



## 903 Doing Business in Latin America

**Eduardo Arrocha-Gio**  
*General Counsel*  
Coca Cola Latin America

**A. Patricia Marcucci**  
*Senior Operations Counsel*  
BellSouth Advertising & Publishing Corporation

**Armando J. Tirado**  
*General Counsel - Latin America & Caribbean*  
Tyco International Ltd.

## Faculty Biographies

### Eduardo Arrocha-Gio

Eduardo Arrocha-Gio joined The Coca-Cola Export Corporation, Mexican Branch, as legal director. A few years later he was promoted to vice president and legal director. Then he was promoted to group counsel for Latin America and this past January he became the General Counsel for Coca-Cola Latin America.

He began his professional experience in the area of collective labor law with Mexicana Airlines. He was responsible for the collective bargaining with the labor unions including the ones in the U.S. Syntex Corporation, a pharmaceutical company, also hired him as legal director for Mexico.

Mr. Arrocha-Gio has chaired the U.S. legal matters committee of the American Chamber of Commerce. He was also the National president of the Mexican Association of Corporate Counsels (ANADE Mexican Association of Corporate Counsels). He also belongs to different lawyers associations: Barra Mexicana, Colegio de Abogados (Mexican Bar Association); International Bar Association, Inter-American Bar Association, LES Mexico (International Association for technology transfer). He is a professor of collective labor law in the master program on corporate law of the Universidad Anahuac in Mexico City.

He obtained his B.A. from the Escuela Nacional Preparatoria No. 2 of the National University of Mexico (UNAM). He graduated with a law degree from the Facultad de Derecho of the UNAM.

**A. Patricia Marcucci**  
Senior Operations Counsel  
BellSouth Advertising & Publishing Corporation

### Armando J. Tirado

Armando J. Tirado is the general counsel, Latin America & Caribbean, for Tyco International in Miami, a global manufacturing and services conglomerate with security, electronics, healthcare, and engineering products.

Prior to joining Tyco, Mr. Tirado worked as vice president and general counsel for DHL Worldwide Express, regional counsel for FedEx Express, director and regional counsel for Ingram Micro, and as chief legal officer for the start-up predecessor of AT&T LA&C. He started practicing law with PdVSA, at the time one of the largest energy consortiums in the world. He practiced in New Orleans as counsel to an international firm, and in Miami, with Gunster Yoakley Valdes-Fauli & Stewart.

He is a solicitor, member of the Law Society. He was the first (and so far the only) Florida attorney at law to be certified by the Florida Bar as a Certified Foreign Legal Consultant. Mr. Tirado currently serves as co-chair of the corporate counsel section of the Inter-American Bar Association and as a member of the steering committee of the South Florida group of regional counsel.

Mr. Tirado is the holder of an undergraduate LL.B. with honors from Catholic University, has masters' from Columbia University School of Law in New York and London School of Economics, and a J.D. with honors from Tulane School of Law.

ASSOCIATION OF CORPORATE COUNSEL  
2006 ANNUAL MEETING  
SESSION 903  
Doing Business in Latin America  
October 25, 2006

Effective Government Relations Management  
A. Patricia Marcucci  
Senior Operations Counsel, BellSouth Corporation

### Introduction

Whether you represent a regulated entity or not and regardless of the type of business your client is in or wants to transact in Latin America, there will always be some aspect of government relations that you will encounter and need to be prepared to deal with. No matter how good your business plan may be and even if you've done everything else correctly, mismanagement of your government relations can be disastrous to your business in Latin America. Even though it is difficult to generalize since each country in Latin America is different, there are many factors that are similar when it comes to government relations management. The following will be a general presentation regarding government relations management in Latin America with the understanding that adjustments and changes will have to be made depending on which country one is dealing with and the specific situation.

