Hernando de Soto’s apple is just an apple. As he explained last night in his keynote speech at the International Bar Association Opening Ceremony, the apple is nothing without its relationship through the laws and policies lawyers use to establish order in the globalised economy.

“Lawyers hold the key to the world’s problems,” he said. “You may not realise it, but you all create pictures of facts.” The exchange of legal titles establishes value and relationship between companies, countries and individuals, de Soto explained.

Later de Soto thrust his passport in the air, opened it, and proclaimed he is not defined by his nationality or his heritage, but by the documents and legal titles that support his passport and establish his economic relationship to the rest of the world.

The uniformity between country borders that allows his safe passage around the globe is a product of lawyers that create facts and policies to establish his citizenship. “There are over six billion people in this world,” he said. “And the only way for them to know each other is through law.”

De Soto went on to give his view on the evolving global economy and the credit crisis. He said that once the property titles and their relationships to the rest of the world become too complicated to establish ownership, the economy is bound to collapse the way it has the last few months. “The world hinges around the information that property brings into a place,” de Soto said. “_addresses release information about ownership and who a location relates to.”

Fond of his metaphors, de Soto used the example of a pencil, whose wood, lead, eraser and metal were all formed in different countries but brought together by a series of economic relationships. “Sometimes we only see things when they come together,” he said. “Then I look at this pencil and see the process of it coming together.”

The sub-prime crisis, then, is the lack of easily identifiable relationships between buyers and sellers who have complicated the marketplace with securitisation. “It’s a problem of knowledge,” he said. “When you know who owns what you are able to see the invisible things. You can see the relationships.”

De Soto thinks the sub-prime crisis is just at its beginning for lawyers, because it is their job to re-establish those relationships to find out who owns property. “Property creates the most important informational relationship system ever,” he said. “In the sub-prime crisis people left real estate and went to securitisation, which negated relationships. Now we don’t know who owns what.”

He managed to place the economic issues in perspective, comparing them to the “chronic sub-prime crisis” in his native Peru. A country where 60% of the population lacks the property titles that establish business relationships with the rest of the world.

This “front against globalisation,” leaves more than four million people behind global development. “These people are voting against against the system because they aren’t a part of it.”

De Soto explained that when he was invited to speak in July, he thought he would discuss the economic crisis of Peru and other impoverished nations. But the western world caught up and launched itself into a crisis of its own, due largely to complicated securitisation methods, and a lack of legal uniformity.

“Property has to be precise, updated and standardised to be recognised on a global market,” he said. “The world’s problems are legal problems.”

De Soto is the pre-eminent economist in South America and President of the Institute for Liberty and Democracy, based in Lima.

Continued on page 2.
IBA OPENING CEREMONY

David Rivkin, Hernando de Soto, Fernando Pombo and Horatio Rodriguez Larreta listen to Martin Solc’s introductory remarks.

Continued from page 1

Peru. He was distinguished as one of the leading Latin American innovators by Time magazine, as well as one of the 100 most influential people in the world.

IBA President Fernando Pombo introduced de Soto as a “genius,” a remark that drew a smile of flattery from the keynote speaker. “He was behind the most innovative economic issues in the world,” Pombo said, “and we couldn’t have a better speaker for this conference.”

Before de Soto spoke a variety of IBA delegates took to the stage to give background to the conference. Chief of the Cabinet of Ministers in Argentina Horacio Rodriguez Larreta explained that this was the second time Buenos Aires has hosted the prestigious event, and that it was the largest collection of south American lawyers there had ever been.

Pombo said that there are 117 countries represented at the conference, which brings numerous Latin American and north American speakers together with the rest of the world. For the first time the IBA welcomed Afghanist lawyers, who have establish their own pillar of justice, according to Pombo.

Chair of the IBA Legal Practice Division David Rivkin said it was remarkable that the conference will have record numbers, with 4,500 attendees despite the threats and economic crisis the world is undergoing.

“The importance of lawyers grows exponentially,” he said. “It is important, now more than ever, that we help our clients and governments. We are the glue that holds it together.”

POLL: CREDIT CRUNCH REGULATION

The regulatory response to the liquidity squeeze has been confused and confusing, says Rachel Evans

The European Commission’s proposed reforms to the Capital Requirements Directive are “a complete disaster”, according to in-house and private practice lawyers. The plans, under which originators would have to maintain a 10% stake in any product that transfers credit risk, were singled out by 50% of lawyers as the worst regulation to proceed from the credit crunch.

If the EC’s suggestions become law, originators will have to maintain positions in products such as securitisations, derivatives, syndicated loans and corporate bonds. This would have serious repercussions for banks’ balance sheets and the amount of regulatory capital that institutions have to hold.

