

Peru

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Peruvian banking overview

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These are interesting times for banks and banking lawyers in Peru. With a booming economy (\$39 billion of country reserves (four times country's term debt), a 2010 projected annual inflation below 2.5% and a 2010 projected GDP growth between 5 and 6%) and a new banking legal framework which adapts to Basel II standards, banking activity in Peru is entering into a new level. Credit demand is at its highest, deposits are at record levels and banks' capitalization are at a 13.4% average (regulatory capital against total adjusted assets), while transitory capitalization rules will be set at a definitive 10% by 2012 (now at 9.5%).

There are 62 financial institutions, 15 which are commercial banks and the rest are mostly microfinance entities. There are 14 insurance companies, four private pension-fund managers and about ten other fund management companies.

Penetration of banking services is still very low in Peru, so there is a vast unexplored territory waiting to be conquered. In a country of more than 30 million people, only 25% of the annual GDP is financed through banks and there are less than 150,000 home mortgages. Savings are growing aggressively since the early 90's when a private pension fund system was created, thereby creating opportunities to finance domestic industrial production, services and exports.

Still, a \$35 billion deficit on public infrastructure is waiting to be financed with a mix of local savings and government, multilateral and foreign commercial lending. Other opportunities we foresee are in the development of domestic securities and derivatives markets, including the possibility to integrate the Peruvian, Chilean and Colombian stock

exchanges and create the second largest exchange in South America.

Therefore, Peruvian banks are getting ready to grow aggressively in the next years. Actually, we are already witnessing a dynamic M&A activity through which banks are acquiring smaller entities to gain access to the fast growing microfinance sector.

Peruvian banks are important players in the local securities market, through which they are able to finance their longer term needs. They are regular issuers of short term and mid term notes, which include senior unsecured debt, subordinated debt and some type of covered bonds. The largest banks are also starting to diversify their liabilities by issuing debt in the global markets through global offerings under the 144A Rule and Regulation S, including complex securities such as Tier I hybrids, Tier II subordinated bonds and DPR securitisation bonds. It is possible that Peruvian banks could start issuing covered bonds in the international markets as soon as Congress approves a new covered bond regulation which adapts to international standards.

Although most of their lending efforts are targeted locally, Peruvian banks have also started to diversify by lending overseas through club deals and syndication. This is clearly something new for them and it should keep growing as they develop an expertise.

Foreign banks are also identifying opportunities in Peru, either by setting up local operations, acquiring Peruvian assets or just by intermediating Peruvian risk on a cross border basis through lending, structured securities and derivatives, and either meeting the demand for credit or for investment products.

A stable, strong and open regulatory environment, has allowed foreign banks to set up operations in Peru. Of the 15 commercial banks in operation in the country, 10 are majority-owned by foreign institutions. Most of them have commenced operations in Peru in the last ten years, either by acquiring an ongoing operation (Scotiabank) or by starting a

new operation (Santander, HSBC and Deutsche Bank). Other global banks have had a local presence for a longer time (Citibank and BBVA). Even though banking regulations and supervision is strict, foreign banks have found it easy to adapt to Peruvian regulatory rules given their similarity to internal standards.

In addition, the Peruvian Constitution and a long standing legal framework guarantee:

- i) equal treatment for foreign investments;
- ii) prohibition of discriminatory treatment;
- iii) non-participation of the Peruvian State in the financial system;
- iv) free-market interest rates, fees and charges; and,
- v) freedom to hold and dispose of foreign currency, and to exchange currencies at market rates.

Foreign banks that are not established locally are also doing business with Peru. Cross-border lending to Peruvian companies is facilitated because there are no limitations or restrictions for Peruvian companies to obtain foreign funding or credits, to pay in foreign currency or to hold assets off-shore. In addition, the appetite from foreign banks is creating an interesting market for loan syndication, which is forcing local arrangers to incorporate syndication mechanisms into their loan documentation, including syndication of financial leaseings. Syndication is also favoured by collateral structures that benefit from flexible legal arrangements that grant strong enforcement rights. Traditionally, foreign banks have provided financing to large Peruvian commodity exporters using export receivable collateral structures but now there are other types of Peruvian companies which are regularly obtaining unsecured loans from foreign commercial banks.

