

ADVISING CLIENTS ON NEW JURISDICTIONS IS BIG CHALLENGE - DELOITTE

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Explaining the practical issues associated with opening businesses in new territories can be problematic because procedures may differ from the norm

One of the biggest challenges for law firms serving clients in jurisdictions around the world is “translating the practical problems of setting foot in new jurisdictions”, according to Luis Fernando Guerra, managing partner of Deloitte Abogados.

Guerra adds: “Getting them [clients] to understand that proceedings do not run in the same way they do in Spain or that a license or permit is not as easily processed as in other European countries is always a problem.”

However, having a large international network and standardised procedures allows law firms to address these problems more quickly, according to Guerra. “I remember once we were working on an M&A deal in the US for a multinational Spanish company – within hours we were able to set up specialised teams to handle the matter,” he says.

Guerra argues that Spanish law firms have not expanded as significantly as UK and US firms due to

the fact that it requires significant investment. But he says that such expansion will be "key to their survival". Guerra adds: "Most local firms have also realised that relying on a 'best-friend network' is not feasible any longer as member firms cannot meet the requirements of an ever demanding client."

Guerra believes that, with clients expanding across the globe, it is highly likely that law firms will do the same and he is confident about the future: "If we have been able to successfully navigate the last crisis, we have no doubt that we are now much better equipped to support our clients' expansion processes."

Guerra highlights Latin America – specifically Colombia, Peru and Mexico – as the most important international markets for Spanish clients, followed by the US, China and other jurisdictions in the Asia Pacific region.

"The type of work performed depends on how advanced the company is in its expansion process," Guerra says. "Most of it involves complex M&A deals, due diligences and consultations regarding expats tax regimes."