

# Portugal

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## Qualified holdings in the financial sector

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Portugal has recently implemented Directive (2007/44/EC), of September 5 2009, regarding procedural rules and criteria for the prudential assessment of projects for the acquisition of and increase in qualified holdings in institutions in the financial sector (the Directive), with the publication of Decree law (2010/52), dated May 26 2010, which entered into force on May 27 2010 (the Act).

This new piece of legislation introduced several changes to the legal frameworks for credit institutions, insurance companies, management companies of regulated markets and investment consulting companies, and although most of the changes follow the provisions of the Directive, some other changes result from pre-existing particularities of the Portuguese regulatory environment.

In broad terms, the Act has introduced new rules on the calculation of qualified holdings for the purposes of assessing the requirement for prior authorisation by the competent regulatory authorities, on the updating of evaluation and control criteria for the acquisition of qualified holdings, on the periods and grounds for opposition by the regulatory authorities and on strengthening the cooperation between Portugal's regulators and those of other Member States. The following is a summary of the most relevant changes.

### Acquisition of a qualified holding in a credit institution

In accordance with the Directive, the Act introduced a relevant change to the concept of qualified holding, by increasing the threshold from which a holding in a credit institution is automatically considered to be qualified from

5% to 10% of the share capital or the voting rights of the relevant credit institution.

On a practical level, this change only impacts operations for the *acquisition* of a qualified holding in a credit institution, since the advance submission of the acquisition project to the Bank of Portugal and, consequently, the possibility of the Bank of Portugal to oppose the acquisition, is now only required in situations where the project involves the acquisition of a holding of 10% or more, as opposed to the previous threshold of 5%.

However, it should be noted that the law still provides for the Bank of Portugal to be able to consider any holding in a credit institution to be *qualified*, even if it is lower than 10% or even 5%, whenever it considers that specific facts or events show that such holding allows its holder to exercise a *significant influence* over the management of the credit institution. The definition of *significant influence* remains to be determined and the lack of previous decisions by the Bank of Portugal in this respect has not contributed to the clarification of this legal concept.

### Acquisition of a holding of 5% or more in a credit institution

As a result of the change in the threshold from which a holding in a credit institution is automatically considered to be qualified, the new legislation has introduced the obligation to present a *subsequent notification* of the events or facts that resulted in the acquisition of a holding of 5% or more, with a view to enabling the Bank of Portugal to make an assessment, even though *a posteriori*, of whether or not the acquired holding is to be considered as *qualified*.

### Period for opposition

Also, in relation to projected deals for the acquisition of a qualified holding in a credit institution, the new legislation reduces the *period* granted to the Bank of Portugal to decide on respective authorisation from 90 to

60 days, thereby increasing the speed of acquisition procedures.

### Reduction in qualified holding

In turn, advance notifications of *reductions* in a qualified holding now only have to be sent to the Bank of Portugal when the reduction causes the holding to drop below the threshold of 20%, one third or 50%, so notification is no longer necessary for the thresholds of 5% and 10%, as was the case before the Act.

### Attribution of voting rights

Also meriting attention is the fact that the new legislation seeks to harmonise the rules on attribution of voting rights, as well as the specific rules on shares which are part of undertakings for collective investments, pension funds or portfolios, by adopting the criteria that are currently contained in articles 20 and 20A of the Portuguese Securities Code, even though the choice has been to make express provision for those criteria instead of incorporating them by reference to the existing provisions.

In any case it should be noted that the intended harmonisation is immediately harmed by the difference in content of the concept of *relationship of control* provided for in the Portuguese Securities Code and the content of the same concept in the General Framework for Credit Institutions and Financial Companies.

### Management companies of regulated markets

As far as the changes introduced to the frameworks for management companies of regulated markets and for investment consulting companies are concerned, attention should be drawn to the fact that acquisitions of qualified holdings in these companies are now dependent on the approval of the Portuguese Securities Commission as a prudential assessment.

Changes to the rules on the attribution of voting rights relevant for the calculation of the qualified holdings and to the procedures for

prior and subsequent assessment of the respective transactions are introduced in relation to these companies. This is similar to what was done in relation to other entities in the financial sector and also extends the application of the rules that establish whether or not a controlling relationship exists to these types of companies.

#### Transitional provisions

As a transitional regime, the Act provides that holdings that are considered to be qualified under the new rules must be notified to the appropriate supervisory authority within 60 days of the entry into force of the new law.

## Capital markets

Recommended firms	
<b>Tier 1</b>	Linklaters Morais Leitão Galvão Teles Soares da Silva & Associados
<b>Tier 2</b>	PLMJ Garrigues Portugal Uría Menéndez - Proenca de Carvalho Vieira de Almeida & Associados
<b>Tier 3</b>	António Frutuoso de Melo e Associados Cuatrecasas Gonçalves Pereira Rui Pena Arnault & Associados
<b>Tier 4</b>	Abreu Advogados Albuquerque & Associados Barrocas Cardigos Macedo Vitorino & Associados Sociedade Rebelo de Sousa & Advogados Associados

## Banking

Recommended firms	
<b>Tier 1</b>	Morais Leitão Galvão Teles Soares da Silva & Associados Vieira de Almeida & Associados
<b>Tier 2</b>	Linklaters Uría Menéndez - Proenca de Carvalho
<b>Tier 3</b>	Cuatrecasas Gonçalves Pereira PLMJ
<b>Tier 4</b>	Abreu Advogados António Frutuoso de Melo e Associados Campos Ferreira Sá Carneiro & Associados Garrigues Portugal Macedo Vitorino & Associados Sociedade Rebelo de Sousa & Advogados Associados
<b>Tier 5</b>	Abreu & Marques e Associados Albuquerque & Associados Barrocas Rui Pena Arnault & Associados

In the capital markets, certainly on the equity side, the biggest news in the Portuguese market last year was the proposed takeover of cement company Cimpor by the Brazilian steelmaker Companhia Siderúrgica Nacional (CSN). "Cimpor gained a lot of interest because there were no other deals in the market," says one equity lawyer.

The saga began in December 2009 with CSN attempting a takeover of the full company. In January, the company scaled back with an attempted acquisition of a third of the shares, but this failed after competitors Votarantim and Camargo acquired 61% of the share value. From a legal perspective, as well as providing many firms with roles on the negotiations, there was hope from practitioners that this would trigger a new flow of deals in what had been a very slow market. "This is an important transaction because it opens the way to other banking companies taking advantage of Portuguese opportunities," says one partner. Although a new wave has not yet been seen, there is still interest from overseas.

Outside of this the equity markets have been predictably quiet. "With the downturn there was not much movement on the equity side of the market, people are cautious, companies are not willing to open their share capital," explains one lawyer.

However there is hope in the market that activity in the form of IPOs or private place-

ments could be born out of the government's privatisation plan. "The government is acting very aggressively because they need the cash at the moment. A number of privatisations may take place through private sales rather than public tender," explains one practitioner. The plan has not yet been finalised, but such is the government's desire to avoid becoming the next Greece that it could relinquish its control in up to 17 companies including EDP, Redes Energéticas Nacionais (REN) and Galp Energias.