There are several reasons government relations management is so critical in Latin America. First, since most countries in Latin America are governed by the civil law system, many countries have very formal requirements and approvals necessary for transacting business. Therefore, it is very important that you as counsel representing clients who want to transact business in Latin America, be very familiar with each of the requirements and what the process is for getting things done. Since it may be very difficult to be familiar with the process in each and every country in Latin America, in addition to retaining local counsel, you may want to consider hiring a government relations consultant who can assist you in more than one country. A good government relations consultant will be familiar with several different countries or a particular region of Latin America such as the Andean region or Central America. In order to be most effective, the consultant should be someone who is constantly in the region or has a local team in each country, and has maintained contacts with the local in-country decision makers.

This can change quickly with a change in government after elections or with changes that may be made due to political influences or pressure. It is important that you understand these changes and how they may affect your relationships and contacts in the region. A consultant who is able to help you greatly with one administration may be in disfavor with another administration and may not be able to help you if he or she has been too aligned with the previous government. Moreover, when there are changes in the government, there may be some politicians who are looking to make changes that may affect decisions or actions taken by someone previously. As you may be aware, political scandals and social unrest have kept certain governments in Latin America in a state of constant crisis. In these countries in particular, a good government relations consultant can be invaluable.

Another reason that the proper management of government relations is so important in Latin America is that like all governments, those in Latin America want to exert certain control over foreign companies doing business in Latin American countries. They may do this by not permitting certain types of companies (such as certain off-shore companies) from transacting business in their country, or by requiring certain registrations or the establishment of branches or through requiring participation of local partners or in a local company. They may also require the disclosure of certain key participants such as partners and/or shareholders.

Like many places in the world, in Latin America in certain circumstances it may not be what you know but who you know. Therefore, it is extremely important that you develop relationships with the people who will be making decisions regarding your client's business. Before you can do this, obviously you will need to determine who those people are. How do you go about doing this? One way to do this is again through a consultant who knows the country or countries you will be doing business in. Another way to do this is through local partners as well as through your local counsel and local management.

#### **Government Relations Management**

Once you determine who the key players are, how do you develop the relationships you need to get things done while complying with the Foreign Corrupt Practices Act ("FCPA"), as well as your company's own compliance and ethical guidelines and other considerations. I will not attempt to give an exhaustive presentation of the FCPA here since that topic has been covered in other presentations; however, I will give a brief overview as a backdrop of the

restrictions and requirements that we will be operating within while at the same time trying to develop relationships, manage government relations, obtain regulatory and other approvals.

#### **Foreign Corrupt Practices Act/OECD/Global Anti-bribery**

Two basic requirements:

1. Anti-bribery -- Prohibits directly or indirectly offering or giving anything of value to a foreign government official in exchange for assistance with business or to obtain an advantage.
2. Books and records -- A company's books must fairly and accurately reflect the transactions of the company. Therefore, an accounting issue/irregularity may also expose the company to FCPA violations which also carry severe penalties including imprisonment.

There are other global anti-bribery laws now in effect that are very similar in scope to the FCPA. However, enforcement of these laws varies greatly around the world.

#### **Evaluating Local Consultants and Partners**

As mentioned above, local partners as well as consultants can be invaluable in assisting you and your company with the nuances of government relations management in each country. However, in order to maintain the highest level of professionalism and effective standards in conducting business abroad it is extremely important to have the right local business partners. Moreover, due to the severe penalties and potential liability under the FCPA for payments made by partners, consultants, or other third parties with whom the company does business, dealing with any such third parties requires particular scrutiny from the beginning.

It is recommended that companies establish a policy that prohibits entering into relationships with a third party who may have contacts with government officials (as defined by the FCPA), without inquiry into the third party's background and reputation. The due diligence investigation should determine (a) that the third party is not a "foreign official" or a company in which a foreign official has a significant interest; and (b) the third party will not engage in improper practices. Any issues raised by the investigation should be resolved to the company's (including the Legal Department's) satisfaction before entering into the relationship.

