In a moving and passionate speech yesterday lunchtime, Morgan Tsvangirai, the Zimbabwean Prime Minister and head of the Movement for Democratic Change (MDC) talked of his hopes for the future of Zimbabwe and the importance of upholding the rule of law.

Speaking at a lunch by the Legal Practice Division, Tsvangirai explained his decision to share power with Robert Mugabe and outlined the coalition’s achievements to date.

“I am not an angel, I am merely the voice of millions of Zimbabweans that have held onto an idea for 10 years: to restore dignity to Zimbabwe, to restore security to Zimbabwe and to restore hope. I’m sure that we are not far off giving Zimbabweans the hope they expect and deserve,” he said.

Tsvangirai, whose speech was received with a standing ovation from the packed room, described how much the country had achieved since he took office in February 2009.

Zimbabwe’s hyperinflation has been brought under control, pulled back to just 3%; hospitals and schools have started to reopen; and supermarkets are being restocked.

All this has been achieved without descent into large-scale organised violence, of which Tsvangirai is rightly proud. “Myself and colleagues, despite being abused, have always been committed to democratic change,” he said. “Change has often been characterised in Africa by taking up arms. My country has refused to solve conflict through arms and has chosen peaceful means.”

Mugabe’s Zanu-PF party has been widely condemned for instigating beatings, murder and rape as political weapons against the MDC. Pictures circulated in March 2007 in the run-up to the 2008 presidential election show Tsvangirai’s swollen face after being arrested and beaten by the police.

“In Africa, the issue of opposition is almost a declaration of war. That is the cause of the problems in Zimbabwe. Elections are rigged with impunity and crimes are committed, but people get away with it as they are part of a particular political party,” he said.

Changing this attitude is essential if Zimbabwe is to become a democratic country. Tsvangirai called on those present to exert national and international pressure on Zimbabwe to restore the integrity of the judiciary and the police force.

He commended the “outstanding” work of the IBA over the past years in monitoring the human rights abuses in Zimbabwe and helping to devise the rule of law index to provide an objective perspective on the progress of his country and others.

“I will be happy when we can sleep in our homes without the fear of being abused,” said Tsvangirai. “I will be happy when lawyers can do their jobs and not be abused as common criminals. I will be happy when my country becomes a democratic nation.”

**LEGAL PRIVILEGE**

Preserve tax privacy

Lawyers need to uphold and understand client privilege even more than before, amid fear that tax authorities are hungry for revenue and adopting aggressive audit tactics.

Speaking at a session yesterday entitled ‘Preserving confidential access to legal advice in a world of transparency’, panelists outlined how documents created for transfer pricing and tax planning should be managed to avoid granting tax authorities access to internal considerations of legal issues and audit strategies that should remain privileged.

Session co-chair Reeves Westbrook, of Covington & Burling in Washington DC, opened the panel by explaining the importance of maintaining lawyer-client confidentiality at a time when global efforts to promote tax transparency and international tax cooperation have increased.

Following the onset of the financial crisis, tax authorities have adopted aggressive audit strategies due to falling national tax revenues. This has led to a rise in audit activity and, thanks to a crackdown on tax avoidance and evasion, greater cooperation between countries through the use of tax treaties and tax information exchange agreements.

Despite greater scrutiny on tax transactions and planning, lawyers were urged to re-familiarise themselves with basic principles of client-lawyer privilege so that the tax authorities do not gain access to confidential information.

Bill Thompson, of Minter Ellison in Australia, explained that the principle of privilege is often misunderstood and that lawyers need to know the basic concept, as well as the exceptions to the law.

“Lawyers need to recognise that accounting papers and advice are not of themselves privileged unless prepared for the purpose of litigation or to give or receive legal advice,” said Thompson.

It is hoped that the era of increased tax transparency will result in reduced tax evasion and criminal activity, but not at the expense of client-lawyer privilege.
Thank lawyers for the Thyssen

I

or you find yourself marvelling at Cézanne’s Portrait of a Peasant at the Thyssen-Bornemisza museum this week (Paseo del Prado 8, metro Banco de España), or examining the brushstrokes on Van Gogh’s Evening Landscape, make sure you spare a thought for the lawyers that made it possible. Because behind the neoclassical façade and temperature-controlled rooms of the Villahermosa Palace lies a legal story that started more than 20 years ago, and made changes to the statute of the Kingdom of Spain.

Yesterday’s International Sales Committee session on ‘The collector and dealer: buying art – the worldwide market’ became a fascinating art history lesson when Uria Menéndez partner Fernando Pérez de la Sota began his presentation.

The connection between the Thyssen-Bornemisza family and the Spanish art world was formed in 1986, when German industrialist Baron Hans Heinrich Thyssen-Bornemisza was approached to contribute to a fund to recapture a collection of Spanish art that had been illegally exported from the country. His terms could not be met for that transaction, but during negotiations he mentioned to Spain’s Minister of Justice that he was hoping to move his vast collection of art works from Switzerland and find a suitable location for their permanent display.

The Thyssen-Bornemisza collection had been built over several decades by Hans Heinrich’s father, but was dispersed among his heirs following his death. Hans Heinrich had bought out his siblings to bring the collection back together, and was determined that it would never be split again. Legal provisions already housed in the Prado and the Reina Sofia included that if the law was changed tomorrow, the collection was to be transferred to a trustee, and agreements were signed with the younger generation of Thyssen-Bornemiszas to honour the pact.

But Hans Heinrich had added to his father’s collection over the years, and no longer had a space large enough to store or exhibit it in its entirety. With a value estimated at the time as between $1 billion and $1.5 billion, the collection is a comprehensive history of more than eight centuries of art, and includes masterpieces by Cézanne, Van Gogh, Picasso and Caravaggio. It was a tantalising proposal for any major gallery, but Hans Heinrich’s stringent conditions excluded many potential candidates from the outset.

The collection could never be dispersed, nothing could be disposed of or added, it could only be exhibited alone and in its entirety, and a permanent link must be established between the collection and the Thyssen-Bornemisza family. At the time, Spain wanted to fill the gaps left by collections already housed in the Prado and the Reina Sofia, and, as Pérez de la Sota explained: “complete the triangle of great galleries that now exists on the Paseo del Prado”.

But there were problems. Both the Kingdom of Spain and the Thyssen-Bornemisza family were reluctant for direct negotiations to take place, so a private foundation had a board of 12 trustees – six representing the Kingdom of Spain and six representing the family. Decisions could only be made on an unanimous basis.

The second problem was a cultural one. As Pérez de la Sota explained, rather diplomatically: “the family was somewhat mistrustful of the ability of the Spanish to complete the complex process required to display the works on time.” So a two-tier agreement was entered into, with the collection split into two sections. If the Kingdom of Spain successfully shaped, stored and exhibited the first part within an agreed timeframe, then the rest would follow. If not, the contract would be terminated.

The Villahermosa Palace was renovated especially to house the collection, over a period of 23 months from 1989 to 1991. The collection was then moved and hung over the summer of 1992; it was ready to go on display. Hans Heinrich Thyssen-Bornemisza was so pleased with the progress that he agreed to the second phase four months before the opening date.

But this was far from simple. The conditions offered by the foundation were acceptable to the government, but could not be auctioned under Spanish law. For a start, the contract was UK governed, this was not allowed. The contract also included a surprisingly low sale price – just $350 million. This was offset by the agreement of the government to be fully responsible for the future of the foundation, covering any deficit it might suffer and so effectively guaranteeing the collection indefinitely.

Additional clauses included an agreement that no more than 12% of the collection could be loaned at once, and for no more than six months, excluding four specified works that could be on loan for up to one year.

A royal decree was passed by the Spanish parliament to allow the Minister of Justice to sign the contract, changing the statute of Spain to permit clauses that would have otherwise been legally impossible to fulfill. As Pérez de la Sota finished his story, members of both the panel and the audience, which had sat enthralled throughout, reached their legal brains and began a barrage of questions. Masimino Sterpes di Jacobi di Rome was concerned that, as the agreement was approved by the changing of the law, a new government motion could cancel it very quickly and nullify its conditions. But it seems the original lawyers thought of everything. “The law was not enacted to prevent the Thyssen-Bornemisza’s,” explained Pérez de la Sota, “but to change the Spanish laws that prevented the contract.” And so a clause is included that if the law was changed tomorrow then sellers’ rights can only be settled through indemnification, and not a change to the terms of the contract on the collection.

