

Venezuela

Chamber of commerce:

Federación de Cámaras y Asociaciones de Comercio y Producción de Venezuela
Avda El Empalme
Casilla 2568 Urbanización El Bosque
1050 Caracas
Venezuela
Tel: +58 212 731 1711
Fax: +58 212 731 0246
Email: direje@fedecamaras.org.ve
Web: www.fedecamaras.org.ve

Professional body:

Federación de Colegios de Abogados de Venezuela
Av La Salle
Torre Inpreabogado, Piso 11
Caracas
Venezuela
Tel: +58 212 991 98 45
+58 212 991 87 42
Website: www.justicia.net

Banking and capital markets

Recommended firms

Tier 1

D'Empaire Reyna
Rodner Martínez & Asociados
Rodríguez & Mendoza

Tier 2

Baker & McKenzie
Bermúdez Nevett Mezquita López
Mendoza Palacios Acedo Borjas Páez
Pumar & Cía
Travieso Evans Arria Rengel & Paz

Tier 3

Aarons & Asociados
Hoet Pelaez Castillo & Duque
Squire Sanders & Dempsey
Tinoco Travieso Planchart & Núñez

Tier 4

Despacho de Abogados miembros de
Macleod Dixon
Torres Plaz & Araujo

Mergers and acquisitions

Recommended firms

Tier 1

Baker & McKenzie
D'Empaire Reyna
Mendoza Palacios Acedo Borjas Páez
Pumar & Cía

Tier 2

Hoet Pelaez Castillo & Duque
Rodríguez & Mendoza
Squire Sanders & Dempsey
Tinoco Travieso Planchart & Núñez

Tier 3

Raffalli de Lemos Halvorssen Ortega Ortiz
Torres Plaz & Araujo

Project finance

Recommended firms

Tier 1

Baker & McKenzie
Mendoza Palacios Acedo Borjas Páez
Pumar & Cía
Rodner Martínez & Asociados
Rodríguez & Mendoza

Tier 2

D'Empaire Reyna
Despacho de Abogados miembros de
Macleod Dixon
Squire Sanders & Dempsey
Tinoco Travieso Planchart & Núñez
Torres Plaz & Araujo
Travieso Evans Arria Rengel & Paz

Haunted by his country's economic woes, Hugo Chávez last July looked to a familiar ghost: Latin American freedom fighter Simone Bolivar. In a televised, middle-of-the-night operation the Venezuelan President had his deceased predecessor of almost 200 years exhumed to settle the age-old rumour that Bolivar died of poisoning rather than tuberculosis. The country's lawyers interpret this latest macabre twist as just another sign that the socialist leader's misguided policies spell ruin for Venezuela - politically, culturally and economically.

"Here we are used to talking about plan A and plan B," says one Venezuelan attorney, and increasingly the country's remaining private enterprises are taking measures to protect themselves should plan 'A' fail. These include transferring assets out of country when applicable and isolating units the government may find attractive for expatriation.

While corporate restructurings have kept Venezuela's lawyers busy over the past few months, the process is attritive; one leading lawyer laments: "I'm losing all my clients ... to the government!" With the nation running out of industries to expropriate, Chávez's administration is closing the few loopholes

that facilitated the trickle of foreign-denominated currency entering the local market.

Last May the Venezuelan government shut down the Permuta parallel foreign exchange market and raided brokerage houses it accused of illegally trading stocks for dollars at an alternate rate than officially accepted. The moves effectively bar foreign investors from changing their bolivar-denominated assets within Venezuela, where the bolivar's artificially inflated value makes it the only profitable place to exchange the currency.

Within this climate of uncertainty foreign investors are somehow finding room to operate, helped by Venezuela's legal community. A few lucky companies find protection behind trade treaties between the country and their parent governments, which most recently include Russia, Syria and Trinidad and Tobago. Others have structured joint ventures with the government that offer less protection but acknowledge the government's dependency on specific areas of private foreign investment.

And for Venezuelan nationals feeling the increasing pressure of a deteriorating situation at home there is an ultimate plan B: Panama. Or Colombia, or the Dominican Republic, where one respondent notes: "You can live very comfortably with a private plane." But Panama's immigration-friendly residency requirements and offshore banking industry make it the latest fashionable place for Venezuela's business leaders to take their money.

But the exodus of capital has not gone unnoticed by the Venezuelan government, and legal sources contend the flow of capital into Colombia is largely driving the growing dispute between the neighbouring countries.