There is a basic three-step process for entering into relationships with third parties: (a) due diligence review and approval; (b) execution of a written agreement; and (c) documentation of the process completed. A US consultant or investigative company may be able to assist you with much of the due diligence process locally in each country. The consultant may have relationships with the local partners and can facilitate the collection of information and can confirm background information obtained through the investigation. In addition, local counsel can assist in confirming what background checks are permitted by local law and whether consents or notices are required. For foreign partners in particular, it is extremely important to obtain information about whether they are or have a relationship with any current or former government officials. This includes any government ministry, agency or government-owned or controlled enterprise, or political party. If so, obtain detailed information regarding the government entity or party, official responsibilities, dates of service, nature of relationship. You may also want to obtain personal and professional references, three or more of which have no biological relationship to the applicant. Finally, obtain information regarding any legal proceedings, including any judgments, claims or lawsuits pending or closed. Other pertinent background information may include all business ownerships or financial interests in businesses.

All third-party relationships should be reduced to a written agreement prepared by the Legal Department that includes the appropriate language required by and in compliance with the FCPA and other laws. This requirement helps ensure that the company does business with appropriate third parties and reduces the risk of legal and ethical violations. The process undertaken by the company should be documented and, if possible, the information entered into a database.

#### **Selecting Government Relations Consultants**

Selecting the right consultants to assist with government relations is critical.

Ideally, they should have:

1. An experienced team not only in the US, but also in the local country including representatives from different areas including: legal, regulatory, public relations, finance, economist, etc.
2. Comprehensive network of contacts with all the key players in the country or region where you will be doing business.

3. A team that has information about all the key players, which will help in the proactive and reactive preparation of the actions to be taken.
4. A disciplined process to manage crisis.
5. A clear strategy, feasible alternatives and the critical paths to be taken.
6. Operational knowledge and experience in country.
7. Results are measurable and auditable.
8. Capable of responding to any situation.

They should be able to assist with information and contacts in the following areas:

1. Media – influential local papers, television and radio
2. Regulatory bodies
3. Congress
4. Judiciary
5. Politicians in campaign
6. Critical internal groups.

They should be able to assist in damage control including with:

1. Preventive measures
2. Media
3. Social
4. Image
5. Legal

Government relations consultants can assist in developing and implementing a strategic plan and a tactical plan, and can validate the proposed strategy. The reason some US companies' government relations plans fail is because they have a strategic plan but no tactical plan. The consultant can evaluate the situation in a manner that a US company may not be able to without knowing the ins and outs of the local country, including its culture, political and other social influences. However, in order to be successful, it is essential that the company provide the consultant clear instructions in order to determine the best alternative to manage the situation or

crisis. Finally, the consultant should have procedures in place for follow up, constant evaluation of the situation and crisis management.

#### **Obtaining Government/Regulatory Approvals and other Positive Decisions**

The periods of deep political unrest that many countries in Latin America have experienced in recent years have resulted in an underlying political crisis that may include a general hostility toward foreign investments in certain industries. In certain countries this has resulted in new laws being enacted which in turn may have requirements such as requiring that joint venture agreements entered into by private sector entities be converted into new forms of agreements within a certain time period. This may also require other agreements to be renegotiated. Finally, many have new or additional regulatory approval requirements.

A positive development in many countries in Latin America has been the establishment of more clear rules and regulations and an effort to modify decades-old practices in order to increase the transparency of government and regulatory actions. However, in order for these rules and regulations to be most effective, they must go hand in hand with a comprehensive government relations and public relations plan.