Adrian Parkhouse of UK firm Farrer & Co questioned whether Hans Heinrich’s ambitions for the collection conflicted with changing trends in the art world. Citing a UK example where trustees are not allowed to dispose of parts of collections, he argued that “fashions change, and culture changes, so the law will have to change too”.

But for the moment, visitors to Madrid can rest assured that when they walk through the doors of the Villahermosa Palace, the works of art on display will be exactly as Hans Heinrich Thyssen-Bornemisza intended.
Helping to create space hotels

The stated aim of Eckhart Brödermann, departing chair of the Space Law Committee, is to try and combine unusual elements in his sessions – just to see what comes out. I covered a session of his in Singapore two years ago that looked at the overlap between space law and human rights law through pictures taken from space. An unusual subject, perhaps, but one that has only become more relevant since. At the time there was mention of Google Maps, which just been launched; today we have Street View, with which Google allows us not just to see the plans of buildings but to see individual people.

The session yesterday organised by Brödermann was entitled ‘Commercialisation of space: the future of economy in space on the eve of the Space Protocol to the Cape Town Convention’. Here, the two areas that were brought together were space and commercial law. Representing the former: Sir Roy Goode of St John’s College, Oxford, “the father of the Space Protocol” in Brödermann’s words, and Martin Stanford, Deputy Secretary-General of Unidroit – the agency that tries to unify private law around the world, in this case with the Protocol. And representing commerce: Miriam Murphy, general counsel of SES Asta in Luxembourg.

The Cape Town Convention aims to create international law for interests in mobile equipment. Each industry has its own protocol, of which space is one. Goode and Stanford believe that the establishment of this law will enable secured financing of space assets, particularly for developing countries and smaller companies that don’t have the experience, money or local law in this area. Stanford recalled a recent meeting where one speaker said he didn’t think it was the role of international conventions to help men make more money. This drew an emotional response from a South African woman (“which still gives me goosebumps as I describe it”) replying that the law would help lift many of the worst-off people around the world out of poverty – in much the same way that any financing and transport infrastructure helps provide the foundations for an economy.

But the space industry thinks there are enough rules. Murphy explained that position by saying that “our projects and transactions function perfectly well without any additional, international conventions. Most countries have rules that apply to these space assets, their security and rights, without any problems.” Most countries might have been an exaggeration, but certainly the big economics that launch satellites – and whose law often governs contracts between two parties – can cope with the issues of space.

The problem is more one of potential growth of financing space assets, and of new countries taking a role in that. Howard Rosen, an English solicitor with a background in leasing law, made an analogy with American football. “I deal with both rail and aviation finance. With aviation, the need for an international protocol is a current one – it is like the quarterback just passing off the ball to his running back right next to him. It is easy to plan and to predict. For rail finance, because of the degree of national involvement still in the railways, the need is more a future one – it is like making a long pass to the wide receiver, where you have to estimate the speed of his run, the trajectory of the ball and the path of other players. Space is similar. We’re talking about a future, possible need here.”

Brödermann was keen for everyone to think about the big picture. “Imagine in 2025 we want to send up a satellite, with 100 transponders [the transmitting arms of the satellite], 10 of which are owned by each of 10 different countries. Each country has its own national law, its own financing banks and its own laws that apply to that financing – and security in the event of default. The question is: does this industry and humanity benefit from a situation where we could launch that satellite? Because at the moment we can’t.”

Miriam Murphy pointed out that 10 companies would never own part of a satellite. They would either invest at launch, in which case one company would own the asset and the others would have a so-called condominium role, or they would lease the services from the transponders from the central company further down the line.

While true, an arrangement across that number of borders would still be extremely difficult. And Roy Goode pointed out that the legal issues are usually about the services received from the satellites, rather than the assets themselves.

“Making rules for space is like making a long pass to the wide receiver”

In the end, it is a question of potentiality and opportunity. As Martin Stanford said at the end, this is not like unifying regulations across the EU. It is about creation, not regulation – making sure the law does not hold back the development of commercial space use. We never thought Google would map the world’s cities; we might be living in space hotels by 2025.

INTERVIEW: HANS CORRELL

A way into the UN

An interview with Hans Correll, former UN Legal Counsel, by Yuan Zhang

Hans Correll, former Legal Counsel and the Under-Secretary-General for Legal Affairs at the United Nations talks about how the IBA Legal Profession and World Organisations Committee (LPWOC) works to promote the connection between the IBA and the world.

IBA Daily News: What is the LPWOC’s mission?

Hans Correll: The duty of the LPWOC is to increase contact between the IBA committees and world organisations, to support the IBA in the pursuit of its goal to promote and protect the rule of law. And meanwhile, we try to encourage all committees and entities of the Legal Practice Division (LPD) and the Public and Professional Interest Division (PPID) in their interaction with world organisations.

But you should also think that the LPWOC makes its own connections with world organisations. Its aim is to assist other IBA committees and increase their access.

Why was the LPWOC necessary?

The IBA has been trying to call itself the global voice of the legal profession. To live up to that aspiration, I think all committees should think about one question: do we have appropriate contact with related international organisations? If not, why?

In some cases, it’s because committees deal with issues that no specific international organisation is working on. But most of the time, we have discovered, there are international organisations involved in similar issues. So the IBA needs a committee like LPWOC to find out whom to contact, how to work together and what goals the two sides share. Once contact is made, the matter is one of establishing a relationship between the sub-committees and the world organisations in question.

As the co-chair of the LPWOC, what kind of work are you involved in?

I think the main reason the IBA wants me to be the co-chair is my experience working in international organisations such as the UN. That gives me extensive contacts within international organisations, with which I will help to enhance the relationship between them and the IBA committees.

Can you talk about your previous work as the Under-Secretary- General for Legal Affairs and the Legal Counsel to the UN?

Legal Counsel is the chief lawyer and chief legal adviser to the UN as well as the head of the office of Legal Affairs. The office is responsible for the UN Legal Activities programme, consisting of six sub-programmes. It works on the overall direction and management of legal advice and services of the UN, dealing with contact with the Secretary-General, the General Assembly, the Security Council, diplomatic missions to the UN in New York, the International Criminal Court, the International Court of Justice and so forth, so we have tremendous contacts there.

Continued on page 4

www.iflr.com

IBA Daily News - Thursday, October 8 2009 3
In addition, the office includes divisions of general legal service, codification of international law, law of the sea and ocean affairs, progressive harmonisation and unification of the law of international trade, and custody, registration and publication of treaties.

The Legal Counsel also represents the Secretary-General in judicial and arbitral proceedings, certifies legal instruments issued on behalf of the UN, and convenes meetings of the legal advisers of the UN system and represents the UN at such meetings.

How is your experience at the UN helping your work as the co-chair of the LPWOC?

First of all, the Legal Counsel to the UN has insights into the UN system that very few have. Throughout the system, almost all the questions need legal input sooner or later. So the Legal Counsel is fairly well connected.

In addition, when I was the Legal Counsel I had the duty of being the chairman of the committee of legal advisors. In the UN system there are numerous bodies, all of which have a legal advisor. My duty was to call them to a meeting every year and to maintain contact with them. Through them I got to know a lot about the whole UN system.

Another very important and helpful experience from my time at the UN was working in the UN Commission of International Trade Law. The IBA even sent delegates to meetings of the Commission, experienced lawyers and solicitors, because the Commission wants advice on negotiating the agreement. So that acquainted me with various members of the IBA.

What is the LPWOC working on at the moment?

We’re setting up a website with the assistance of the IBA secretariat. Its purpose is to list all the IBA committees, with a contact at the world organisations alongside. We will find out specifically who is the officer responsible at the organisation and the closest related committee in the IBA.

We have also been preparing for the IBA conference. LPWOC has a session there and we encourage all IBA committees to be present. We will relate the experiences of IBA members that have had contact with international organisations. On the basis of their thoughts, we can make decisions about our work and draft strategies as to how we can enhance the overall contact between the IBA committees and world organisations.