Laughable and pathetic

“The EC’s proposals are bleeding hilarious,” says one lawyer. “Banks simply don’t have the capital to hold against all the vanilla debt issuances from corporates. This will increase exponentially the extent of the credit crunch. Bravo European Commission.”

The Commission published the potential changes in July after negative feedback from the industry pushed the EC to drop an earlier scheme. The initial proposals would have required originators of securitisations to hold capital to cover 15% of the structure, regardless of whether the originator maintained any exposure. These suggestions were rejected by the market as ineffective and anti-competitive for EU banks, but the revised plans seem little better.
By requiring originators to maintain an exposure in deals they originate, the EC hopes to align their interests with those of investors. This should promote better origination and due diligence standards.

But originators often keep a stake in their deals, and indeed did so on many of the sub-prime deals that went wrong. “Lots of institutions already maintain the equity slice,” comments one lawyer.

“However, if an institution wants to pass on the risk, I don’t see why they shouldn’t be allowed to. These proposals will not only increase regulatory capital costs but also limit how much it’s possible to raise at the triple-A level.”

**The special contender**

However, it’s not only European regulators that got it wrong. The UK government’s special resolution regime (SRR) was a serious contender for worst regulatory response of the year. A quarter of lawyers questioned by IFLR expressed concerns about the legislation to save failing banks.

“The temporary act that enabled Northern Rock’s nationalisation has broad and powerful language that is potentially very scary,” says one partner. “Ultimately, it displays the power of the state – it can do anything. The government needs to clarify the extent of such powers when putting them into permanent legislation.”

There is also consternation on the wording of the regime with regards to netting. The SRR would allow the government to split failing banks into toxic and sound institutions. Not only will this create a lottery for creditors, with those whose debt is moved to the sound institution receiving remuneration and those left with the toxic bank losing out, it could also destroy netting arrangements. Netting allows banks to consider the net owed by various counterparties rather than the sum due for each transaction. Splitting banks could tear apart these arrangements.

As one counsel comments: “The SRR enables the idea of partial transfer and the cherry picking of contracts, which could fundamentally upset netting. The authorities are considering protecting some netting arrangements but they don’t know which ones.” Lawyers warn that hedge fund brokerage – which relies on contract netting – could be badly affected, with hedge funds opting to do deals outside of the UK.

**Holding onto hope**

Regulators are not, however, failing at everything. When lawyers were asked about the positive regulatory responses to the credit crunch, 43% mentioned the increased focus on liquidity. The Bank of England’s Special Liquidity Scheme was described as “cleverly designed” and the European Central Bank’s scheme was also praised.

But more than two-thirds of those surveyed felt that the industry had not been sufficiently consulted on new regulation. There were only two weeks to respond to the EC’s proposed changes to capital requirements. Many lawyers also highlighted the recent short-selling rules as a classic example of regulators acting without consultation. As one lawyer said when asked how regulators should improve consultation with the industry: “Have some.”

“**The EC’s proposals are bleeding hilarious. They will increase exponentially the extent of the credit crunch. Bravo European Commission**"
QUESTION: Which sessions are you looking forward to?

Tayo Arowojolu
Tayo Arowojolu Solicitors
London, UK
I am looking forward to the Africa Forum events, and I want to attend some human rights sessions. I am also very interested in arbitration and dispute resolution. I’m looking forward to meeting some old friends. I used to practice in Nigeria but I have been in England for the past 15 years. I see there are over 200 delegates here from Nigeria. I did not realise that Buenos Aires was this far away – but it is a very beautiful city!

Daniel de Andrade Levy
Fereo, Castro Neves, Daltro & Comide
Rio de Janeiro, Brazil
I am here to focus on arbitration and the young lawyers’ events, and of course I am looking forward to the social functions. I think Buenos Aires is like the South American Paris, you can just walk around looking at everything and enjoy it. I’d recommend San Telmo flea market which is held every Saturday.

Herman Jeremiah
Rodyk & Davidson
Singapore
I’m going to be attending the sessions on insolvency and arbitralation and renewing contacts made at previous conferences, such as last year in Singapore. Unfortunately I’m not going to have much time to look around as I’m heading straight back after the conference.

Okwuchi Okorji
Imo State judiciary
Imo State, Nigeria
I focus on criminal law so I’m looking forward to those sessions, as well as the judges’ session and the women’s interest group. I’m looking forward to broadening my knowledge of law and meeting lots of people from different jurisdictions all over the world. At the IBA conferences, you really get something new. It’s like a positive lift and good professional inspiration. It makes you proud to be a lawyer.