Finally, foreign banks offering derivative products in Peru can also benefit from a recent amendment to the Banking Statute, by which

Peru is now – at least partially - a netting country. Accordingly, since July 2009 regular ISDA netting provisions are enforceable against insolvent Peruvian banks.

Conditions are set for the years ahead, in which we will probably see more M&A, lending, securities offerings activities involving Peruvian banks and corporations.

Banking and capital markets

Recommended firms

Tier 1

Estudio Echeopar
Miranda & Amado
Payet Rey Cauvi
Rodrigo Elías & Medrano

Tier 2

Hernández & Cía
Muñiz Ramírez Pérez-Taiman & Olaya
Rebaza Alcázar & De Las Casas

Tier 3

García Sayán Abogados
Pizarro Botto & Escobar
Rubio Leguía Normand

Tier 4

Jorge Avendaño Forsyth & Arbe
Delmar Ugarte
Estudio Grau
Estudio Olaechea

Mergers and acquisitions

Recommended firms

Tier 1

Estudio Echeopar
Payet Rey Cauvi
Rebaza Alcázar & De Las Casas
Rodrigo Elías & Medrano

Tier 2

Miranda & Amado
Muñiz Ramírez Pérez-Taiman & Olaya
Rubio Leguía Normand

Tier 3

Estudio Ferrero Abogados
Estudio Olaechea
Hernández & Cía

Tier 4

Delmar Ugarte
Estudio Grau
García Sayán Abogados

Project finance

Recommended firms

Tier 1

Estudio Echeopar
Muñiz Ramírez Pérez-Taiman & Olaya
Rodrigo Elías & Medrano

Tier 2

García Sayán Abogados
Miranda & Amado
Payet Rey Cauvi
Rubio Leguía Normand

Tier 3

Delmar Ugarte
Estudio Olaechea
Hernández & Cía
Rosselló Abogados

One look at Lima's bustling neighbourhood of Miraflores tells you all sectors of Peru's economy are booming. Sidewalks are being widened to support an active populace with new-found spending powers. Crumbling colonial edifice is giving way to modern office space and shopping malls. Money changers on every corner facilitate the flow of foreign capital into the pockets of the person on the street.

Peru's leading lawyers are here too, perched high up in state-of-the-art skyscrapers or ensconced deep in sprawling *casas*. The legal landscape is evolving too, and attorneys must be increasingly specialised to meet the needs of an increasingly sophisticated client base. The traditional general practice model of family partners and loyal clients is giving way to highly focused practice groups chosen to suit the requirements of the deal at hand.

Transactions have gained complexity thanks to the government's commitment to modernise the emerging economy. Peru's graduation to phase two of the Basel Accords brought sweeping changes to Peru's banking industry, raising capitalisation requirements and separating investments according to risk. Basel II also adds a second tier to Peru's stock exchange and allows for the creation of hybrid bond structures, the first of which hit the market at the end of 2009.

Foreign capital is seeping back into the country, pooling around reliable commodities like minerals and hydrocarbons. Stalled mining projects are finding fresh sources of capital, and the Peruvian government is promoting key infrastructure projects supporting industrial development. The expansion of Callao's container port has spawned supporting projects like a truck corridor to the Pan-American highway, awarded last July.

The strength of the domestic market is encouraging regional activity from Peru's diverse investment groups, long in the shadow

of their Chilean counterparts. "Peruvians have learned that we can make deals beyond the borders," one commentator says, "and that is what we are going to see in the next few years." Last year local conglomerate Brescia bought cement maker LaFarge's Chilean operations, the largest investment made by a Peruvian company in Chile.

