

On Tax—Dèlcia Capocasale of Cuatrecasas

Len Teti: Welcome to On Tax—A Cravath Podcast. I'm Len Teti, a partner in the Tax Department of Cravath, Swaine & Moore, a premier U.S. law firm based in New York City.

On each episode of On Tax, I talk to professionals in the Cravath network about their life and work in the world of tax. We focus on the human side of tax law, highlighting the people, connections and stories that make the space such a fascinating and dynamic area of practice. I hope you enjoy this episode.

Today, we're joined by Dèlcia Capocasale. Dèlcia is a partner at Cuatrecasas in Barcelona, and she also spent some time in the New York office. Dèlcia, welcome to the podcast. Thanks for joining us today.

Dèlcia Capocasale: Thank you for inviting me, Len.

Len: It's great to see you again. So, Dèlcia, our podcast is designed to describe for our audience how people have worked through the world of tax. Where do we start for you?

Dèlcia: So, I think that I had this strong vocation since I was very, very young. At school, I was highly involved in any matter that implied debate, public speaking, representation of the classroom. I was very active on writing activities. I've always been very passionate for communication, defending others—so, this kind of kid.

And at that point in time, my father, who worked as a journalist, quickly realized that maybe this set of skills were good for me to become a lawyer. And obviously, at that point in time, the idea of becoming a lawyer was very influenced by films, TV series. And my definition of becoming a lawyer was like, "OK, I will be traveling worldwide the entire day and defending clients in the most complex cases." Well, something very different to what we do today or not so different, so we can talk about this. In Spain, the educational system is a bit different than the educational system you have in the U.S.

And we have to decide very early what we want to be, basically when we are 17, 18 years old. So, we need to decide if we want to study law, medicine or whatever. And when I was at high school, then I decided to study law. I have to say that I was doubting at some point in time between law and classics. My father was very clear on this. And he told me that I would have time to study classics, but I would not have time to start to study law and become a good lawyer. And this is why I decided to start studying law.

Len: So, in Spain, when you graduate from high school, you make some sort of choice or declaration about what you want to do, or you apply to college for that purpose?

Dèlcia: You need to apply at college for that purpose. Yes.

Len: So you were applying to colleges for law, for legal studies?

Dèlcia: Exactly. In fact, it's not college. So you are directly applying to law school.

Len: So right out of high school, you go to a law school. So, in the U.S., of course, law school is after college. It's three years. How does it work in Spain?

Dèlcia: It's after high school. We have four, five years of law school.

Len: So, tell me what your law school experience was like, because I think it's probably similar in many ways to a U.S. law school experience, but different because you're younger.

Dèlcia: I would say that today things have changed, and things may be different. But at least when I was at law school, it was very theoretical. So, everything was about studying, memorizing. And today, I know that law school is more practical than theoretical. So, I think this is something that has changed a lot in Spain recently.

Len: It's happening in the U.S. too. A lot of law schools are increasingly doing clinics or other projects that are suited towards practice rather than sort of academic theory.

Dèlcia: Exactly.

Len: And that's even true, and maybe most notably true, in transactional areas, right? The budding corporate lawyers in law school now have opportunities to do negotiation clinics or to do some sort of projects that are more practical.

Dèlcia: That's a good point, because, for instance, in terms of taxes, I studied taxation at law school but in a very theoretical way. I think that the way that I studied taxes at law school was not appealing to become a tax lawyer, honestly, because I basically studied VAT, personal income tax, but not the connection of taxes, not businesses connected to taxes, structuring, corporate M&A. And this is something that has, as you say, certainly changed, because I'm lecturing taxes at the university these days, and obviously the way that we do things is very different than the way that I learned the same things many years ago.

Len: I want to come back to this idea of lecturing or teaching a little bit later. So, your first exposure to tax law is very academic and not that appealing. So, what about your training or your exposure to tax law eventually kind of changed your mind? Do you remember when you started to realize, "I might actually enjoy this and be good at it"?

Dèlcia: So, I have to say that I ended up doing taxes or doing tax law by chance. Because just after finishing the law school, I started my career in Cuatrecasas. So, I'm very proud to say that I have spent almost 18 years in Cuatrecasas so far. My entire career was here. When I joined Cuatrecasas, it was June 2005. I joined a very small group that was mainly focused on corporate taxation and family owned businesses.

And I would say that my first contact with taxes was really good in terms of knowledge because of this small group of mentors, this small group of partners, this small team that was very close to me even at that point in time. I was just a junior associate. Since the very beginning, I got involved in client matters, working directly with partners. I can say that these partners, that at that time were my bosses, today are good friends. So after 18 years, many things have happened.