H Karthik Seshadri
Iyer & Thomas
Chennai, India
All the sessions are a good place to network amongst lawyers. This is my second IBA conference; I really enjoyed Singapore so that is what prompted me to come back. I’m from India so this is a good common platform to come and exchange ideas. One thing that I’ve noticed about Buenos Aires is that it’s difficult to be vegetarian here!

Stef Oostvogels
Oostvogels Pfister Feyton
Luxembourg
I’m mostly going to be attending the tax sessions as I’ve done since I first came to an IBA conference – Strasbourg – almost 20 years ago. The IBA’s conferences are a good combination of networking, technical skills and law firm management. We’re enjoying being in Argentina and have already spent three days in Patagonia near El Calafate. The tax committee chose to go there for its annual retreat.

Roberta Tish
Blacklaws Davis
London, UK
I’m certainly going to be attending the family law sessions, which is the area I practice in, and I’m hoping that they’re going to expand. I’ve been coming to the IBA conferences for 20 years – I was here when the conference was last in Buenos Aires – and I’ve chaired committees and been on the council since. I’m looking forward to meeting a lot of old friends and lots of interesting people.

H Karthik Seshadri
Iyer & Thomas
Chennai, India
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Tom Pine
University of Hertfordshire
UK
I am speaking at the Water and Terrorism session on Monday. I had my speech prepared and have submitted a paper, but so much has happened recently with attacks on the water supply in Denmark and with the Somali pirates that everything has changed.

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Give something back

How long have you been involved with the IBA?
I can’t actually remember exactly, but for quite some years. I began as just a normal member. I did many things: I was a counsel member of the Legal Practice Division, I was Deputy Secretary-General. But I suppose my active involvement with the IBA began at the Auckland Conference, in 2004, where I was elected as the first Chair of the Bar Issues Commission.

When was that?
The Bar Issues Commission was created in 2004, by the amendment of the Charter of the IBA and I was elected as the first Chairman. I feel that the reason I was elected as BIC Chair was that I had been developing close friendships with the Bar leaders of both developed and developing countries via cross-border legal programmes. I was the Bar Issues Commission Chair for two years and subsequently I stood for the position of Secretary-General of the IBA. The election was held in 2006 in Chicago, and it so happened that I was elected Secretary-General.

So what does your role as secretary-general entail?
My responsibility is to coordinate between the many Bar leaders and the IBA office in London. On a personal note, I am particularly interested in helping developing countries, including Myanmar, Laos, Kazakhstan and numerous African countries.

What has been your best moment working with the IBA?
Last year I went to New York and I met the secretary-general of the United Nations, Ban Ki-moon, and I had a very interesting discussion with him. He told me that he relies heavily on the IBA to promote rule making globally and also that he is very interested in how the IBA can help the least developed countries.

That must have been a very important moment for you
This was an extremely important for me; in fact, I took it as my mission. This year we were very successful in organising a special Iraqi lawyers training programme. I do believe, above all, that the doctrine of Rule of Law is globally prevailing and universally trusted.

Our mission is very important, and I think that we have an important role to play for peace building in both the warring and post conflict countries. Basically, my focus is in two directions: one developing Bars, the other Bars post-conflict or in warring countries.

Can you tell us about the Iraqi lawyers training programme?
We have a group of lawyers that is used to dealing with Iraqi problems; they have a significant amount of Arabic material, which we use to train the Iraqi lawyers. I really feel there should be a greater exchange of knowledge between Iraqi and non-Iraqi lawyers; there is an immense amount to learn from each other.

Last spring the IBA had a meeting in Zagreb; representatives of the Iraqi Bar, including its President came to the gathering. It was here that the President asked for our help to rebuild the Iraqi Bar, I promised that I would help because it is such an important cause.

What action have you taken?
I went to the UN and I asked the UNDEF (the United Nations Democracy Fund) for help. Only the IBA is in a position to do that, because the IBA is non-political, it is just a rule of law advocate. I am glad to say that the IBA is trusted, by people such as Ban Ki-moon, and we must respond to that kind of trust.

Continued on page 6
When the IBA was established in 1947, it said that it was the United Nations of the Bars and law societies of the world and, simultaneously, that the IBA is the Bar of the United Nations. The IBA was always very closely related to UN activities from day one, so I definitely want to continue that dialogue.

**Which sessions at the conference are you most looking forward to?**

Well, this conference is very important because it is held in south America. This is only the second IBA conference to be held there. Latin America is a growing area for the legal profession, which should make the conference all the more interesting.

I would have to look at the many options around, but the Rule of Law symposium should be very significant. The symposium always focuses on different issues and though I have not been told what they will be exactly, I’m sure it will be a very enlightening and progressive conference on the mission of lawyers in the global age.