What other work are you involved in with the IBA?

I joined when I retired from public service in 2004. Right now, besides the LPWOC, I am also a member of the Council of the Human Rights Institute, the Rule of Law Action Group and the War Crimes Committee Advisory Board.

In the city of Madrid you can find legendary football players, the Las Vintas bullfight, a grand Royal Palace and numerous museums. But after enjoying all that, make sure you take the time to savour this town of food. Due to its location, Spain has attracted the highest number of immigrants in Europe over the centuries. So its food is a heady mix of influences. And its capital, Madrid, is a melting pot for the cuisines from all over Iberia. Some gourmets argue that an individual Spanish cuisine doesn’t actually exist, but that can’t overshadow the fact that the capital has enriched its gastronomy with the contributions of the Andalusians, Galicians, Asturians and all the other communities, such that no other city in Spain offers such a wide cross-section of flavours.

If you want to start your gastronomic trip with an widely accepted favourite, go for Cocido Madrileño, (literally Madrid stew) the capital’s most famous dish. Across Spain there are various different stews, but in Madrid it is usually made from chickpeas, vegetables, sausages, and either chicken, beef or pork. Due to its thickness, Madrid stew is the basis of a winter lunch menu for most restaurants. It is best prepared in an earthenware pot, and when ready, served in three separate courses, first the soup made with the broth, then chickpeas with vegetables and finally the meats and sausages.

The influence of the surrounding Castile region has built a reputation for Madrid of meat dishes, especially roasted meat. Veal, suckling pig and even goats are often slow...
cooked in a wood oven, giving exquisite flavour and tenderness. Similarly to Madrid stew, the meat prepared in this way is often warm and hearty and suited to cooler winters.

It’s hard to pick a roast meat from a menu full of names you don’t understand. A good option is Lechón, roasted suckling pig, which is one of the most traditional meats in Spain. To get a very crispy skin and delicate meat inside, it is roasted over charcoal for a whole day. Lechón is usually prepared for national and local festivities and family gatherings, with the tasting of the Lechón a high point of such celebrations. There are multiple ways to serve it. Most often, it’s accompanied by a liver-based sauce, or steamed buns and a sweet-plum sauce.

Walking into markets, restaurant or bars, you’ll notice that there is lots of ham hanging around. This is another delight of the city, commonly referred to as Jamón Serrano (literally mountain ham). Even if you doubt its tastiness, the fact that it could take up to two years for the production of a single leg makes it worth trying. Freshly trimmed hams are covered in salt – which absorbs the excess moisture and protects the meat from spoiling – for 14 days before being hung to dry for six to 20 months. Secaderos, the sheds used for the drying process, are usually on elevated ground, which explains why it’s called mountain ham. Jamón is served in thin slices resembling Italian prosciutto.

But that’s enough about red meat. Make sure you don’t miss the seafood. It’s not hard to find good seafood in any country on the Mediterranean. But it’s genuinely surprising that Madrid is a city of seafood lovers, 250 miles from the nearest ocean but with the second largest fish market in the world (just behind Tokyo). Every morning fresh fish arrives by the truck-load, filling the restaurants and bars with a massive variety, so much so that Madrid has received the paradoxical nickname of “the best port in Spain”.

One of the easiest ways to find a restaurant with a great reputation is to follow the celebrities. Posada de la Villa, which was built as an inn in 1642, is a favourite of the Mayor of Madrid who, like other celebrities, has his own table there. Before slipping into the dining rooms, sip local wines at the bar (under the ubiquitous hanging ham). The inn has a traditional wood-burning oven for roasting and Madrid stew is cooked above fireplaces in the dining rooms. When you’re finished, remember to take a look at the chair you were sitting on – each bear the name of someone that loved the food there.

If you happen to be an Ernest Hemmingway fan, you probably have another Madrid restaurant in mind. Restaurante Botín, a Hemingway haunt mentioned in several of his books, is the oldest restaurant in the world according to the Guinness Book of Records and can be dated back to 1590. Some say Francisco Goya was a dishwasher here. True or not, it is worth going to. Walk in, hire an upstairs room or a wine cellar, and order a roasted lamb or suckling pig. And if you have time, take a look at how the food is cooked in the original, tile-covered wood oven, with the cook working a long wooden-handled paddle. It’s food and a show in one.

An atmospheric sit-down meal is elegant but may not be fun, at least not fun enough for Madrid. Without tapas, your time in Madrid could never be complete. Going for a Tapas Tango is a tradition: a stand-up meal of tapas, toothpick appetizers, salads and deep-fried foods in a bar (or four). There is a huge variety of tapas including Spanish omelette, vinegar anchovies, pig’s ear, squid, hot spicy potatoes, croquettes and octopus. Almost all the popular establishments serve tapas. Stroll from one bar to the next, munching, drinking and socialising, to soak up the maximum atmosphere and fun.
By Elizabeth Fournier. Regional rankings from the IFLR 1000 team, exclusive to the Daily News, show that the crisis hit later in CEE, but that the region is starting to make a comeback

**Banking**

**Tier 1**
- Allen & Overy
- Clifford Chance

**Tier 2**
- White & Case
- Baker & McKenzie
- Linklaters
- CMS Cameron McKenna
- Freshfields Bruckhaus Deringer
- Lovells

**Allen & Overy**

Although the volume of leveraging and acquisition financing has fallen away, bank lending is still happening, albeit with dramatically different documentations and covenants than have been seen in the past few years.

Allen & Overy maintains in top tier ranking this year through its continuing visibility on financings across several jurisdictions, including advising Erste Bank on Czech and English law credit agreements and the security package for its SKK 2 billion (896.8 million) leveraging financed on the acquisition of Carrefour Slovensko. A&O offices in Prague and Bratislava assisted Erste on what was, to their knowledge, the first pledge of shares in a foreign issuer listed on the local stock exchange.

Teams from the UK, Czech Republic and Hungary also combined forces on the €600 million financing for Czech CEZ to acquire a 7% shareholding in the Hungarian company MOL. The deal was the first acquisition of shares in a Hungarian listed company by a Czech listed company.

**Clifford Chance**

Clifford Chance was involved in several of the large CEE restructurings this year, noticing a particular overlap of client bases between the Moscow and Kiev offices. Restructuring work kept origination teams busy in what was otherwise a much quieter year for bank lending across the region.

This year the firm also advised the European Development Bank and Vnesheconombank, and was extended to a Russian special purpose vehicle for a term of eight years. This was one of the first limited recourse debt project finance deals arranged in Russia.

Clifford Chance’s cross-border capabilities were only brought into play with its work assisting UniCredit Bank Czech Republic on a CZK2.5 billion financing and refinancing of the CS Cargo group. In addition to the firm’s Slovak desk, offices in The Netherlands, Romania, Hungary, Poland, Norway, Germany and Russia were also called on to provide advice on one of the biggest syndicated lending transactions this year, which was led from Prague.

**Baker & McKenzie**

Baker & McKenzie has also seen a significant amount of restructuring work across the region, including complex cross-border transactions that must contend with diverse insolvency and financing laws. Ukraine has proved a particularly tricky jurisdiction, as the first bank restructurings in the country compete to set precedents for future transactions.

Also this year, Baker & McKenzie’s cross-border expertise were tested when it acted for Bank Austria Creditanstalt (as a member of UniCredit Group), HBV (as a member of UniCredit Group), BayernLB, RZB and Standard Bank as mandated lead arrangers and BayernLB as agent in relation to a €173.5 million syndicated term loan facility to the International Bank of Azerbaijan.

The firm’s Azerbaijani practice is particularly strong, and several financings in that jurisdiction that were stunted by the financial crisis are now fully ahead. Baker & McKenzie climbs into Tier 2 this year on the recommendation of several of its peers, largely due to the breadth and depth of its offices across the region.

**Linklaters**

Across all practice areas, Linklaters’ withdrawal from the CEE region was the hot topic among local lawyers from other firms, who are keen to see how the firm’s spin-off operation, Kinstellar, will fare. Kinstellar, led by managing partner Jason Mogge, took over Linklaters’ offices in Prague, Bratislava, Bucharest and Budapest last October, and has 120 lawyers working across the region.

