
THE MERGERS & ACQUISITIONS REVIEW

NINTH EDITION

EDITOR
MARK ZERDIN

LAW BUSINESS RESEARCH

THE MERGERS & ACQUISITIONS REVIEW

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EDITOR'S PREFACE

By a number of measures, it could be argued that it has been some time since the outlook for the M&A market looked healthier. The past year has seen a boom in deal making, with many markets seeing post-crisis peaks and some recording all-time highs. Looking behind the headline figures, however, a number of factors suggest deal making may not continue to grow as rapidly as it has done recently.

One key driver affecting global figures is the widely expected rise of US interest rates. Cheap debt has played a significant part in the surge of US deal making in the first few months of 2015, and the prospects of a rate rise may have some dampening effects. However, the most recent indications from the Federal Reserve have suggested that any rise will be gradual and some market participants have pushed back predictions for the first rate rise to December 2015. Meanwhile, eurozone and UK interest rates look likely to remain low for some time further.

The eurozone returned to the headlines in June as the prospect of a Greek exit looked increasingly real. Even assuming Greece remains in the euro (as now seems likely), the crisis has severely damaged the relationship between Greece and its creditors. The brinkmanship exhibited by all parties means that meaningful progress cannot occur except at the conclusion of a crisis: the idea that reform will benefit Greece has been lost and each measure extracted by creditors is couched as a concession. However, while the political debate has become ever more fractious, the market's response to the crisis has been relatively sanguine. This is largely a result of the fact that the volume of Greek debt is no longer in the market, but in the hands of institutions. But it is also a sign of the general market recovery and expectations that major economies will continue to grow.

Perhaps one of the more interesting emerging trends in the last year is the interplay between growth and productivity. Some commentators have suggested that the recent rise in deal making is a symptom of a climate in which businesses remain reluctant to invest in capital and productivity. Pessimistic about the opportunities for organic growth, companies instead seek to grow profits through cost savings on mergers. It is difficult to generalise about such matters: inevitably, deal drivers will vary from industry to industry, from market to market. However, if synergies have been the principal motivation in

much of the year's deal making (it certainly has been in a number of large-cap deals) then it may be that the market is a little farther from sustainable growth than some would like to think.

I would like to thank the contributors for their support in producing the ninth edition of *The Mergers & Acquisitions Review*. I hope that the commentary in the following chapters will provide a richer understanding of the shape of the global markets, together with the challenges and opportunities facing market participants.

Mark Zerdin

Slaughter and May

London

August 2015

Chapter 44

MEXICO

*Luis Burgueño and Andrés Nieto*¹

I OVERVIEW OF M&A ACTIVITY

In 2014 the total value of M&A transactions carried out in Mexico came to US\$30.1 billion, a 31 per cent decrease from the prior year (US\$43.8 billion recorded in 2013).² However, this difference between 2013 and 2014 is largely due to the purchase of Grupo Modelo by Anheuser-Busch InBev, which transaction represented a big leap in the value of the transactions for 2013.

During 2014 Mexico showed strong activity in the telecommunications sector as a result of various structural reforms approved in 2013 which permitted greater competition and openness in that sector. According to the mergers and acquisitions ranking of Dealogic,³ among the 10 largest transactions of 2014 in Mexico, four were related to the telecommunications industry. The most relevant transaction of the past year was the acquisition of 8 per cent of América Móvil by Inmobiliaria Carso in US\$5.566 billion. In second place is the sale of 100 per cent of Iusacell to AT&T, which involved US\$2,500 billion.⁴

1 Luis Burgueño and Andrés Nieto are partners at Von Wobeser y Sierra, SC.

2 'Fusiones y adquisiciones caen 31% en México en 2014: TTR'. El Financiero [on line]. 22 January 2015 [date of consultation: 19 June 2015]. Available at: www.elfinanciero.com.mx/empresas/fusiones-y-adquisiciones-caen-31-en-mexico-en-2014-ttr.html.