On the straight debt side there has also a paucity of work. "The debt market is very, very difficult, they are no issues in terms of bonds," says one practitioner. The general atmosphere in the market was not improved in the early part of the year as Portugal saw its credit rating downgraded by three of the main rating agencies: Standard & Poor's, Fitch and Moody's.

Although there had been some signs that the downgrade might occur, as one partner says: "It came as a bit of a shock." The precise effects on the market are not yet clear, but there is little doubt that the environment will be a tougher one. "It's a concern," says one partner. "Portuguese companies are largely [primarily] based in Portugal so when there's a downgrade on the public debt everyone gets downgraded as well."

Others though were more bullish: "Just because one or two guys from a rating agency look at it from a different perspective, it doesn't change anything," says one partner.

In the securitisation area, firms had seen activity coming from the private placement of notes with the European Central Bank (ECB). "The banks have not got AAA rating so the only way they have access to AAA products is through covered bonds and securitisation," says one lawyer. However with the recent tightening of the rules surrounding such issuance, this type of activity is already declining.

In the banking sector, as you'd expect in a country that has been in the headlines more for its financial woes than anything else, activity has not been vibrant. "You can't find easy money these days, but it clearly depends on the banks," says one partner. "Some banks are extra cautious on everything they do."

The spectre of caution was already haunting the market as a result of the credit crunch and this was exacerbated by the Greece crisis and the subsequent downgrading of Portugal's credit rating. "The last year the banking sector has been very quiet," explains one banking partner. "The banks have found it very difficult to get funding and they are more conservative in terms of how they spend their money."

As well as the obvious liquidity problems, the sector has had to deal with several international banks reducing their activities in the country. “[There’s been] a reduction in the number of international banks lending in the Portuguese market,” says one lawyer. “A lot have retreated to their home market.”

This has left just the domestic banks, which although they are starting to lend again cannot cover the gap left by their international contemporaries. “Only the Portuguese and Spanish banks are acting in Portugal. Apart from Barclays, the other banks we see less and less often,” says one partner.

When new money and lending is witnessed it often comes in the form of club deals as banks huddle together for safety and try to reduce their individual risk and exposure to the winds of uncertainty. From the firms’ point of view this just increases complexity as the number of banks in negotiations increases, and these are not just any banks, but ones acting with great caution. “The banks now want to share the risk with other banks and this can make negotiations very difficult,” says one partner.

Outside of Portugal, practitioners are hopeful of getting work in the form of banks investing in foreign markets. “There’s also some banking activity with Portuguese banks working abroad in Brazil and Africa,” says one banking lawyer.

## Linklaters

In May 2009 the firm took on a consolidation process, following many of its market counterparts in bringing together its corporate and capital markets groups into a new combined corporate finance offering. The new team is led by António Soares.

“The timing and quality of response was great. It was a very intense project and they always delivered on the date,” says one client and there was also praise for the firm’s fund offering. “Very good in terms of fund regulation, it’s very good,” says another client.

Highlighting the continued importance of the renewables sector in the country, the firm worked on a restructuring via a €1 billion bond issue by Pebble. The firm acted for the issuer, the largest wind energy producer in Portugal on the deal, which was designed to refinance the acquisition and project finance aspects of wind farm construction and purchase.

On the banking side, the market noted that the firm’s staff reduction (six associates left the Lisbon office in May 2010) may have an effect on its offering. “Linklaters have shed six lawyers recently, it’s difficult to maintain this position [in the market] because they are

left with [just] partners and they are in a survival position,” says one peer.

However despite these developments a good deal flow was maintained. Staying true to the market trend, last year a team led by office managing partner Pedro Siza Viera advised the lenders, including Banco BPI and Banco Espírito Santo in the €593 million refinancing of a portfolio of windfarms and mini-hydro power plants. The deal kept the original debt in place whilst granting a new facility, which increased both the amount and extended the maturity of the debt.

Siza Viera was praised by clients specifically for his communication skills: “Technically very strong and very knowledgeable and in negotiation he was very relaxed and calm and was very effective,” says one.

The team also acted for Nomura International Bank and Nomura International as the lender and arranger respectively of a €75 million loan to a company involved in the operation of a light railway.

Siza Viera was also involved as the team advised Banco Comercial Português on a €49 million bridge loan for Global Renewable Power International. The loan was secured by Megawatt Baltica and was for the development of the Tychowo wind farm in Poland.

One aspect clients felt the firm could improve on was its general acquisition finance practice. “In terms of acquisition finance I didn’t feel they had the same level of expertise,” says one.

## Leading lawyers

António Soares

## Morais Leitão Galvão Teles Soares da Silva & Associados

The capital markets and corporate offering at Morais Leitão was slightly reduced last year as Maria Antonia Cardoso de Menezes left in May 2009. The firm has a strong reputation in capital markets and is seen by the market as a major player. “Our closest competitor is Morais,” says one peer.

This reputation is played out by the firm’s deal list. On the debt side, one of the firm’s biggest clients is Banco Comercial Português (BCP) and in August 2009 the team acted on its €7.5 billion debt issuance programme. Specifically the team advised on the issue of a series of deeply subordinated notes with a combined value of €900 million. The bank also called in the team to act on its €25 billion EMTN programme including the issuance of floating and fixed rate notes.

EDP also called in the firm to act on a substantial debt issuance programme. Led by Luísa Soares da Silva the team acted on various aspects of a €12.5 billion programme,

including floating and fixed rate issues and a US offering under the 144A/Reg S rule. Soares da Silva was also active for another energy company Redes Energéticas Nacionais (REN) on its ¥1 billion (€8.8 billion) issue of 2.71% notes as part of the company’s €5 billion EMTN programme.

On the structured finance side the firm received further work from BCP advising on its €10 billion covered bonds programme including issuance and an update in March 2010. Similar work came from Morgan Stanley who called on the team to advise over Banco Santander Totta’s €5 billion covered bonds programme.

In equity, although IPO’s have generally been low on the ground in Portugal recently the team did act for Douro Azul on the preparation work for its offering on the Euronext Lisbon. Led by partner Carlos Osório de Castro, the deal is expected to be the first tourism IPO on the Euronext in Lisbon.

Osório de Castro was also involved as the firm advised Papeles y Cartones De Europa on its delisting from the Euronext Lisbon.

In the securitisation area the team acted for EDP subsidiary EDP - Serviço Universal (EDP SU). The deal saw EDP SU sell the rights to the capital produced by the positive adjustment to the electricity tariff estimated to be worth €447 million, to Tagus - Sociedade de Titularização de Créditos (Tagus).

On the banking side, Morais Leitão’s reputation is also well established. “Morais is counsel to BCP, the biggest bank in Portugal they also have a few international banks, certainly they deserve the tier one ranking,” says one rival.

When it comes to finance matters at the firm, peers and clients alike specifically highlight Luis Branco: “He’s very knowledgeable, quite straightforward and he listens to the concerns that you have and doesn’t rush to the banks immediately, he tries to find a way out for everyone involved,” says one client.

Branco led the team last year when the firm advised MSF in connection with a €55 million facility agreement for the acquisition of stakes in various infrastructure companies. Branco was also called in by Caixa Geral de Depósitos in its acquisition of credits, valued at €23 million, owed to several companies of the Portugal Telecom Group.