Due to this, Linklaters suffers a drop in the rankings, though its peers admit that it is “probably still fairly active through its alliance.”

The firm’s work this year included advising BNP Paribas on a €1.5 billion guarantee facility agreement and a security agreement for MOL Nyrt, one of Hungary’s largest companies. The deal was governed by English law, but MOL’s offer was made under Croatian law, so a broad knowledge of both regional and local laws was required.

**White & Case**

White & Case has six offices in the CEE region, located in Bratislava, Bucharest, Budapest, Prague, Moscow and Warsaw. It’s multi-jurisdictional work this year included acting for Invitel Holdings, the successor to Hungarian Telephone and Cable Corp (HTCC), and its subsidiaries Magyar Telecom and Invitel Zrt, in the corporate restructuring of the Invitel Group and the refinancing of Invitel’s €165 million senior credit facilities and Magyar Telecom’s €100 million bridge loan, which was used to finance the Memorx Acquisition in March 2008.

**Capital markets**

**Tier 1**
- Clifford Chance
- White & Case

**Tier 2**
- Allen & Overy
- Baker & McKenzie
- Linklaters

**Tier 3**
- Freshfields Bruckhaus Deringer
- Skadden Arps Slate Meagher & Flom

**Allen & Overy**

On the recommendation of several of its peers, Allen & Overy moves up the rankings this year into Tier 2, joining Baker & McKenzie as one of the go-to firms for local and regional capital markets work.

Allen & Overy’s CEE work has been boosted this year by the visible revival of the Polish capital markets, including the establishment of a €1.3 billion medium-term note (MTN) programme for the City of Warsaw. This was the first MTN programme to be set up in a Polish municipality, and the first time the city had issued bonds since the end of World War II. The firm’s Polish practice was also bolstered by the addition of Zbigniew Mrowiec as partner in the Warsaw office.

Across this year, A&O offices in Budapest, Bratislava and Warsaw worked together to advise Aegon Magyarorszag Székházat Szertevénysága on the structuring of its mortgage-lending operations in this jurisdiction, and on the feasibility of establishing a covered bond programme.

**Baker & McKenzie**

The highlight of Baker & McKenzie’s capital markets work this year came with a role on the first nationalisation of an Austrian bank under the country’s bank rescue plan. Lawyers across the Prague, Vienna and Warsaw offices advised Dextra Credit Local on the sale of 99.9% of its shares in Kommunalkredit Austria to the Republic of Austria, and on the acquisition of all the shares in Dexia Kommunalkredit Bank from Kommunalkredit Austria.

As well as full offices in eight CEE jurisdictions, Baker & McKenzie also employs lawyers licensed to practice in Belarus, Uzbekistan and the Slovak Republic. These lawyers operate from any of the firm’s bases, but are available to provide dedicated local advice, with particular expertise in the ex-Soviet states.

New money deals for Bakers this year came in the form of a bond issue by the Republic of Hungary into the Swiss capital market, and various work for JP Morgan in the Czech Republic.

**Clifford Chance**

Clifford Chance maintains its top tier ranking again this year, with a new office in Kiev consolidating its strong position throughout CEE. The addition of Kiev brings the total number of Clifford Chance offices in the region to six, with Moscow, Warsaw, Prague, Budapest and Bucharest already well established.

A standout deal for Clifford Chance’s Moscow team this year was the true-sale securitisation of residential mortgage loan receivables by Kit Finance investment bank. Clifford Chance partners in Moscow and London acted for the lead arranger and joint bookrunners and closed the securitisation in the difficult market conditions of April 2008.

Although international transactions were not as numerous as in previous years, Clifford Chance retained its fair share of cross-border deals. A team in Warsaw led the firm’s contingent in advising UBS, Bank Austria Creditanstalt and Dom Maklerski Pentrator as underwriters on the global offering of shares in Cytrynowy Polat.

**Linklaters**

Due to its widespread withdrawal across the region Linklaters now relies on its offices in Warsaw and Moscow, along with a strong team of dedicated partners in London, to coordinate its remaining CEE clients. And the lawyers there needn’t worry that their reputation has been affected. “I would say they offer an exemplary service,” said one client in Moscow: “They are dependable, they know what they are doing, they are conscious of timing and they offer quality.”

In summer 2008, Peter Allen was made partner in the firm’s capital markets practice, and moved from London to Moscow to fill his new post. Since the move he has assisted the large syndicate of lead managers on the $2.25 billion series 20 drawdown under Gazprom’s $30 billion European medium-term note programme, the largest corporate Eurobond by a Russian issuer.

But despite a continued commitment to coordinating deals from Warsaw and Moscow, Linklaters’ withdrawal from a number of key jurisdictions leaves its position as a local market leader uncertain. “In still top tier in Russia,” commented one of its clients, “but working in association just isn’t as seamless, so it’s probably not a regional leader anymore.”

**White & Case**

White & Case remains in Tier 1 this year, despite its partners seeing a “dramatic change” in the capital markets across CEE this year. But the firm stayed active, with a number of consent solicitations and corporate restructurings taking the place of more conventional deals.

The firm has eight offices in the region, including its newest venture in Bucharest, which only opened in February 2008. From Bucharest, White & Case advised the majority shareholder in a Romanian company on a multi-jurisdictional corporate restructuring that kept capital markets partners busy with direct share transfers, a cross-border merger and complicated competition considerations.

One of the few bright lights in the Polish capital markets this year came in the form of an initial public offering (IPO) by coal miner Lubelski Węgiel Bogdanka. Poland also saw several large rights issues, as companies struggled to raise funds through conventional bank financing.

As one client commented: “Both the
Prague and Moscow offices are very good; it’s hard to single out anyone. No matter who I deal with there it always a good service.

Mergers and acquisitions

Tier 1
Clifford Chance
White & Case

Tier 2
Allen & Overy
CMS Cameron McKenna
Freshfields Bruckhaus Deringer

Tier 3
Baker & McKenzie
Skadden Arps Slate Meagher & Flom
Weil Gotshal & Manges

Clifford Chance

A new office in Kiev extends Clifford Chance’s reach across the region, with five full offices now operational in central and Eastern Europe. Opened in October 2008, the Kiev branch is headed up by Nick Fletcher, an M&A partner that used to manage the Warsaw office.

Also this year, the firm decided to close its official operations in Budapest, instead maintaining a best friends alliance with spin-off firm Lakatos, Kiss & Partners. The new firm will be led by the existing managing partner of the office.

The standout deal for Clifford Chance in CEE was the firm’s role advising GML on the sale of regional telecoms operator GTS. With GTS active in Poland, the Czech Republic, Slovakia, Hungary and Romania, the sale was led by Alex Cook in Prague, but involved all of Clifford Chance’s practices across the region. The auction sale across several jurisdictions required complex logistical work, and the regional offices coordinated to achieve a multi-jurisdictional M&A without help from London or Frankfurt.

The firm also worked for Barclays on the bank’s acquisition of 100% of Expopbank, a Russian retail and commercial bank. The deal, worth $74.5 million, involved detailed structuring and integration advice, with Expopbank now acting as a platform for all of Barclays’ operations in the region.

White & Case

White & Case’s M&A practice is co-managed from both Moscow and Prague by partners Michel Dloouhy and Eric Michalov, to recognise the divide between the CEE and CIS markets, and to ensure that full coverage of the region is achieved.

Most recently, White & Case represented Russian savings bank Sberbank on the much-publicised acquisition of Opel, General Motors European operation. Sberbank was a brand new client for White & Case, and the transaction has involved lawyers from the firm’s Moscow and Warsaw offices working alongside partners in London, Frankfurt, Brussels and New York.

Robert Irving in the Budapest office won particular praise from his peers, who cited him as an “excellent private equity lawyer who contributes to a good M&A practice.” This year, Robert worked on the first large leverage buyout to close since the collapse of Lehman Brothers. White & Case represented EuroMedic International, a medical diagnostics and dialysis group based in Hungary, on the auction sale of the company to a private equity consortium.