3 Dealogic is a Platform used by global and regional Investment Banks worldwide to help optimize their performance and improve competitiveness.

4 'Fusiones y adquisiciones en México sumaron 16,657 mdd en el 2014'. El Economista [on line]. 2 January 2015 [date of consultation: 19 June 2015]. Available at: <http://eleconomista.com.mx/mercados-estadisticas/2015/01/02/fusiones-adquisiciones-mexico-sumaron-16657-mdd-2014>.

The telecommunications reform is making this sector one of the most attractive for Mexican and foreign investors. Furthermore, an important step was taken in relation to foreign investment with the reform of the Foreign Investment Law (LIE), in which the Congress of the Union approved 100 per cent investment in telecommunications and 49 per cent for broadcasting (subject to ‘reciprocity’). The fruits of the reform began to be seen during 2014. So far, this year the telecommunications sector continues to be one of the focal points with the purchase of Nextel by AT&T for US\$1.875 billion.

The real estate sector in Mexico was one of the most active in mergers and acquisitions in the first quarter of 2015, thanks to the activity of the real estate investment trusts (REITs or Fibras).

Another relevant transaction of the first quarter of 2015 was the sale of the retail business of Comercial Mexicana to Soriana for US\$2.612 billion.⁵ So far it is the most important transaction of this year.

The energy and mining sectors are also stand outs in 2015. An increase in mergers and acquisitions is expected as a result of the structural reforms in this area in spite of the global fall in oil prices, which has made energy industry companies cautious.

II GENERAL INTRODUCTION TO THE LEGAL FRAMEWORK FOR M&A

Mexico operates under a codified legal system and, therefore, the way to regulate mergers and acquisitions is through statutes and regulations. There are different laws that regulate M&A transactions from different points of view. As a consequence of the dynamism and constant evolution of Mexican law, new laws have been amended and approved.

As a result of the structural reforms initiated in Mexico in recent years, innumerable changes have taken place in order to activate the Mexican economy. Among the most important reforms, which have direct repercussions on mergers and acquisitions in Mexico, are: the financial reform, the energy reform, the telecommunications reform, the economic competition reform, tax reforms, and reforms of various commercial laws.

III DEVELOPMENTS IN CORPORATE AND TAKEOVER LAW AND THEIR IMPACT

Our commercial legislation has not kept up, in comparison with other regions, with the major economic changes resulting largely from the evolution of technology. In order to address corporate law needs in Mexico, on 13 June 2014, the reform of the General Business Organizations Law (LGSM) and the Commercial Code (CC), among others, was published in the Official Federal Gazette (DOF) the purpose of which is to: (1) implement best international practices in order to encourage competition and

5 SANTA RITA, Ilse ‘Negocio inmobiliario lidera fusiones y adquisiciones en 2015’. CNN Expansión [on line]. 9 April 2015. [date of consultation: 23 June 2015]. Available at: www.cnnexpansion.com/negocios/2015/04/08/sector-inmobiliario-lidera-fusiones-y-adquisiciones-en-2015.

productivity in commercial enterprises, through the modernisation and simplification of their management; (2) eliminate transaction costs and fees in order to incentivise the creation of new businesses, new investments and the formalisation of existing businesses; and (3) modernise the Public Registries.

The above is to be accomplished through the implementation of best practices, following the ‘international guidelines and experience in commercial and trade matters formulated by the World Bank, recognizing that administrative simplification promotes and projects the competitiveness of companies, since it allows them to engage in all types of commercial activity more rapidly, efficiently and at lower cost’.⁶

Some major aspects of the commercial reform are:

i Expansion of the free will of the shareholders

With the reform of the LGSM⁷ the shareholders are allowed to include in the articles of incorporation or by-laws of the stock corporation, certain resolutions regarding the corporate rights of the shareholders of the Company. Recognising the free will of the shareholders, now it is possible in stock corporations to have resolutions regarding:

- a* restrictions on the transfer of shares and rights;
- b* causes for exclusion of partners or for exercising rights of separation, withdrawal or to redeem shares, as well as the price or the basis for its determination;
- c* shares with special rights (that do not confer voting rights or that restrict the vote to certain matters, grant non-economic corporate rights other than the right to vote or exclusively the right to vote and/or confer the right to veto or require a favorable vote of one or more shareholders with respect to the resolutions of the general shareholders meeting);
- d* implement mechanisms to follow in case the shareholders are deadlocked on specific matters;
- e* expand, limit or deny the right of preferential subscription;
- f* limit the liability of officers of the company;
- g* resolutions to exercise the right to vote;
- h* sale of shares in a public offer; and
- i* implement stock purchase or sale options.

The intention is to include concepts of US law, such as ‘tag along’ and ‘drag along’. In this regard, the reform of the LGSM accommodates to the Stock Corporation the permissions established in the Securities Market Law for Investment Promotion Stock Corporations, and also includes some practices that were already being followed under the old law.

Recently, the First Chamber of the Mexican Supreme Court upheld (by a majority vote) that the by-laws of a publicly traded corporation that included provisions to prevent takeovers, prohibiting any shareholder to acquire more than 10 per cent of the

6 Gaceta Parlamentaria 3622-II, Year XVI, of the LXII Legislature of the Chamber of Deputies, 11 October 2012.

7 Articles 91 and 198 of the LGSM.

capital stock of the company. The Supreme Court ordered a shareholder that acquired more than the 10 per cent of the capital stock, to sell by means of a public offer all the shares needed to reduce its participation to 10 per cent enforcing the company's by-laws. Similar decisions were adopted decades ago by US courts (*the Supreme Court of Delaware in Moran v. Household International, Inc*, 1985) where they upheld a shareholder's rights plan (also known as 'poison pills'), as a legitimate exercise to respond against 'hostile takeovers'. This is the first important ruling issued from the Supreme Court hostile takeovers. Hostile takeovers are rare in Mexico, partly because companies favour restrictions in their by-laws, and because controlling ownership is often concentrated in groups or blocks, making it hard for investors to negotiate controlling ownership in a public market.

ii Minority rights

The percentage to exercise certain minority rights was reduced from 33 per cent to 25 per cent. Therefore, holders of shares representing at least 25 per cent of the capital stock may directly exercise the civil liability action against the administrators of the company; request the postponement of the vote in a shareholders' meeting for three days without need for a new call; and exercise the option of opposition.

However, the requirement of representing at least 33 per cent of the capital stock is maintained to request a call to hold a general shareholders' meeting.

iii Publications in the electronic system of the Ministry of Economy

A free electronic system of the Ministry of Economy was implemented in which all the publications established in the LGSM may be made and which previously were made through long and costly procedures in the official gazettes or major newspapers. As of 15 June 2015 all publications are being made through this system.

IV FOREIGN INVOLVEMENT IN M&A TRANSACTIONS

In Mexico, foreign investment is regulated through the LIE, which determines the activities that are exclusive to the Mexican state, the activities exclusively reserved for nationals, activities with limited foreign participation and activities that may be freely engaged in by foreign investors. It is important to take these provisions into account since they exist in different areas with significant restrictions that may hinder or even prevent M&A transactions.

First of all there are those activities exclusively reserved to the state:

- a* exploration and extraction of oil and gas and other hydrocarbons;⁸
- b* planning and control of the national electrical system, as well as the public service of transmission and distribution of electricity;
- c* generation of nuclear energy;
- d* radioactive minerals;
- e* telegraphs;

8 Section amended by publication in the DOF on 11 August 2014.

- f* radiotelegraphy;
- g* mail;
- h* issuance of money;
- i* minting of currency; and
- j* control, supervision and oversight of ports, airports and heliports.