One of the firm’s largest transactions last year involved Filipe Lowndes Marques acting for the lenders, including Banco Espírito Santo and Banco Comercial Português on a €155 million corporate credit facility and security agreement for Sport TV Portugal.

## Leading lawyers

Luís Branco

Carlos Osório de Castro  
João Soares da Silva

### **Vieira de Almeida & Associados**

"It's very good, they provided a good service and always look for a solution, they are solution makers," was one client's view of the capital markets team at Vieira de Almeida and despite the context of a flat securitisation market the team still managed to secure mandates on two notable deals.

The team advised the joint arrangers including: Caixa Banco de Investimento and Banco Espírito Santo de Investimento on the EnergyOn securitisations numbers one and two. The first was a €1.2 billion securitisation issuance by Tagus - Sociedade de Titularização de Créditos (Tagus), the first securitisation issue to be done in Portugal with tariff deficits as the asset. In the second transaction the team advised both the banks and the issuer EDP in the energy company's securitisation of tariff arrears debt again issued through Tagus.

In the straight debt area the team acted on the set up of a €5 billion covered bond programme in the public sector and the subsequent issue of bonds. Partners Pedro Cassiano Santos and Pedro Simões Coelho worked for the dealers and common representatives respectively on the deal, which was the first public sector covered bond programme in Portugal.

Cassiano Santos proved popular with clients and was praised for his innovative nature: "He's not a copy-paste [person], he's always looking for innovation, he's willing to learn new products," says one client.

Simões Coelho was also involved in a unique deal for Espírito Santos Fundos de Investimento (ESAF) and Benfica football club, advising on the establishment of the €40 million Benfica Stars Fund, which is designed to invest in athletes.

On the equity side the team acted for Barclays capital and other dealers in EDP Finance's \$1 billion issuance of 144A/Reg S notes under the company's EMTN programme.

One of the firm's key strengths is in banking and this is recognised by the market. "Vieira has traditionally had a very very strong banking and project finance practice in Portugal, they are clearly tier one," says one peer, and another agrees: "For me Vieira is the most distinguished banking practice."

One of the largest banking deals undertaken by the team last year saw partner Pedro Cassiano Santos advise Deutsche Bank over a €105 million credit facility extended to utilities company Metro do Porto. Deutsche called on Cassiano Santos again in March

2010 to advise over a €52 million loan facility to Tap, the Portuguese airline.

#### **Leading lawyers**

Pedro Cassiano Santos

### **PLMJ**

PLMJ's banking capacity was hit last year when leading partner Maria Castelos left to join the newly formed practice at Campos Ferreira Sá Carneiro. The market was unsure how much impact this would have on the firm's status in the banking area, partly because Castelos was recognised more in the area of project finance and also because the firm traditionally has more of a focus on capital markets and M&A. "Maria Castelos was a strong name and they lost a strong team, but they were not known as a banking firm like Uría were," says one peer.

Despite the upheaval the firm still closed a number of notable mandates. One of the largest saw the firm advising Santoro financial holdings over the negotiation of a €164 million credit facility for the purchase of a 9.69% stake in Banco BPI. Another acquisition finance deal saw the team act for Kento Holding over a €125 million facility for a share purchase.

The lead figure in the firm's combined capital markets and corporate department is Jorge de Brito Pereira. "I recognise Jorge de Brito Pereira as one of the leading figures," says one peer. Last year he led the firm's team advising Barclays on a €141 million financing agreement with Imocon.

In the busy area of refinancing the firm acted for the Sapec group in the refinancing of a number of its companies.

#### **Leading lawyers**

Jorge de Brito Pereira

### **Garrigues Portugal**

The capital markets team at Garrigues is led by Diogo Leónidas Rocha and clients were in no doubt that he is the firm's main player in this area. "I think he's a very good high-level lawyer. He has a lot of experience, he's been involved in most of our privatisations," says one.

This status was backed up when Leónidas Rocha led the firm's team on last year's headline grabbing Cimpdor deal. Rocha and his team advised the acquirer Companhia Siderúrgica Nacional (CSN) on the capital markets aspects of the takeover bid.

One of the firm's biggest clients is Portugal Telecom who Rocha advised last year over issues such as disclosure obligations and corporate governance matters related to its dual

listing on Euronext Lisbon and the New York Stock Exchange (NYSE). Similar work was undertaken for Novabase, one of Portugal's largest IT companies.

Acquisition financing was the order of the day for the firm's banking team last year, who usually advise on the borrower side. A clear highlight was the firm's advice to Companhia Siderúrgica Nacional (CSN) on the negotiation of the €4.2 billion financing facilities for the company's proposed takeover of Cimpdor.

Another notable acquisition finance deal saw a team led by Bruno Ferreira and André Marçalo act for Emparque (subsidiary of A Silva & Silva) on the €451 million facilities for the acquisition of Cintra Aparcamientos, a Spanish car park company. The deal, which also involved a refinancing of Cintra and Emparque makes A Silva & Silva the largest Iberian car park operator. The team also advised other members of the A Silva & Silva group on their respective refinancings.

Ferreira and Marçalo also advised private equity firm the Riverside Company in the financing for the acquisition of a majority stake in Criostaminal - Saúde e Tecnologia.

#### **Leading lawyers**

Diogo Leónidas Rocha

### **Uría Menéndez - Proença de Carvalho**

Certainly the biggest development at Uría Menéndez last year was the loss of a team of lawyers to new firm Campos Ferreira Sá Carneiro, which was formed by Uría's former managing partner and banking star Francisco Sá Carneiro. The market's reaction to this was mixed. "Uría will definitely feel it more on banking and project finance, they lost Sá Carneiro and also the team that included Duarte [Brito de Goes]," says one peer. Others were less sure what the impact would be. "I think they will be effected but not to a great extent, although there will be clients who will move part of their work to Sá Carneiro."

The departure of Sá Carneiro and his team was followed by another major change at the firm as it integrated with Portuguese firm Proença de Carvalho & Associados, which led to a change of name and according to some a change of focus. "At Uría they hired Carvalho one of the most respected lawyers in Portugal, focused on litigation and they changed their name," says one partner. "I don't think they really needed a litigation partner but it did restore the general name and reputation in the market."

With the main departures coming on the banking side, the market saw little impact in capital markets. Leading the firm's offering in

this market is Carlos Costa Andrade who was well respected by clients. "Urfa as you might imagine is one of the most experienced offices in terms of the capital markets," says one. "He [Costa Andrade] is one of the good capital markets lawyers in Portugal. He has a good knowledge of the capital markets, he's very well informed, he's very good at networking."

One of the biggest deals Andrade worked on last year came on the debt side where the team acted for Bank of America/Merrill Lynch as the co-manager of a €700 million floating rate note issuance by Galp Energia.

Andrade was also called on by Banco Santander to advise on its new shareholders implementation programme that gives holders the option of receiving their dividends in cash or shares.

Covered bonds also kept the firm busy and in January 2010 the team worked on two separate €1 billion issues. In the first the team acted for the lead managers on Banco BPI's seventh issue of covered bonds. In the second, the team advised Caixa Geral de Depósitos as the issuer.