One thing to keep in mind when developing a strategy for obtaining governmental approvals or decisions is that there are some actions that are permitted in Latin America that may not be appropriate in the US. Therefore, as counsel, you will need to determine if it is something that you can legally and ethically engage in and, if so, how to do it appropriately. For example, in some countries it is permissible and even expected that you lobby Supreme Court judges and other judiciary. Even though this may be contrary to anything we would ever do in the US, it is something that may be acceptable even for a US company doing business in Latin America. Of course, this would require close oversight and guidance from US counsel to ensure that there are no FCPA or other legal issues. However, it can be done properly. In some instances, you may be able to lobby local congressmen who in turn may lobby the judiciary. This can be extremely tricky and should only be done working closely with local counsel who can give appropriate guidance regarding what is permissible and what is not.

#### **Contingency Planning**

Suppose you have done everything that is required. You have developed the right government relations, retained the best consultants and local counsel to help you navigate the political and regulatory challenges and requirements and implemented a comprehensive

government relations plan. Does this guaranty that you will not have a government relations problem that could result in the necessary approvals being denied, decisions being reversed or, worse yet accusations of wrong doing in Latin America and the potential for negative publicity that will immediately reach not only the media in Latin America but in the US as well? Absolutely not! Therefore, in addition to having a well developed government relations plan, every company doing business in Latin America should have a contingency plan for what to do when things do not go as planned, particularly when dealing with the government. This includes a public relations and media plan, internal communications plan, and government relations plan. I will focus here mostly on the government relations plan since some of the other aspects of contingency planning will be covered in greater detail in other sections of this presentation.

Act quickly, but not hastily. This means that you must have a well thought out plan and strategy for what you are trying to accomplish. Before doing this, it is very important to know exactly what the objective is. More than likely, there will be two objectives in such a situation which have two very different strategies. The first objective is damage control by preventing any potentially negative publicity before it reaches the media, and by being able to correct or respond appropriately to any negative publicity that may appear in the media. Here the relationship with the appropriate media in the local country will be extremely important. One mistake that companies may make is to try to prove their innocence or "trying the case" in public by responding directly to any allegations of wrongdoing publicly in the media. The media should never be used for this purpose. This should be part of the second part of the strategy which should take place privately and directly with the government entity or regulatory body where the issue arose. This will require a comprehensive knowledge of who the key players and decision makers are within each organization as well as knowledge of how to effectively deal with each. It also requires knowing how information that is presented will be treated. Will it be treated confidentially? Can it be shared with other organizations within the government? Will it be used against you or your client in the future? Finally, it is extremely important to understand what each of the government officials and each agency's agenda is. Often times, the issues that one may be facing at a particular time may have more to do with government agendas, elections and other politically motivated action that in reality may have very little to do with your particular issue or with your client's business. This is important to understand in developing a strategy and plan. For example, in countries where the Supreme Court Justices or others in the

judiciary are political appointments, the court's decision in a particular case or the court's failure to act in a particular case may be the result of a pending election. It is extremely important to know this ahead of time when you are providing advice to your client regarding the likelihood of a particular outcome or the timing for a particular decision.

**Conclusion**

One thing that is interesting in many countries in Latin America is that the favorite pastime is to discuss politics. More so than in the United States or many other countries in the world, the local "sporting event" is often in the political arena. This is another reason to keep current regarding the local politics of each country you will be doing business with. It will always be a topic of conversation at lunch, dinner and other social or business gatherings.



**Unlawful Criminalization of Commercial  
Disputes  
&  
A Regional Initiative to Promote  
the Rule of Law**

**Armando J. Tirado**

ACC's 2006 Annual Meeting: The Road to Effective Leadership

October 23-25, Manchester Grand Hyatt



“The hidden architecture to sustainable development is the law”

» **Hernando de Soto, Peruvian Economist and Author**

On-the-Record remarks  
Meridian International Center  
Washington, DC  
October 18, 2001

ACC's 2006 Annual Meeting: The Road to Effective Leadership

October 23-25, Manchester Grand Hyatt



## Why is Rule of Law Important for Economic Growth and Prosperity?

- Ensures impartial application of the law for citizens regardless of economic power or status.
- Supports entrepreneurship and small business development.
- Access to justice builds trust and stability.
- Establishes clear, objective rules for opening and operating a business.
- Provides stability and legal boundaries for property rights.
- Forces greater accountability of public officials.
- Curbs threat of state intervention.
- Protection of patents promotes domestic innovation and technology.

