

‘WE ARE NOT FAITHFUL TO ONE PARTICULAR FIRM, IT DEPENDS ON THE CASE’

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Parques Reunidos’ local operations choose law firms for day-to-day legal work, but for complex matters, the central legal team asks three firms for proposals

Madrid-based leisure park operator Parques Reunidos manages a total of 62 theme parks, water parks, zoos and marine parks in 14 countries, employing around 18,000 people during high season. Founded in 1967, the company has acquired numerous parks and their subsidiaries over the last decade, transforming it into a global brand. Its most recent acquisition, the Miami Seaquarium in 2014, reinforced the company's presence in the US market, where it owns and operates some 22 parks through its subsidiary Palace Entertainment.

In its pursuit of such an aggressive expansion strategy – in a sector expected to be worth \$44.3 billion by 2020 according to Global Industry Analysts, due to the world's middle class growing and accruing more purchasing power and leisure time – Parques Reunidos relies on external law firms for advice on every stage of the M&A process. In addition, the business also turns to external legal advisers for advice on other kinds of complex transactions and litigation in foreign markets, according to Cristina Carro Werner, head of the company's Madrid-based corporate legal department. "We are all Spanish lawyers in the legal department here and therefore have logical limitations when it comes to offering legal advice in other jurisdictions," she says.

External lawyers consulted

M&A and corporate transactions – as well as other similarly complex matters such as management contracts – to be implemented outside of Spain require the advice of a local external law firm to ensure there is adequate legal and risk analysis as well as full compliance with local regulations, Carro says. She adds that this is always closely coordinated with, and with the full involvement of, the central legal department. For matters relating to Spain, the central legal department deals directly with day-to-day legal tasks, unless an issue is sufficiently complex to merit seeking a specialised counsel – this is determined on a case-by-case basis, depending on the specific issue to be dealt with and its complexity. Carro cites examples such as IPO processes, complex technical litigation and M&A transactions involving due diligence and anti-trust considerations.

Freedom of choice

All jurisdictions report key legal matters on a recurrent basis to the company's central legal department in Madrid, and for that purpose the company has outlined several policies and procedures which explain in detail how legal matters will be handled and the respective reporting obligations for the local jurisdictions, Carro says. For day-to-day legal matters, local jurisdictions are free to handle and choose local law firms, but for matters of more complexity or importance for the group, the involvement of the Madrid legal department is required.

Personal recommendation

Having worked in the legal profession for many years, Carro says she often relies on her many contacts by asking them for recommendations when it comes to choosing a law firm outside Spain to take on a particular case. She requests at least three proposals from law firms, choosing the best offer for the case in question. "We don't have a particular law firm that is in charge of all of our relevant legal matters," she says. "We are not faithful to one particular firm, it depends on the case – competition is high, there are many excellent professionals, which is very positive for the legal market." Carro stresses the importance of personal recommendations when selecting external lawyers. "Due to our in-depth legal knowledge, and the contacts we have in international law firms, for international transactions we will send a petition to the firm for them to recommend someone from their local offices in a particular jurisdiction," Carro explains. "We often come across lawyers after them having been recommended to us by one of our contacts."

Turning to directories

However, Carro says if no recommendation is received, the company's legal department will consult legal directories, specifically the Legal 500 and Chambers. "Such guides are reputable and their researchers are competent," she adds. Once at least three law firms have been approached for proposals for a specific case, the legal department will then analyse their economic and technical

proposals in order to select the best offer. "We are very open in that respect with all the participants," she says.

Cristina Carro Werner is head of Parques Reunidos' corporate legal department