In December 2009 Moody's became the last of the big three ratings agencies to upgrade Peru's sovereign debt to investment grade, a late move considering that the country's national debt stands at just 25% of its GDP. The country has made three billion-dollar global bond placements since the start of 2009, and Peru's development bank Cofide planned to tap international markets for the first time by the end of 2010.

Similar successes with neighbours Chile and Colombia have sparked substantive discussions about merging the countries' capital markets, and the notion of a new economic bloc to rival Brazil has Peru's financial lawyers dreaming big. But market feedback holds enthusiasm for the merger is still uneven across the jurisdictions, and practical wisdom says the region is several years from a true economic union.

Estudio Echeopar

In mentioning the partners at Echeopar, one client of the firm merely refers to "those who appear as number one." Similar praise comes from competitors in the market, and one rival in particular says, "We feel comfortable with Echeopar across the table."

In Peru's evolving legal market, commentators say Echeopar remains buoyant on the reputation of its staff across the most important sectors of Peru's business community. But competitors especially consider the firm an undisputed leader in administrative law and derivatives structures.

No other lawyer in Peru comes as highly recommended by peers as partner Ismael Noya in the area of institutional finance. "He's worth three partners at any other firm," remarks one rival.

One competitor says that in M&A transactions Echeopar "should be the firm of choice" for large-scale complex deals. Partner Javier Tovar advised both parties involved Last June when Citibank del Perú absorbed its financing unit Citileasing, requiring the approval of the banking superintendency.

Other relevant M&A work came from Banco de Crédito del Perú, which acquired a majority stake in Financiera Edyficar from micro enterprise NGO Care USA. The \$74 million stake announces Banco de Crédito's entrance into the microfinance sector.

When it comes to capital markets work, one client says partner Pablo Berckholtz is their choice for financial structures involving counterparties in the US. "He used to work in New York," the client explains, "so he knows how to make the transaction proceed."

Last year Tovar participated in a novel piece of project finance advising a consortium mandated with Peru's firms private-public partnership to develop and operate hospitals throughout the country.

Leading lawyers

Pablo Berckholtz Velarde
Javier Castro
Ismael Noya de la Piedra
Jorge Ossio Gargurevich
Javier Tovar Gil

Estudio Ferrero Abogados

Representing the third generation of his firm's 70-year history, competitors praise Guillermo Ferrero for breathing life into the struggling franchise. "He is a different class of lawyer," remarks one rival. Market feedback reveals Ferrero's aggressive campaign to carve a slice of the M&A market is gaining ground among Peru's mid-sized corporates and mining firms.

"One of the biggest strengths of that firm," says one peer, "is that they have very good clients." One such client is Peruvian conglomerate Picasso Group, which this year affirmed its focus on pharmaceuticals through an equity swap with rival Gloria Group. Ferrero advised Picasso's transfer of a controlling interest in Agroindustrias San Jacinto, Peru's largest sugar cane producer, to Gloria in exchange for its shares in the Farpasa laboratory.

While noting the firm's recent advances, competitors hold Ferrero's reluctance to promote non-family partners fuels a heavy rotation of lawyers that may hinder the firm's ability to develop lasting relationships with new clients. "Their team is very recent," observes one rival, explaining: "They've lost a lot of lawyers because of family structure."

While traditionally relegated to corporate transactions, rivals note the firm has been making progress in financial deals through work with Banco de Crédito del Perú. Senior Associate Llorena Sarmiento earns the distinction of leading Ferrero's deals with BCP, including the bank's recent sponsorship of an IPO for a microfinance institution specialised in granting credit to small and mid-sized enterprise.

Leading lawyers

Guillermo Ferrero Álvarez-Calderón
Antonio Guarniz
Llorena Sarmiento

Hernández & Cía

With an established reputation in Peru's capital markets, Hernández moves up in financial ranks on the laurels of partner Juan Luis Hernández. Rivals commend the current generation for carrying the firm past its traditional identity as a tax boutique.

