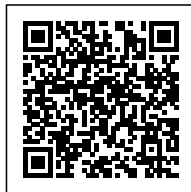


ON THE RISE: THE GIBRALTAR LEGAL MARKET - ATTIAS & LEVY

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For Gibraltar's legal market, the jurisdiction's emergence as a major financial centre, alongside its established position as an offshore corporate and restructuring, trusts and shipping market, is driving law firms to seek growth and specialisation.

"The legal market in Gibraltar has tripled in size over the past 20 years, and we predict more growth to come" says Keith Azopardi, partner at Attias & Levy. "While people here are very busy there is always space for quality individuals."

Gibraltar's legal market counts around 30 law firms, although only five or six feature more than ten lawyers (almost all have less than 20 lawyers). "The future lies in the big firms getting bigger, and taking on more quality work. There is a quantum leap beyond the top few firms," says Azopardi.

The largest firm by a long way is Hassans, with around 70 lawyers, including 25 partners. "Hassans has transformed from a Gibraltar firm to a major offshore law firm, having been able to build on the growth and success of Gibraltar in the last few years," says partner Michael Castiel. "There are new

and increasing services in the market and we need to be able to do business with any client."

Mixed emphasis

Most firms' practices encompass a broad mix of property, commercial, litigation, financial and transactional expertise, and reflecting the diversity of the Gibraltar economy most also include trust and maritime practices.

Significant are firms' fiduciary and company management practices. "Acquarius, the fiduciary arm of our firm, has 700 private client and holding companies under trust, which inevitably generates its own work," explains Nicholas Cruz, name partner at Cruz & Co.

Much of the Gibraltar firms' financial work inevitably comes via London, and it is towards the City that many place a strong emphasis, although only one, Marrache & Co, maintains an office there. "We opened the London office in 1995, and as London is now the financial capital of the world, it proved to be a wise move" says managing partner Benjamin Marrache. "You have to have guts to do what we did. We saw the way the market was going and went for it."

Triay Stagnetto Neish's incorporation last year of three partners from the now closed office of Denton Wilde Sapte, the only international firm in Gibraltar, has gifted it strong links to the parent firm, as well as a number of others, says managing partner, Louis B Triay.

Spanish practices

A significant development in recent years has been the establishment of firms' Spanish practices, predominantly to cope with an increasing emphasis on regional commercial and real estate transactions in neighbouring Andalusia.

Marrache & Co, which has maintained a Spanish department for 20 years, last year saw three of its Spanish-qualified lawyers, including Gabriel Garcia Benavides, head of the Spanish practice, register with the Gibraltar bar – a first for the traditionally insular legal community and a major step in encouraging cross-border professionals to register in both jurisdictions.

"Spain is starting to emerge as a major practice area, and we are proud to say we have the largest, and longest-established practice, although of course it's not about numbers. Anyone else that has a Spanish practice has done so in the past 24 months," says senior partner Isaac Marrache

Among those building its Spanish practice is Hassans, explains Castiel. "We have a whole team of Spanish-qualified lawyers, and affiliations with Spanish firms. But we are now looking to establish a presence in Southern Spain – our first step in to the Spanish market. Predominantly leading with property but ultimately looking to expand into areas such as tax."

Triay & Triay has formed a joint venture with Malaga-based ASEMA Legal, Asema Triay López-Ibor, and works with Sotogrande's Hodgson Bilton Triay – founded by partner Raymond Triay. Cruz & Co is a member of Balms Group International, founded by Marbella-based Balms Abogados.

The only major Gibraltar firm without a significant Spanish practice is Triay Stagnetto Neish, acknowledges Triay. "Most firms are now present in Sotogrande, but I'm not sure how successful they have been or how much work beyond property they are actually doing there. For our part we have always felt that it was better to work in cooperation with Spanish firms in the area rather than in competition with them."

Reciprocated

Despite Gibraltar's warming political relations with Spain, and the rising economic links, none of its

major firms however hold themselves out as competitors to Spain's major corporate and commercial players. "We have very good relationships with some of Spain's largest firms so we do not see ourselves opening a Madrid office any time soon as we are bilingual, we see tremendous growth in the provision of financial services for the Hispanic communities of Spain and Latin and South America," says Benjamin Marrache.

The sentiment seems to be reciprocated, with little sign yet that Spanish law firms are considering a presence on the peninsula. "We have always enjoyed good relations with our lawyer colleagues in Gibraltar, both historically, in the tax-planning and construction sectors, as well as the more recent growth areas of gaming and communications," says Fernando Pombo, chairman and founding partner of Spain's Gómez-Acebo & Pombo.

"We see an increasing number of Madrid firms getting in contact, and we have opened a Spanish office, which we are looking to expand," says Isola & Isola partner Christian Hernandez. "But we don't see ourselves as competitors to the Madrid or Barcelona firms. Our office in Sotogrande mostly offers a facilitators role – we know how both legal systems work, so can make use of Gibraltar as easy as possible."

Business development

Firms acknowledge that in such a small market, business development inevitably benefits others. It is something that Castiel certainly acknowledges of his firm. "Another of Gibraltar's firms has said that we are their best referrer of work. There is an acceptance that firms help bring business to the market, there always has to be two sides to a transaction."

Hassans is notably a significant player in the development of the proposed Gibraltar Stock Exchange (GibEX), and has also proposed an Islamic Finance Bill. Few firms however are yet looking beyond Gibraltar or Andalucia for new business opportunities. Marrache & Co is an exception, and now maintains satellite offices in Lisbon and Prague, alongside its permanent presence in London and Sotogrande.

"Many see us as Gibraltar lawyers but with an international mentality and capability. Our international operations tend to be specific, and although Gibraltar is a small jurisdiction we have over the years developed expertise in areas such as corporate restructuring that see us advising major global corporations," says Benjamin Marrache.

Another firm that is now looking elsewhere is smaller firm Cruz & Co, which is now focusing its attentions towards Morocco, where it has established a joint venture office in office in Tangiers with Balms Abogados – Balms & Cruz Morocco. The intention is to target the growing interest in north Africa by developers and contractors, and companies looking to capitalise on cheaper labour costs.

"Many Gibraltar firms are looking north, as have we, but we think the future lies south. Spanish, English and European clients want to deal with a known entity, and we think we will offer a degree of comfort as a bridge," says Cruz.

Potential threats

Looking ahead, it is hard to find any lawyer in Gibraltar that can see any threat to the market's evident current success. The only possibility say some, is the potential for encroachment by outside firms.

"The legal market here is booming and the Spanish/EU dimension that Gibraltar offers means that ultimately US and UK firms will likely establish here," believes Castiel. "I have no doubt that it is on the cards in the next five years."

Others however, note that in such a small legal market a start-up operation would prove difficult for any potential new entrant. More likely might be the acquisition of a local practice, or a merger with a major player – particularly given the increasing consolidation of firms in the offshore legal world.

Nonetheless, such an event remains unlikely for Gibraltar's prime candidate, Hassans. "We are not talking to other offshore firms, our aim is to remain independent in order to remain competitive, as there is no danger of compromising our referral business. But who knows where the markets will take us," says Castiel.