Like most of its contemporaries, the team also found themselves with a role on the Cimpor deal. Urfa provided advice to Lafarge Cements on aspects of its sale of shares and voting rights to Votarantim Cimentos.

Another highlight saw the team demonstrate its international experience as it took part in a working group advising on a proposal to adjust Brazil's securities law. The proposal should result in a draft statute will provide for new types of securities.

In banking, one of the firm's biggest transactions last year saw them advise the State Bank of India over a security package for a foreign currency facility agreement valued at \$465 million.

Another highlight saw the team advise the Royal Bank of Scotland on the implementation of the European Commission's Payment Services Directive.

#### Leading lawyers

Carlos Costa Andrade  
Pedro Ferreira Malaquias

#### Other ranked firms

One of Cuatrecasas Gonçalves Pereira's capital markets highlights last year saw it act on the first issue of public sector covered bonds of the state owned bank Caixa Geral de Depósitos. The team advised the bank on the €1 billion deal which was the first issue of its type on the Euronext Lisbon.

Leading that deal and many of the firm's other key mandates was leading figure Maria João Ricou. She also advised the Portuguese state, acting through the Instituto de Gestão

da Tesouraria e do Crédito Público (IGCP) on the first issues under its €5 billion EMTN programme. The deal was also the first offering in different currencies undertaken by the state, which will give it new debt options in the future.

Banco Privado Português also called on the firm to advise on the set up of a special investment fund, which is Portugal's largest in terms of assets with a value of €1.2 billion.

On the banking side, the firm acted for the banks, including Banco do Brazil, on the financing for the proposed takeover bid by Companhia Siderúrgica Nacional (CSN) for Cimpor.

*Leading lawyers:* Maria João Ricou

**Rui Pena Arnault & Associaidos** moves up a tier in the capital markets rankings this year after a number of strong recommendations from the market. "Rui Pena, we have worked together with them on a debt programme on the banking side, they should be mentioned," says one peer, another agrees: "I think Rui Pena would be here, they are an ex-Linklaters team and they would get some pure banking work from that."

On the capital markets side the team acted for the banks including CaixaBI and Citigroup on the establishment of Parpública Participações Públicas' (SGPS) first EMTN programme with a value of €1.5 billion. Leading the deal were Francisco Xavier de Almeida and Vasco Rodrigues who also advised the banks on the issue of €500 million of 4.6% notes guaranteed by the Portuguese state. A similar issue saw the team advise the banks again on the €300 million issue of 6.37% notes issued by the Redes Energéticas Nacionais (REN).

**Campos Ferreira Sá Carneiro** is a new firm formed by former partners of Urfa Menéndez and PLMJ. There was no doubt in the market that in terms of its quality of its individuals the firm would be a force to be reckoned with, but with every statement of praise there was a caveat. "I think they have a bunch of fantastic lawyers, if you ask me if they are good I will tell you without hesitation yes, they have a great team," says one peer. "My question is that I really don't know whether a boutique firm can really work well in a market as small as the Portuguese market."

Another lawyer had similar concerns: "I think they must be credited for the quality of their partners and that's the view from clients too, I also think that they will be very little opportunity in the coming year to make a name for themselves. I also think they will struggle because in this market deals require specialist ability and I think the lack of specialised support is a significant problem, they need tax and litigation support."

However if the firm's stars can persuade their clients to follow them the future looks bright. There is already evidence that this is happening. Last year named partner Fernando Campos Ferreira acted for Cimpor on the establishment of an EMTN programme with a value of €2.5 billion.

In the capital markets area **Abreu Advogados** has a specialisation in derivatives. Last year the team acted for Banco Espírito Santo on a number of finance linked swaps including one as part of the Rodoanel Project in Brazil and another in relation to Acciona Energia's 150MW solar thermal project. The team also advised Rubicon Drilling Services-Aluguer de Equipamentos Tecnológicos Unipessoal on the \$260 million private placement of notes to finance the purchase of a new deepwater drilling rig.

On the banking side, the team again acted for Banco Espírito Santo on the debt restructuring of the Tiner group consisting of a new €200 million financing facility.

**Barrocas** took quite a hit last year when named partner and banking head Jorge Santiago Neves, along with fellow partner Albano Sarmento, left to join the fledgling Portuguese offering at Spanish firm Gómez-Acebo & Pombo. The market will wait to see what effect this has on the firm's financial and corporate offering.

Last year the firm advised ABN Amro on its loans to the Synbra group for the acquisition of Plastimar. That deal was led by Claudia Santos Cruz, who also acted for the Royal Bank of Scotland on the refinancing of loans also to Synbra.

New to the capital markets rankings this year is **Cardigos**, which is led by named partner Pedro Cardigos, who is viewed by the market as the dominant personality at the firm. "He's a one man show, Pedro is a very good lawyer," says one peer.

Last year a clear highlight saw the firm advising BBVA Spain on a number of equity transactions involving Portuguese listed companies.

Leading the capital markets team at **Macedo Vitorino & Associados** is name partner António de Macedo Vitorino. Last year he advised the banks on a €50 million floating rate bonds issue by EDA Empresa de Electricidade listed on Euronext.

On the banking side one of the firm's biggest deals was advising Deixa Sabadell on a €150 million loan agreement to Metropolitan de Lisboa. The team also advised Patriarch Partners on a €32 million financing extended to the Dura Group.

Formally associated with Simmons & Simmons, **Sociedade Rebelo de Sousa & Advogados Associados** is now independent. A clear highlight for the capital markets team

was its advice to Banif-Banco de Investimento on the securitisation of mortgage backed receivables with a value of €520 million. The team also advised the bank alongside Banif-Banco Internacional do Funchal on two issues of deeply subordinated notes valued at €100 million and €50 million respectively.

Last year on the banking side, the team advised Finibanco on negotiations with the Hagen Group over two facilities issues with values of €12 million and €10 million.

## Mergers and acquisitions

### Recommended firms

#### Tier 1

Morais Leitão Galvão Teles Soares da Silva & Associados  
PLMJ  
Vieira de Almeida & Associados

#### Tier 2

Cuatrecasas Gonçalves Pereira  
Linklaters

#### Tier 3

Garrigues Portugal  
Uría Menéndez - Proenca de Carvalho

#### Tier 4

Abreu Advogados  
Abreu & Marques e Associados  
Serra Lopes Cortes Martins & Associados  
Sociedade Rebelo de Sousa & Advogados Associados

#### Tier 5

AAA  
António Frutuoso de Melo e Associados  
Carlos Aguiar Ferreira de Lima & Associados  
Rui Pena Arnault & Associados  
Sérvulo & Associados

In stark contrast to the banking market, where firms have witnessed a retreat of international players, in M&A firms are looking at incoming investors to kick-start the deal flow.

Specifically this investment is coming from Brazil and to a lesser extent Angola. "Nowadays Brazil and Angola are regarded by the market as the two countries where they will be firm investment in Portugal," says one partner. "The Brazilian investors see it as a way of entering into the European market."

