

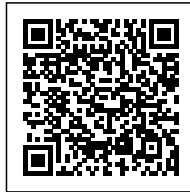
LEGAL ARMS OF AUDITORS GROWING M&A MARKET SHARE

Posted on 02/03/2016

Legal Advisors League Table by Deal Count - Iberia					
Rank		Company Name	2015		
2015	2014		Value (\$m)	Deal Count	Deal count Change
1	1	Cuatrecasas, Gonçalves Pereira	8.056	72	-5
2	3	Garrigues	16.054	57	2
3	2	Uría Menéndez	19.629	56	-5
4	10	Deloitte Legal	9.246	34	10
5	8	KPMG Abogados	8.551	31	3
6	9	PwC legal	2.001	31	6
7	6	Linklaters	31.043	26	-3
8	11	Baker & McKenzie	19.604	26	2
9	12	Allen & Overy	16.709	22	7
10	4	Clifford Chance	13.157	21	-15
11	5	DLA Piper	2.948	18	-15
12	15	Gómez-Acebo & Pombo Abogados	414	18	4
13	13	Pérez-Llorca	7.890	17	2
14	19	PLMJ - Sociedade de Advogados	1.995	15	6
15	7	Freshfields Bruckhaus Deringer	21.812	14	-14

Source: Mergermarket

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New data shows the likes of Deloitte, KPMG Abogados and PwC Legal are advising on more M&A deals and suggests auditing firms are winning instructions at expense of traditional market leaders

M&A deal rankings for 2015 show that the legal arms of the major auditors have enjoyed a bumper year in terms of transactions in Iberia with Deloitte, KPMG Abogados and PwC Legal all ranked among the top six law firms in terms of deal count for Spain and Portugal.

Deloitte was the top placed auditing firm – coming fourth in the Mergermarket ranking – having advised on a total of 34 deals with a total value of €9.2 billion. This represented a climb of six places compared to 2014 when it was placed tenth. KPMG Abogados was ranked fifth – up from eighth the previous year – having been instructed on 31 deals with a combined value of €8.6 billion.

Meanwhile, PwC Legal was ranked sixth, a climb of three places, having advised on 31 deals with a combined value of €2 billion.

Cuatrecasas, Gonçalves Pereira advised on the most transactions in 2015, clocking up 72 deals with a combined value of €8 billion. Garrigues was placed second, having advised on 57 deals with a total value of €16 billion. The third ranked firm was Uría Menéndez, which advised on 56 deals with a combined value of €19.6 billion.

However, the legal arms of the major auditing firms have been on recruitment drives in recent years and this strategy appears to be paying off. The data suggests that the auditing firms are winning instructions at the expense of the traditional market leaders. Cuatrecasas and Uría each advised on

five fewer deals in 2015, compared to 2014. In contrast, Deloitte's deal count was up 10 on the previous year, KPMG Abogados increased by three, while PwC Legal was up six compared to 2014. Sharon Izaguirre, partner at Deloitte Abogados, suggests that the auditing firms are being instructed on more M&A deals because the multidisciplinary nature of their practices means they are "best positioned" to meet the demands of clients who are increasingly asking for multi-jurisdictional M&A advice. She adds that clients also now require "cross-functional" advisory services that incorporate an in-depth understanding of their business as well as the industry in which they operate.

Bank restructuring

"We are seeing deals involving private equity, through new investment funds and major industrial transactions," Izaguirre says. "Furthermore, in the financial sector, banks are restructuring their investment portfolios with the aim of consolidating their core financial operations – particularly in the case of banks 'bailed-out' by public funds – or reorganising their portfolio in the case of banks involved in the financial consolidation process."

Izaguirre adds that traditional legal advice is "no longer sufficient" in an increasingly specialised international market for legal services. She says that companies are increasingly looking for business services that incorporate legal, tax, financial, and industry-specialist advice.

Lawyers in the more traditional Iberian law firms claim their practices still lead the market for legal advice on M&A deals in Spain and Portugal, but acknowledge that both the auditing firms and the international players are a growing influence. "It is true that global firms and professional services companies have increased their market share in specific countries," one Spanish M&A lawyer, who preferred not to be named, says. "This is a straightforward consequence of the globalisation of our economy and the growing arrival of international investors."

PLMJ was the highest place Portuguese firm in the deal count rankings – the firm was in 14th place, having advised on 15 deals with a total value of almost €2 billion. PLMJ partner Maria João Mata says that she expects the increase in M&A activity in the country to continue. "The Portuguese market is growing and attracting the interest of international players – this opens up the way for a greater number of deals in the coming years."