And in terms of matters or in terms of tasks, basically at the beginning, I was very focused on what we call ongoing tax advice, calculation of tax closing for companies. But little by little, the work became more and more complex and sophisticated. When we put all these things together is when I realized that "OK, I really like taxes." But I cannot say that I left the university and wanted to do taxes.

Len: Right. Well, it sounds like you had a great opportunity in such a kind of small group that served as an incubator for your skills and your aptitude and your affinity for the subject matter. Do you remember one particular deal or time or conversation or a moment when you really felt like somebody was taking a real interest in your career development?

Dèlcia: I perfectly remember. It was a very, very complex transaction. I think it was my first complex transaction. It was a loan of values in the framework of bonds issuance. It must be 2006, 2007. And I joined Cuatrecasas just a couple of years before. I was very stressed, because there are many accounting issues to understand. Obviously, we are lawyers. We have some accounting background, but we are not accountants. And the transaction was very, very complex, and very urgent. And we had to solve everything in a couple of days.

And I perfectly remember when I got into my partner's room, and said: "OK, I need your help. Because I have studied everything. I think I have my conclusions, but I think that everything that I have in my mind could be incorrect, because it's the first time I'm facing a transaction like this." And instead of getting stressed, saying, "We are running out of time, and now I have to see it and explain the transaction to this junior associate from the scratch," et cetera, the reaction of the partner was completely the opposite.

He sat with me. He started explaining everything. And he said: "It's perfectly feasible that you don't have all the knowledge for this transaction, because it's really complex. And I'm here to help you, and we will do this transaction together." And when I got this reaction, when I got this feeling, it was like: "OK, this is the place where I want to stay. This is what I want to do, because beyond stress, beyond deadlines, beyond everything, I'm learning and I feel that I can progress here."

Len: It's probably worth pausing here and observing something really important, and that is as a young lawyer, perfectly capable, you identified that you needed help.

And it takes a lot of courage to walk into a partner's office and sit on the other side of the desk and say, "Here's what's going on, and I need help." I think a lot of associates have the sense that: "I don't want to bother the partner. They're so busy. They don't need to deal with this."

Dèlcia: Exactly.

Len: And the fact is, well I might be busy. I might not be. But this is my job too, right? Doing this is part of my job. And to put it in an even more self-centered way, you are depriving me of the opportunity to develop this part of my legal career and persona if you don't bring me these kinds of troublesome problems. I think that's a hard one. But I think if you ask for help in a constructive way, which means you sort of say: "Here's all the stuff I've done. Here's all the stuff I figured out. Here's all the pieces I've got on the map. I'm just having trouble really arranging them," or "I think I've lost track of why we're asking this question and not these other questions I developed." Those are constructive ways to go to somebody and ask for help. As opposed to saying, "I'm confused," or—

Dèlcia: Exactly, exactly.

Len: "I, you know, there's all this stuff going on, and I haven't been able to focus on it," right? I think, on both sides, there's really a need to sort of pause and say, "How do we move this forward in a constructive way?"

Dèlcia: Yeah. I totally agree. And, as you say, so I think that the most important thing is that we need to be aware that this is part of our job. This is part of our role. It's obvious that the key aspect of our role as partners is the satisfaction of clients. But, at the same time, we'll be partners for a certain period of time, and when we will be leaving the law firm, the law firm will stay there.

Len: Yes.

Dèlcia: We say that we inherited the law firm from our partners and we will transfer the law firm now to our juniors.

Len: That's a great way to think about it. And, you know, I'm struck by the fact that you started at your firm in June of 2005. I started at Cravath in August of 2005.

Len: And each of us has been at our respective firms ever since. We've only practiced there. There are good things about that, and there are narrower things about that. But we have a very strong sense, it sounds like, that our firms are institutions for which we are currently stewards. The associates, however, members of the staff, everyone who comes and walks in the door every day, are in their own way, stewards of the firm, the firm's reputation, the firm's culture, the firm's business. And thinking about our jobs that way, that, in 50 years, there's going to be other lawyers here doing other deals with other associates.

Dèlcia: Exactly.

Len: And it's important that we're just sort of a bridge to that moment is a really interesting way to think about any given task.

Dèlcia: Absolutely.

Len: So now, that was the early part of your career, and you mentioned how you think about life as a partner, which really resonates with me. But I'm curious about the middle years. At what point did you start to realize you might want to be a partner at the firm? And you might want to work towards that, that that's a goal of yours, that it's achievable, that the others who you worked with were beginning to feel this way about you?

Dèlcia: I think that, to answer this question, I should explain a bit how our career is structured. So, the career to partner in a firm as Cuatrecasas could take between 11 or 15 years. So, our careers are longer than the ones that you have in the U.S. There is a critical moment in the career when you become a senior associate. We have many committees that are basically engaged in evaluating the professional performance of our associates. In fact, it's the same committee, but it evaluates you at different times in your career.