The clearest example of this last year was Brazilian steelmaker Companhia Siderúrgica Nacional's (CSN) attempted takeover of the Portuguese cement company Cimpor. The bid was ultimately unsuccessful but it may be a sign of things to come, as one partner says: "We believe that smaller and medium companies are being watched by Brazilian potential buyers."

What this highlights is the stark contrast between the health of the Portuguese and Brazilian markets. "A lot of Brazilian companies are in Portugal, but it's not the same the other way around, basically because Brazil is the most important market at the moment," explains one partner.

There is a lot less excitement about the domestic market, which remains flat. High flying work is non-existent and firms have to make do with small- to mid-cap mandates. "What we see is less deals and lower value and because there is no access to finance it's very difficult, the market is very, very slow," says one partner.

Private equity is in a similar state: "The main trend in the market is that there was a reduction in terms of volume of the work in terms of the mid market, the private-equity houses not being so active," notes one partner.

Looking ahead, firms may see activity arising from the government's privatisation plan, although the market is still not sure which transactions will go ahead and when. "At this point there's nothing sure in terms of which one is moving first," explains one corporate partner. "It's felt that the government will move forward with transactions which will be easy to complete like Galp and EDP."

### Morais Leitão Galvão Teles Soares da Silva & Associados

The M&A team at Moraes Leitão Galvão Teles Soares da Silva & Associados is well respected by peers and clients alike. "The lawyers they have working on our teams are mainly the top tier lawyers and so we are very pleased with the level of experience," says one client. Others appreciated the firm's sector specific knowledge. "They have one or two lawyers who have specific knowledge, particularly in software and telecoms," says one client.

The team's capacity was reduced slightly in May 2009 with the departure of Maria Antónia Cardoso de Menezes.

A highlight of the firm's work last year saw them advise two separate parties in actions connected to the market-defining Cimpor transaction. In one, a team led by João Soares da Silva and Carlos Osório de Castro acted for Teixeira Duarte on the sale of its 22.1% stake in Cimpor for €970 million. Osório de Castro and Luísa Soares da Silva did similar work for Cinveste advising on the sale of its 3.93% stake for €155 million.

João Soares da Silva was appreciated by clients. "Generally his knowledge of Portuguese law and capital markets regulation and his extensive experience is always appreciated," says one.

In the energy sector, Nuno Galvão Teles was busy advising EDP on the €330 million acquisition of gas distribution, transmission and supply assets in Spain from Gas Natural. Galvão Teles was active in the renewable sector. EDP again came calling in July 2009 as the firm advised two subsidiaries, Distribuição - Energia and Inovação, in the incorporation of a joint partnership for ocean wave energy projects. The team also advised a consortium of buyers on the €250 million acquisition of Qimonda Solar.

In the banking sector, João and Luísa Soares da Silva were called in by Banco Comercial Português to act on its agreement to sell a 95% stake in Millennium Bank in Turkey to Credit Europe for €61.8 million.

The team also acted for Pfizer on the Portuguese aspects of its worldwide merger with Wyeth including the co-ordination of various subsidiaries.

### Leading lawyers

Nuno Galvão Teles  
Carlos Osório de Castro  
João Soares da Silva

### PLMJ

The corporate team at PLMJ was hit last year by the departure of a key team to new firm Campos Ferreira Sá Carneiro including partners Fernando Campos Ferreira and Maria Castelos.

However, in the M&A area at least, the market was under the belief that the impact would be limited. "PLMJ is a very large firm and one of the most traditional and oldest firms in Portugal so I have some doubts as to what extent they have been affected," says one peer. "I'm quite sure their client base has remained stable and they still have the team to remain stable." Another peer agrees: "PLMJ is a strong practice in M&A and they will survive and are still very active in M&A."

Co-heading the M&A team are partners Victor Réfega Fernandes and Manuel Santos Vitor. After the notable departures last year the firm was pro-active in recruiting new partner Manuel Cavaleiro Brandão into the department.

There was no doubt that the firm's biggest deal last year was Companhia Siderúrgica Nacional's (CSN) ultimately unsuccessful takeover bid for Portuguese cement company Cimpor. The PLMJ team led by Luís Sáragga Leal and Jorge Brito Perreira advised Cimpor on the deal which was valued at €4.15 billion. On a linked transaction Sáragga Leal was also called on to act for Atlansider on the sale of its 6% holding in Cimpor for €280 million.

Another highlight saw the firm advise Kento Holding on the sale of a 10% qualified holding worth €165 million in Zon Multimedia.

Another key client is Barclays who mandated the firm to act on the acquisition of the Portuguese credit card division of Citi Bank. The €68 million transaction was complex due to the sheer number of parties involved, notably card holding customers.

#### Leading lawyers

Luís Sáragga Leal

### **Vieira de Almeida & Associados**

Like most of its contemporaries the firm found itself advising on one of the transactions surrounding Portuguese cement firm Cimpor this year. Managing partner João Vieira de Almeida led the team acting for Camargo Corrêa on its acquisition of 31% of Cimpor; the largest stake which was valued at €1.36 billion.

Another highlight was the firm's work advising motorway operator Brisa - Auto-Estradas de Portugal in its reorganisation. The transaction included a transfer of its assets and liabilities including its corporate debt to a single ring-fenced company, the transfer of its research and development activity to a subsidiary and the reorganization of Brisa group companies through the set up of a holding company. Led by Helena Vaz Pinto and Paulo de Baroos Baptista, the deal was valued at €5 million.

#### Leading lawyers

João Vieira de Almeida

### **Cuatrecasas Gonçalves Pereira**

The corporate team at Cuatrecasas Gonçalves Pereira is led by Manuel Castelo Branco and he advised on one of the firm's biggest deals last year advising Beckman Coulter on the €542 million acquisition of the lab-based diagnostics business of Olympus.

In the insurance sector, a team led by Frederico Pereira Coutinho advised CNP Assurances on a €114 million sale of its 83.5% stakes in Global Companhia de Seguros and Global Vida Companhia de Seguros de Vida.

With energy still a vibrant sector the firm were also involved in this area, Diego Perestrelo and Rita Roque de Pinho led a team advising Endesa on the transfer of certain renewable assets to Acciona including the transfer of stake holdings and assets from Endesa subsidiary Finerge.

Another highlight saw partner André Luiz Gomes act for Banif and its investment bank-

ing entity on its acquisition of Tecnicredito. The deal consisted of an exchange offer between Banif and the shareholders of Tecnicredito executed through a capital increase.

#### Leading lawyers

Manuel Castelo Branco

Frederico Pereira Coutinho

Diogo Perestrelo

### **Linklaters**

One of Linklater's largest mandates last year came from the banking sector. The firm advised the BNP Paribas Group on the creation of the bank's new personal finance entity in Portugal. This involved an indirect acquisition of Credifin - Banco de Crédito ao Consumo by Banco Cetelem. The team acted for Cetelem on the intra-group merger which created one of the biggest consumer banks in Portugal with assets of €1.6 billion.

Another highlight saw the team act for Cargill and Comércio e Indústria Agro Alimentar - Sociedade Unipessoal on the €40 million acquisition of the company's Iberian animal nutrition business by Nutreco, which includes 12 production facilities.

