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The Legal Counselor

July 17, 2011

M&A IN THE MIDDLE EAST: BALANCING RISKS, REAPING REWARDS

By: Arti Sangar, Dubai Office

Fueled by tremendous growth potential and an increasingly progressive regulatory environment, the Middle East is fast becoming a hotbed of Mergers and Acquisition activity. Today, for example, the UAE is experiencing an upsurge in cross-border M&A activity. As a result, dealmakers throughout the Gulf Cooperation Council, including Bahrain, Saudi Arabia, Oman, Qatar, and Kuwait, should be ready to strike while the proverbial iron is hot. As dealmakers survey the wealth of opportunities available in the region, they should be alert to certain trends, and risks, particular to the Middle East.

In this Article, Arti Sangar provides a brief overview of key issues relating to M&A opportunities in the Middle East. Arti alerts foreign investors looking to take equity stake in the Middle East to carefully consider the structure of a proposed deal from the outset, and to carry out a carefully planned, timed, and well-executed strategy.

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CHINA'S EVOLVING ENERGY NEEDS: A LONG MARCH TOWARD SUSTAINABILITY

By: Xingjian Zhao, Miami Office

By 2010, China successfully fulfilled the goals of yet another Five-Year Plan. As part of the newly implemented twelfth Five-Year Plan, which will run until 2016, Chinese policymakers now seek to broaden the country's myopic focus on economic growth, which has come at the expense of domestic energy sustainability. During the past decade, China has shifted from a net oil exporter to the world's second largest importer of oil. For this reason the new Five-Year Plan represents a policy-driven effort to move the country away from its historical dependence on coal, oil, and other fossil fuels. This new Five-Year Plan will emphasize a low carbon economy and green development.

In this article, Xingjian Zhao shares his thoughts on China's newfound efforts to reduce its reliance on petroleum, and in turn, decrease its vulnerability to the shifting sands of the Middle East's political climate. This article is particularly relevant to foreign investors who will seek to invest in China's rapidly growing renewable energy sector.

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CORPORATIONS, BE WARY: CORPORATE LIABLITY UNDER THE ALIEN TORT STATUTE

By: Margaret Perez, Miami Office

The Alien Tort Statute ("ATS") permits federal courts in the United States to hear cases brought by foreign citizens pertaining to conduct committed outside of the United States. Courts are currently split over the issue of whether corporations may be sued under the ATS in U.S. federal courts based on conduct that occurs in other countries. In Baloco v. Drummond Co., the Eleventh Circuit determined that the plaintiffs had standing to sue the corporate defendants in federal court. On the other hand, the Second Circuit's ruling in Kiobel v. Royal Dutch Petroleum Co., flatly rejected the notion that corporations can be amenable to suit in U.S. courts under customary international law. This circuit split raises the substantial possibility of future Supreme Court review. Unless and until that occurs, forum shopping will likely to be prevalent, as plaintiffs may seek to avoid the Second Circuit in choosing where to bring suit.

In this article, Margaret Perez Lai outlines and discusses the main uncertainties under the ATS concerning corporate aiding and abetting of foreign human rights violations. Margaret concludes with the suggestion that if corporations cannot be held liable under the ATS, it will leave victims who have suffered at the hand of corporations without any legal recourse in the United States.

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ANTI-MONEY LAUNDERING (AML) REGULATIONS IN VATICAN CITY

By: Adriana Clamens, Miami Office

The news media has been fixated by the Vatican Bank's most recent run-in with Italian prosecutors for violations of anti-money laundering regulations. The Vatican Bank, a private bank that manages assets for religious orders, is one of the world's most extraordinary and unique financial organizations. As a result of the investigation, the Vatican Bank has created a new anti-money laundering unit to foster a more transparent financial arrangement and to conform its transactional businesses to be better aligned to international laws designed to prevent money-laundering.   In this article, Adriana Clamens discusses the implications of the recent investigation of the Vatican Bank and its impact on the Vatican's anti-money laundering regime. Adriana's article further discusses the creation of a new Financial Information Authority, which will be responsible for overseeing all financial transactions in the Vatican Bank.

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DODD-FRANK AND BASEL III: OVERVIEW AND IMPLEMENTATION IN THE U.S.

By: Marta Colomar, Miami Office

The Dodd-Frank Wall Street Reform and Consumer Protection Act requires federal banking agencies to set minimum leverage capital and risk-based capital requirements for financial institutions. Similarly, under the newly implemented Basel III regulatory standards, banks will be required to hold more liquid capital. Both regulatory reforms impose additional and more stringent standards pertaining to capital to risk-weighted assets and leverage ratios on banks.
In this article, Marta Colomar discusses the impact of the Dodd-Frank Wall Street Reform and Consumer Protection Act and the Basel III regulatory standards on banks and other financial institutions. Marta includes a brief summary of changes to existing regulatory capital requirements and tracks the new liquidity requirements for banking institutions. Marta also touches on the key differences between Dodd-Frank and Basel III and queries whether U.S. regulators will take the new Basel III's requirements into account as they draft regulations to implement and integrate Dodd-Frank's regulatory standards into law.

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SETTING UP A BUSINESS IN COLOMBIA

By:* *Marcela Blanco*, *Bogota, D.C. Office

Colombia is the fourth largest country in South America. With substantial oil reserves and natural resources, Colombia provides an array of business opportunities for the knowledgeable foreign investor. Colombia's efforts to improve current economic policy and democratic security have further increased investor confidence in Columbia's economy and growing business sector. Colombian laws provide foreign investors with a number of corporate structures that may be used to both protect an investor's assets and further the investor's goals. The most suitable entities for commercial purposes in Colombia are the simplified share corporation and a foreign company branch.

In this article, Marcela Cristina Blanco provides a comparative analysis of the basic characteristics of a foreign company branch and a simplified stock company and the necessary steps for establishing your business in Colombia such as taxes, state contracts, and other regulations as they pertain to foreign investment.

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Michael Diaz, Jr. Outlines Trends in International Commercial Law at Recent Legal Seminar in Havana, Cuba

By:* *Michael Diaz, Jr.*, *Miami Office*; *Chad Purdie*, *Miami Office

Cuban-born attorney Michael Diaz, Jr., managing partner of Diaz Reus & Targ, LLP, recently outlined trends in international commercial law in a Havana seminar sponsored by the Union Nacional de Juristas de Cuba (National Union of Cuban Jurists). Diaz focused on the growth of free trade agreements in the Western

Hemisphere, the decline of local protectionist laws and the growing harmonization of international commercial law throughout Latin America.

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