

Brazil's firms recalibrating São Paulo-Rio balance

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With the reserves of pre-salt oil pricking the interest of investors from around the globe, and Rio de Janeiro set to host the 2016 Olympics, Brazil's lawyers say the dynamic between their São Paulo and Rio practices is changing.

As well as providing strategic opportunities for law firms that wish to capitalise on this new business, the reinforcement of their Rio offices will also provide new career paths for young lawyers from the city.

Giovanni Biscardi of Machado, Meyer, Sendacz e Opice Advogados' Rio office says, 'There was a time when Rio-based talent considered moving to São Paulo to boost their careers. Now, there is a clear sign that this move is not necessary, with Rio providing great opportunities for those who are in search of interesting and complex deals.'

'This scenario makes our life easier, as, provided comparable opportunities exist, it is always easier to convince Rio-based talent to stay in Rio rather than move to São Paulo,' he adds.

Paulo Cesar Aragão, whose firm Barbosa Müssnich & Aragão began life in Rio but has since developed into a São Paulo-centred firm, says, 'The basic change that I have seen over the last 10-15 years is that Rio firms in São Paulo and São Paulo firms in Rio ceased to have only 'consulates,' with young lawyers or one partner or two just holding hands of important clients till the senior lawyers would come from the head office, which is one hour or so away.'

He adds, 'Now, more and more, you see full blown offices in both cities that are able to conduct deals and provide advice independently, but that benefit from the obvious synergies of being together.'

With the two cities only an hour's flight apart, a good number of firms have developed a working model which sees those offices growing up together but with distinct specialisms.

São Paulo-based Aragão says, 'Rio and São Paulo are far from a New York-Houston like opposition, and foreign law firms and banks have a strong presence here as a result of São Paulo being Brazil's strongest financial centre. But the oil and gas business promises an enormous amount of work, and the development that may result from the Olympics may do as good to Rio as it did to Barcelona.'

Vieira, Rezende, Barbosa e Guerreiro Advogados partner Daniela Ribeiro Davila, however, does see this opposition between the markets, saying, 'Rio is a market which is very different from São Paulo, with a different culture and different needs. It is like comparing the New York and Houston law firms. In our case we have developed our Rio and São Paulo offices simultaneously and we have equal strengths in both places and a consistent client base in Rio.'

While traditionally, Rio and São Paulo may have made different demands of their lawyers, lately those interests are beginning to overlap.

Biscardi says, 'The demand for legal services related to capital markets and infrastructure has already increased the work rendered out of the Rio office. This scenario will continue to increase and we are fully prepared to absorb it.'

Meanwhile, Rio-based Veirano Advogados partner Luis Pacheco told Latin Lawyer recently that Petrobras' US\$25 billion share offering, 'together with the other share offerings from other oil companies going on, will create new opportunities for law firms specialising in capital markets.'

'There may be a temporary assignment of capital market professionals from São Paulo to Rio,' he predicts.

Comments

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