ACC's 2006 Annual Meeting: The Road to Effective Leadership

October 23-25, Manchester Grand Hyatt



## **A definition of ROL for all countries in the Americas**

- ROL exists when the law regulates government power, there is equality before the law, procedural justice applies and is reflected in the transparency, impartiality and fairness of the system.
- In addition, the powers must act in a transparent manner and exercise discretion under a framework of written, fair and reasonable rules



## **Effects of weakening the Rule of Law**

- Destroys trust in the legal system
- Undermines government legitimacy
- Stifles economic growth and development
- Bolsters the case of those who argue against democracy





## Some Rule of Law issues in the Americas

- Issues with the application and enforcement of capital punishment laws
- Detainee and prisoner rights
- Lack of transparency in elections – one party hegemony
- Missing persons, serial crimes and impunity
- Failures in the administration of justice
- *Inadequate environment for foreign investment*

ACC's 2006 Annual Meeting: The Road to Effective Leadership

October 23-25, Manchester Grand Hyatt



## Absence of ROL as a deterrent to foreign investment

- “Private capital is a coward, a chicken. It flees from corruption and bad policies. It doesn't want to go where there is a conflict. It doesn't want to go where there's corruption”

» **Secretary Colin L. Powell**  
Remarks at State Department Conference  
Meridian International Center  
Washington, DC  
July 12, 2002

ACC's 2006 Annual Meeting: The Road to Effective Leadership

October 23-25, Manchester Grand Hyatt



## What do companies want in a country where they wish to conduct business?

- Certainty in their rights and obligations
- A rational framework of rules
- A reasonable interpretation and enforcement or the law
- A reasonably efficient and honest prosecution authority and judiciary – a working legal system free from corruption



## A working legal system free from corruption

- Abuses/subversion of the judicial/legal system
- Traffic of influence
- Involvement of public officials as the tool of individuals with resources and contacts
- *A typical example: the unlawful criminalization of commercial disputes*



## **“Unlawful criminalization of commercial disputes”**

- A dispute that begins or should be resolved as a commercial dispute is inappropriately channeled towards a prosecution authority and a criminal court.
- The judicial and legal system is misused to disadvantage and threaten a defendant, as leverage for a favorable settlement.



## **Specific instances – unlawful criminalization**

- A party misrepresents facts to obtain criminal arrest warrants against nationals or foreign-born executives pending resolution of the dispute
- A party contribute to create a “public relations” disaster through media attacks and moving regulatory authorities to harass the opposing party,
- A party takes these and other actions to instill fear in the opposing party employees, for their personal safety.



## What is behind unlawful criminalization?

- Some parties regard this as a legitimate weapon – not just domestic/local parties but international parties as well
- The problems of the judiciary are more profound, and the issue of unlawful criminalization is just one aspect of it
- Is this misuse of the system the corruption of a few individuals or “rule of the land”
- Misuse occurs at the state level, in local judicial systems, and the state executive or federal government cannot interfere
- In general, federal or state government are reluctant to get involved in cases pending in the judicial system
- Some companies do not want to bring attention to the situation in order to reduce potential risk to the employee or other employees and to avoid encouraging other similar actions

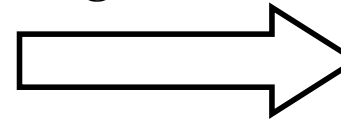
ACC's 2006 Annual Meeting: The Road to Effective Leadership

October 23-25, Manchester Grand Hyatt



BusinessWeek online

This is how the problem of “unlawful criminalization” is reported in the foreign media



ACC's 2006 Annual Meeting: The Road to Effective Leadership



BusinessWeek online

## Mexican Standoff For ING

By Geri Smith in Mexico City

*A tangled court case is causing other foreign investors to think twice*

Before ING paid \$3 billion to buy control of Mexico's largest insurer, Comercial América, in 2001, the Dutch financial-services giant did its homework on the size and appeal of the fast-growing market. Unfortunately, the European insurance execs failed to take into account Mexico's byzantine judicial system. Now, ING is embroiled in a legal tangle that is every foreign investor's worst nightmare.