In 2013 a constitutional reform of energy matters was passed, through which the energy market was opened to Mexican and foreign investment. As a result, the following year the LIE was amended to adjust it to the new constitutional framework and to open the energy market. Previously, the Constitution had established that all activities related to oil and gas and other hydrocarbons were considered strategic activities and therefore reserved exclusively for the state. Now only exploration and extraction of oil and gas are considered strategic activities. Distribution, refining, storage, transfer and first hand sale may be freely undertaken by the private sector.⁹ The reform will also allow foreign investment in exploration and extraction of oil and gas through exploration and extraction contracts.

The LIE also established activities reserved exclusively to Mexicans or Mexican companies with a clause excluding foreigners; activities that may include a percentage of foreign investment vary depending on the type of activity and range from foreign investment of 10 per cent up to 49 per cent. Nowadays and because of the recent reforms, most activities allow up to 100 per cent foreign investment. In 2014, the LIE was amended to permit 100 per cent foreign investment in the following economic activities: (1) insurance institutions; (2) bond institutions; (3) foreign exchange firms; (4) public bonded warehouses; (5) retirement fund managers; and (6) telecommunications. All other activities may be undertaken with Mexican or foreign capital.

The primary M&A transactions in Mexico at the international level were carried out with firms from the United States and the European Union. In 2014 US firms purchased 48 companies in Mexico¹⁰ participating in the primary transactions, one of them the purchase of Iusacell by AT&T, which could take place thanks to the reform that eliminated the restriction on foreign investment in telecommunications.

V SIGNIFICANT TRANSACTIONS, KEY TRENDS AND HOT INDUSTRIES

As mentioned before, the most important transactions of 2014 were closely related to the telecommunications sector, due to a combination of factors including the telecommunications reform and the opening to foreign investment in this sector, which permitted companies like AT&T to acquire a large part of the market in Mexico through the acquisitions of companies such as Iusacell in 2014 and Nextel in 2015. The Federal Telecommunications Institute (IFT) authorised in December 2014 and

9 The permits will be granted by the Energy Regulatory Commission and the National Oil and Gas Commission gradually from 2015 to 2017.

10 Op. Cit. 'Fusiones y adquisiciones caen 31% en México en 2014: TTR'.

April 2015 respectively, the mergers notified by AT&T with respect to the acquisition of Iusacell and Nextel, both subject to compliance with the conditions established in the rulings authorising the mergers.

During 2013 the constitutional reform in telecommunications was passed; the following year the secondary laws that give form and functionality to the structural reform were amended and promulgated. The new Federal Telecommunications and Broadcasting Law regulates matters such as single converging concessions, the management and assignment of radio electric spectrum, the interconnection of networks, substantial power in the market and dominant economic agents, the sharing of the local network, content, among other matters. With this it is sought to promote foreign investment, free enterprise, the generation of new agents in the market, and the offering of a competitive service of high quality.

As a result of the energy reform, this will be another sector to watch in the next few years since it went from being a closed activity in Mexico, exclusive to the state, to one of the most attractive industries to invest in in Mexico. Beginning in 2014 the energy market was opened up to private investment allowing activities such as the distribution, storage, refining, transfer and first hand sale of oil and gas, and other hydrocarbons. The exploration and extraction of oil and gas continue to be strategic activities of the state. However, through the constitutional reform and the secondary laws, the private sector will be allowed to participate in these activities through the kinds of contracts established in the constitutional reform: service contracts; profit sharing contracts; shared production contracts; licence agreements; or any combination of the above.

The Mexican state carried out the so-called 'Round Zero', which involved the areas that *Petróleos Mexicanos* (Pemex) may keep for their exploitation and disclosed the zones that it will invite private investment with 'Round One' through which licences and shared production contracts will be offered during 2015. The necessary bidding procedures will be carried out during 2016 in order to choose the companies that will develop together with Pemex the first 14 fields that Pemex has chosen for this purpose.¹¹

Notwithstanding the above, this sector will be seriously strained by the low price of oil that has affected the energy industry throughout the world. For the specific case of mergers and acquisitions in the energy sector in Mexico, it will not have the same impact as in other sectors of the industry due to the fact that the energy industry in Mexico is relatively new. Previously all the activities related to oil and gas were activities reserved to the state and the only entity that could carry them out was Pemex.