**How many delegates are you expecting at this year’s conference?**

So far, I’ve heard that the registration is growing very rapidly; I may be wrong but my guess is 3500. In Singapore, most of us, myself included, were very pessimistic, because Singapore is so far away. But it was a record, our largest ever conference. Buenos Aires is very far away so my estimate is a cautious one.

**Why do you think people find it so beneficial to attend?**

As you may be aware, the registration fee is extremely high, yet so many lawyers come to the conference every night. Most of the dinners and parties are free and it is a chance to meet many friends, new friends and old friends. Moreover, at the sessions you will meet lawyers with a common interest. All of us delegates exchange name cards, all attendants come to the conference bringing a box of name cards and they end up distributing all of them. Many bring with them brochures, pamphlets or leaflets of their practices. And when we get back from the conference we find we have very heavy bags of documents: they are extremely useful for networking.

**How do you think the social programmes help people to build professional networks?**

We also frequently refer work through these networks. I would quite happily refer my clients to the lawyers I meet and with whom I drink. I trust them and feel I could rely on them. We also frequently refer work through these networks. I would quite happily refer my clients to the lawyers I meet and with whom I drink. I trust them and feel I could rely on them. Moreover, nowadays, many young associates want to spend time overseas. Many are interested in the Indian deal market, others are fascinated by the Islamic financial centres and some now may be interested in Brazil; if I have friends from the IBA told me there were three reasons for the lawyers gathering in this fashion. Firstly, they want to learn more about latest developments and other current topics. Also, they come to the conference to make friends and business allies: networking is the second reason. But most importantly, so many lawyers come together at the IBA conferences to try and do something good.

They are not selfish people, something I am very proud of; the lawyers are heavily orientated towards public interest. They like to spend money to participate in the IBA ultimately to do something good for society.

**You mentioned building professional networks. What will there be in terms of social programmes at the conference?**

Well, there are many social programmes, nice receptions and dinners every night. Most of the dinners and parties are free and it is a chance to meet many friends, new friends and old friends. Moreover, at the sessions you will meet lawyers with a common interest. All of us delegates exchange name cards, all attendants come to the conference bringing a box of name cards and they end up distributing all of them. Many bring with them brochures, pamphlets or leaflets of their practices. And when we get back from the conference we find we have very heavy bags of documents: they are extremely useful for networking.

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**On a personal note, how do you find time to balance your role at the IBA with your role at Anderson Mori & Tomotsune?**

Well, that is a difficult question. But I am quite senior now, and so I probably will not be expected to work as hard as before. Because I am getting quite old as well, I would like to concentrate on doing something good for society, and therefore I really do enjoy working for the IBA.

**You are doing very well in terms of your contribution to the IBA.**

I am the first the first east Asian lawyer that has ever been appointed to the leadership of the IBA; it’s strange but it’s amazing. I enjoy that and the Asian lawyers like it. In a way, I think I am contributing to the development of the IBA in these Asian regions. Otherwise, Asians didn’t know the IBA very well and particularly those from Japan, China, Korea etc. In those jurisdictions, since I have been elected as Secretary-General of the IBA there has been a slightly increased awareness of the IBA.

**So does your role with the IBA benefit your firm?**

I think so, but it benefits the firm very indirectly, not immediately. Because of the IBA many of my partners are now exposed to the international deal market, and they learn many things from that. It is indisputably an asset for them and for the firm.

"These lawyers are not selfish people, something I am very proud of"
The fruits of Buenos Aires

A summary of all the things to see and do within a few minutes walk of the IBA conference location

The Sheraton Buenos Aires Hotel and Convention Centre lies at the very heart of Argentina’s capital. This centre point puts you within minutes of several of the city’s most popular shopping, dining and cultural spots. Only a short walk away from the Convention Centre there are several things to do.

Galerías Pacífico

Galerías Pacífico is an elegant shopping mall made in a conventionally European fashion. The mall is located on Florida Street and houses several tiers of brand names and specialty stores. The lower level also features a large food court with a host of high-quality restaurants.

Highlights of the mall are the state-of-the-art Galerías, which offer guided tours on Wednesdays evenings. For a more relaxing option, visit the Centro Cultural Borges, where you can watch shows, enjoy art displays and take tango lessons.

By presenting online vouchers, tourists are able to receive gifts and attractive discounts. Shopping in bulk is never a problem as the stores offer a free service where all your purchases can be sent to your hotel. The mall is worth taking a tour of merely for its long halls and the large central cupola featuring Italian frescos.