#### Leading lawyers

Jorge Bleck

### **Other ranked firms**

The M&A team at **Uría Menéndez - Proenca de Carvalho** was not as badly hit as the finance team last year with the departure of partners Francesco Sá Carneiro and Bernardo Abreu Mota to Campos Ferreira Sá Carneiro and the market was confident that the firm's status would not be diminished. "Uría is a team of excellent lawyers and I don't believe the fact that the partners left Uría will have downgraded their ability in any way," says one client.

The team acted for Lafarge last year as they acquired 17.3% of Cimpor in the context of Companhia Siderúrgica Nacional's (CSN) attempted takeover. Another highlight was Antonio Villacampa and João Anacoreta Correia's advise to Spanish Brewer Grupo Damm's acquisition of Drink In, the company's first industrial acquisition outside of Spain.

Other highlights include acting for Olympus on the sale of its Portuguese diagnostics business to Beckman Coulter and advising private-equity fund Magnum Capital Investment Partners on the acquisition and restructuring of companies including Vendap and Levap.

**Garrigues Portugal** was recognised as making an impact in the market. "Garrigues has been very active and has a good client base," says one rival. This is backed up by the firm's deal list which includes advice to Portugal Telecom SGPS on the €800 million sale of its stake in Médi Telecom. Another highlight saw Isabel Martinez de Salas and Mário Lino Dias advising Riverside on the acquisition of Crioestaminal - Saúde e Tecnologia and its subsidiaries. Dias also acted for the SOS Corporation on the sale of 19 Portuguese companies with substantial real-estate assets.

The team also took on a notable mandate for Spal and Acções Mais on the sale of the latter's stake in the former to coffee cup manufacturer Cup & Saucer.

Last year **Abreu Advogados** acted for the Venture Capital Fund on the acquisition of a stake of a Portuguese group active in the construction of steel structures and mechanical equipment. Another highlight was the firm's work for Domino Printing Sciences on the acquisition of Labeljet - Comércio e Industria de Etiquetas and Marque TDI.

The M&A team at **Sociedade Rebelo de Sousa & Advogados Associados** falls under the umbrella of the financial markets division and is led by William Smithson. Last year the team acted for the Portuguese Ministry of Finance on the acquisition of insurance company Cossec for €55 million from Banco BPI and Euler Hermes. Two other notable mandates included advising VTB capital on the acquisition of 2.29% of Banco Finantia and acting for ECS Capital on the 52.8% acquisition of NewVision.

**AAA** enters the rankings this year after the market admitted that the firm has grown in the last few years and deserved to be ranked. "It's difficult not to have AAA here, they have strength in the market no less than some of these firms mentioned," says one peer.

The firm was formed by a number of ex-partners of PLMJ in early 2008. The M&A team is led by Gabriela Rodrigues Martins.

**Rui Pena Arnault & Associados** was mentioned as a notable absentee from the M&A table. "It's difficult not to include Rui Pena, they have increased in size quite dramatically in recent times," says one peer.

On the basis of this the firm enters the rankings for the first time this year. A highlight this year was its work for Charon Prestação de Serviços de Segurança on its acquisition of assets from Star - Companhia de Segurança. The team also acted for Euromedic International on its restructuring which included a number of mergers and demergers.

Led by Fernando Ferreira Pinto, the M&A team at **Sérvulo & Associados** acted for

Zurich last year on the merger between Zurich - Companhia de Seguros and Zurich Insurance. This was the only cross-border merger in Portugal last year.

## Project finance

### Recommended firms

#### Tier 1

Linklaters

Morais Leitão Galvão Teles Soares da Silva & Associados

Uría Menéndez - Proença de Carvalho  
Vieira de Almeida & Associados

#### Tier 2

Cuatrecasas Gonçalves Pereira  
PLMJ

#### Tier 3

António Frutuoso de Melo e Associados  
Barrocas

Jardim Sampaio Magalhães e Silva e  
Associados

Sérvulo & Associados

#### Tier 4

Abreu Advogados

Macedo Vitorino & Associados

Sociedade Rebelo de Sousa & Advogados  
Associados

Compared with some other areas, the project finance market in Portugal is in rude health. The government has pressed ahead with its hospital building plans and activity in renewable energy, specifically wind and photovoltaic projects, is still vibrant. This is all despite the difficult financial climate, which is a cause for optimism: "Projects have been going on not withstanding the constraints caused by public debt," says one lawyer.

However in this climate it can't all be good news and two projects: the Lisbon airport and the high-speed rail network, continue to be a source of great frustration to practitioners who still see no clear route ahead for either. "Officially the idea was to launch the tender deal [Lisbon airport] at the end of the year but there's no clear decision on a cancellation or a delay, but its vital infrastructure and it needs to be done," says one partner. Of the two, the rail network is more advanced and finally this year the financing for the first section was secured. However the future of the rest of the network is still unsure.

Outside of the domestic market, firms are hopeful of getting more work from Africa, specifically in infrastructure and power projects in Angola and Mozambique. "We expect the Portuguese banks to be very active, there are several infrastructure projects being analysed," says one project finance lawyer. If

the market does take off, the structures are likely to remain simple for the time being: "Angola is a major base for construction companies," explains one finance partner. "Not so much PPPs (Public-Private Partnership) though, the legal background in Angola is not advanced enough for that."

### Linklaters

The Linklaters project finance team is well respected by peers and clients alike. "They have a very wide and strong network and this pays off when you have a large transaction. They are always a very close company, they are not as big as they look like in terms of being close to us," says one client.

Leading partner Francisco Carvalho also drew praise. "Sometimes you tend to have a problem with lawyers, but Francisco is a very good negotiator, he knows when to step in and when not to step, he knows how to fill the gap between the client and the lawyer."

One of the firm's largest deals last year and one that required advice across a number of practice areas was the refinancing of a number of wind farms owned by Pebble, a holding company purchased by wind-power fund Magnum. The team acted on all aspects including a project financing of further wind farms facilities.

Portugal's high-speed rail network is a project that has been on the cards for a number of years. Last year Pedro Siza Vieira advised the banks in the tender for the first phase of the project including construction and maintenance.

The firm was also heavily involved in the government's hospital construction programme. In one example, Siza Vieira acted for Espírito Santo Saúde, the leader of the bidding consortium for the Loures hospital PPP. The deal valued at €594 million covers construction, financing and maintenance of the 412 bed facility in the Lisbon region.

#### Leading lawyers

Francisco Ferraz de Carvalho

Pedro Siza Vieira

### Morais Leitão Galvão Teles Soares da Silva & Associados

"They are very close to certain companies who are active in this market so in that context it's common to see them in this area" is one peer's view of the project finance team at Morais Leitão Galvão Teles Soares da Silva & Associados.

With the renewable sector still thriving, it is perhaps unsurprising to find that one of Morais Leitão's largest projects last year saw them work on the financing for the construc-

tion of 23 wind farms with a combined capacity of 480MW. The team advised the European Investment Bank (EIB), who is partly financing the deal, with facilities valued at €498 million.

Another substantial energy deal saw a team led by Luis Branco and Filipe Lowndes Marques advising a consortium of banks over the refinancing of 30 existing wind farms and the construction of four new ones. The total value of the facilities was over €1 billion.