The dispute began when Hurricane Juliette smashed into the state of Baja California Sur in September, 2001, seriously damaging a phosphate mine owned by one of ING's clients, Grupo Fertinal. ING's adjuster assessed the damages at \$13 million. Fertinal President Fabio Covarrubias protested that actual damages were \$47 million.

But what should have been a straightforward civil dispute soon got nasty. After Fertinal's creditors produced documents saying they were beneficiaries of the policy, ING said it couldn't advance the company some \$10 million in clean-up money.

Covarrubias went to a court in Baja California Sur, where a judge charged 10 ING executives with criminal fraud based on allegations they had pocketed the insurance payout. To ING's astonishment, on Aug. 12, 2002, police arrested two of its executives in Mexico City and flew them to Baja, where they spent a night in jail being sprung on bail. Fertinal has gone to court in two other states to obtain arrest orders for conspiracy and fraud against 13 ING employees -- all Mexicans -- as well as eight other agents.

The ING employees charged are in hiding to avoid arrest, while other ING execs have at times steered clear of the country for fear they too might land behind bars. Last August a judge in Morelos state froze \$300 million in ING funds -- the amount for which all Fertinal facilities are insured -- until the case is resolved.

ING denies that it or its employees are guilty of anything except trying to resolve a claim in the normal manner. "That's what we do -- pay out claims to policyholders," says Jean Louis López Alberdi, an ING executive director and spokesman. For his part, Covarrubias says he's only defending his rights under Mexican law. "ING is abusing the fact that they are facing a suit in a Third World country," he says. "They criticize the justice system when they're losing. They figure eventually we'll go bankrupt and they won't have to pay us."

**URGENT NEED.** The battle has caused concern among investors. Says Jack Sweeney, executive vice-president of the American Chamber of Commerce in Mexico: "Cases like this make companies less and less interested in Mexico. That's one reason foreign direct investment is at a standstill now." Foreign direct investment was \$11 billion last year -- still hefty, but the smallest amount since 1996.

For Mexico's critics, ING's travails show the urgent need for legal reform. A United Nations report two years ago said corruption was widespread among judges. The federal courts suffer a backlog of some 10,000 cases. Because cases take so long, some plaintiffs convince local judges to issue criminal charges to pressure the other side to settle, says leading corporate lawyer Thomas Heather, who heads the local bar association's financial law and corporate governance committee. President Vicente Fox knows this is a hot-button issue. "These cases take far too long to resolve," says Eduardo Sojo, Fox's top economic adviser. Mexico's Supreme Court is conferring with the legal community on how to revamp the judicial system.

Officials are acutely aware of the ING case. Last year, Fox's envoys tried to persuade the two parties to seek arbitration. ING execs said they were willing if Covarrubias dropped criminal charges. He rejected the overtures. "We've already spent 2 1/2 years on this. [Why should we] go through arbitration for one or two more years?" he asks. He has boosted his insurance claim to \$300 million, on the grounds that he has lost at least that amount with the mine closed. Mexico could prove the biggest loser.

ACC's 2006 Annual Meeting: The Road to Effective Leadership

October 23-25, Manchester Grand Hyatt



## Mexican individuals and companies are also victims of this practice

- The old AT&T had a contract dispute with a Mexican construction firm that was building a plant in Guadalajara in the late 1990s. In this instance, AT&T's Mexican attorney filed documents to get a criminal court involved and had the President of the Mexican construction company arrested.
- In that instance, the party affected by the "unlawful criminalization" was the Mexican defendant.