Obelisco

Take a walk alongside the magnitude of The Obelisk. Visible from all over the city, it’s hard to miss. The monument was built in May 1936 to commemorate the 400th anniversary of the first founding of the city. As the focal point of the vista between Plaza De Mayo and Diagonal Norte, it is also meant to mimic the vistas found in Paris around Place de la Concorde. The venue is famous for various cultural activities and is a common gathering spot for sport fans to celebrate the victory of the national football team.

Florida Pedestrian Street

To get a glimpse of the hustle and bustle of the city, take a stroll along Florida Pedestrian Street in the central business district. Shops sell everything from brand names to souvenirs and other merchandise. Along the street and you will also find restaurants, cafes, banks and hairdressers.

The crowd starts to pick up as early as 7 am.

Plaza de Mayo

Plaza de Mayo holds a crucial place in Argentinian history and is still a favourite amongst local tourists. It is a platform for frequent political demonstrations, with many protesters camping out there at night. For a deeper understanding of the history behind this structure, watch the mothers of the desaparecidos, victims of the military dictatorship’s campaign against leftists, march and set up information booths every Thursday afternoon.

Casa Rosada

Located at the eastern end of Plaza de Mayo, Casa Rosada (The Pink Building) is the presidential palace. In balcony has served as a podium for many figures including Eva Perón, Pope John Paul II and Madonna. The name reflects the pink colour scheme, which it is said, was chosen by President Domingo Sarmiento in order to relax political tensions by mixing the red and white colours of the country’s opposing political parties. Visitors can tour the basement-level museum to learn about Argentina’s history.

Puerto Madero

Visit Puerto Madero for an insight into the city’s most up and coming entertainment area. This hotspot has been transformed from a storage dock and is now home to some of the best al fresco dining spots in the city.

You could catch a movie at the eight-theatre cinema complex, or take a trip to the floating naval museums that are the ships the Argentine Armada, the Corbeta Uruguay and the Fragata Samiento moored on the quay.

Abasto shopping mall

Abasto shopping mall is one of the major architectural landmarks of the city. It is the perfect place for some upscale shopping amidst charming aesthetics. With its large, imposing façade, it is often mistaken for the presidential palace. The structure, watch the mothers of the desaparecidos, victims of the military dictatorship’s campaign against leftists, march and set up information booths every Thursday afternoon.

In the Recoleta district, visit the Recoleta Cultural Centre, a major gallery for contemporary art, set in a dark pink chapel. Not too far from this is the Buenos Aires Design Centre, featuring high design, architecture and interior design shops. The district is also known for its active nightlife, especially RM Ortiz (Recoleta Village) which offers outdoor dining, pubs and cinemas.

Buenos Aires zoo

Buenos Aires zoo is home to over 350 species and is known for its exotic breeding. Unique features of the zoo include an in-built rainforest and a boat ride on the lagoon. Throughout your journey you’re welcome to feed monkeys, alpacas, camels, zebras and other friendly animals with food from the stations located around the zoo. The best time to visit is on a lary weekday afternoon when it is not too busy.

Sunday flea market

For an authentic Buenos Aires experience, visit the Sunday flea market in San Telmo. The neighbourhood is known for many things including its reputation as the world centre of tango music. The market usually attracts a fair crowd interested in strolling, listening to street bands and watching professional dancers tango to traditional tunes.
(imagination + motivation)* perspiration

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A basket of benefits

Nicholas Pettifer talks to Christopher Meyn of Gávea Investimentos about this morning’s session on Latin American private equity

At 10.00am today in Liberator A, there will be a discussion on Latin American private equity and hedge funds. Christopher Meyn is a partner at Gávea Investimentos and is speaking at the session. Here, he previews what he is likely to add to the debate and reveals reasons why he feels Brazil is the best country in Latin America for private equity houses to invest into.

Have you had any pre-discussions about what you are going to talk about in your session?

I’m going to talk generally about the private equity environment in Brazil. There are two of us coming over from Brazil and that is a pretty traditional speech topic. It’s a country that (right, wrong or indifferent) is perceived as a bit buffeted and delinked from a lot of what we are seeing right now globally. It’s not true. It is a very attractive market, but like anywhere else, it is not magic: there is no silver bullet, there is no delinking from the global economy and there will be volatility here like anywhere else.

So I’m going to talk about Brazil – what the environment is like, what we see happening right now and what we think the outlook will be for the next two or three years. We have our own impression and people usually like to hear it, but whether it’s correct or not is up to the audience.

You mentioned existing legislation that makes Brazil attractive.