Allen & Overy

Allen & Overy bolstered its CEE practice this year with the appointment of Philip Walf from Skadden Arps Slate Meagher & Flom in January 2009. Walf’s move was highlighted by several of his peers as an important hire for the firm. Though based in London, he will head up A&O’s Prague desk, and focuses on M&A across the CEE region.

A&O also announced a Romanian alliance with local firm Radu Taracila Paduran Retevocu. This is part of the work by the firm’s recently formed south Eastern Europe interest group to establish a network of 30 local law firms working under a best friends agreement.

A highlight for Allen & Overy’s M&A practice this year was advising OTP Bank on the sale of its insurance operation to French insurance company Groupama. The €1 billion deal was led from Budapest, but also involved lawyers in Slovakia, Bulgaria and the Czech Republic, as OTP Bank and Groupama entered into bancassurance and asurabankings agreements covering all nine countries in which OTP Bank currently operates: Hungary, Bulgaria, Slovakia, Romania, Russia, Ukraine, Croatia, Montenegro and Serbia.

CMS Cameron McKenna

In January 2009, CMS Cameron McKenna’s Moscow office completed a merger between three CMS firms. As a result its M&A team expanded from 15 lawyers over to 50, including 12 partners. New additions to the Moscow office include John Hammond, who is Chairman of the board of directors, and Thomas Heidenmann, a corporate partner from Bonn Burkhard.

A highlight of the CMS team’s work was advising GE money in connection with the €625.5 million acquisition of Bank BPH, the Polish banking business of UnitCredit that has a network of 200 branches. The transaction took 18 months to complete and involved nearly 60 lawyers from CMS offices across Europe.

Project finance

Tier 1
Allen & Overy
Clifford Chance
White & Case

Tier 2
CMS Cameron McKenna
Freshfields Bruckhaus Deringer
Linklaters

Tier 3
Chadbourn & Parke
DLA Piper
Gide Loyrette Nouel
Lovells
Norton Rose

Allen & Overy

Partners in Allen & Overy’s CEE practice went against the trend this year, claiming that the economic crisis had in fact helped cross-border practices. Across the region holding companies are using local subsidiaries in several jurisdictions to leverage loans, and existing financing arrangements need to be unwound and restructured.

In Poland, general opinion seemed to be that renewable energy financings had survived the crisis untouched. Allen & Overy continued to lead this with its cross-border financing of the Tychowo wind farm that involved the firm’s Warsaw, Vienna, London and Frankfurt office. Warsaw led on the financing and due diligence documents, and partners say that this sector has excellent prospects for the year ahead.

A&O also assisted 11 international commercial banks on the €1.56 billion financing of the A2 motorway in Poland. Banking partner Tomasz Kacwynski, who was made partner during 2008, led from the Warsaw office on this complex transaction involving the European Investment Bank, which will link parts of Poland to Germany ahead of the 2012 UEFA European Football Championship.

Particularly tricky was the fact that a completion deadline was written into the concession agreement, allowing only two months for the deal to be completed.

Clifford Chance

According to his peers, the addition of David Grinton to Clifford Chance’s Moscow office in 2007 has “really strengthened the projects side of the practice” over the past couple of years. Grinton used to manage CMS’s Moscow office, so has a great deal of experience in the region and some key clients.

David’s work this year included advising State Energy Nuclear Corporation Rosatom on a joint venture with Siemens to integrate Russian and Siemens technologies, and develop new nuclear power plant designs. Energy security considerations were an important part of this deal, which closed during a period of intense oil price volatility.

As with several of the top tier firms this year, Clifford Chance’s project finance highlight was the Nordstream Baltic pipeline. The firm advised the lenders on this 1200 km gas pipeline that runs from Vyborg, Russia to the German Baltic Sea coast near Greifswald.

White & Case

As most project finance deals in CEE are ultimately governed by UK law, White & Case has focused recently on building up its local presence of English law partners to add to its regional expertise.

The standout deal for White & Case’s CEE project finance practice this year has been the firm’s work on the Nordstream Baltic pipeline, which runs from Russia to Germany through the Baltic Sea and the exclusive economic zones of Russia, Finland, Sweden, Denmark and Germany. White & Case advised the project company on this deal, on which total investment reached €7.4 billion.

The financing stood out due to the involvement of the Czech Export Bank, bringing further cross border considerations into the mix. Historically, the new ascension states have not got this close to Russia, so the transaction is significant both economically and politically.

As its preferred advisor, White & Case also advised the Czech Export Bank on another Russian funding, to OOO Kurganskaja TEC for the construction of a gas-fired power plant, and also on a Slovak deal where the Bank provided export financing to Star Power Producing, a Russian power-supplying and power-distributing enterprise.

CMS Cameron McKenna

CMS Cameron McKenna’s association with Grupa LOTOS has spanned nearly five years, and arranging project development and a complex loan facility for the company kept over 120 lawyers at the firm busy this year. Grupa LOTOS is Poland second largest oil refinery which is partially state-owned and listed on the Warsaw stock exchange.

A club deal involving 17 banks was put together to provide several levels of lending, including a $400 million asset-backed loan and a separate $1.75 billion loan split into various tranches.

CMS also advised Eurohypob as lead arrangers on facilities worth €250 million to Anchor Group, for the project finance of two shopping malls and a major office development in Bucharest.

And a large team across the CEE practice was called in to assist on a major leverage financing restructuring, with lawyers from the London, Warsaw, Prague and Bucharest offices all getting involved.

Freshfields Bruckhaus Deringer

Supporting the experience of other firms across the region, Freshfields reported a lot fewer new lending deals, and significantly more restructurings this year. This included work on several confidential bank restructuring that set precedents, and involved the drafting of new legislation in some jurisdictions.

On important new cross-border transaction involved the firm advising PPF Group, the Czech financial group, on a $500m loan facility to Eldorado, a Russian electronic home appliances retailer.

Regular client Erste Bank was also active across the region, and Freshfields provided the bank with assistance on its €850m stand-by facility for a group of Ukrainian companies, and on the acquisition financing for a Serbian copper business.

Linklaters

Though Linklaters was praised by its peers for its “superb” work on the Grupa LOTOS transaction, particularly Clive Ramsone in the London office, it was felt that the firm could not continue to operate at the highest level without running fully integrated offices throughout the region. Linklaters represented the bank consortium on the deal, which was led from the firm’s London and Warsaw offices.

www.iflr.com
IBA Daily News - Thursday, October 8 2009
Significant increase in public spending after the onset of the global economic downturn left many pointing the finger at tax as the root of the problem. Banking secrecy, tax havens and abusive arrangements were all targeted as contributors to the world’s woes.

As government across the world look to protect their own tax revenues, the Global Trends in Direct Taxation: Part One panel discussed international trends with respect to the view of certain jurisdictions’ trends for tax avoidance.

One of the definite buzz-words of the last 12 months has been tax. After countries began their recovery from the global economic slowdown, politicians and officials started to ask questions about what had caused the turmoil. Tax was not the number one suspect but it certainly made the line-up.

“Governments wanted someone to blame and so tax avoidance was an obvious target,” says Olga Boltenko, of Hogan & Hartson in the UK, and session chairwoman.

“Companies have losses and will have losses for a number of years to come and so they are an unlikely source of income.

“Three clear tactics have been adopted: international agreements, amnesties and compulsory disclosure agreements. All have, and will, vary in their success rates,” Boltenko says.

International effort

The most popular method at improving tax transparency and cooperation has been the increased signing of treaties and information exchange agreements, after the OECD and world leaders put pressure on reluctant jurisdictions to increase transparency.

At a speech on the presidential campaign trail in the US, Barack Obama proclaimed that “there’s a building in the Cayman Islands that supposedly houses 18,000 corporations. That’s either the biggest building or the biggest tax scam in the world.” Obama’s desire to rid the world of tax havens dates back to 2007, when he co-sponsored the Stop Tax Haven Abuse Act, aimed at preventing the use of offshore financial centres and improving tax transparency.

Then, at the G20 meeting in London in April, world leaders echoed Obama and warned that action would be taken against those that did not comply with international tax standards. After the meeting, the OECD identified four tax havens – Uruguay, Costa Rica, Malaysia and the Philippines.

