

Dentons and Jiménez de Aréchaga complete first virtual legal tie-up

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Joe Andrew, Fernando Jiménez de Aréchaga, Jorge Alers

Global law firm Dentons has completed the legal profession's first virtual law firm tie-up amid covid-19 travel restrictions by finalising its merger with Uruguay's Jiménez de Aréchaga, Viana & Brause.

The firms announced the completion on 20 April after the new colleagues made a virtual online toast with champagne to celebrate the combination.

Dentons' partnership with Jiménez de Aréchaga follows the structure the firm has pursued elsewhere in the region, whereby no acquisition or financial investment has been made. The Uruguayan firm now operates as Dentons Jiménez de Aréchaga. Travel restrictions enforced by countries amid the covid-19 pandemic posed challenges to the tie-up. "There's a laundry list of hundreds of things that would normally happen with our teams flying there [Uruguay]. That all had to happen virtually," says Joe Andrew, global chairman of Dentons. "I made a list, and there were at least 117 things that needed to be done, and we managed it all."

Following the success of the virtual merger, Andrew would consider repeating the strategy. “I believe that more of our process is going to be virtual in the future. There’s real benefit to it.”

Jorge Alers, chief executive officer of Latin America at Dentons, says Uruguay was a favourable place to do a virtual merger. “In Latin America, there tends to be less regulatory oversight,” he says, adding that in other parts of the world, like Africa and Asia, there would be more regulatory restrictions. “The transition really came out without a hitch,” says Alers about the process.

Jiménez de Aréchaga’s managing partner Fernando Jiménez de Aréchaga was also satisfied the merger was finally complete. “It was amazing to be part of a celebration in these difficult times,” he says.

The tie-up comes some seven months after Dentons announced the combination with Jiménez de Aréchaga back in September 2019. Talking about the build up to the September announcement, Fernando Jiménez de Aréchaga explains that the merger was kept confidential until the last day. “We were asked not to tell our clients or our associates,” he says. “Naturally, I was worried about how clients and staff would react. But we didn’t have a single complaint; the reaction was totally positive”. Fernando Jiménez de Aréchaga adds that the process with Dentons has been very smooth and friendly.

Talking about Dentons’ decision to enter Uruguay, Alers says the country offers significant infrastructure work in the renewables sector, which he describes as an area where the two firms have synergy. “Uruguay is a relatively small market with an outsize importance in Latin America, and to a certain extent an offshore investment centre for Brazil and Argentina,” he adds.

Indeed, Jiménez de Aréchaga has strong offerings in project finance and energy law. It also has solid capabilities in corporate and finance law, as well as disputes, labour and real estate law.

Along with the announced merger with Jiménez de Aréchaga in September 2019, Dentons also revealed plans to combine with Argentine law firm Rattagan Macchiavello Arocena. “I think we’re very very close, but once we moved in the

direction of doing the combination virtually, we didn't want to add the complexity of doing two at the same time," says Alers.

While Andrew and Alers are coy on what is next for Dentons in Latin America, Andrew points out that Ecuador is the biggest market where the firm is not yet present. "It is a fascinating US dollar-based economy," he says, adding that Belize also has been in discussion. Bolivia and Paraguay are the only other mainland Latin American countries where Dentons is yet to open.

The merger with Jiménez de Aréchaga is Dentons' latest move in its rapid Latin America expansion, which began in 2016 with a string of tie-ups with local firms. It first entered the region by launching in Colombia as Dentons Cardenas & Cardenas and in Mexico as Dentons López Velarde. It completed its sweep of the Pacific Alliance countries by opening offices in Peru and Chile in 2017 and 2018.

More recently in South America, Dentons entered Venezuela, where it absorbed a team that previously worked for international law firm Norton Rose Fulbright. In Brazil, the firm has a non-exclusive partnership with Brazilian law firm Vella Pugliese Buosi e Guidoni – Advogados

In Central America, Dentons opened in Honduras last year by merging with local firm Gustavo Zacapa y Asociados, which completed the firm's expansion across Central America and Panama.

Dentons first entered Central America in 2016, launching as Dentons Muñoz in Costa Rica. That tie-up also gave it an outpost in Panama. Dentons then went on to open an office in Guatemala in 2017, before establishing a presence in El Salvador and Nicaragua in 2018.