Baker & McKenzie

"Sometimes a foreigner likes to go to a familiar name," says one rival of Baker & McKenzie's success in the local market. But

commentators contend a talented team of 100% Venezuelan attorneys stand behind the international brand. “They have always had some good lawyers,” says one peer.

Sources within the legal community say Baker & McKenzie represents “more industrial multinationals than anyone else in the country,” and excels in the critical area of asset protection planning. Competitors say partner Eugenio is “historically the star” of the firm, and earns praise as a respected arbitrator and scholar.

While commentators say Baker & McKenzie’s large American banking clients have been inactive in the market of late, the firm’s financial practice recently provided regulatory and transactional advice to both Morgan Stanley and Deutsche Bank on structuring securities loans and derivatives for various Venezuelan counterparties.

Leading lawyers

Jesús A Dávila
Eugenio Hernández-Bretón
Alvaro J Posada

D’Empaire Reyna

Competitors call D’Empaire Reyna a big firm, but for its large-scale reputation in the Venezuelan market rather than the size of its team. Approaching 40 years in practice, the firm is considered young by peers owing to the fact that founding member Gustavo Reyna remains active in transactions.

The firm has earned the most recognition lately in “processes of asset sales and expropriations” of several key private players in the market by the Venezuelan government. “Those transactions have given them some additional exposure,” says one rival, “and they have used it as a marketing point.”

While the firm has no department heads, partner Fulvio Italiani is described as very efficient by competitors and “remains a key player” in the market for his participation in government takeovers. “He is in all of those,” observes one peer, adding “he’s the one selling the product.”

Leading lawyers

Geraldine D’Empaire
Fulvio Italiani
Gustavo Reyna

Mendoza Palacios Acedo Borjas Páez Pumar & Cía

Noted as a historic player in legal market with lineage dating to over 100 years ago, Competitors note the firm has suffered with its core client base competitors describe as “national investors with larger groups that

have been shrinking over the decades.” Still, market feedback says the firm sees “encounters in business transactions” with international clientele.

The firm received an important recent mandate representing one of the few foreign players currently entering the hydrocarbons market, thanks to recent economic agreements between Venezuela and Russia. At the end of 2009 the firm advised Prominvest in a joint venture agreement with state oil company PDVSA, establishing a new local subsidiary to exploit underutilised oil fields.

Peers single out brothers Carlos Eduardo and Manuel Acedo as the most active partners of Menpa in corporate transactions. Last year the firm covered Metlife locally in its takeover of AIG’s American life insurance unit Alico, completing a plan set in place before AIG’s near-meltdown in 2008.

Leading lawyers

Carlos Eduardo Acedo Sucre
Luisa Acedo de Lepervanche
Manuel Acedo Sucre

Rodner Martínez & Asociados

As a traditional player focused on Venezuela’s financial market, Rodner Martínez owns a reputation peers say rests squarely on the shoulders of partner James-Otis Rodner. “He’s very personalistic and always travelling to meet with clients,” says one rival, adding, “It’s really a one-man show.”

The firm’s most recent work involves asset protection actions, including the implementation of employee stock options for five multinational corporations. The actions were instrumental to the companies’ strategic restructurings and capital repatriation requirements from the Venezuelan government.

Leading lawyers

Jaime Martínez Estévez
James-Otis Rodner

Rodríguez & Mendoza

Commentators count Romen among Venezuela’s oldest and most prestigious law firms in the country. “When you read an opinion from those firms you trust it a bit more than the others,” notes one peer. The firm earns marks for remaining strong through the global downturn and economic crisis back home.

Considered an “able attorney in corporate matters” by rivals, partner Reinaldo Hellmund receives high praise from one commentator in particular for his own talents and those of his legal team. “He’s a practical guy

who works very hard and has attorneys that go into detail,” says the competitor.

Leading lawyers

Reinaldo Hellmund

Other ranked firms

The Venezuelan partnership of **Squire Sanders & Dempsey** took a recent hit at the beginning of last year when Juan José Delgado left to form a competing practice. But competitors say the firm continues to hold a strong presence in energy and industrial matters with partner Hernando Diaz-Candida. “He’s smart, bright and quite practical in all parts of the law,” says one peer.

Diaz-Candida represented LaFarge last year in the transfer of its local cement-producing assets to the Venezuelan government, helping to negotiate the more than \$250 million to the French company. Additionally, Diaz-Candida advised Cadbury Adams locally in its global acquisition by Kraft.

Leading lawyers: Hernando Diaz-Candida