

SPANISH STATE AND MAJOR BANKS FACING MORE LAW SUITS - CASALS

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During the last two years, court action against the Spanish state and the country's largest banks has increased, according to Javier Casals, managing partner at Casals.

"We work across the TMT, energy, banking and corporate sectors, and we see quite a lot of interest from many claimants – particular medium and large-sized companies – in pursuing litigation," he explains. Specifically, Casals says his firm is representing renewable energy companies that have brought legal action against the state after it changed its rules on tariffs and abolished the so called "premium option".

Meanwhile, in relation to banking, Casals says there are investors who have been sold financial products – such as complex swaps and preference shares – by financial institutions with the reassurance that such products "could not be safer", rather than being warned of the inherent risks. Casals says his firm, which was founded in 1989 and currently has 25 lawyers, has carved out a niche in dispute resolution because few large Spanish law firms are willing to launch legal action against the state or banks, due to potential conflicts of interest. Such firms are more likely to act on the

defendant's side, he adds. Consequently, other firms have identified such work as potentially a significant source of revenue.

"Firms like ours can target this type of dispute-related work and have been successful in these cases," Casals says. "Taking the state to court can be a difficult task, while some of these financial products that have been sold can be very intricate – as such, these cases can be complex and challenging."

Casals adds that there is a significant international element to this type of work. Some of his firms' clients come from outside Spain as well as jurisdictions such as the US, Germany, Italy and Japan. "We work very closely with international firms and are in regular contact about possible cases," he explains.