Hernández received an important mandate when the government of Peru chose him to represent both its sovereign debt offerings of 2009, totalling \$2 billion. The government also tapped partner José Manuel Abastos for its successful \$3.4 billion international exchange offer last April, part of the country's aggressive debt restructuring plan.

Market feedback holds Abastos is bringing the firm's projects practice increasing exposure in the energy sector, supported by recent work structuring Citibank's collateral package for Scotiabank's financing of the Kallpa thermo-electric power plant upgrade. The firm showed prowess in the growing biofuels market, advising Interbank's \$43 million lease-back agreement of two processing plants with Pure Biofuels del Perú.

Also considered "a top name in fund formation", Hernández recently advised Citibank on registering several instruments structured to offer foreign-denominated currency deposits to the Peruvian pension funds. Hernández also helped Compass Group's real-estate investment fund acquire a 50% stake in Parques de El Agustino, an \$80 million housing project under development on a former army base in Lima.

Leading lawyers

José Manuel Abastos
Juan Luis Hernández Gazzo
Luis Rodríguez-Mariátegui

Miranda & Amado

A stellar reputation among regulated sectors of Peru's corporate market makes Miranda a leader in financing and energy transactions, with an emphasis on high-end deals. Market feedback holds the firm's high fee structure and targeting of blue chip clients makes it the "fashion law firm", with talented practitioners giving value to the price.

The firm boasts several leading names in the banking sector, and rivals say partner Juan Luis Avendaño Jr "has really made a name for himself in banking and regulatory issues." Avendaño's profile fits multinational banking elites like Citibank and JP Morgan, who recently sought counsel on taking local banks to the global market with high-yield tier one hybrids.

Citibank chose Avendaño's counsel on a \$100 million syndicated loan to Pesquera Diamante, the first credit facility and collateral

package structured under the new permitting regime of Peru's fishing industry.

Competitors call partner Roberto MacLean "transparent, clear and proactive," and clients in particular appreciate "a broad understanding of the regulatory environment in Peru." MacLean and renowned energy partner Luis de-Bernardis currently advise Peru LNG in developing the Camisea II gas fields, including a \$200 million local bond offer. The issuance was the largest public debt offering in Peru's economic history.

Peers describe the firm's M&A representation as a "crossover" practice, whereby "highly qualified lawyers gather if different teams" based on educational background and experience.

In one representative transaction the firm advised fertiliser maker Mosaic, who together with Mitsui acquired a majority stake in the Bayóvar phosphate mine from Brazil's Vale. The \$660 million cash injection helped Vale inaugurate operations last July.

Leading lawyers

Juan Luis Avendaño C
Rafael Corzo
Luis Marcelo De-Bernardis
Roberto MacLean M
Luis G Miranda

Muñiz Ramírez Pérez-Taiman & Olaya

Market feedback holds Muñiz's large structure aims to corner the corporate services market in Peru. Clients admit the firm lacks the solidness of its leading competitors, but say the array of services and inexhaustible manpower make the firm a valuable player.

Boasting an ability to put 100 lawyers to work on a single transaction, Muñiz capitalises on its distinction as Peru's largest law firm. But at least one client says the firm lacks a cohesive structure, making it a cautious choice for time-sensitive transactions. "Sometimes you need a quick response," explains the client, "and that is harder with them."

The firm excels in project finance, where partner Sergio Oquendo earns praise from clients for his ability to establish a good rapport with corporate borrowers. "When a client trusts your counsel that makes the transaction smoother," says one client.

Oquendo's reputation recently landed him on the side of Scotiabank in the \$329 million financing of Kallpa Generación's conversion of its Chilca gas plant to a combine cycle generation. Over half the financing was secured with a deferred bond offer, the first of its kind in Peru.