There are certain market friendly, investor friendly changes that have been implemented over the last few years. You’ve got to take them as a basket of positive regime changes – any one by itself is really not enough, but as a group the results are interesting. Tax incentives for foreign direct investment, including vehicles domestically and abroad that can be used to reduce or eliminate taxes for foreign investors, including private equity. The streamlining of capital flows back and forth between countries has been important. Prior to the early 2000s, foreign exchange flows were processed with quite a lot of bureaucracy – arcane registration processes to get your money flows approved. That led to some less than perfect mechanisms for capital flows here – it stimulated parallel markets (as do the very high tax burdens in Brazil). But that has all been simplified and it is now fluid. It is no different having our money abroad and bringing it in than it is in any other developed economy.

What rules in particular have helped?

Law 2689 allows for capital gains and financial transaction tax exemptions on stock market investing for foreign investors.

More importantly, for direct investing in companies such as under private equity, you can use newly created and regulated investment vehicles. For example, the FIP (Fundo de Investimento em Participações – a fund of investments structured like a limited partnership or a corporation) is a vehicle that investors can make investments in private entities through on a capital gains tax-exempt basis, including allowing for washing of gains and losses among investments in the same fund.

These structures and vehicles are gaining popularity and the lawyers involved do a good job. Tax haven domiciles change a lot here and if you’re not careful you can end up paying more tax than the basic rate. If you find yourself in a locally classified tax haven, capital gains are not exempt and in fact increased from 15% to a 20% rate. You have to be in tune with what is happening while you are structuring both the fund and the investments. Some things are just irreversible, so you want to avoid making mistakes.

Have there been any developments in the capital markets that have increased attractiveness of companies to investors?

I would certainly point to the creation of the Novo Mercado, which is the special listing designation within the Brazilian Stock Market (Bovespa). It was created in 2000 and now there are more than 100 companies listed. This designation is reserved for companies with the highest level of corporate governance and transparency within the stock market. So you can file to become a Novo Mercado company, and you must meet an advanced level of both shareholder friendly and market friendly characteristics. Such as a minimum float of 25%, one class of shares with tag along rights for all minorities, etc. So you align interests of all shareholders, no longer having the game of isolating minority shareholders.

