

MANAGING LEGAL & POLITICAL RISK IN INTERNATIONAL MARKETS

Businesses operating in countries around the world inevitably face regulatory, policy or other government-related problems. An effective response often requires sophisticated understanding of the political dimensions surrounding a government action. And experience in working internationally at senior levels of government is invaluable in crafting practical solutions.

To help address these issues, Covington has established a practice group described by some clients as “a mini State Department.” This group of lawyers, former diplomats and other senior government officials helps clients anticipate and respond to legal and political problems in established and emerging markets around the world. The Covington team includes several former Ambassadors, a former U.S. Cabinet Secretary and numerous lawyers and professionals who have served in the top levels of United States agencies, the U.S. Congress and the European Parliament. They have extensive experience with policy and regulatory issues in Asia, especially China and India; Latin America, the Middle East, Africa, and Europe, especially Russia and Eastern Europe.

We have assisted companies in virtually every region of the world through services ranging from pre-investment analysis of regulatory risk to urgent development and execution of strategies to counter sudden and adverse government action. We also bring these skills and sensitivities to bear when handling acquisitions, joint ventures and other transactions in developing nations.

We have strong relationships with senior government officials in many countries, either directly or through affiliations with McLarty Associates, a global business consultancy in Washington, Institution Quraysh for Law & Policy, the leading Arabian Gulf law and policy firm, and Khaitan & Co., a premier Indian law firm.

The following examples illustrate our experience in handling issues of law and government policy in foreign markets throughout the world:

- Negotiated with a President, Prime Minister and other top officials of a major Asian country to address intellectual property rights issues.
- Advised Chinese government owned investors on successful strategies for meeting U.S. government regulatory requirements for investments in U.S. companies.
- Advised Indian companies on compliance with UN and U.S. government sanctions programs.
- Advised Western investors on protection of their economic rights in connection with politically sensitive investments in Russia and Eastern Europe.
- Worked with a U.S. Ambassador and a foreign Ambassador to resolve a dispute between a private equity firm and an African sovereign.
- Negotiated with a Middle Eastern Health Minister to resolve pricing and patent issues of concern to the U.S. pharmaceutical industry.
- Negotiated with top UN officials to secure the release of payments that had been blocked under the Oil for Food program.

- Worked with the senior economic advisor to a Latin American President to reverse an import ban that violated a bilateral trade agreement.
- Resolved, on behalf of a major multinational, a blocked payment dating to the imposition of U.S. sanctions against Iraq in 1990.
- Advised an emerging market company on the international law issues presented by its business dealings in a U.S.-sanctioned country.
- Represented an international energy investor in an investment dispute in an African country before the leadership of the International Finance Corporation.
- Advised several clients on strategies for dealing with the potential lifting of Cuban sanctions.
- Resolved a major contractual problem faced by an investment company in an African country.
- Assembled a defense and political advisory team in a Latin American country to protect the interests of a client under investigation on criminal charges.
- Advised clients on steps to be taken to limit or minimize risks of expropriation of assets in Venezuela.
- Assisted a growing Indian firm in complying with U.S. sanctions rules pertaining to transactions in the Middle East and Africa.
- Provided counsel and representation to firms on sanctions issues related to such countries as Iran, Sudan, Cuba, Burma, Zimbabwe and Venezuela.
- Conducted internal Foreign Corrupt Practices Act investigations in developing countries throughout the world.
- Represented companies in numerous investor-state international arbitrations.

THE COVINGTON INTERNATIONAL ADVISORY TEAM

OUR TEAM OF SENIOR ADVISORS INCLUDES:

STUART EIZENSTAT, former Deputy Secretary of the Treasury, Under Secretary of State for Economic, Business and Agricultural Affairs, Under Secretary of Commerce for International Trade, and U.S. Ambassador to the European Union.

MICHAEL CHERTOFF, former Secretary of the Department of Homeland Security, Federal Judge on the U.S. Court of Appeals for the Third Circuit, and Federal prosecutor.

ALAN LARSON, former Under Secretary of State for the Department of State, Economic, Business and Agricultural Affairs, and Assistant Secretary of State for the Department of State, Economic and Business Affairs, and Ambassador for the Organization for Economic Cooperation and Development.

JOHN VERONEAU, former the Deputy United States Trade Representative (USTR) and USTR General Counsel under President Bush, and an Assistant Secretary of Defense under President Clinton.

DAN SPIEGEL, former Ambassador to the United Nations in Geneva, Special Assistant to the Secretary of State, and also served on the State Department's Policy Planning staff.

