

# M&A ACTIVITY ON THE INCREASE IN PORTUGAL BUT DOWNWARD PRESSURE ON FEES PERSISTS - VDA

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**Despite significant M&A activity in Portugal in the last year, one of the biggest challenges for law firms in the country is the downward pressure clients are applying on fees, according to Jorge Bleck, partner at Vieira de Almeida.**

"Clients nowadays pursue two goals – making their in-house legal departments do a greater part of the job, and thus reducing their legal bills significantly, and aiming to get the same or a better service from external law firms at a lower cost," he says. Consequently, the challenges for full-service firms are concentrating on the work where they can be competitive without compromising their profitability – otherwise they can face difficulties in retaining the best lawyers – and becoming more efficient and effective in the way they perform, Bleck adds.

"This year brought significant challenges in M&A after a successful 2015, with VdA incorporating one partner and four associates to its corporate team, but the year proved even more successful than last year," Bleck says. He adds that the firm successfully integrated the new team and also achieved an unparalleled result in M&A in terms of turnover per lawyer and per partner.

The biggest opportunities in the corporate/M&A sector involve acting for private equity firms, says Bleck. "Portuguese major and medium-sized corporates are still deleveraging and putting very good assets up for sale at good prices; the market tendency is to increasingly unbundle the operational side from asset ownership and we expect this tendency to extend to other sectors," he adds.

It is also expected that clients in the financial sector will continue to clean up their balance sheets, giving law firms the opportunity to continue advising clients on major restructuring, says Bleck.