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SPECIAL FOCUS ISSUE



FOLLOWING THE MONEY: Developments in Anticorruption and Money Laundering

By Lucinda A. Low

The past decade has witnessed dramatic developments in anticorruption laws in the United States and abroad. At the same time, anti-money laundering initiatives that began as efforts to combat "hard core" crimes such as drug trafficking have been applied to other crimes, including corruption. The result for companies and their personnel is a heightened need for attention to compliance in these areas. The likelihood that acts of corruption will come to light has increased, and the consequences for such acts are increasingly severe.

In the United States, the first country to adopt, through

the Foreign Corrupt Practices Act (FCPA), a law criminalizing transnational official bribery, the last decade has seen several important developments. First, efforts to level the playing field internationally have begun to bear fruit, through the adoption and implementation of international conventions as discussed below. These standards have led to the enactment of new national laws against transnational bribery that are not necessarily consistent with the FCPA. Second, the FCPA has been expanded in its jurisdictional scope, and now applies to U.S. persons on a

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A Lawyer's Survival Guide to Madrid

By Clifford J. Hendel

The following column was written before the devastating attacks in Madrid. The editors extend our heartfelt sympathy to all victims of terrorism. We decided to maintain the column despite the tragedy because life must go on. We hope we have not caused any offense and that our readers will understand.

Getting along well with "Madrileños," residents of Spain's bustling capital city, is simple if you understand their culture and learn a few tips for conducting business there. Madrid is located close to the heart of the Iberian peninsula and was recently described by *The Financial Times* as having blossomed into one of Europe's most dynamic capitals after the gray and monotonous years of the Franco dictatorship came to an end in the 1970s. Indeed, the face lifting that the past 15 to 20 years have brought to some of Madrid's principal, historic areas like the Puerta del Sol and Gran Via is quite noticeable.

Business Hours

Because of the ingrained custom of long and late lunches, the Madrid business day will strike the foreigner as being a bit odd. Shops tend to be open from 10 a.m. to 2 p.m. and 5 p.m. to 8 p.m., and professional service providers such as lawyers work from roughly 9 a.m. or 10 a.m.

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through 8 p.m. or 9 p.m., usually taking a long and late lunch, of course. Until a few years ago, many Madrid law firms turned on their answering machine during the midday break, but this practice is rare today.

Remember that, in accordance with these business hours, terms like "first thing in the morning" or "first thing in the afternoon" have different meanings in Madrid than elsewhere, roughly corresponding to 10 a.m. or 4 p.m. to 5 p.m., respectively. Indeed, even "morning," "afternoon," and "night" have special meanings. Generally, "morning" refers to the hours before lunch and hence ending around 2 p.m. or 3 p.m.; "afternoon" is the period between lunch and dinner; and "evening" or "night" starts after dinner.

Business Etiquette

Madrileños are quick and easy to become friendly with, generally addressing each other and new acquaintances readily with the informal *tú* rather than the formal *usted* (something that in neighboring France occurs rarely and often only after an acquaintanceship has become deep). Between lawyers, the informal *tú* is almost always used, regardless of the nature of the relation between the two *colegas*.

Negotiating styles and pace in Madrid are best described as "Latin," meaning that a U.S. citizen or Northern European might find things a little slow moving or indirect at first. For instance, at meals, it is considered bad taste to talk business until dessert is served. But once the time to get down to business arrives, Madrileños tend to focus on what is truly important and not get bogged down in details.

English-language skills have vastly improved in Spain during recent

years. While many older Madrileños might have studied French rather than English in their youth, middle-aged and younger Madrileños are more familiar with English as the language of the globalizing world. There is little informality in terms of what people wear to the office. Apart from a few survivors of the dot-com "bubble," classic business dress is the rule in Madrid. There are no casual Fridays, even during the peak of summer.

