

FOR PORTUGAL'S M&A LAWYERS THE FUTURE IS... DIFFERENT

The world is changing and Portuguese lawyers are well placed to capitalise if they recognise and grasp the opportunities that are emerging

Whenever we attend meetings and participate in discussions on the perspective for M&A in the forthcoming year, there is a rule that most of us follow: no-one seems to be willing to admit that the glass is half empty. Is this the case? Is the glass half empty or half full?

The new world of M&A

Well, the purpose of this article is not to prolong the senseless discussion we see every year, taking the form of a leap of faith. The point we wish to highlight is that market conditions have changed, as they have done many times in the past.

Irrespective of the present Portuguese government's stance, it is now a fact that the economy is mostly private. With a few exceptions, the state no longer has anything relevant to sell. Most transactions are, at this juncture, secondary sales of mature assets that are less appealing. The mid-cap market does not exist as most of the potential targets are already too big to attract local investment or too small to be palatable outside. The decision on prospective transactions, either as seller or buyer, no longer takes place 'next door' but rather sometimes at the distance of a long-haul flight.

Investment banking is not as active and present now, as the market and fees have shrunk. In recent years, banks have been more concerned about preventing or getting rid of bailouts. In fact, it seems that investment bankers have become an endangered species – difficult to find.

We could add to this list of 'unpleasantries' Brexit, Mr Trump and his Tweets, and the Catalanian turmoil that may yet drag Spain into uncertainty – which is always bad news for us.

Is this all bad? No, it's just different

If you believe all the foregoing is more or less accurate you change, adapt and play along. You adjust the profile of your fees, your team and even the way you do things. You become more agile and efficient. You embrace new technologies not only to lower your costs and release talent from less appealing work but to also offer clients different fee structures and options so they can manage legal fees.

You refine your recruitment base to attract those who share your vision (leaving aside the discussion about whether millennials are or are not a problem). You reach further. You learn you need to know more people, in

other places and different time zones. Your professional contacts are no longer just the guys you knew from college but are as likely to be someone living somewhere in that new and blurry geographical region known as EMEA. And, yes, EMEA has an 'A' in it that stands for Africa.

Africa, of course, is a place where most Portuguese firms are present – at least, in the Portuguese-speaking African countries – and have a good reputation that should be used to help these countries do the things we already have a good record in (privatisations or restructurings, for example).

We make available our knowledge to local colleagues to jointly capture the space that, by language, culture, and similitude of laws, should not be offered to others. You believe that larger African economies will be a natural destination for cross-border M&A transactions where you may play a part, streamline your capacity and claim your (small) share of international practice. You assume this will happen at a faster pace and not just something for your junior partners to digest in the coming years.

Keep your glass as full as possible

Different is not always good or bad – it's just different. The important thing is to retain the ability to use your glass, and keep it as full as you possibly can.



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