Continued on page 10
<table>
<thead>
<tr>
<th>TIME</th>
<th>SESSION</th>
<th>LOCATION</th>
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<tbody>
<tr>
<td>Monday AM 1000 – 1300</td>
<td>Competing by trading – developments in the antitrust/trade law interface</td>
<td>Libertador C (1st Floor)</td>
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<td>All you need to know about M&amp;A in South America</td>
<td>Libertador A (1st Floor)</td>
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<td></td>
<td>Industrial espionage and competitive intelligence: challenges and recent trends – working group meeting</td>
<td>Río de la Plata (2nd Floor)</td>
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<td>History and justice: achieving justice through the legal mechanisms necessary to bring those guilty of crimes during dictatorships and military rule to justice</td>
<td>Gómez Losada (2nd Floor)</td>
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<td>Financial aspects of dispute resolution</td>
<td>Libertador B (1st Floor)</td>
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<td>Ten ways to define the word ‘fraught’: successful project delivery in a fraught environment</td>
<td>La Pampa (1st Floor)</td>
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<td>Capital markets in crisis</td>
<td>Retiro B (1st Floor)</td>
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<td>When the crunch comes: the battle for survival for businesses in the subprime jungle</td>
<td>Retiro C (1st Floor)</td>
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<td>Up to speed dating – informal table talks on hot topics for the Intellectual Property, Communications and Technology Law Section</td>
<td>San Telmo (Ground Floor)</td>
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<td>Press freedoms in the Americas and beyond: current issues in newsgathering and publishing liabilities</td>
<td>Martin Fierro I (2nd Floor)</td>
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<td>International consignment sales and parallel imports</td>
<td>Retiro A (1st Floor)</td>
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<td>Child protection – children’s rights and their protection</td>
<td>Cassena A Meliá, Buenos Aires Hotel</td>
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<td>Monday PM 1300 – 1400</td>
<td>Human Rights Law: Open business meeting</td>
<td>Martin Fierro II (2nd Floor)</td>
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<td>Hot for hotels</td>
<td>Tirso De Molina A, Meliá Buenos Aires Hotel</td>
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<td>Aircraft lenses including non-consensual items</td>
<td>Pincho (2nd Floor)</td>
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<td>Founding of jurisdiction and anti-suit injunctions</td>
<td>Ombú I (2nd Floor)</td>
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<td>Rationaising Latin American ownership structures</td>
<td>Martin Fierro II (2nd Floor)</td>
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<td>Ethics in-house: responsibilities, duties and privilege(s) for in-house counsel</td>
<td>Atalaya (24th Floor)</td>
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<td>Human Rights – should they go beyond traditional areas of protection?</td>
<td>Ombú B (1st Floor)</td>
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<td>Latin American private equity and hedge funds</td>
<td>Libertador A (1st Floor)</td>
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<td>Importance of the independence of the judiciary</td>
<td>Auditorium (Ground Floor)</td>
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<td>Ensuring the future success of your firm: choosing and training your partners</td>
<td>Tirso De Molina B, Meliá Buenos Aires Hotel</td>
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<tr>
<td>Monday AM 0845 – 0945</td>
<td>BIIC Welcome Meeting</td>
<td>Martin Fierro I (2nd Floor)</td>
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<td>Young lawyers’ introductory meeting</td>
<td>Cassena B Meliá, Buenos Aires Hotel</td>
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<tr>
<td>Monday PM 1300 – 1400</td>
<td>Open forum: identification of issues common to corporate counsel</td>
<td>Atalaya (24th Floor)</td>
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<tr>
<td>Monday Lunch 1300</td>
<td>European Forum lunch</td>
<td>Fiestas Room, The Marriott Plaza Hotel</td>
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<td>North American Forum lunch</td>
<td>Florido Rooms, The Marriott Plaza Hotel</td>
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<td>Arab Regional Forum lunch</td>
<td>Dorado Room, The Marriott Plaza Hotel</td>
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<td>Monday Lunch 1315</td>
<td>Capital Markets Forum lunch</td>
<td>West Bengal</td>
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<td>Cultural Issues Programme event</td>
<td>El Querandi</td>
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<td>Public and Professional Interest Division lunch</td>
<td>Versailles Ballroom, Alvear Palace Hotel</td>
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<tr>
<td>Monday PM 1500 – 1800</td>
<td>Multinational merger control – how to deal with many cooks</td>
<td>Retiro A (1st Floor)</td>
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<td>Passing on the mantle - succession planning for closely held and family businesses</td>
<td>Libertador A (1st Floor)</td>
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<td>Ethics in arbitration for counsel and arbitrators</td>
<td>Libertador B (1st Floor)</td>
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<td>Water and terrorism</td>
<td>Gómez Losada (2nd Floor)</td>
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<td>Recent developments in insurance/reinsurance</td>
<td>Retiro B (1st Floor)</td>
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<td>Mutual recognition in cross-border securities laws and regulations</td>
<td>Ombú C (1st Floor)</td>
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<td>Buying art – the worldwide market</td>
<td>Río de la Plata (2nd Floor)</td>
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<td>Digital media and the internet: South America is home to a variety of unique content</td>
<td>Pincho (2nd Floor)</td>
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<td>Space law as a tool to human rights enforcement</td>
<td>Ombú II (2nd Floor)</td>
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<td>Technology private equity transactions</td>
<td>El Aguilá (24th Floor)</td>
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<td>OS&amp;G on the beach</td>
<td>Catalinas (1st Floor)</td>
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<td>Specialised charter parties, including contracts of affreightment</td>
<td>Ombú I (2nd Floor)</td>
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<td>Securitisation as an alternate for raising financing and to deleverage for the multinational</td>
<td>Libertador C (1st Floor)</td>
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<tr>
<td>Monday PM 1700 – 1800</td>
<td>Arab Regional Forum: Open business meeting</td>
<td>Martin Fierro II (2nd Floor)</td>
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<td>Key developments in corporate governance and other laws in Greater China and Asia Pacific countries affecting private equity investors</td>
<td>Tirso De Molina A, Meliá Buenos Aires Hotel</td>
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<td>Soccer: players’ transfers and clubs’ takeovers – business operations and disputes around the sport of soccer</td>
<td>Martin Fierro II (2nd Floor)</td>
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<td>Monday PM 1400 – 1700</td>
<td>Tour of the local Bar Association and Law Courts</td>
<td>Martin Fierro I (2nd Floor)</td>
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<tr>
<td>Monday PM 1500 – 1700</td>
<td>The International Criminal Court: the role of bar associations and practitioners</td>
<td>Cassena B Meliá Buenos Aires Hotel</td>
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<td>The role of the Attorney General/Law Officer in a democratic society</td>
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<td>Monday PM 1715 – 1800</td>
<td>The DIFC Courts and the role of the advocate in conducting international litigation</td>
<td>Cassena A Meliá Buenos Aires Hotel</td>
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<td>Security and safety for judges and sexual abuse of children</td>
<td>Cassena B Meliá Buenos Aires Hotel</td>
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<td>Knowledge management in the smaller law firm: profitability tool or expensive fad?</td>
<td>Auditorium (Ground Floor)</td>
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<td>Ethics in times of crisis and upheaval</td>
<td>Tirso De Molina B, Meliá Buenos Aires Hotel</td>
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<td>Glass ceilings and compensation discrimination facing women lawyers – part II</td>
<td>Atalaya (24th Floor)</td>
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<td>'Top E’ – Speed talk tables</td>
<td>Tirso De Molina C, Meliá Buenos Aires Hotel</td>
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<td>Turn contacts into clients and referrers: five steps for successful rainmaking</td>
<td>San Telmo (Ground Floor)</td>
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<td>Tango – expressing the vibrant urban culture of Argentina</td>
<td>El Querandi (off site)</td>
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<td>Monday evening</td>
<td>Hosted Law Firm reception</td>
<td>Tattersall</td>
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<tr>
<td>Monday PM 2030</td>
<td>Art, Cultural Institutions and Heritage Law Committee dinner</td>
<td>La Cabana</td>
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And this is attractive to investors.