The Organisation’s progress report on adherence to global standards on the exchange of tax information had an immediate effect. Within a matter of days the four tax havens had been removed from the OECD’s blacklist of uncooperative tax jurisdictions. Speaking at a press conference only five days after the report was published, Angel Gurria, OECD Secretary-General, said: “I am very happy to announce that the US and UK have in Liechtenstein in the UK.

However, the Organisation’s tax chief said information exchange and transparency were not only about the number of agreements a jurisdiction signed. Jeffrey Owens, director of the OECD’s Centre on Tax Policy and Administration, said: “It is not a numbers game; we will not accept second-rate commitments.

The report, published the evening the G20 meeting ended, also included a separate grey list of countries that have agreed to improve transparency standards, but who have failed to implement any measures substantially. The list included Belgium, the Cayman Islands and Switzerland.

Switzerland’s President, Hans-Rudolf Merz, said: “Switzerland is not a tax haven. It always meets its obligations and is always ready to engage in dialogue. The fact that Switzerland, as a founding member of the OECD, was never included in the discussions on drawing up lists is particularly strange.”

The grey list includes jurisdictions that agreed to the OECD standard a number of years ago but who have yet to sign any agreements that would allow for the exchange of tax information. However, opinions are split as to whether TIEAs are an effective method for creating greater tax transparency.

The rest of the report outlined the white list of countries that have substantially implemented the international tax standard. The list includes the UK, US and China. However, the list also contained the UK Crown Dependencies: Jersey, Guernsey and the Isle of Man. These islands have been subject to much criticism in recent months for their low-tax regimes and the perception that they do not supply tax information readily.

Alternative agreements

Despite the concerted effort by the OECD to improve transparency, critics have described the target of 12 TIEAs as arbitrary and ineffective. To rectify this, tax havens have begun drafting their own agreements with jurisdictions to improve tax cooperation. The panel at the IBA conference will discuss the different approaches to these agreements to see how effective they can be.

Liechtenstein has stepped forward and has signed an agreement with the UK that will allow UK taxpayers to disclose, without fear of prosecution, any accounts that they have in Liechtenstein banks. This acts as a tax amnesty. The money will only be backdated 10 years and will be subject to standard UK taxation. This is in contrast to previous attempts by the UK government to recover revenue held in tax havens.

Open to September 1, HM Revenue and Customs’ New Disclosure Opportunity allows funds from offshore accounts to be repatriated to the UK. However, details of taxpayers that have deliberately understated more than £25,000 ($36,000) of tax will be published as part of a wider “name and shame” tactic as outlined by Chancellor Alistair Darling in the UK budget in April. Liechtenstein’s foray into automatic exchange is likely to put pressure on other tax havens, including Switzerland. It is still unknown how effective these two steps will be in generating extra tax revenue for the UK.

Tuesday’s panel sparked much debate between speakers that discussed the virtues of each country’s approaches to tackling banking secrecy and fighting against tax havens.

Temperatures rose, partly due to ineffective air conditioning, as tax advisers from the US and Switzerland battled questions back and forth over the exchange of tax information between the two countries.

Panchus also outlined the varying interpretations of tax evasion in different jurisdictions, ranging from tax evasion not being a crime in Panama to the threat of criminal proceedings in the UK and US.

Discussions continued on the approaches taken by governments to eliminate secrecy. Speaking about the efforts by politicians to increase transparency, Boltenko said: “They [politicians] are like the wind. They say one thing and then change their mind.”

So we will have to see how much progress is made in this new era of tax disclosure and improved international tax cooperation.

Part two of the panel takes place this afternoon in the Berlin room

Abusive tax arrangements

Following Tuesday’s panel discussing recent attacks against bank secrecy, tax havens and abusive arrangements, Jack Grocott outlines the steps governments have taken to tackle these problems.

“Governments wanted someone to blame and so tax avoidance was an obvious target”

Olga Boltenko, Hogan & Hartson

Cyprus recently, while Switzerland signed similar treaties with France and the UK.

However, the Organisation’s tax chief said information exchange and transparency were not only about the number of agreements a jurisdiction signed. Jeffrey Owens, director of the OECD’s Centre on Tax Policy and Administration, said: “It is not a numbers game; we will not accept second-rate commitments.

The report, published the evening the G20 meeting ended, also included a separate grey list of countries that have agreed to improve transparency standards, but who have failed to implement any measures substantially. The list included Belgium, the Cayman Islands and Switzerland.

Switzerland’s President, Hans-Rudolf Merz, said: “Switzerland is not a tax haven. It always meets its obligations and is always ready to engage in dialogue. The fact that Switzerland, as a founding member of the OECD, was never included in the discussions on drawing up lists is particularly strange.”

The grey list includes jurisdictions that agreed to the OECD standard a number of years ago but who have yet to sign any agreements that would allow for the exchange of tax information. However, opinions are split as to whether TIEAs are an effective method for creating greater tax transparency.

The rest of the report outlined the white list of countries that have substantially implemented the international tax standard. The list includes the UK, US and China. However, the list also contained the UK Crown Dependencies: Jersey, Guernsey and the Isle of Man. These islands have been subject to much criticism in recent months for their low-tax regimes and the perception that they do not supply tax information readily.
WHICH TWO OF US ARE PLAYING IN THE IBA FOOTBALL CHALLENGE?

OUR IBA TEAM FROM TOP: DR. FARAJ AHNISH, MANAGING PARTNER, ABU DHABI; SADIQ JAFAR, MANAGING PARTNER, DUBAI; RICHARD BRIGGS, EXECUTIVE PARTNER, SAMEER HUDA, PARTNER; ERIK MUTHOW, PARTNER