With respect to activities in the mining sector, both the Oil and Gas Revenue Law (LIH) and the Oil and Gas Law (LH) establish certain advantages for the holders of mining concessions that are interested in activities of exploration and extraction of natural gas, making investment in this sector extremely attractive.

In the LH the possibility of directly awarding (without needing to carry out a bidding process) contracts for the exploration and extraction of natural gas to the holder of mining concessions is foreseen. However, such contracts must be granted exclusively

11 Secretaría de Energía. (s.f.). Recovered on 19 June 2015, from: www.energia.gob.mx/rondauno/index.html.

for the exploration and extraction of the natural gas contained in the mineral coal vein and produced by it.

For its part, the LIH provides as an incentive that if the price of natural gas in the international market is equal to or below 5 dollars per million of BTU (British Thermal Unit) royalties will not be paid.

VI FINANCING OF M&A: MAIN SOURCES AND DEVELOPMENTS

One of the structural changes in the legal framework was the financial reform, published in the DOF on 10 January 2014. It is based on four primary goals: increasing competition in the financial sector; promoting credit through the Development Bank; expanding credit through private financial institutions; and maintaining a solid and prudent financial system.

i Increase competition in the financial sector

The financial reform establishes a series of measures to promote competition in the financial system. The powers of the National Commission for the Protection and Defense of Users of Financial Services and of the Federal Economic Competition Commission (COFECE) are strengthened.

ii Promote credit through the Development Bank

Previously, the Development Bank maintained a conservative policy in the granting of credit, focused on maintaining high levels of capitalisation. After the reform, the Development Bank is offered a regulatory framework that allows it to implement policies to create and preserve investments. The purpose of the amendments is to encourage credit and promote the financial inclusion of the general population.

In the energy sector, both the full-service banking institutions and the Development Bank, in view of the recent reforms in the area, have shown great interest and have established programmes to finance projects.

iii Expand credit through private financial institutions

In relation to M&As, this point is particularly relevant since it is one of the most common ways to finance projects. The financial reform seeks to expand financing to the private sector. In 2013 it represented only 28 per cent of the gross domestic product, below the average in the OECD (158 per cent).¹²

The low credit penetration rate in Mexico is largely due to long and deficient procedures for enforcing commercial contracts judicially; therefore, it is sought to combat this problem through specialisation and improvement of the commercial proceedings and strengthening of the guarantee schemes. The financial reform is intended to detonate

12 Martínez Corres, Luis Dantón et al, 'La Reforma Financiera Comentada' Nacional Financiera S.N.C., México, 2014.

economic growth and expand credit, but it also seeks to reduce past due portfolio through dissuasive schemes for potentially defaulting clients.

In this regard, in amending the CC the financial reform seeks to give legal certainty to the institutions that offer credit, in order to facilitate collection and execute the guarantees in an expedited fashion in case of non-compliance. In order to achieve this objective the processing of the commercial proceedings is accelerated by reducing certain time periods; adjustments were made in order to improve legal security in the commercial proceedings; improvements were made to the commercial executory proceeding; and matters were included that will be under the jurisdiction of the federal commercial district courts.

In addition, the commercial insolvency proceedings regime was improved. The financial reform expressly introduces (1) the protection of the rights of the creditors as one of the purposes of the commercial insolvency proceeding; (2) facilitates the commercial insolvency proceeding process by technological and accounting mechanisms; (3) and opens the possibility of contracting 'emergency loans' in order to maintain the ordinary operation of the company and liquidity during the commercial insolvency proceeding.