Photovoltaic is one of the biggest areas of renewable energy activity and last year the team had a hand in a €37 million financing of a plant in Ferreira do Alentejo, again advising a consortium of banks as the lenders.

Outside of energy, the firm also acted for the banks on a €82 million PPP (public-private partnership) for the construction of a new hospital building in the Lourdes area.

#### Leading lawyers

Luís Branco

Filipe Lowndes Marques

### Uría Menéndez - Proença de Carvalho

As in the banking area, the firm was hit last year with the departures to Campos Ferreira Sá Carneiro. In the project finance context, the notable loss was that of Duarte Brito de Goes, who the market believed would be missed. "The experience was very good, but the partner Duarte Goes, I think the knowledge that he's moved out of the firm would make me think twice," says one client. "I would consider the new firm [Campos Ferreira Sá Carneiro]."

The firm's incorporation of Portuguese litigation firm Proença de Carvalho & Associados also brought comment. "They have merged with Carvalho but this means to a certain extent that they are trying to build up in a different area," notes one peer.

With hospitals and energy on the agenda for most firms, Uría's deals list was no exception. Bernardo Diniz de Ayala advised on two notable healthcare projects including acting for Região Autónoma dos Açores on the first health care PPP in the country for the construction of the Hospital da Ilha Terceira in the Azores. Diniz de Ayala also advised the banks on the €38 million deal. In a similar deal the firm acted for Ferrovia Services on the €267 million PPP (public-private partnership) for the construction of the Hospital de Vila Franca de Xira and the Algarve Hospital.

On the energy side Duarte Brito de Goes signed off at the firm by advising the banks on the financing of the 12MW Ferreria do

Alentejo photovoltaic plant. The deal was valued at €38 million.

The team also had a role in the long overdue Portuguese high speed-rail project. The team advised the banks on the Póceirão-Caia section of the network which is yet to close.

### **Vieira de Almeida & Associados**

A key figure in the project finance team at the firm is Manuel Protásio. "He's the best in the team, he's a very good leader," says one client. "He's very clear when he presents, sometimes to us or the banks, also he never gets anyone upset, which is vital when money is involved."

The team's general expertise in PPPs (public-private partnership) was also praised. "They are very experience from what I have seen. They are probably the most experienced team in PPPs, they have been involved in all relevant PPP programmes," says one client.

Last year Protásio worked on most of the firm's key deals. One example was his advice to the banks on the financing for a portfolio of 22 wind farms with a combined capacity of 481MW. Closed in January 210 the deal was part of a larger project which aims to have a capacity of 1,200MW.

Alongside with energy, hospital construction has been a major focus for Portuguese project finance lawyers and last year the team acted for the winning consortium on the PPP for the new Vila Franca de Xira hospital. The €480 million deal is to finance the construction and operation of the hospital for 30 years and to fund services within the hospital for ten years.

Clients also appreciated the firm's sector specific knowledge. "Regarding the utility sector they have very good skills, the English is very good," says one. "They have shown that they are up to speed with changes."

On Portugal's high-speed rail project the firm was also active, advising the winning consortium on the 170km high speed and 92km conventional rail financing which totals €1.45 billion.

The firm were back advising the banks, including Banco Comercial Português and Banco Santander Totta, in February 2010, acting on the €63 million renegotiation of a concession agreement for the water and waste provisions of Santa Maria da Feira in the Oporto region. The negotiations were related to the award of European subsidies and the reduction of public investment in the project.

#### **Leading lawyers**

Vanda Cascão  
Manuel Protásio

### **Cuatrecasas Gonçalves Pereira**

One of Cuatrecasas Gonçalves Pereira's main strengths in Portugal is in project finance and the market recognises this: "Cuatrecasas they have been building up on certain things," notes one peer. Clients also had praise for the firm: "Good firm to work with, they are a nice company, it was a completely different experience to other firms," says one.

The firm made use of its full Iberian offering last year advising on a cross-border financing for six photovoltaic projects in Spain. A team led by department head Diego Perestrolo advised the Portuguese bank syndicate on the deal.

In Portugal itself the team took a role on the Vila Franca de Xira hospital project advising PPS Consultoria em Saúde in the €90 million financing of the PPP (public-private partnership) which forms part of a wider hospital building project in Portugal.

Both Perestrolo and Duarte Abecasis to advise a consortium led by Mota-Engil on the tender offer for the Póceirão-Caia stretch of Portugal's proposed high-speed rail network. The deal included the financing of an SPV to be used to develop the plans proposed in the tender.

Another highlight was the team's work for Banco Espírito Santo de Investimento over the financing for the construction of infrastructure for the justice service in Oporto. The €121 million financing included courtrooms and police facilities.

### **PLMJ**

The departure of Maria Castelos to Campos Ferreira Sá Carneiro has no doubt weakened the project finance offering at PLMJ according to the firm's peers. "PLMJ, it has been seriously damaged, on project finance they have lost their point of reference," says a peer.

The market will wait to see what the long-term impact will be, but some peers offered some comfort. "Even though a number of lawyers left they still advise a number of contractors," says one.

A highlight last year was the firm's advice to the concessionaire Ascendi Pinhal Interior on the Pinhal road concession which had a value of €900 million. The firm also acted for a construction group on the tender for the high-speed rail concession, specifically the stretches between Lisbon and Póceirão. The deal was led by Pedro Melo and Frederico Perry Vidal.

In the vibrant renewable sector the firm also took on a notable mandate acting for Ventos Propicios - Energia Eolica over the financing for the construction of a wind farm.

Clients noted the firm's expertise in the African markets. "They were very good in

understanding where we come from, where they come from and how to operate in Mozambique," says one.

### **Other ranked firms**

A clear highlight for Barrocas last year was its work advising renewable energy company Acciona Energia over the financing for the 62MW Moura photovoltaic project in southern Portugal.

The firm had to deal last year with the departure of former name partners Jorge Santiago Neves and Albano Sarmiento who departed to establish the Portuguese practice of Spanish firm Gómez-Acebo & Pombo.

The project finance team at **Sérvulo & Associados** is led by Lino Torgal who also acts as the lead partner on most of the firm's high-profile transactions. The team is renowned for its public law capability and also specialist knowledge in the road sector. "They are very busy on the public law side, they get a lot of work on that side in projects, they are a public boutique," says one rival.

An example last year was the firm's work advising the sponsor Ascendi in the €3.5 billion D1 Slovakia Motorway PPP (public-private partnership), one of the largest project finance deals completed so far in Europe in 2010. Ascendi is a key client for the firm who were also mandated by the company on two other notable road deals. Two teams, again led by Torgal, acted for the company as sponsor in the financing and construction of the Douro and Pinhal Interior motorways. The deals were valued at €300 million and €800 million respectively.

Leading the project finance team at **Abreu Advogados** is Manuel de Andrade Neves. The team falls under the umbrella of the public law and environmental law department. Last year the firm assisted Tertir - Terminais de Portugal on the public tender offer for the granting of a license to undertake sea cargo terminal activity in Lisbon.