TIM STRATFORD, former Assistant U.S. Trade Representative, former General Counsel for General Motors' China operations, Minister-Counselor for Commercial Affairs at the U.S. Embassy in Beijing, and the Chairman of the American Chamber of Commerce in China.

PETER LICHTENBAUM, former Under Secretary of Commerce for Industry and Security (Acting) and Assistant Secretary of Commerce for Export Administration. Mr. Lichtenbaum has extensive in-house experience on trade control and policy matters in the defense and aerospace industry.

ARTURO VALENZUELA, former Assistant Secretary for Western Hemisphere Affairs in the U.S. Department of State appointed by President Obama, former Special Assistant to the President and Senior Director for Inter-American Affairs at the National Security Council appointed by President Clinton in his second term in office and former Deputy Assistant Secretary of State for Inter-American Affairs in President Clinton's first term.

WIM VAN VELZEN is a senior European policy advisor and former member of the European Parliament. He was Vice-President of the largest political group (EPP) in the European Parliament. He served as the President of the Christian Democratic Party (CDA) and as a Senator in Dutch Parliament.

AMBASSADOR JEAN DE RUYT, a senior public policy advisor, is among the most experienced diplomats in Europe. Most recently, he served as the Permanent Representative of Belgium to the European Union and was chair of the Committee of Permanent Representatives during the 2010 Belgian Presidency of the Council. Ambassador De Ruyt was closely involved in Europe's response to the financial crisis and the resulting legislation at the European level. He was instrumental in the creation of the European diplomatic service and, as the Permanent Representative, facilitated the resolution of a variety of state aid and competition policy disputes for Belgian companies. He was also involved in the negotiation of the European Single Act and the Nice and Lisbon Treaties, in initiatives relating to the implementation of the Oslo agreements in the Middle East, and in the rebuilding of peace in Central Africa, and participated in the stabilisation of former Yugoslavia and the development of NATO and European Defence.

MARK PLOTKIN represents clients before the Committee on Foreign Investment in the United States (CFIUS) in obtaining regulatory approval for foreign investments in the United States; he also is an expert in financial services regulation. His experience includes negotiating several of the most significant, complex and sensitive national security agreements of the past decade with the U.S. government.

PETER FLANAGAN counsels multinational companies on international trade control matters – including export controls, economic sanctions constraints, defense trade limitations, and the implications of related non-U.S. requirements. Mr. Flanagan has worked previously in the International Finance Division of the Federal Reserve Board of Governors.

STURGE SOBIN has represented more than 40 intellectual property cases before the U.S. International Trade Commission under Section 337 and counseled clients in all of the major areas of the international trade regulation field, including antidumping, countervailing duty, Section 301, Section 201, and WTO proceedings.

MARNEY CHEEK, former associate General Counsel at the Office of the U.S. Trade Representative, and is a term member of the Council on Foreign Relations.

DAVID FAGAN represents clients on foreign investment and national security issues, including before the Committee on Foreign Investment in the United States.

RALPH VOLTMER leads Covington's India practice and represents clients on a variety of transactions in Europe, Latin America, and Asia, with a focus in the media, communications, and technology industries.

ANNE PENCE, a senior international advisor, was Special Advisor to the U.S. Millennium Challenge Corporation (MCC), an economist with USAID, and handled international economic policies and initiatives at the U.S. State Department for 16 years, including as G8 Summit Coordinator and Development Policy Advisor to the Under Secretary for Economic, Business and Agricultural Affairs.

GEORGE FRAMPTON JR. served as Co-Chairman of the Obama transition team for the White House Council on Environmental Quality (CEQ), was the former Chairman of CEQ, and served as Assistant Secretary of the Interior for Fish, Wildlife and Parks.

OSCAR GARIBALDI, is specialized in complex investor-State dispute resolution and in international commercial arbitration and trade disputes.

MALIK DAHLAN is the Principal and Chief Lawyer of Institution Quraysh for Law & Policy (iQ), a UN Regional Expert, a member of the World Economic Forum Global Agenda Council for the Future of the Middle East, an author and advisor on legislative affairs, defense, energy policies, and foreign relations, and a contributor to the new international Civil and Commercial Court in Qatar.

CLAUDE SMADJA, President of Smadja & Associates, is a Senior International Advisor to Covington, served as Managing Director of the World Economic Forum, and provides major strategic advisory services for global corporations in emerging markets as well as in the U.S., Europe, and Japan.