

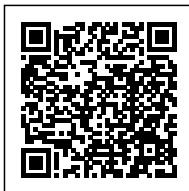
KRAFT FOODS: LAW WITH A LOCAL FLAVOUR

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This year will see Antonio Vazquez's role as Vice President and Chief Counsel for Kraft Foods Latin America (KFLA) expand as it integrates the regional operations of Cadbury

As the world's second-largest food company Kraft last year recorded revenues of around \$50billion (€36.6bn) and maintains operations across 160 countries, statistics that look likely to increase following February's £11.9 billion (€13.08bn) acquisition of UK-based confectioner, Cadbury.

A Spanish lawyer who previously worked with Coopers & Lybrand (C&L), Vazquez originally joined Kraft in 1992 as Director of Legal Affairs for Kraft General Foods Spain. In that role he helped oversee the integration of Jacobs Suchard, El Almendro and El Caserio before being promoted to Director of Legal and Corporate Affairs for Kraft Jacobs Suchard Iberia.

"When I joined Kraft Foods from C&L in Madrid, there was some tension between the traditional law firms and those being developed by the accountants. The team had grown to over 30 lawyers in just a couple of years, and we were one of the smallest amongst accounting firms. I had concerns over

C&L's commitment to the law sector but many things have changed since then and everyone has found a place in the market."

"The onus placed on legal departments has changed completely. It is really important that we play an active and not only a passive role in the company's business."

In January 2000, he was appointed Deputy Chief Counsel for Kraft Foods International, with worldwide responsibilities in the functional legal area, and relocated to New York.

"Kraft Foods was a wonderful opportunity and after a few years in Spain, I was offered this position at a challenging time. I worked on the Nabisco acquisition and Kraft Foods IPO for eight months. My plan was to remain in New York for only a few years before returning to Europe. Events however did not quite turn out that way."

Este año, el papel de Antonio Vázquez como Vicepresidente y Director de Asesoría Jurídica de Kraft Foods Latin America no dejará de crecer, ya que pasará a encargarse de las operaciones regionales de Cadbury. Este papel le exige la supervisión de las necesidades legales del grupo en el continente y exige un perfecto entendimiento tanto de los asuntos jurídicos como las trampas en las que puede caer la empresa, aunque insiste en que no hay por qué temer a la legislación local. Following Kraft's acquisition of Nabisco in September 2000, he was appointed Vice President and Chief Counsel of Kraft Foods' Latin America Region (KFLA), which ultimately saw him relocate to Miami in 2004.

From Miami, Vazquez now manages all of the legal and compliance issues affecting KFLA, a role that is once again about to expand. Over the coming months he will see a lot of activity on the legal front, as KFLA reorganizes and absorbs the regional operations of Cadbury, adapts to a new and extended commercial environment, and implements common policies and standards.

"Kraft Foods Latin America is one of the best performing divisions in the group and with the addition of the Cadbury business, with complementary strengths and leading positions in most markets, our future looks great. Our management is relying on us to handle all of the legal entity integration process to maximize this huge opportunity and deliver substantial growth."

Vazquez's legal team operates in five business units across the region, he explains: Mexico, Central America and Caribbean, Andean, Brazil and the Southern Cone. "Each business unit has its own regional manager and a chief counsel, but within Kraft lawyers always report to lawyers so there are direct reporting lines to me. We are considered an independent shared service function."

Miami, he says, offers a perfect platform from which to oversee the business. "The city is practically the regional capital and it is often easier to travel direct from here than between cities across Latin America. In addition there is a considerable local support network of businesses, lawyers and other advisers."

Last year KFLA appointed DLA Piper as its preferred international external counsel, which has recently established a Brazilian office and has good connections across the region. "There is no firm that has a significant Latin American operation, although there are a few who have a good network and we like to work with them. US firms often offer excellent contract drafting and transactional expertise, but because of the depth of our experience we have good relationships with local firms and we are not afraid to contract under local laws."

The in-house team therefore project manages matters, which includes handling any contentious issues. Experience has shown however that while many multinationals may dislike finding

themselves in local courts on commercial disputes this is something you have to face in business, he says.

“We are a company that is always going to respect our contractual obligations but if we have to enforce an agreement, we prefer to start doing so as close as possible to where the assets are.

Even if you enter into an arbitration the local courts will become involved if you want to enforce the award, you cannot avoid them, you need to understand how they operate and to work with them. Of course we have encountered issues at first instance in some countries, generally the higher up the judicial process you go in Latin America the more transparent justice becomes”.

Antonio Vazquez is the Miami-based Vice President and Chief Counsel for Kraft Foods Latin America.

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