With several recent departures from the firm's senior partnership - most recently tax

specialist César Luna-Victoria to Rubio Leguía & Normand - commentators raise questions about the firm's incentive structure. Still, Competitors say partner Mauricio Olaya's ascension to the nameplate confirms Muñiz's commitment to delivering quality service in the corporate sector.

Olaya saw recent participation in the consolidation of Peru's fishing industry under the new permitting regime, representing fishmeal producer Pesquera Exalmar in the acquisition of several fishing groups last May.

Leading lawyers

Jorge Muñiz Ziches
Mauricio Olaya Nohra
Sergio Oquendo Heraud
Jorge Pérez-Taiman

Payet Rey Cauvi

Payet takes a well recommended place at the top of Peru's corporate and financial rankings this year, supported by both client and market feedback and a record of groundbreaking transactions over the past 12 months.

"We are talking of the group who are for me the very best lawyers in Peru," says one competitor. Partner Eduardo Vega earns distinction in the banking community with his experience at Banco de Crédito del Perú. Last February Vega and partner Aldo Reggiardo provided legal counsel in a \$35 mortgage-backed bond issuance by Titulizadora Peruana, Peru's first secondary mortgage market trader.

In addition to structuring bank loans of BCP, Vega provides counsel for several private-equity funds, including advice regarding ING Wealth Management's incorporation of a securities intermediary.

One client calls partner Daniel Abramovich a young but experienced lawyer "with a very good knowledge of stock exchange regulations and corporate law."

But the indisputably dominant figure of Payet's transactional work is partner José Antonio Payet himself, and rivals often mention a "one man show" structure to the firm. But clients appreciate Payet's important professional connections and personal capital at the negotiating table. "As soon as you meet with him you feel he has that experience and talent," says one client.

In perhaps the highlight of the firm's recent transactions, Payet and partner Juan Antonio Egüez advised BCP in the first issuance of tier one hybrid bonds by a Peruvian institution, a \$250 million private placement made possible by the Basel II reforms.

Leading lawyers

Daniel Abramovich
Juan Antonio Egüez
José Antonio Payet
Alonso Rey Bustamante
Eduardo Vega Cantuarias

Rebaza Alcázar & De Las Casas

Another firm rivals hold to be in the prime of its life, Rebaza advances in its core practice area of M&A through the reputation of partner Alberto Rebaza. Commentators consider Rebaza's pro-deal approach well-suited to the corporate transactional market; a quality clients say set the attorney apart from competitors. "He seems to be part of our team," says one client, "and always takes a passion in the objective of the deal."

In Peru's regionally active and diverse circle of investment groups, Brescia recently tapped Rebaza in the particularly notable acquisition of cement company LaFarge's Chilean operations. The \$555 million cross-border transaction represents the largest Peruvian investment in Chile, as well as a reversal of the traditional southerly flow of capital between the two nations.

One client in the banking community considers partner Rafael Alcázar "a thermometer in the market." Among other corporate-side financing work Alcázar advised Brescia's \$180 million loan from Chile's state bank to finance the LaFarge acquisition.

Peers say Rebaza is gaining exposure in project finance through the efforts of partner Juan José Cárdenas, whom one rival calls "pretty dynamic," explaining, "He's always active - on the calls, moving the ball."

Cárdenas receives the most visibility working with government entities such as development bank Cofide and the National Port Authority, currently involved in the Callao port expansion project. Last April Cárdenas advised APN in financing and awarding the \$36 million concession to develop a truck corridor connecting the port to the Pan-American Highway.

Commentators say the firm carries particular weight in the insolvency field with partner Gonzalo De Las Casas, who recently helped heavy machinery supplier Famia Industrial liquidate its main assets to shed debt and labour claims.

