTUGAL

INTRODUCTION AND OTHER RELEVANT CHANGES

Numerous legal changes have been approved in recent months or enter into force during the course of 2019, having already been published last year, which will have an impact on the Portuguese capital markets and, more broadly, on financial activities developed in Portugal.

At an EU level, we firstly highlight the full entry into force, on 21 July 2019, of Regulation 2017/1129 (the "New Prospectus Regulation"), which will *inter alia* entail relevant changes in the drafting of prospectuses, including their summary and risk factors sections. Presumably also for this reason, activity during the current first semester of 2019 increased considerably, with many issuers aiming

at completing their 2019 EMTN Programme annual updates, to benefit from a one-year grandfathering period granted by this Regulation. Recent changes also include Regulation 2017/2402 (the "Securitisation Regulation"), in force since 1 January 2019, which has had an impact not only on so-called "STS-securitisations", but on securitisations in general...

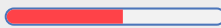
By Pedro Cassiano Santos, Head of Practice Partner Banking & Finance - pcs@vda.pt

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LEGAL UPDATE



LABOUR LEGAL UPDATE - SPAIN

NEW REGULATIONS TO REINFORCE EQUAL GENDER TREATMENT AT WORK

On March 1, 2019, Royal Law Decree 6/2019, referred to urgent measures to ensure equal opportunities and treatment between man and woman at work, introduced new obligations for Spanish employers, trying to make more effective the equal gender treatment at work.

In this regard, Companies with 50 to 100 employees must approve an Equality Plan before March 8, 2022 (until now, only companies with more than 250 employees needed to have an Equality Plan) with a transition period:

- Companies between 151 and 250 employees: 1 year to adapt: 8 March 2020.
- Companies between 101 and 150 employees: 2 years to adapt: 8 March 2021.
- Companies between 50 to 100 employees: 3 years to adapt: 8 March 2022....

By **Marta Alamán** - Responsable of the Spanish practice on employment law - PWC - Kepa.larumbe@bdo.es

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FOOD & BEVERAGE LEGAL UPDATE - PORTUGAL

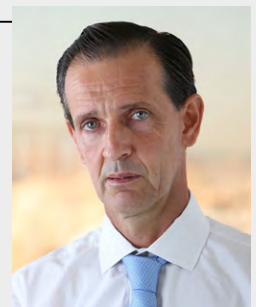
NEW LAW REGULATES ADVERTISING OF FOODS AND BEVERAGES

On 23 April 2019, Law 30/2019 was approved on advertising of food and beverages with high energy values, salt content, sugar, saturated fatty acids and trans-fatty acids, regarding the definition of the law itself, stating that *all those containing a number of these elements which compromise, in accordance with available scientific knowledge, a varied, balanced and healthy diet.*

This Law does not come as a surprise given that, at least since 2015, several legislative projects had been presented (namely that of the Socialist Party and that of PAN), alerting to the fact that Portugal recorded some of the highest numbers of childhood obesity amongst other European countries and to the need to turn the fight against this problem into a matter of public health....

By **Manuel Gibert Prates** - Corporate and Commercial, Labour, Litigation - SPS - manuel.prates@spsadvogados.com

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REAL ESTATE UPDATE - SPAIN

A STEP FURTHER ON THE ENHANCED PROTECTION OF INDIVIDUAL BORROWERS IN REAL ESTATE FINANCINGS

For the very first time in Spanish history, the parliament -boosted by the European Directive 2014/17/UE (the "Directive")- has enacted a law focusing on real estate financing to individuals through a thorough regulation of the contracting procedure. The Spanish Law 5/2019 *reguladora de los Contratos de Crédito Inmobiliario* ("LCCI") shapes

the new features of real estate financing to individuals in furtherance of an enhanced borrowers' protection paradigm based on transparency, clear and comprehensive information and an utmost legal certainty...

By **Toni Barrios and Esteban Cuyás Caudevilla** -CASES & LACAMBRA - toni.barrios@caseslacambra.com

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