

FACILITATING THE RIGHT INTERNATIONAL BUSINESS CONNECTIONS - DLA PIPER

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As business transactions become ever more international in their scope and structure law firms have to react and to offer truly cross-border expertise

In determining their own international strategies law firms can only take the lead from their clients, says Juan Picón, the Madrid-based Head of Corporate International at DLA Piper, and this means having to take a much more joined-up approach to the world.

"As companies look to hedge against softening domestic markets, more and more businesses are looking to develop their international operations. It is now the rare deal that does not have some form of cross-border element, whether it is the target, acquirer or financing institutions, and as

lawyers we have to be able to adapt to these needs."

Picón's own title reflects a restructuring within DLA that has sought to capitalise on recent growth that includes the completion of a merger in May with Australia firm Phillips Fox. The firm opened in Miami in March and also signed a co-operation agreement with Venezuelan firm InterJuris Abogados. This past year it has also gained what it calls a "Focus Firm" in Portugal, ABBC, to help develop its Iberian and Africa practices, while last March it partnered with Brazilian firm Campos Mello Advogados to begin operations there.

"We see continuing investments by Iberian companies across Latin America, and are now looking at our options in Mexico, but to be able to bring together a Portuguese and Brazilian connection helps us to service clients across the Lusophone world. And particularly now in Africa where markets like Mozambique and of course Angola are gaining increasing international investor attention," he says. But it is important that firms offer their clients more than mere dots on a map, he insists. There has to be a real connection. If DLA's lawyers in Spain are to refer clients to colleagues around the world they need to feel comfortable that they will receive a level of service and understanding comparable to that which they get at home.

"We see a growing need for our Spanish lawyers to be elsewhere than in our offices on the Paseo de la Castellana in Madrid. We are beginning to move lawyers around, notably to places like London and now São Paulo, but there is more to be done."

Such a strategy offers clients more than mere "hand-holding", says Picón. The ability of clients to be able to converse in their own language, to have unfamiliar legal or business concepts translated for them, and for someone locally to be able to structure agreements in their native laws, presents a significant level of comfort.

"The Latin American markets are inevitably a major focus for Iberian companies and where many perhaps feel most at home outside of Spain or Portugal. But despite the relative familiarity of Brazil, for example, most deals there with a cross-border element are invariably conducted in English." Likewise, as regions such as the Middle East, Asia and Africa grow in importance to Iberian companies – either as markets in their own rights or as sources of finance – there is a need to facilitate more sophisticated transactions. The ongoing recapitalisation of Spain's savings banks (cajas) has notably seen significant volumes of finance emanate particularly from places like Qatar and Abu Dhabi.

"For many Middle East investors taking a long-term view, Spain is currently a relatively cheap option as regards establishing a European platform. There may be a degree of uncertainty over the direction of the economy but that is reflected in the prices at which assets are now available."

Picón also sees growing interest too from international distressed debt funds, with Sun Capital and Oaktree two of the firm's US clients that have recently concluded deals in Spain. "Sophisticated funds are looking at the country for the same reason, and a number are now ready to commit with the belief that Spain will not go the same way as Greece, Ireland or Portugal."

For those businesses and ultimately law firms taking the widest view there is an enormous advantage to being in the right place at the right time, concludes Picón. "Clients want you to understand the rationale behind their deals and to understand the upside of their global spread. We have to offer the right connections."