Leading lawyers

Rafael Alcázar
Juan José Cárdenas
Anahi Com
Gonzalo De Las Casas
Alberto Rebaza

Rodrigo Elías & Medrano

Perhaps no better praise can be said of a law firm than what one client of Rodrigo Elías & Medrano offers: "They are the kind of lawyers you can rely on in a crisis situation." Feedback holds the partnership's multidisciplinary talent "has the volume and the quality" to lead all areas of Peru's transactional markets.

Competitors consider partner Jean Paul Chabaneix the driving force behind Rodrigo's omnipresence in transactions, and clients recognise the well-respected practitioner's role advancing the corporate strategy in Peru. "All the parties' reactions to his comments were excellent," says one client.

Recent experience displayed Chabaneix's experience tapping international markets with Southern Copper's \$1.5 billion debt offer, one of if not the largest debt issuance involving Peru for 2010.

In one novel M&A transaction involving the Peruvian stock market, partner Gino Sangalli advised Electroandes and Cahua in the merger of their combined \$160 million bond programs, a first-of-its-kind transaction requiring several legal challenges to proceed.

Partner Diego Peschiera earns particular notice in banking community, where clients appreciate his practical knowledge of Peru's regulatory framework. "We've done a couple of complex financings," says one banking client, "and he has been instrumental in structuring them to the local market."

Peschiera's expertise finds particular application in the futures market, and Rodrigo has participated in every financing secured by diversified rights payments in Peru to date. Last February Peschiera and partner Luis Enrique Palacios advised Credit Suisse in arranging a \$175 million DPR-backed financing deal for Scotiabank Peru.

The firm continues to represent Dubai Ports in the development of Callao's container terminal, and advised Chicago Bridge & Iron in the construction of a gas liquefaction plant on the southern coast, which inaugurated operations last June for a total investment of \$3.8 billion.

Leading lawyers

Jean Paul Chabaneix
Luis Enrique Palacios
Diego Peschiera
Luis Caros Rodrigo Prado
Gino Sangalli

Rubio Leguía Normand

While citing structural problems that have caused Rubio to "take a back seat in the market", rivals strongly contend the firm is populated by talented professionals well regarded in the legal and business communities. The

2009 recruitment of tax authority César Luna-Victoria from Muñiz shows Rubio is taking proactive steps to develop its ancillary practices.

Patience is a necessity when working with government officials, and one finance sector client praises partner Oscar Arrús for going the extra mile to advance negotiations with state-owned entities. "Sometimes there's some bureaucracy," the client explains, "but Oscar has the energy to get things done."

Toward the end of 2009 Arrús put his talents to work for Banco de Crédito del Perú as arranger for Peru LNG's \$200 million local bond program. The issuance - Peru's largest in five years - required authority from Peruvian securities regulator Conasev.

In a similar deal last year Arrús advised BNP Paribas as arrangers of an international bond for the Peruvian concessionaire of the Huascacocha-Rímac Water Derivation Project. The \$113 million issuance saw a first-ever participation from the Peruvian Infrastructure Trust, a special purpose vehicle set up by the Peruvian pension funds.

The firm maintains a leading presence in the mining community through partner Juan García Montúfar. In 2009 Montúfar counselled the sale of Newmont Mining's 88% share in Minera Inti Raymi, the operator of Bolivia's Kori Kollo gold mine, to Bolivian counterpart Comprominsa.

Leading lawyers

Oscar Arrús Bellido
Juan García Montúfar
Emil Ruppert Yáñez

Other ranked firms

One competitor describes the recent formation of **Jorge Avendaño Forsyth & Arbe** as "mythological," saying the combination of litigator and statesman Jorge Avendaño and financial practitioner Albert Forsyth "is like a dragon with a lion." Still competitors see strategic benefits behind the union, and say the senior practitioners hope to build a strong general practice firm for the next generation of attorneys.

After leaving a finance position at rival firm Muñiz, peers say Forsyth is starting fresh with a new crop of corporate clients, although some note that his relationship with the banks is not what it used to be. Still, one peer says Forsyth carries "a seasoned reputation above and beyond" his current station.