ACC's 2006 Annual Meeting: The Road to Effective Leadership

October 23-25, Manchester Grand Hyatt



## Another example: Ralston Purina

- In the late 1990s, Ralston Purina sold chicken feed to farmers. Some farmers in Chiapas claimed the feed was inferior and caused damages.
- Without knowing that the civil dispute had been changed to the criminal docket, the President of Ralston Purina de Mexico was grabbed from a major street in Mexico City, immediately flown to Chiapas and put in jail.



## Causes for concern: the law

- What is civil vs. criminal needs to be clear in the law and in the minds of those who enforce the law
- Open-ended offenses allow manipulation of the facts, to justify prosecution
- [For example, virtually anything a party does could be termed "criminal fraud"]
- Allegations of fraud in the context of commercial relationships should be handled as civil matters



## Causes for concern: the prosecutors

- Prosecutor role: make an initial determination of criminal liability and prosecute. Judiciary Police play a significant role as a strong arm of the prosecutor – should also avoid being manipulated
- In this context, a party may persuade a prosecutor or the judiciary police to use its wide powers to act, willingly or not, as an instrument of pressure against the other party.
- This may lead to harassment and put unlawful pressure to bear on what is essentially a civil matter.
- The prosecutor, then acts as an arm of a private party, using the state power, not as an aid to the justice system.



## Causes for concern: the judiciary

- Judicial independence carries the risk of impunity, as judges can exploit their positions helping the corrupt
- A judge susceptible of being influenced also has wide powers to act, and may be manipulated to put pressure against the other party
- Judges sometimes are the last line of defense but if the judge is in concert with the party manipulating the system then who can defend us?



## **Regional Initiatives to promote the Rule of Law in the Americas**

- The Council of the Americas / Americas Society ROL Initiative
- The International Bar Association/American bar Association ROL project

ACC's 2006 Annual Meeting: The Road to Effective  
Leadership

October 23-25, Manchester Grand Hyatt



## **The Americas Society and the Council of the Americas**

**Rule of Law Working Group**  
Developing an Agenda for Improving  
Rule of Law in the Americas

ACC's 2006 Annual Meeting: The Road to Effective Leadership

October 23-25, Manchester Grand Hyatt





## Objectives

- To promote popular understanding of why rule of law is important for all citizens;
- To identify key areas that can improve the efficiency, predictability and transparency of judicial and regulatory systems;
- To create a forum for AS/COA members to discuss the legal and judicial regulatory framework and necessary reforms for sustained, economic growth and prosperity;
- To influence policy change through public and private discussions in the U.S. and Latin America by meeting with relevant policymakers, judicial officials and stakeholders and disseminating policy recommendations; and
- To begin to build understanding of and support for a new positive agenda for change in the hemisphere.

ACC's 2006 Annual Meeting: The Road to Effective  
Leadership

October 23-25, Manchester Grand Hyatt



## Deliverables

- Develop a working report with recommendations for reforms and examples from the region to improve rule of law in the hemisphere;
- Convene in-country working meetings to present the report and to meet with key policymakers to discuss the report's findings; and
- Prepare country-specific working papers that can be distributed to key policymakers and the media to generate a detailed and focused discussion on the importance of rule of law for domestic economic growth and development, investment, and prosperity.