The market of the Stock-based Exchange Market Investment Promotion Company was strengthened by increasing from three to 10 years the time they can remain listed on the Mexican Stock Market before they have to become Publicly Traded Companies. A threshold of 250 million UDIS¹³ was also established in terms of net worth upon which the Stock Exchange Investment Promotion Companies must be listed as Publicly Traded Companies.

The financial reform intends to maintain a solid and prudent financial system that will contribute to the economic development of Mexico. In the area of M&A, the financial reform will play a central role for both the financing of projects and the development of the companies of the financial sector.

VII EMPLOYMENT LAW

The Federal Labor Law (LFT) establishes the minimum labor standards in Mexico. In November 2012 a major reform took place. However, since it is a very important and recent reform and its repercussions in the area of M&As are considered significant, we will analyse the key points.

Among the implementations are new modes of contracting and the regulation of subcontracting. In order to provide for greater efficiency and specialisation, there are now new modes of contracting such as trial; initial training; and seasonal contracts. Furthermore, the concept of 'labour subcontracting regime' is incorporated into the LFT in order to establish that the services contract must be in writing; it cannot cover all the same activities that are carried out in the work place; there must be a justification for specialisation and the beneficiary of the services will have to verify the economic solvency of the outsourcing company.

13 0.34 dollars (calculated on 30 June 2015).

In case of a merger, the acquisition vehicles should be structured having in mind the labour structure of the companies being acquired and the best manner for the transfer of the employees, taking into account the most beneficial labour conditions available in light of the LFT.

VIII TAX LAW

With respect to tax matters, most of the latest reforms have been in effect since 1 January 2014 and although they do not refer directly to mergers and acquisitions they should be taken into account in terms of the consequences they will have on the day to day operations of the Mexican entities.

It should be mentioned that such reform amended various existing tax regulations and eliminated certain taxes such as the Flat Business Tax and the Tax on Cash Deposits. One of the primary changes is related to income tax, for which a new law was issued.

Notwithstanding such changes, it is important to mention an additional 10 per cent income tax calculated on the amount of dividends paid to residents abroad. Such tax must be withheld by the issuer and implies the importance of avoiding double taxation.

IX COMPETITION LAW

In May 2014 a new Federal Economic Competition Law (LFCE) entered into force. The most important changes relate to the structure, organisation, composition and functions of the new COFECE and new faculties for the IFT to authorise M&A for economic competition matters in telecommunication-related operations. In relation to substantive aspects, the new law continues with the guidelines established in the prior law in relation to the handling and analysis of monopolistic practices, and adds concepts such as barriers to competition and access to basic necessities.

Regarding M&As, the LFCE will consider as a concentration all mergers and acquisitions of control between competitors, providers, clients or any other related economic agents. The COFECE is the responsible authority in matters of concentrations; therefore, it may grant or deny the authorisations for concentrations, and will investigate and sanction those concentrations whose purpose or effect is to diminish, harm or impede competition.

It will only be necessary to request the authorisation of the COFECE when the concentrations surpass certain monetary amounts established by the LFCE. However, it is possible to give voluntary notice. The economic agents who intend to carry out a concentration must corroborate two premises: that the transaction has effects in Mexico; and that the monetary value related to the transaction does not surpass any of the amounts indicated by the LFCE.¹⁴

14 'Guía para la notificación de concentraciones'. COFECE. Recovered on June 25, 2015. Available at: www.cofece.mx/attachments/article/46/Guia_para_la_Notificacion_concentraciones.pdf.

During 2014, 150 concentration matters were recorded. Of these, 21 were pending from the previous year and 129 were new cases. In 2014, 118 matters were concluded, of which 106 were authorised, six were conditionally approved, two were withdrawn, three were not presented and one was not admitted for processing because the matter was not under the jurisdiction of the COFECE. Thirty-two matters are pending resolution during 2015.¹⁵

As we mentioned previously, the IFT also has powers to authorise concentrations but only in the case of the telecommunications sector. As of the end of 2014 and the beginning of 2015 the most important concentrations of the telecommunications sector and Mexico in general were authorised subject to certain commitments.