Forsyth has found recent success in corporate reorganisations such as a \$150 million restructuring of Inmobiliari, developers of the Chao II public housing project on the northern coast of Peru. Partner Guillermo Auler recently participated locally in the global

acquisition of Swiss pharmaceuticals company Om Pharma, advising purchaser Galénica Group on the local aspects of the \$2 billion deal.

The firm showed prowess in the energy market representing Kallpa in the \$400 million financing to upgrade its Chilca thermo-electric power plant to combine-cycle generation. Another important mandate came in the renewables sector last year from Energía Eólica, who tapped Forsyth to represent its successful proposal to build a \$210 million wind farm in Northern Peru.

Leading lawyers: César Arbe, Guillermo Auler and Albert Forsyth

A relatively minor player in the corporate market until recently, **Delmar Ugarte** raised eyebrows in 2009 when it brought on the well regarded projects team from Rosselló, including partners Ronald Fernández-Dávila and Miguel Ronceros. "You will be hearing more from them," says one rival.

Peers praise Fernández-Dávila for his knowledge of government contract structures, and say Ronceros brings important contacts in the financial realm, including multilaterals like IFC and the World Bank.

One client appreciates the firm's ability to muster a solid group of professionals to fit the transaction at hand. "They choose very specific people to make a good team," says one client, "in special areas that are right now very lucrative." The financial client mentions the firm as counsel of choice in "loans, club deals and syndicates."

With just five full years in the market, rivals admire partners José Delmar and Manuel Ugarte for their ability to energise negotiations. "Of the smaller firms Delmar is the smartest," one peer says, adding, "It's fun to work with them as well."

Leading lawyers: José Delmar, Ronaldo, Fernández-Dávila and Manuel Ugarte

While market feedback holds **García Sayán Abogados** to be a conservative player in Peru's legal market, competitors note the firm recently shed its traditional *casa* for a modern office building in Miraflores and has hired young lawyers to refresh its now senior partnership. Rivals say the firm maintains traditional ties to Peru's mining community and helped draft Peru's environmental codes, making it a solid choice in matters regarding natural resources.

Rivals consider partner Luis Gastañeta a senior statesman and the most visible figure in the firm's transactional practice. Showing recent prowess in the renewables sector Gastañeta advised Celepsa, developers the 220MW Platanal hydroelectric dam, in financing the completely privately funded \$200 million operation. The firm also helped Celepsa create a special purpose vehicle to

develop shrimping operations with communities on Cañete River affected by the new power plant.

Competitors hold García Sayán continues to lose visibility in the financial market, and one client says the firm's deep experience in Peru's legal framework makes it an option more "as a good bank advisor than a transactional team leader."

In November 2009 the firm advised five big accounting firms, including Pricewaterhouse Coopers and KPMG, in reporting to the US Public Company Accounting Oversight Board. Working locally with Linklaters, Gastañeta and partner Alfonso Tola helped craft an opinion arguing against the need to disclose certain information requested in the PCAOB's worldwide audit of non-US accounting firms.

Leading lawyers: Luis Gastañeta Alayza, Alberto Varillas Cueto and Agustín Yrigoyen González del Riego

Fitting into the ranks of Peru's fallen giants, **Estudio Grau** holds a well-earned but diminished reputation among peers in the all-important mining industry through partner and statesman Miguel Grau. "They have a very strong name but they are losing clients because they don't have modern teams," says one competitor.

In one display of recent transactional prowess in the mining sector, partner Cecilia González counselled Jinzhao Mining's \$88 million acquisition of the Pampa de Pongo iron mining project from Cardero Resource. González also advised Canada's Iamgold in transferring its interest in the La Arena mineral project, currently in pre-feasibility stage.

In addition to a recent finance work in the growing shopping centre market, the firm helped mine operator Antamina negotiate a \$100 million loan from Citibank to facilitate the export of zinc and copper.