ACC's 2006 Annual Meeting: The Road to Effective  
Leadership

October 23-25, Manchester Grand Hyatt



### Participating AS/COA Member Organizations

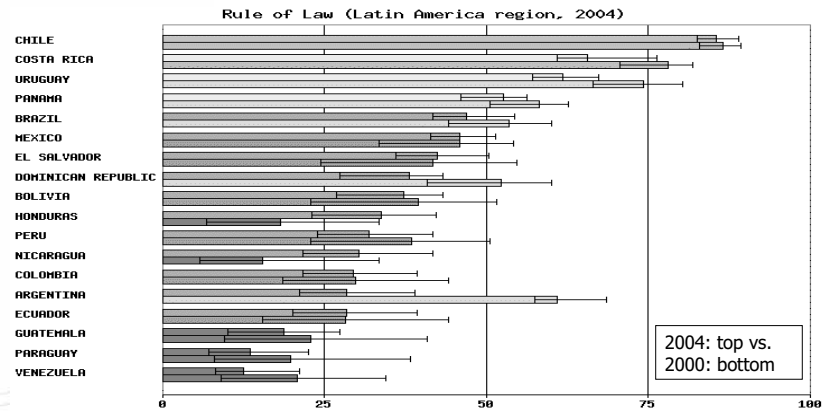
- Abbott Laboratories
- Alston & Bird, LLP
- Apolo S.A.
- Barrick Gold Corporation
- BD Industrias Cirúrgicas, Ltda.
- Chevron Corporation
- Cisneros Group of Companies
- Cleary, Gottlieb, Steen & Hamilton LLP
- Columbia University Law School
- Columbia University School of International and Public Affairs
- DirectTV Latin America, LLC
- Eastman Kodak Company
- Fintech Advisory, Inc.
- Ford Motor Company
- Greenberg Traurig, LLP
- Hauser Foundation
- Hughes, Hubbard & Reed LLP
- Kroll Associates, Inc
- Manatt Jones Global Strategies, LLC
- Microsoft Latin America
- Pfizer, Inc
- PSEG Americas
- Rockfeller & Co.
- Shearman & Sterling LLP
- Standard & Poor's
- Telefónica International, SA
- Time Warner Inc.
- Tyco International Ltd.
- Visa International
- UBS Investment Bank

ACC's 2006 Annual Meeting: The Road to Effective Leadership

October 23-25, Manchester Grand Hyatt



### World Bank Rule of Law Index



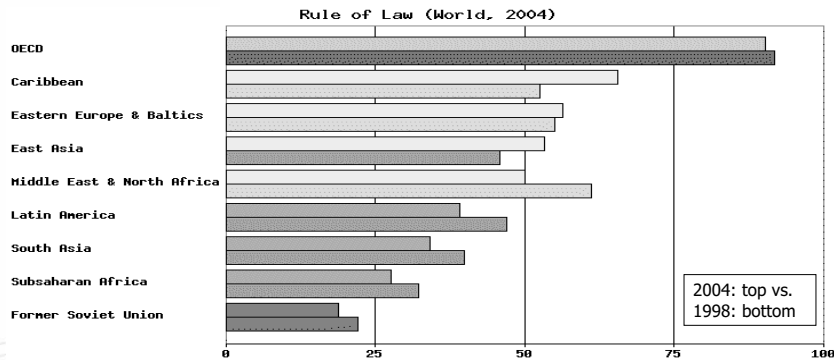
ACC's 2006 Annual Meeting: The Road to Effective Leadership

October 23-25, Manchester Grand Hyatt

Source: D. Kaufmann, A. Kraay and M. Mastruzzi. Governance Matters IV: Governance Indicators for 1996-2004. May 2005



## How does Latin America Compare to the World?



ACC's 2006 Annual Meeting: The Road to Effective Leadership October 23-25, Manchester Grand Hyatt  
 Source: D. Kaufmann, A. Kraay and M. Mastruzzi. Governance Matters IV: Governance Indicators for 1996-2004. May 2005



## Where do we go from here?

- Decide where you want to stand
- Make it an issue – raise your voices
- Create or join an initiative to promote the ROL in an area crucial to your practice
- Condemn vigorously the practices that erode the image of your country in the eyes of the international community and foreign investors
- Help develop and improve legislation defining and punishing corruption and the manipulation of the legal system with intent to prevail in a commercial dispute

ACC's 2006 Annual Meeting: The Road to Effective Leadership

October 23-25, Manchester Grand Hyatt