

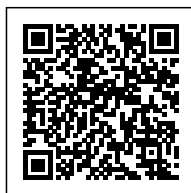
GLOBAL COMPANIES NEED GLOBAL LAWYERS - ABENGOA

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Providing advanced, efficient, innovative and international services are essential for

both internal and external lawyers, says José Fernando Cerro Redondo

For José Cerro, Head of Legal at Abengoa, 'international' is the key word, both for the external law firms he uses and for the Company. The Spanish multinational provides innovative technology solutions in the energy and environment sectors, and is present in 70 countries – most notably in the US, Latin America and Spain. Abengoa is also listed on Nasdaq – one of the very few companies to be listed in both Spain and the US.

The global nature of the Group's work means that Cerro is currently restructuring the way they choose and use their external law firms – a system he hopes to have in place in the New Year.

Support group

Having studied at Complutense University in Madrid, Cerro then became a State Attorney (Abogado del Estado), working at Madrid's Superior Court of Justice, and then Head of Legal and Secretary of the Board at Correos, the Spanish postal service.

Joining Abengoa two years ago, Cerro started as Vice Secretary, which included running the legal department. A year ago, Abengoa reorganised and decided to separate the legal function from that of the General Secretary and Cerro's title changed to Head of Legal.

His legal department houses 150 lawyers, half based in Spain and the rest in their companies worldwide. Cerro's in-house team also supports and coordinates each of the legal department in their various business units, for example, biofuels, engineering and construction. But not all work can be done in-house, it really depends on the project, he explains, and they usually outsource specific corporate matters, financing, dispute resolution and regulatory issues.

Abengoa currently has a panel of law firms to cover their worldwide needs, but Cerro is in the midst of restructuring this system. "In the US, for example, you can find a global law firm that provides high quality services around the whole country, but in Latin America I prefer using local law firms in any particular jurisdiction."

The new system will therefore consist of different panels in Europe, LatAm, the US and the rest of the world, which will then be divided into practice area – general advice, finance, dispute resolution and regulatory.

Initially any firm they work with has to be capable of providing 'global' services, he says, considering how the business is divided – 30 percent in US, 20 percent in LatAM, 18 percent in Spain, 12 percent in Europe, and the rest worldwide. "But we also work with a number of local firms and highly specialised boutiques – it really is on a case-by-case basis."

Currently in Spain, among others, Cerro uses, DLA Piper Spain for corporate, Linklaters for finance, Cuatrecasas, Garrigues and David Arias for litigation and arbitration.

With regards to compliance, all of Abengoa's companies are structured under what they call the 'common management system' – set policies within the Group, ensuring that everyone functions in the same way, regardless of the jurisdiction in which they are operating. Especially important when it comes to compliance, Cerro says, something that he fully coordinates with Secretary General, Miguel Ángel Jiménez-Velasco Mazario.

Internally, to ensure compliance across the Group, because of the sheer number of personnel they are currently setting up a Group corporate compliance programme, which they hope to implement in the New Year.

Changing the rules

Cerro has two priorities for the coming year. The first is improving the coordination of the legal services of Abengoa's various companies, as well as the transactions and disputes with which these departments are involved. One of which is the current arbitration against the Spanish Government regarding recently introduced energy measures.

"International companies invested in renewable energy projects in Spain based on the stability of its legal framework, but since this has been altered by the Government various times over the past

year, investor expectations have changed dramatically," Cerro explains.

"Abengoa's companies will use all the legal remedies available in any jurisdiction to protect their shareholders rights."

Cerro is also working intensively to establish a channel to ensure knowledge-sharing throughout the Group. "We use very innovative legal structures and have people who are highly specialised, so our goal is to be able to share knowledge across Abengoa and its companies' legal departments. And we are just developing an online application to do just that."

He is excited about the future as the business is expanding and growing. And the increased number of projects, sophisticated contractual structures and complex legal regimes demand first class legal services. "And this is where we are looking to work closely with our external law firms to develop innovative solutions."

José Fernando Cerro Redondo is Head of Legal and Legal Counsel to the Board of Directors at Abengoa