X OUTLOOK

In recent years major structural reforms have taken place in Mexico and, discussed above, those in the financial, commercial, telecommunications, energy, economic competition, and other sectors are beginning to bear fruit, for example, the acquisition of América Móvil by Inmobiliaria Carso or the sale of 100 per cent of Iusacell to AT&T. Mexico is currently beginning to implement the changes and major developments are expected shortly in the sectors that were strengthened through these reforms. The impact on M&A transactions is developing, as we can see from the transactions of 2014 and the beginning of 2015. With these reforms the government is seeking to promote domestic and foreign investment in Mexico and to activate the economy through the sectors that are considered strategic.

15 Primer Informe de Seguimiento al Plan Estratégico 2014-2017 de la COFECE. Recovered on 19 June 2015. Available at: https://www.cofece.mx/cofece/attachments/article/37/1er_PE_COFECE__2014-2017.pdf.

Appendix 1

ABOUT THE AUTHORS

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Luis Burgeño is a partner of Von Wobeser y Sierra SC. He is chair of the corporate department, a member of the firm's management committee and head partner of the mergers and acquisitions group. He has more than 18 years of experience advising global leading corporations that are in the Dow Jones, S&P, DAX, Nikkei and Bolsa Mexicana de Valores many of them also part of the Fortune 500 list and the most profitable Forbes 100 Top Brands. His practical legal and financial strategies have prevented billions of dollars in liabilities for his clients. He has been a key player in the most groundbreaking and complex matters related to transnational companies in Mexico, Latin America and the Caribbean including the Anheuser Busch InBev acquisition of Grupo Modelo worth US\$20.1 billion. He has counselled companies in the establishment, day-to-day operation and closing of their business in Mexico.

Much of his work has been to provide advice in the strategic planning of pioneering companies whose business objective is to expand in Mexico as well as Latin America and the Caribbean. He has led hundreds of strategic and substantive transactions related to M&A, joint ventures, spin-offs, securities and capital markets, due diligence, financing and restructuring as well as compliance with corporate governance programmes. Furthermore, he has represented purchasers and sellers in restructuring and negotiating complex matters as well as in the handling of high-profile transactions. He also regularly advises clients on the following: corporate finance, commercial law, information technology and e-commerce.

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Andrés Nieto is a partner of Von Wobeser y Sierra SC. He is a member of the firm's management committee, and head partner of the banking, finance and capital market practices at the firm. He has more than 15 years' professional experience in Mexico, New

York and Latin America. His clients appear in Fortune 50 and Fortune 500, as well as the Dow Jones, NASDAQ, S&P 500, DAX and the Nikkei. He has a multidisciplinary practice, with an emphasis on cross-border transactions, which includes experience in several of the principal transactions that have taken place in Mexico and the United States in the legal areas of banking and finance, securities, mergers and acquisitions, corporate, as well as in risk capital transactions, private equity, structured financing, project finance and arbitration.

Currently, he advises many foreign companies in their most important and strategic operations in Mexico and Latin America on the full spectrum of investment management M&A transactions, including acquisitions, divestitures, majority and minority stake investments and spin-outs. His clients include companies, hedge and private equity firms, and regional and multinational financial institutions based in the United States, Canada, Germany, the European Community and Asia. He has advised clients in the development of legal strategies and solutions in relation to, among other areas, transnational acquisitions, financial operations and bank investments, incorporation of companies, associations and reorganisations. Representative work includes advising Lehman Brothers during its bankruptcy process, as well as the government of Canada in the important investment it made in the financial rescue of Chrysler and General Motors. Furthermore, he was one of the lawyers that led the mandatory tender offer by which Anheuser-Busch InBev acquired the shares of Grupo Modelo, SAB de CV, worth US\$20.1 billion, the largest operation in the Mexican and Latin American market.

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