WWW.HADEFPARTNERS.COM
### TODAY’S SCHEDULE

<table>
<thead>
<tr>
<th>SESSION</th>
<th>LOCATION</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>0830 – 1000</strong></td>
<td></td>
</tr>
<tr>
<td>Lesbian, Gay, Bisexual and Transgender (LGBT) Working Group breakfast and open business meeting</td>
<td>Aurea, The Pullman Hotel</td>
</tr>
<tr>
<td>Academic and Professional Development Committee breakfast meeting</td>
<td>The Novotel Hotel</td>
</tr>
<tr>
<td>Managing partners’ breakfast and open Law Firm Management Committee meeting: meltdown of financial markets and the global recession – lessons for law firm leaders</td>
<td>The Pullman Hotel</td>
</tr>
<tr>
<td><strong>1000 – 1800</strong></td>
<td></td>
</tr>
<tr>
<td>Aircraft repossessions and enforcements</td>
<td>Bratislava (4th Floor, Right)</td>
</tr>
<tr>
<td><strong>1100 – 1115</strong></td>
<td></td>
</tr>
<tr>
<td>The impact of climate change legislation on the power industry</td>
<td>Novotel A, The Novotel Hotel</td>
</tr>
<tr>
<td><strong>1000 – 1300</strong></td>
<td></td>
</tr>
<tr>
<td>Project finance in Africa: a highway to economic growth</td>
<td>Magna I &amp; II, The Pullman Hotel</td>
</tr>
<tr>
<td>New antitrust regimes in emerging markets – trends and challenges</td>
<td>San Jose (Lower Level -2, Right)</td>
</tr>
<tr>
<td>Concessions of public works and services: a critical analysis of contracts and their consequences</td>
<td>Madrid (1st Floor, Left)</td>
</tr>
<tr>
<td>Corporate law: current legal developments</td>
<td>Rome (2nd Floor, Left)</td>
</tr>
<tr>
<td>Gangs: are they the next international threat?</td>
<td>Ontario (Ground Floor)</td>
</tr>
<tr>
<td>Latest trends in litigation cost control; the billable hour is already dead</td>
<td>London (2nd Floor, Left)</td>
</tr>
<tr>
<td>Breakthroughs in the neurobiology of conflict and negotiation: decision-making and negotiating in extreme situations</td>
<td>Amsterdam (2nd Floor, Left)</td>
</tr>
<tr>
<td>Implementation of the EU Environmental Liability Directive</td>
<td>Montevideo/La Paz (2nd Floor, Right)</td>
</tr>
<tr>
<td>General principles on joint operating agreements – rights and obligations</td>
<td>Santo Domingo (Lower Level -2, Right)</td>
</tr>
<tr>
<td>Can I rely on ID? Reliance is the best word when it comes to legal opinions, comfort letters and due diligence reports</td>
<td>Auditorium (Lower Level -4)</td>
</tr>
<tr>
<td>Disability discrimination in the legal profession</td>
<td>Halifax (Ground Floor)</td>
</tr>
<tr>
<td>Restructurings and reorganisations in times of crisis</td>
<td>Lisbon (4th Floor, Left)</td>
</tr>
<tr>
<td>International arbitration in multinational intellectual property disputes</td>
<td>Paris (1st Floor, Left)</td>
</tr>
<tr>
<td>From cyberspace with love: securing the IT network</td>
<td>Calgary (Lower Level -4)</td>
</tr>
<tr>
<td>Tax issues in international franchising</td>
<td>Vancouver (Lower Level -4)</td>
</tr>
<tr>
<td>Trade sales in a time of turmoil – creatively protecting and financing sale transactions before and after the “fall”</td>
<td>Berlin (1st Floor, Left)</td>
</tr>
<tr>
<td>Aboriginal women’s issues</td>
<td>S.Pressa (1st Floor, Right)</td>
</tr>
<tr>
<td>Right of retention and liens exercised by logistics providers – the financial crisis</td>
<td>Montreal (Lower Level -4)</td>
</tr>
<tr>
<td>So you don’t want to leave it to the kids – use of trusts and other planning tools – how to plan the multinational estate when constrained by forced heirship and other issues of controlling the family jewels</td>
<td>Brussels (4th Floor, Left)</td>
</tr>
<tr>
<td>Direct and indirect tax issues affecting enterprises providing cross-border services</td>
<td>Bogota/Caracas (2nd Floor, Right)</td>
</tr>
<tr>
<td>Supporting the firm’s business in uncertain times</td>
<td>Novotel B, The Novotel Hotel</td>
</tr>
<tr>
<td>Corporate and outside counsels initiatives for fighting corruption in Latin America</td>
<td>Toronto (Lower Level -4)</td>
</tr>
<tr>
<td>Restorative justice I – criminal matters</td>
<td>Novotel C, The Novotel Hotel</td>
</tr>
<tr>
<td><strong>1145 – 1200</strong></td>
<td></td>
</tr>
<tr>
<td>WTO trade rules and climate change goals – implementation, inconsistency and conflict</td>
<td>Novotel A, The Novotel Hotel</td>
</tr>
<tr>
<td><strong>1500 – 1800</strong></td>
<td></td>
</tr>
<tr>
<td>Latest developments in cross-border European real estate investments</td>
<td>Lisbon (4th Floor, Left)</td>
</tr>
<tr>
<td>Something’s gotta give – balancing the rights of majority and minority interests in the private enterprise</td>
<td>Montevideo/La Paz (2nd Floor, Right)</td>
</tr>
<tr>
<td>Private equity transactions in financially distressed situations</td>
<td>Paris (1st Floor, Left)</td>
</tr>
<tr>
<td>The proceeds of crime: hitting the accused where it hurts – in the pocket!</td>
<td>Calgary (Lower Level -4)</td>
</tr>
<tr>
<td>Hot topics – open forum on the review of the IBA Rules on the Taking of Evidence in International Arbitration</td>
<td>Rome (2nd Floor, Left)</td>
</tr>
<tr>
<td>Human rights in commercial litigation</td>
<td>Magna I &amp; II, The Pullman Hotel</td>
</tr>
<tr>
<td>Latest developments in construction</td>
<td>London (2nd Floor, Left)</td>
</tr>
<tr>
<td>Indigenous mining agreements</td>
<td>Toronto (Lower Level -4)</td>
</tr>
<tr>
<td>Consequences of the financial crisis for securities lawyers: how the securities practice may be changing</td>
<td>Halifax (Ground Floor)</td>
</tr>
<tr>
<td>Resolving IT disputes through ADR mechanisms</td>
<td>Montreal (Lower Level -4)</td>
</tr>
<tr>
<td>Enforcement issues in international franchising</td>
<td>Amsterdam (2nd Floor, Left)</td>
</tr>
<tr>
<td>Comparative advertising</td>
<td>Vancouver (Lower Level -4)</td>
</tr>
<tr>
<td>Brokers’ liability in a marine insurance context</td>
<td>Bogota/Caracas (2nd Floor, Right)</td>
</tr>
<tr>
<td>Global trends in direct taxation: part II</td>
<td>Berlin (1st Floor, Left)</td>
</tr>
<tr>
<td>CSR and the financial crisis – an insight into irrelevance?</td>
<td>Brussels (4th Floor, Left)</td>
</tr>
<tr>
<td>The responsibility to protect: emerging international norm or mirage?</td>
<td>Novotel B, The Novotel Hotel</td>
</tr>
<tr>
<td>Restorative justice II – civil matters</td>
<td>Novotel C, The Novotel Hotel</td>
</tr>
<tr>
<td>Multidisciplinary partnerships and the balanced scoreboard – what’s the score?</td>
<td>Novotel A, The Novotel Hotel</td>
</tr>
<tr>
<td>Going green – why the environment matters to young lawyers</td>
<td>Ontario (Ground Floor)</td>
</tr>
<tr>
<td>Give a winning presentation</td>
<td>Madrid (1st Floor, Left)</td>
</tr>
<tr>
<td><strong>2000</strong></td>
<td></td>
</tr>
<tr>
<td>Young Lawyers Reception</td>
<td>Casa de la Villa, Plaza Villa no 5</td>
</tr>
</tbody>
</table>

### FRIDAY’S SCHEDULE

<table>
<thead>
<tr>
<th>SESSION</th>
<th>LOCATION</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1000 – 1300</strong></td>
<td></td>
</tr>
<tr>
<td>Who would want to be a director?</td>
<td>London (2nd Floor, Left)</td>
</tr>
<tr>
<td>Human trafficking and forced labour in the business sector: corporate governance and best practices for preserving corporate integrity and moral authority</td>
<td>Amsterdam (2nd Floor, Left)</td>
</tr>
<tr>
<td>New York Convention workshop</td>
<td>Rome (2nd Floor, Left)</td>
</tr>
<tr>
<td>From A to Z: the oil &amp; gas project: legal and contractual steps that enable a prospect to become a production field</td>
<td>Bratislava (4th Floor, Right)</td>
</tr>
<tr>
<td>New age financing – what are the options?</td>
<td>Montevideo/La Paz (2nd Floor, Right)</td>
</tr>
<tr>
<td>Financing research and development – IP ownership issues</td>
<td>Lisbon (4th Floor, Left)</td>
</tr>
<tr>
<td>Mediation in international children’s cases with a focus on the voice of the child</td>
<td>Berlin (1st Floor, Left)</td>
</tr>
<tr>
<td>A manual for migrating your corporate intangibles (and can the government cope?)</td>
<td>Ontario (Ground Floor)</td>
</tr>
<tr>
<td>Rule of Law Symposium</td>
<td>Auditorium (Lower Level -4)</td>
</tr>
<tr>
<td>Developing the skills of young lawyers: the roles of the mentor and of the law firm</td>
<td>Brussels (4th Floor, Left)</td>
</tr>
<tr>
<td><strong>1430 – 1630</strong></td>
<td></td>
</tr>
<tr>
<td>Open meeting of the Rule of Law Action Group</td>
<td>Auditorium (Lower Level -4)</td>
</tr>
</tbody>
</table>
VOX POP

QUESTION:
What do you plan to do in Madrid?

Simona Cazzaniga
Studio Legale Sutti
Milan, Italy
I’m hoping to do some sightseeing later in the week because until then I feel obliged to stay near the conference. But last night I went to the opera and it was a wonderful spectacle. I’m not sure which museums are open on Friday morning, but I plan to go to the centre of Madrid. It is a beautiful and impressive city, but unfortunately time is too short.

Nina Boteva
Boteva & Kantulis
Sofia, Bulgaria
I’ve already visited some of the museums. I went to the Reina Sofia and I was most impressed by the works they had by Dalí and Picasso. I was also pleased to see lots of Joan Miró there, which was a surprise because a lot of his work is in Barcelona. Perhaps if I have time tomorrow I will visit the Thyssen-Bornemisza Museum. I love Madrid, it is a city of great dignity.

