

● BIRD LANDS IN SPAIN

City firm Bird & Bird has opened an office in Madrid under the leadership of Javier Fernandez-Samaniego, an IT and communications specialist from the local arm of Linklaters. The Spanish practice will initially focus on IT and communications before growing into a full-service office covering areas such as intellectual property, life sciences, data protection and corporate. The launch of the firm's 13th overseas office follows openings in Rome and Frankfurt earlier this year. David Kerr, Bird & Bird's chief executive officer, said: 'We are now present in all the key centres in Europe for our sectors of activity, and we have first-class teams in each.'

● ENRON CASTS SHADOW

More than three-quarters of board directors (78%) at public companies believe that increasing corporate regulation has improved transparency, research by national firm Eversheds has revealed. However, only 36% of those directors and 42% of equity analysts believe that the current regulatory environment has reduced the risk of an Enron-style scandal in the UK. The increased regulatory burden imposed in recent years is also seen as damaging to corporate profitability and growth – almost three-quarters of analysts (73%) and four out of ten directors (39%) believe increasing red tape has had a negative impact. Steven Francis, a regulatory partner at Eversheds, said: 'Given that much business regulation introduced in the last few years has been designed to improve governance, protect investors, employees and customers and prevent another Enron or Worldcom, this lack of confidence among UK plcs is very worrying.'

● EXCHANGE OF VIEWS

City firm Denton Wilde Sapte advised NYMEX, the New York Mercantile Exchange, on the opening of a European exchange in London this month. The London exchange is part of NYMEX's plan to create a global presence and round-the-clock trading. NYMEX also signed a joint venture in June to open an exchange in Dubai, with Dentons again advising.

BRAND: SM Pride application for status could affect lobbying for tax reliefs, warns City lawyer

Legal architect of community interest companies hits out at S&M group's bid

Community interest companies (CICs) are in danger of being 'brought into disrepute' by a sado-masochist group that offers a legal referral service to its members, the solicitor who masterminded the new legal structure warned this week.

Stephen Lloyd, a partner at City firm Bates Wells & Braithwaite, said an application by SM Pride for CIC status could jeopardise any future chances of negotiating tax relief for such companies.

Mr Lloyd said: 'I have to say that when I devised this idea, it never crossed my mind that people would think sado-masochism contributed to community benefit.'

'What goes on in private is of course up to consenting adults, but it is an entirely behind-closed-doors activity and that is where it should stay.'

'There is a danger that it will lower the reputation of the CIC brand. In particular, the social enterprise world has a shopping list of tax reliefs it seeks for future CICs. If an S&M group gets registered, this could make the lobbying much more difficult, if not insuperable.'

He added: 'CICs are meant for organisations that are set up for public benefit, and concerned with the community. SM Pride is about a



Lloyd: community benefit

private community, not a public benefit. This is for the regulator to decide, but if I were advising him I would advise against it.'

A spokeswoman for SM Pride said: 'SM Pride has applied for CIC status in the same way that any other community group or social enterprise is entitled to do. SM Pride's management team believes that the level of interest in our application is purely due to prejudice against the subject matter.'

'We appreciate that our community's activities are not to everyone's taste. However, SM Pride's remit is to deliver effective support and legal referral services to our community, and therefore is no different to any

other organisation delivering similar services. Our community's needs are no less valid when their human rights are challenged or they feel discriminated against at work and in family, legal and health matters simply because of their private sexual preferences.'

She added: 'SM Pride simply wishes to continue to provide a necessary service to our community – 'community' as defined within the CIC regulations – and would prefer to do so within a recognised, accountable and transparent structure.'

CICs were introduced in July by the Companies (Audit, Investigations and Community Enterprise) Act 2004. The structure was designed to enable organisations to 'lock in' their organisation's public purpose so that assets and profits can only be used for the community interest rather than personal gain.

Some 20 organisations have applied for CIC status since July, and nine have been registered so far, including a childcare organisation, a community transport company and a waste company.

Applications are made to the CIC regulator, with a right of appeal to an appeal officer if the application is rejected.

Rachel Rothwell

DEALS OF THE WEEK 22.09.2005

Most musical deal: City firm Taylor Wessing advised Symphony Telecom, the distributor of telecommunications products and services, on its admission to the Alternative Investment Market (AIM) and a £4.5 million placing. City firm Norton Rose advised broker Evolution Securities.

Most convenient deal: London firm Davenport Lyons acted for TRM Corporation on the acquisition of the Travellex ATM (automated teller machines) business in the UK for £43 million. The business acquired has cashpoints predominantly sited in fuel stations and convenience stores. London firm Olswang advised Travellex.

Best value for money deal: The Manchester office of Ricksons advised Lowcostbeds.com,

the on-line travel business specialising in flexible flight and accommodation packages, on a £1.3 million investment by Close Venture Management, which was represented by City firm Berwin Leighton Paisner.

Most powerful deal: London firm Lawrence Graham advised the Clipper Group on its admission to AIM, with a market capitalisation of £180 million and a placing worth £75 million. US-based Clipper designs wind turbines and runs wind development projects. City giant Freshfields Bruckhaus Deringer acted for Lehman Brothers, the nominated adviser and broker.

Most enigmatic deal: The London office of French firm Gide Loyrette Nouel acted as English counsel to Iroko Securities on the

establishment of a \$500 million (£277 million) structured note programme for Mauritian special purpose vehicle SPHYNX Capital Markets. It is the first structured note programme to be used principally to repackage assets originating from sub-Saharan Africa.

Most private deal: London firm Fladgate Fielder advised Casualty Plus, the company behind Britain's first private accident and emergency facility in west London, on its acquisition of Mediacentre for an undisclosed sum. The acquisition adds eight walk-in GP centres to the Casualty Plus network. City firm Stephenson Harwood advised funder Bank of Scotland, while London practice Richard Howard & Co acted for Mediacentre.