In the growing microfinance area partner Juan Carlos Escudero advised a small but important credit agreement on behalf of microbank financier Locfund to rural lending provider Profinanzas.

Leading lawyers: Juan Carlos Escudero, Cecilia González and Miguel Grau M

Few partnerships in Peru's legal community can trace their lineage back over 130 years like **Estudio Olaechea**, and rivals say few have lost as much visibility since their heyday many years ago. Still, peers commend the current generation led by partner José Antonio Olaechea for gaining back ground in Peru's transactional market. "They are starting to get their act together," says one competitor.

Clients praise Olaechea for his resolve to reach a satisfactory agreement in corporate sales. "He was firm where we needed to be firm, and had a good grasp of the end-game

goals,” says one client, adding, “All I was worried about was the price.”

Market feedback holds Olaechea caters to Peru’s local corporates and industrialists, with a client list one commentator says is “The envy of other law firms because they don’t need the transactions to be profitable.” One particular area of representation the firm sees often is franchise and distribution agreements, with recent work with Starbucks, Mattel and Suzuki.

One corporate client particularly mentions partner Jesús Matos’s proven results in the gritty area of collections. “If you make a circle and put all the collections we have made,” the client explains, “Olaechea has covered at least 40 percent.”

Showing prowess in government bids the firm recently helped US information technology company ACS win a 14-year mandate to develop and maintain a ticketless fare scheme for Lima’s Metropolitan rapid bus project.

Leading lawyers: José Antonio Olaechea, Jesús Matos and Martin Serkovic

Once considered a banking boutique, **Pizarro Botto & Escobar** is strategically amassing practice groups, taking advantage of a meltdown at Barrios Fuente Gallo last June to capture much of the firm’s litigation team.

Partner Luis Pizarro earns top-tier regard for his knowledge of regulatory matters in the banking sector, and peers point to his experience incorporating banks and financial entities under Peru’s superintendency of banks. Competitors say partner Sergio Barboza has recently received a steady stream of work advising loans for regional multilateral CAF.

Leading lawyers: Sergio Barboza and Luis Pizarro

Commentators suggest an entirely new profile for **Rosselló Abogados** following the departure of seven lawyers, including partners Ronald Fernández-Dávila and Miguel Ronceros to rival Delmar Ugarte. Market feedback holds the loss wiped out the firm’s banking practice, and dealt a significant blow to the firm’s remaining core areas of regulatory law and government contracts. “It is now an infrastructure boutique,” says one peer.

“Rossello was not a big firm and these two partners worked a lot,” says one peer, explaining the impact of the defection. Still, competitors say the firm maintains talent with partners Hugo Morote and Miguel Sánchez-Moreno, particularly in the area of public concessions. “They have a great deal of experience in international contracts and so remain a reference in that market,” one rival says.

The firm recently helped the Peruvian-Ecuadorian consortium Covisol win a government mandate to build, maintain and operate the 300 mile Autopistas del Sol highway link-

ing Trujillo and Sullana in Northwestern Peru.

Leading lawyers: Hugo Morote and Miguel Sánchez-Moreno

Other notable firms

Barrios Fuente Abogados is the bulk of what remains from last June’s spectacular fraction at the general practice firm Barrios Fuente Gallo. The event saw partners Julio Gallo, Manuel Barrios and Fernando Pickmann spinoff as Gallo Barrios and Pickmann, and the departure of the litigation team to Pizarro Botto & Escobar. Commentators say the partnership remains in Raúl Barrios, a senior counsel and trusted name in boardroom resolutions.

Competitors describe **Berninzon Benavides Vargas & Fernández Abogados** as “small trying to become medium,” but note a particular reputation in the hydrocarbons industry and growing presence in the M&A market. Last January lead tax practitioner Jaime Loret de Mola removed himself from the firm’s name plate and left for tax boutique Manini Abogados, taking corporate partner Giorgio Albertini with him.