Meal Hours, Vacations

Breakfast is not a big deal for Madrileños, and it often consists of biscuits at the office or a mid-morning snack. Lunch is the main meal of the day and is often accorded two hours or more. Most restaurants have only one lunch seating, opening about 2 p.m. and closing about 4:30 p.m., and reopening at night for dinner. If you are hungry before or after normal mealtimes, your choices of restaurant will be very limited. Dinner is usually a lighter meal, eaten about 9 p.m. or 10 p.m. and later on weekends. (This is surely why Madrileños have little time, and little appetite, for breakfast.) Don't expect to find no smoking zones in restaurants or nightspots.

Foreigners may find Spanish holiday practices to be surprisingly rigid. Most people take their vacations at the same time (August, Christmas, and Easter week). As a result, these holiday periods are often pleasant times to visit Madrid or other deserted Spanish cities—but they are poor times to do business there.

After Hours

Madrid's reputation for active and late nightlife is well-deserved. The city is busier at 3 in the morning

than at 3 in the afternoon, and young people in particular tend to stay out very late on weekends, often taking advantage of the generally pleasant and predictable weather (sunny and hot in the summer, sunny and comfortable in the winter) and congregating in parks or plazas to avoid paying to enter clubs or nightspots.

Madrileños are a convivial and gregarious lot, perfectly suited to long and late socializing. The city is generally quite safe, with the busy neighborhoods tending to be those least plagued by street crime.

Transportation, Traffic

Business visitors are advised to rely on taxis. Except when it rains, taxis are plentiful and reasonably priced. Don't expect drivers to have any command of English and don't expect a spacious, clean car. Tipping is not required, but the practice of rounding up to the next euro in a taxi or the next five euros in a restaurant is common and appreciated. There is a serviceable subway system, including a new line connecting the airport with the city center in 15 minutes. Keep in mind that the "split" business day tends to create four, rather than two, daily rush hours. Avoid them if possible.

Madrid traffic tends to be heavy, particularly because of the common practice of double- or triple-parking cars anywhere at almost any time. Tow trucks and effective parking regulations are rare in Madrid. (As an aside, the author recently spent a week touring various cities in the northeast United States and, parking more—or less as one does in Madrid, returned with two tickets, one warning, and one long harangue from local police officers in four different cities.)

Shopping

This is easy: A single, multi-outlet department store named El Corte Inglés has a virtual monopoly on local commerce. It features everything but funeral services, which is someone

else's monopoly. The huge flagship store on Paseo de la Castellana, the main commercial avenue in town, should have anything a traveler would need and, unlike small retailers, stays open at midday and until 10 p.m. Don't expect to do any shopping on Sundays—except at the flea market (Rastro) and a few 24-hour convenience shops, as small retailers close and most large stores are allowed to open only on the first Sunday of each month (and, recently, also Sundays in August and December).

Contradictory Character

In the area of communication, Madrileños are great talkers but rather weak and reluctant readers and writers. Radio talk shows are of much higher quality than the written press. In the area of civility, they will always exchange niceties in the elevator and hold doors open for others to pass first, but they think nothing of littering public streets or the floors of cafés or blocking traffic "in the grid" at intersections. They tend to walk very slowly, but drive very fast. And in the area of personal grooming, they will not hesitate to lather sweet cologne on the heads of their toddlers (usually dressed as adults in miniature), but occasionally they seem to forget to use deodorant themselves.

Lawyers and Legal Professionals

In closing, here are a few definitions of legal professionals whose functions and status tend to be difficult for U.S. lawyers to properly appreciate:

- "notary": a highly trained, semi-public servant whose involvement in a broad range of contracts and corporate documentation is essential for providing legal certainty ("public faith");
- "abogado del Estado": a highly trained "state attorney," anointed as such by competitive exam taken after years of post-graduate study, many of which leave public service for senior legal positions in local blue-chip companies;
- "procurador": not at all what it sounds like, but a lawyer who acts as a mandatory liaison between a litigator and the court, essentially acting as a mere conduit for the paperwork flowing between the party and the court; and
- "lawyer": anyone with a college degree in law.

For information on restaurants, hotels, and cultural events in Madrid, please visit the Section's website, at www.abanet.org/intlaw/survival_cities.html.