Yes, there has been a great premium for the companies that have adhered to this set of requirements and you can actually start tracking that. The companies that comply have performed very well relative to the broader market. There has been, as I recall up to a 30% average premium in valuation for Novo Mercado companies. Whether that is statistically or purely linked to the Novo Mercado, who knows. But it is the right kind of movement for an investor – it’s a private equity mentality.

The transparency helps too. That has helped stimulate a confidence that (and this goes hand-in-hand with a better macro economic environment for the long term) a sense that the equity markets are real. It's not just a capital game for the controlling shareholders to play with and jam the little guy at the end of the day. It has helped drive a lot of foreign investment into the stock market here.

Have there been any new legislative changes that have helped?

The relatively new bankruptcy law in Brazil has been quite beneficial. It sounds crazy to say, as it does not match the bankruptcy system in some far away city; today, creditor groups are the life of the company for debtors and creditors. And it any link to the business in some far away city would decide the process versus an arbitrary judge-ruled bankruptcy/liquidation proceeding.

Before, you would be bankrupt and some guy without any link to the business in some far away city would decide the life of the company for debtors and creditors. And it wouldn't always be rational. Today, creditor groups are formed, the recovery plans are submitted and negotiated, and there is a waterfall of seniority in claims. This gives you a clear and better judicial system for resolving problems. There has always been a good judicial system in Brazil, albeit a little bit slow; but this has helped create certainty for investors.

And all of these things together add up to a better environment for private equity investment?

Taken together as a whole, these legislative and structural changes have created a much better investment environment over the last five to seven years. None of these can match the most important thing though – simply a better economic environment. Brazil has turned itself around and positioned itself to be very, very stable for the long term, which hasn’t really happened since the seventies.

Why Brazil? It’s a much bigger country, it’s very western thinking and consumption habits are very much American. That can be good or bad. Good if you’re selling Big Macs! Seriously though, there is more of a habit of adopting credit and therefore being a consumer in the truest sense. You will spend your earnings, you will take on credit and you will increase your consumption as your spending power increases. This is something we are used to seeing in the western world, but we don’t really see it happening in the same model elsewhere in emerging markets. Here, it is happening.

It’s really hard to strip out one thing that has increased Brazil’s attractiveness, but high interest rates create opportunities. They also create a challenge for private equity in terms of more expensive capital, but it keeps valuations down. So I view that as an opportunity if you are comfortable with risk. Leverage is not a significant option with high rates and because of that you are doing a lot of things on a pure equity basis. Leveraged buyouts are tough to execute here and will continue to be so until debt is more creative and cheaper.

Are there any structural differences to deals in Brazil that make them stand out from other Latin American countries?

I’m very Brazil-centric, but anecdotally I understand the judicial system here is clear and direct. It works. It may not work in the same time frame you were hoping it would, but it works and there is clarity to the law.

There is political stability too. Historically, Brazil tried all the tricks in the book to get itself out of problems. Price controls, tax regime change, nationalisation of assets – none of it really works and the average Brazilian won’t accept any new gimmicks. So prudent politics, steady economic policy and a very free media are certainly important contributing factors.

Do you know of any future legal developments that will help promote investment in Brazil?

I don’t think we will see any significant legislative changes in the near future. There is an election in a year and a half and there is never a great urge to shake the tree. The economy is humming along and so far any real softness in the economy seems to be lagging the global crisis enough.

So, what you worry about here is a change in the micro-environment in terms of capital markets and liquidity. That’s going to happen. I hate to tell everyone that, but it is going to be rough for some folks out here in Brazil.

But you are confident of your long-term investments?

We have always had confidence in Brazil. A little patience, a little cold blood and trying not to get emotional is the key.

“A little patience, a little cold blood and trying not to get emotional is the key”
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