BANK REFORM

Despite the financial crisis of the past two years, politicians have not tackled the real causes of the recession. Rather than focus on the financial sector’s compensation culture, reformers should change the system that created it.

Speaking at a session on ‘Bank bailouts’ yesterday, Geert Nooth of Econopolis argued that greater reform was necessary, particularly to the way that risk has been transferred. “Real systemic overhaul is needed, not just bonuses and CEO pay. The world of shadow banking needs to be addressed and some big institutions need to be broken down,” he said.

A later speaker, Russell Da Silva (right) of Lovells in New York, agreed that bonuses bought by investors, many of whom did not realise that the notes they purchased only give them recourse to a pool of assets. “This opaque world has been criticised by many governments for failing to inform investors of the risk they were buying and for irresponsibly creating a disconnect between the risk and reward of an investment.”

However, Nooth argued that governments have been distracted by the populist issue of multi-billion dollar bonuses and executive compensation. They have not adequately addressed risk transfer, or the structure of the institutions that created this practice. “The momentum last year was not used to change these systemic problems, so the real causes of the crisis have not been solved,” he warned. “They are still out there and will be a problem in one or two quarters, or in one or two years.”

Toxic assets, however, are one concrete part of structured finance that governments have attempted to tackle. As another speaker, John Kettle for Mason Hayes + Curran, discussed, Ireland is the latest jurisdiction to set up a bad bank to buy defaulted assets.

Ireland has created Nama (National Asset Management Agency), which will give banks €54 billion in paper in exchange for bad mortgage loans, property investments and other failed assets. The banks can then exchange this paper with the European Central Bank for cash.

Ireland has been slower to act than countries such as Germany, which set up a bad bank in May, and the US which set up Tarp in October 2008. But the full impact of the recession in Ireland was recognised later than in the US, for example. As Da Silva of Lovells said: “I feel like I’m an emissary from a toxic waste dump.”

Da Silva proceeded to outline some of the regulatory steps that the US is taking to deal with the issue of failed assets and to try to prevent risk transfers more effectively in the future. These reforms will inevitably influence the approach of other countries, such as Ireland, to regulatory change.

While outlining some of the important aspects of US reform – such as the concurrent supervision of the SEC and CFTC, the regulation of credit rating agencies and the introduction of a Consumer Financial Protection Agency – Da Silva pointed out some of the gaps that remain. “There are still loopholes, especially on derivatives,” he said. “Only standardised derivatives will be overseen. But finding a banker that will describe his swap as standard is like finding a parent that will describe their child as average.”

While Da Silva broadly welcomed all the US reforms, arguing that many were “long overdue”, he was concerned that they might increase bureaucracy (citing the Financial Services Oversight Council, which will be a committee of committees rather than a fresh regulator) rather than improve transparency.

Elsewhere in the session, Philip Wood of Allen & Overy put today’s financial crisis into historical perspective. As he eloquently pointed out with the help of slides on the development of law across the world, the present financial crisis will not prompt a step back to the dark ages.

“We’ve lost three years’ GDP but it’s not as if the entire population is living in tents as if the entire population is living in tents.”

“Finding a banker that will describe his swap as standard is like finding a parent that will describe their child as average.”

Alexis Apostolidis
Adams & Adams
Pretoria, South Africa
I went to a flamenco function last night featuring Sarah Baras, which I thought was fantastic. I intend to go to Segovia on Friday. Apparently it is a beautiful town that one should visit according to other colleagues. It is only a half-hour train ride and it will be good to see some more of Spain.

B furnishing a complete set of cash flow forecasts, 2009 has been a year of regulatory reform and oversight.

Jayendra P Kapadia
Little & Co
Mumbai, India
I am going to try and see the city as much as possible and go out for dinner. We went to a very nice restaurant called Ganges last night – it was a great taste of home. Unfortunately I can’t try much of the Spanish food because I am a vegetarian. One of my partners is very keen to see the museums, so I will probably go to them as well.

Oghogho Akpata
Templiers
Lagos, Nigeria
I’m leaving tomorrow, but I plan to visit the Santiago Bernabeu stadium before I go. I’ve heard that the tour is very good. I normally support Chelsea and Real Madrid, so I am really looking forward to it. I also have a couple of cocktail receptions to attend. Earlier in the week my colleague attended a bullfight, but I did not go.

Lee Suet-Fern
Stamford Law
Singapore
Alas I have no time. I would love to and I feel it is a real tragedy to be here and so close to some of the most spectacular museums ever and not have time to go. If I could, I would definitely do the Prado and then perhaps the Thyssen-Bornemisza Museum as well. I have been to Madrid before and I am afraid I was trapped in meetings then too.

John Kettle for Mason Hayes + Curran, discussed, Ireland is the latest jurisdiction to set up a bad bank to buy defaulted assets. Ireland has created Nama (National Asset Management Agency), which will give banks €54 billion in paper in exchange for bad mortgage loans, property investments and other failed assets. The banks can then exchange this paper with the European Central Bank for cash.

Ireland has been slower to act than countries such as Germany, which set up a bad bank in May, and the US which set up Tarp in October 2008. But the full impact of the recession in Ireland was recognised later than in the US, for example. As Da Silva of Lovells said: “I feel like I’m an emissary from a toxic waste dump.”

Da Silva proceeded to outline some of the regulatory steps that the US is taking to deal with the issue of failed assets and to try to prevent risk transfers more effectively in the future. These reforms will inevitably influence the approach of other countries, such as Ireland, to regulatory change.

While outlining some of the important aspects of US reform – such as the concurrent supervision of the SEC and CFTC, the regulation of credit rating agencies and the introduction of a Consumer Financial Protection Agency – Da Silva pointed out some of the gaps that remain. “There are still loopholes, especially on derivatives,” he said. “Only standardised derivatives will be overseen. But finding a banker that will describe his swap as standard is like finding a parent that will describe their child as average.”

While Da Silva broadly welcomed all the US reforms, arguing that many were “long overdue”, he was concerned that they might increase bureaucracy (citing the Financial Services Oversight Council, which will be a committee of committees rather than a fresh regulator) rather than improve transparency.

Elsewhere in the session, Philip Wood of Allen & Overy put today’s financial crisis into historical perspective. As he eloquently pointed out with the help of slides on the development of law across the world, the present financial crisis will not prompt a step back to the dark ages.

“We’ve lost three years’ GDP but it’s not as if the entire population is living in tents as if the entire population is living in tents.”

“Finding a banker that will describe his swap as standard is like finding a parent that will describe their child as average.”

Alexis Apostolidis
Adams & Adams
Pretoria, South Africa
I went to a flamenco function last night featuring Sarah Baras, which I thought was fantastic. I intend to go to Segovia on Friday. Apparently it is a beautiful town that one should visit according to other colleagues. It is only a half-hour train ride and it will be good to see some more of Spain.

B furnishing a complete set of cash flow forecasts, 2009 has been a year of regulatory reform and oversight.

Jayendra P Kapadia
Little & Co
Mumbai, India
I am going to try and see the city as much as possible and go out for dinner. We went to a very nice restaurant called Ganges last night – it was a great taste of home. Unfortunately I can’t try much of the Spanish food because I am a vegetarian. One of my partners is very keen to see the museums, so I will probably go to them as well.
worldwide network local expertise

21,000 lawyers
160 firms
100 countries
560 offices

When you face legal issues halfway around the world, who is there to trust for knowledge and on-the-ground experience?

Lex Mundi, the world’s leading association of independent law firms, has gathered 160 premier firms in more than 100 countries. With a Lex Mundi member firm on your side, you can be confident that you will receive the best possible legal expertise with superior service and local market knowledge, anywhere, anytime. Through their knowledge of their local markets, Lex Mundi member firm lawyers can unite you with a deep understanding of their jurisdiction’s social and political systems and can expertly steer you through the local legal terrain.

Choose the Mark of Excellence.
Choose a Lex Mundi Member Firm.

LEX MUNDI
THE WORLD’S LEADING ASSOCIATION OF INDEPENDENT LAW FIRMS