**Macedo Vitorino & Associados'** focus in project finance last year was clearly in the roads area. The team advised a consortium including Dragados, Iridium, Edifer, Tecnovia and Condirul on four separate deals relating to the subconcessions for projects including the Centro and Baixo Alentejo motorways. Partners António Vitorino and Susana Vieira André Dias led on all deals.

**Sociedade Rebelo de Sousa & Advogados Associados** took a role on one of Portugal's new hospital projects last year advising Lisbon's regional health authority on the PPP (public-private partnership) - PFI (private finance initiative) schemes for several hospitals including Cascais, Lisbon, Loures and Vila Franca de Xira. Another highlight saw

the team advise Banco do Brazil on the €1.2 billion financing for the Pinhal interior motorway project.

The team also acted for the Port Authority of Setúbal and Sesimbra over the refinancing of the concession contract for the Setúbal port.

## Restructuring and insolvency

### Recommended firms

#### Tier 1

PLMJ

Vieira de Almeida & Associados

#### Tier 2

Cuatrecasas Gonçalves Pereira

Garrigues Portugal

Linklaters

Morais Leitão Galvão Teles Soares da Silva & Associados

Uría Menéndez - Proenca de Carvalho

One of the key talking points for practitioners continues to be the ability of the relatively new insolvency law, introduced in 2003, to deal with a financial crisis that was unimaginable when it was drafted. “The new legislation has tried to make the proceedings easier,” says one partner. “It gives a lot of power to the creditors, the creditors are entitled to decide almost everything.”

Technical issues are proving problematic and there was a feeling in the market that a reform would be helpful to iron-out elements, which if anything are merely prolonging the economy’s problems. One insolvency partner gives a good example. “If a construction company gets insolvent they will never get out, because according to the law they will lose the license to construct. So you have these types of problems and the construction sector has this particular problem.”

Others directed their ire not so much at the legislation, but rather the way in which it was being utilised. “Our main problem is not with the legislation, our problem is the lack of preparation in nearly all the Portugal insolvency administrations,” says one partner. “I think it’s a problem for the jurisdiction, I have worked in other jurisdictions and there is a huge gap in the [relative] abilities.”

The speed of the courts dealing in insolvency cases was another bugbear. “There are specific courts that deal with corporate matters but the problem is that they are completely full. Insolvency proceedings can take years,” says one insolvency partner. “I think the Portuguese system is not good, it’s very slow. In Germany they have the same law [the Portuguese legislation is based on the German model] and it works.”

The level of insolvencies looks set to remain high for the foreseeable future, although some practitioners were hopeful that the sheer volume may force the hand of the banks and lead to more restructuring and refinancing of debt. “I think the banks will easily agree to restructure to reduce the amount of Insolvencies, they will be more open to negotiations,” says one partner.

### PLMJ

PLMJ is recognised by the market as one of the clear leaders in restructuring and insolvency and peers highlighted the firm’s presence on high-end deals. “The firm I tend to find on complicated cases is PLMJ,” says one rival.

The team is led by Nuno Libano Monteiro and the practice has a strong reputation, specifically in insolvency. This is reflected by its deal list which last year included work for distribution companies Alicoop, Alisuper, Macral and Geneco in insolvency proceedings. Monteiro was also on hand to advise Itarion Solar on its insolvency, which was brought about partly by the insolvency of Qimonda.

The team also acted on the other side of the table advising Joaquim Alberto Viera Coimbra as a creditor in the insolvency proceeding of SLN Valor, the holding company of the bank BPN (Banco Português de Negócios).

A further highlight saw lead partner Nuno Libano Monteiro acting alongside Manuela Tavares Moraes on the pre-liquidation procedure of a Portuguese bank, the work involved defending the bank’s assets in a number of other jurisdictions.

#### Leading lawyers

Nuno Libano Monteiro

### Vieira de Almeida & Associados

“I would say that Vieira de Almeida with Frederico Pereira is a very important player in this area.” was one peer’s opinion of the practice at the firm and the market was in agreement that alongside PLMJ the firm is one of the main players in this area.

Key partner Frederico Gonçalves Pereira acted on most of the firm’s key transactions last year including advising Nanium (formerly Qimonda) on its insolvency proceedings. Pereira was again involved as the firm acted for Edscha, Edsha Sistemas para Automóveis and Edscha Portugal & Comandita on their respective insolvencies including actions in Germany.

The team also had work on the bank side and advised Banco Comercial Português on the insolvencies of numerous companies

including the Alicoop group and the Investvar Group, for the former, the team also acted on its restructuring plan. Fortis bank also called in the firm to act on the insolvency of Aeroshoes and Investvar Comercial.

The firm also advised the banks on the €125 million insolvency of a large tourist resort in Madeira, Sociedade Imobiliária e Turística do Campo Baixo. Among the banks advised were Banif-Banco Internacional do Funchal.

#### Leading lawyers

Frederico Gonçalves Pereira

### Cuatrecasas Gonçalves Pereira

As one of the biggest deals of the year, the Qimonda Portugal insolvency had many angles and a number of firms were involved. Cuatrecasas Gonçalves Pereira was no exception and advised both Qimonda and Qimonda Dresden on the main insolvency which led to the approval of recuperation plan.

José de Freitas led the Cuatrecasas team on that deal and he also advised Qimonda Solar on its insolvency petition linked to its parent company’s insolvency. Another linked insolvency saw the team advise Dussmann on its insolvency petition. The company had important contracts with Qimonda and was thus adversely affected.

Textile company Germaport also called in the firm to act on its insolvency and de Freitas worked alongside Nuno Furtado Mendonça on the deal.

### Garrigues Portugal

One of Garrigues’ biggest deals last year was on the restructuring side as it acted for Kraft Foods Portugal on its reorganisation, which included a split between its manufacturing and distribution elements. Another restructuring saw a team led by Susana Pimenta de Sousa and Cristina Cabral Ribeiro advise DuPont Portugal on the consolidation of the group’s local businesses through the mergers of these local companies.

In line with the rest of the market Garrigues also took on a mandate linked to the Qimonda insolvency, advising Microcircuit Technology as a creditor of the company. The eventual insolvency plan included a capital increase of €30 million.

### Morais Leitão Galvão Teles Soares da Silva & Associados

Morais Leitão Galvão Teles Soares da Silva & Associados often acts for the creditors in insolvency proceedings and a clear highlight last

year saw the firm act for AWB last year as a creditor of Oleocom, an importer of cereals, in its insolvency proceedings.

A key figure at the firm is Helena Soares de Moura and last year she acted for Abbott as a creditor of pharmaceutical distributor CJ Sousa Andrade in its insolvency proceedings. Soares de Moura was also advised two creditors, CAI International and SKY Container Trading, on the insolvency proceedings of Linhas de Navegacao do Atlantico (LNA).

### **Uría Menéndez - Proenca de Carvalho**

Peers highlighted Uría Menéndez - Proenca de Carvalho's litigation capability and suggested that insolvency is where its real strength lies. "Uría has a good litigation [team] because before they were Uría they were a Portuguese firm very active in litigation," explains one peer.

An example of this capability was the firm's work for Blockbuster last year in its cross-border insolvency proceedings.

Another highlight was the firm's work for Promociones Habitat in a transaction connected to its failure to repay a loan guaranteed by Grupo Habitat.