The first evaluation is to become a principal associate. The second, and I think it's one of the most important evaluations, is the one that takes place when you want to become a senior associate. And then we have the final one to become a partner. And I think that the evaluation that we have to become senior associate is the one when you realize that you can become a partner. Why? Because it's the first time that you will be facing all the mechanics of the law firm, and that you will be making a self-assessment of your technical and personal skills to become a partner.

We have a technical committee that will evaluate the involvement and complexity of the cases in which you have been working on for the last few years. So, this is the technical side. And then the evaluation committee itself, what we'll do is to evaluate your skills and your projection in terms of business development, area of specialization, and the role that you could potentially play within the law firm as a future partner.

So there is still room to improve your skills, because the committee's evaluating you to become a senior associate, and you will be a senior associate for a period of three to five years. But that point in time is when you take the paper and start writing about your professional career and say: "OK, I have these skills. I do not have these skills. Or I have the skills, but I should improve something."

Len: And so, once you decide that you are interested in pursuing that, then I think you've got to a sort of level of commitment and personal ambition at that point where now you know you're in the next phase of your career. So the next three to five years as a senior associate, you're starting to visualize yourself more and more as a possible partner. And I'm sure the people you're working with are too.

Dèlcia: Yeah.

Len: But so now you've sort of made—I mean, not a lifetime commitment but—an indefinite commitment to this kind of work at this firm, in this institution with these people. Right?

Dèlcia: Yeah.

Len: In some respects, that's a major mental shift. And now, I think there's even more at stake, right? Because you're still not over the partner line yet. So, do you remember the job feeling different when you were in that phase? What do you remember about that?

Dèlcia: Yeah. The first thing I remember is that after being appointed as a senior associate, for the first time in my career, I did a business plan for myself. But not a business plan in the meaning that a company does a business plan. So, I did the business plan in terms of saying: "OK, these are my clients. These are the services that I'm rendering to them today. These are the potential clients. What can I offer to them? These are the conferences for the year. What conference should I attend? What kind of additional activities should I do?" So I did a plan. And I've never done a plan before.

So, I think that obviously, before becoming a senior, I was just concerned about doing things well on a day-to-day basis. And then you realize that since there is a potential expectation or there's an expectation for becoming a partner, you should start doing things much better.

And then I did this business plan for a year. And I was updating on a yearly basis, and I said: “OK, I’m an entrepreneur. I’m no longer an associate. I’m an entrepreneur.” So I’m the one taking charge of commercial activity, of helping the team on different matters and on developing the team. And also on assisting, you know, the key point, which is advising my clients. And I think that was the critical point and the moment that I realized, “OK, this is getting serious.”

Len: Let me jump in here. There’s an expression in the U.S. that’s sort of, “Dress for the job that you want, not the job that you have,” which is to say if you want people to perceive you as a partner, dress like a partner—suit, tie, whatever that means. But it also means like present like a partner.

Dèlcia: Exactly.

Len: Act like a partner.

Dèlcia: Exactly.

Len: Make yourself indispensable in the ways that firms view partners as critical to the firm’s success. And I’m really impressed that you did this as a mid-level associate, because I didn’t, and many lawyers don’t. Nobody knows you better than you do, right? Nobody knows your strengths, your weaknesses, what your concerns are, your fears, what you really like doing, better than you do.

So if you just make yourself sit down and say: “What’s going well? What’s not going well? What client relationships are particularly rewarding? Which ones aren’t? Why is that? Can I change that? Where is my name out there in conferences or on panels? Where isn’t it? Where do I want it to be? Do I have the right kind of marketing or brand behind the work I’m doing? Does it match what I want to be putting out into the world?” Those are awesome things to stop and take stock of, and I think for mid-level associates who are listening, I think it’s an amazing thing to do. Just by doing it, you’ll be ahead of many of your peers, because most people don’t do this.

Dèlcia: Exactly. I’m repeating this continuously to our associates. To become a partner, you should act as a partner before being appointed as a partner.

Len: In a reasonable way, right?

Dèlcia: Exactly. Exactly.

Len: That doesn’t mean you’re stepping in on a phone call and interrupting everybody out—whatever big, mean partners do.

Dèlcia: In a responsive way. I would say in a responsive way in terms of, how are you facing your day-to-day?

Len: So, then, one day it was sort of obvious, right? You made partner.

Dèlcia: And I was in New York, in fact, when I became partner.

Len: Oh, really? What do you remember about that? Were you, were you in the office or were you at a client meeting?

Dèlcia: No, I was not in the office, because the general partners meeting was taking place in Spain. And the time for the vote was 3:00 p.m. in Spain, 9:00 a.m. in New York. So, I perfectly remember waking up and turning on my cell phone, opening my inbox and OK. Then, I started getting the congratulation emails. So it was happy, but, at the same time, a sad day, because I was in New York, so I was not in Barcelona with my people, my team. But it was a good experience as well.

