

# POSITION OF SPANISH OFFICES IN LAW FIRM NETWORKS STRENGTHENING

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## **Madrid offices of international firms becoming 'net referrers' of work to other offices in their network, with Spanish lawyers being given key management roles in global firms**



With Spanish clients increasingly looking abroad for opportunities to expand, the Spain offices of international firms are becoming increasingly important parts of their respective networks due to the volume of work they refer. The Madrid offices of some UK firms, for example, have become net providers of referrals, as opposed to being net receivers of referrals as they were previously – in other words, they generate more work for their firm's foreign offices than those offices generate for them. One managing partner of the Madrid office of a UK firm says the office has always been a 'net referrer' of work to other offices in the network. Meanwhile, other UK firms say the

amount of work their Madrid operation refers has increased by up to 20 per cent in recent years.

Latham & Watkins is a firm that has recognised the significant potential its Spanish office has as a generator of revenue – consequently, it has embarked on a Madrid recruitment drive. The prominence of Madrid lawyers in international law firms is also reflected in the key roles they are assigned – for example, Latham & Watkins' Madrid managing partner Juan Picón is global co-chair of the firm's Latin America practice.

The rise to prominence of the Spanish offices of international firms is partly attributable to the international growth of Spanish companies as well as more "institutional stability" in key jurisdictions, says Picón. "There is increased institutional strength in countries such as Colombia, Chile and Argentina," he explains. "This is fuelling expansion towards these jurisdictions."

### **Spanish rainmakers**

In general, the improving global economy is encouraging clients to expand internationally. "Many Spanish entities already have a well-established presence overseas, including banks and financial institutions, as well as infrastructure and energy companies, but their appetite for international projects increases as the economic cycle improves," says Ashurst Spain managing partner María José Menéndez (pictured).

Over the last five years, the Spanish offices of a number of international firms have seen an increase in the amount of M&A and dispute resolution work they refer to other offices. "A great proportion of the cross-border work we refer is M&A-related, but we also refer infrastructure work and contentious matters," says Menéndez. She highlights the example of Madrid-headquartered Parques Reunidos' recent A\$40 million acquisition of the Wet'n'Wild entertainment park in Sydney, Australia as evidence of Ashurst's Madrid office playing a rainmaking role within the context of the firm's international network. "In terms of volume, our relative weight within Ashurst is small, but our access to prominent clients and a dynamic market means we are very highly valued," says Menéndez.

Diego Lozano, managing partner at Pinsent Masons' Madrid office, which launched in April 2017, says that in addition to generating work for the firms' wider network, the Madrid practice plays a key role in improving Pinsent Masons' relationship with its clients. He adds "Our Madrid office aims to meet the needs of international clients operating in Spain and across Europe, as well as large Spanish corporates which have already worked with us in other jurisdictions."

Picón, who headed a team of DLA Piper lawyers that joined Latham & Watkins last year, adds: "During our talks prior to joining, Latham & Watkins discussed the importance of the Spanish market for the firm in terms of turnover." Picón denies that referring clients could have a negative impact on

the turnover of the office that generates and subsequently refers the work. “We apply generation and proliferation credits, so the partners who bring in the deal and the ones who handle the work are equally recognised.”