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Canadian energy law and policy

Canada's importance as an energy producer cannot be overstated. Canada ranks among the top ten energy producers in the world. Not surprisingly, Canada has consistently been a net exporter of energy.

Canada relies on a mix of energy sources including oil, natural gas, hydro-electricity, uranium for nuclear power generation and coal. Crude oil provides most of the country's energy production, at approx. 45%, followed by natural gas. While production is heavily reliant on fossil fuels, hydroelectric generation constitutes a large percentage of consumption. Renewable sources while growing rapidly still represent a minority of the country's generation.

Canada's energy policy is market oriented. Where necessary, the national government will intervene in order to secure broad policy aims such as sustainability. Canada's energy policy is also driven by international agreements, the most important of which is the North American Free Trade Agreement (NAFTA).

Legislation enacted by the federal government provides the main structure guiding energy policy, administration and regulation. However, the provinces also maintain jurisdiction over energy generation and transmission within their boundaries. Most of the provinces have encouraged independent power development, especially for renewables. An additional important area of shared federal/provincial responsibility in this sector is environmental protection.

Canada is not a large GHG emitter. Its consumption-related emissions were only about 1.8% of global emissions (the two top emitters, China and the United States, accounted for about 43.3%). Nevertheless, Canada has found it necessary to move away from its historical position on climate change regulation. Having signed the original Kyoto protocol in 1997, Canada will not only not commit to further emission targets but has recently (at Durban) pulled out of the protocol all together, the first Western nation to have done so. Canada has instead opted to support the Copenhagen Accord which seeks commitments from all major emitting countries, not just developed nations. It is widely accepted that this position is driven by the fact that Alberta's oil sands represent one of the largest known proven crude oil reserves in the world, second only to Saudi Arabia's.

The provinces, however, have not stood idle. In July, 2011, Quebec introduced a cap-and-trade based system. British Columbia, along with four other Canadian provinces and seven U.S. states also members of the Western Climate Initiative (WCI), have a proposed cap and trade program now set to commence in January 2012. British Columbia also introduced a carbon consumption tax imposed on businesses and individuals who use or purchase fossil fuels in the province. Perhaps most importantly, every province is actively pursuing the development of a robust renewable energy industry focused mainly on wind (on-shore and off-shore), solar and hydro generation (such as run-of-river) but including also biomass and geothermal.

Members of Blaney McMurtry, LLP have represented international lending consortia in the financing of cogen power plants, the developers in two of the earliest wind farms approved under Ontario's innovative Green Energy Act and the purchaser of a municipal electric utility. They also acted in the sale of carbon emission offsets and have advised clients regarding GHG emissions verification and solar energy development projects.

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Solving real estate matters in Mexico

Vázquez Aldana, Hernández Gómez & Asociados (VAHG) operates in Mexico City and Guadalajara, Mexico, being the largest Mexican member firm in Consulegis, servicing clients across the Mexican Territory. VAHG has consolidated more than 50 years of legal practice. VAHG represents the prestige, experience, reputation, business approach, high ethical values and professional standards, responsiveness, accountability and trust of its partners and the professional capabilities of its team. VAHG is one of the most respectful firms in its jurisdiction and a leading medium size firm in real estate, corporate law, public attesting, M&A and banking and finance.

According to Fernando Hernández Gómez, senior partner at VAHG, the Mexican real estate market is currently experiencing a variety of trends. The resort and beach areas are slowly developing although foreign and domestic investment continues to flow. Perhaps this is the time to buy. The expansion continues in other areas like retail and vertical developments in developed cities. When developers select the right product for the proper locations in these cities, including Guadalajara and Mexico City, the turnover is at its best.

VAHG is currently participating in relevant real estate projects including the structuring of securities to refinance of well known retail commercial centers, and the formation of the legal structure for a museum. VAHG has been recently selected by the industrial sector of the State of Jalisco to work on a real estate project soon to become an icon in the city of Guadalajara, the "Innovation and Technology - Research and Development Centre".

"Having detailed knowledge and understanding of the local and federal environment with respect to laws, regulations and authorities, is key to a successful operation in Mexico," noted Mr. Gómez. "It is essential to understand the legal formalities concerning notarial issues and Public Registry law. Environmental and agrarian (ejido) laws are another key factor as well as federal and local tax issues."

Mr. Gómez explained that pursuant to the Mexican Constitution, foreigners may have the right to acquire title to a real estate, subject to the condition that they agree before the Mexican Government to consider themselves as Mexican nationals with respect to the property acquired and not to invoke the protection of their government with respect to the same. The Foreign Investment Law allows foreign investors to acquire real estate without any restriction when the real estate is located outside of the "restricted zone" (50km from the shore line and 100km from the borders); a Mexican company with foreign investment may acquire property within this zone to perform non-residential activities, i.e., industrial, commercial or tourism activities. For residential purposes, foreign individuals or companies and Mexican companies with foreign investment must acquire the real estate through a trust. Foreign individuals or companies may lease real estate and other properties in Mexico without limitation.

VAHG has the ability to provide the best integrated service covering all of the specific factors of real estate law, with a team full of experience and expertise in the main real estate areas, covering both federal and state law. "Our offer blends these professional factors with the fact that we provide personal attention to clients and the best service at reasonable costs, responding to challenges with success," said Mr. Gómez.

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