Len: There's a story here. A couple years before me, two associates made partner, and they couldn't take the phone call because they were both on the same client call together. So, somebody got an email or a message to them.

So, I mean, since you've become a partner, how have you felt like your experience has changed? I mean, some of the day-to-day work, I imagine, is the same, but in terms of developing and keeping client relationships there's differences and obviously supervising associates we talked about. Do you like it?

Dèlcia: Yeah. And I have to say that, in my case, it was not only becoming a partner, it was becoming a partner and becoming a partner in New York and not completely but changing my practice. Because before moving to New York, I was very focused on M&A, corporate, but on Spanish stuff, Spanish clients, some subsidiaries for multinational clients, but it was very corporate tax. When I moved to New York, I had to change the focus of my practice.

I would say that, today 80% of my work is focused on financial work for banks, insurance companies, private equity funds. So, even though the technicalities of the work are the same, the client, the player is completely different and the mindset is completely different.

And the way of doing things is completely different, because I work a lot with the U.S. So, everything changed a lot, and I had to change everything. So, it was not only becoming partner, it was becoming partner in a foreign jurisdiction practicing foreign law, because we only practice Spanish law in the U.S. It was very useful, the plan that I did when I was a senior associate in terms of the structure of the plan, but not in terms of the content, because it was completely updated when I got to New York. It was 2018.

Len: Yeah. I'm curious to hear about this decision to come to New York for a couple of years. I first met you in the middle of 2018 in Dublin, as I recall.

Dèlcia: Yeah.

Len: Because there was a conference there that we were attending. And I think it was right around then that you had moved to New York. As a firm and as an individual, what goes into a decision like that, to send, you know, an important resource, right, a partner to a different city to help staff the office there? What were you thinking?

Dèlcia: Well, in terms of the office, we opened up the office almost 25 years ago in New York. For us, being very close to the U.S. market is critical. It's critical in terms of being closer to the clients, but it's also critical in terms of being closer to the market trends and legal trends. So, I learned a lot from what is happening in terms of new regulation in the U.S., particularly in the tax field, and how this can impact the global scheme for Spanish companies, because they do businesses with the U.S., and also they have subsidiaries.

Len: Right.

Dèlcia: But it's very important for us to be very close to this market. I think this was the main reason for being there in New York as a law firm. And what we do in terms of teams, we normally rotate teams from Spain to New York. And they used to spend three to five years in New York. I had to stay five years, but COVID changed my plans, and I came back to Spain in 2020. But the main idea is to move professionals to this place that we're able to deal with players locally. So, we actually do work from our New York office. We do not only do business development. We do work in New York.

But in terms of personal experience, personal and professional experience, it completely changes the profile of the people that we normally move to New York. For instance, before me, there was another partner that was very focused on private and domestic, private client stuff, and now he's one of the practicing leaders of our international private client practice. So, I think it is a movement that helps us a lot in terms of our professional careers—to open our mind, and to get a better perspective, not only of the international taxation, you know, but about what is happening in terms of legal trends worldwide.

Len: It's interesting to hear all of this, because, as you know, Cravath has three offices—New York, London and Washington, D.C.—but we have tax lawyers only in New York. So, there's really no good way, or mechanic, to have a tax partner go sit in another city for an extended period of time and practice, but it's an interesting way to think about the practice.

I want to come back before we close to the point about teaching and the lecturing that you're doing at university. How's that going, and why did you decide to add that to your plate of chores and work tasks? How do you feel about that?

Dècia: Well, I have to say that I really love teaching at the university. It is quite challenging, because we are very used to talking between lawyers and to talk about complex stuff and taxable events. And particularly in the U.S., when you start talking about GILTI and FDI and this long list of acronyms. So, we are very used to this language. And when we go to the university, we have to completely change our mindset, and think that we are talking to our kids, and explaining taxes to our kids, because you have a student that has a good background in law, in other matters of law, but maybe has never faced a VAT return or never a personal income tax return. So, when you talk about taxable event, they say, "OK, what's a taxable event?" And this is the first thing that I like about teaching: that it's challenging, because you know many things, but you have to make these things very easy to make them understandable for them. And the second point is that it's always good, because they make a lot of smart questions.

Len: Observations that you really hadn't even considered anymore.

Dècia: Exactly.

Len: Because you've been thinking about it the same way.

Dècia: Exactly. And they connect their questions with the newspapers, from things that they know about. My last class was at the business school here in Barcelona for MBA students, and I taught them five hours of international taxation.

Len: Wow.

Dècia: But that was all. Five hours. I had to teach them in five hours: What's a permanent establishment? What's a tax treaty? So, it was very, very challenging. But they were not just students. They were CEOs from companies. They were engineers. So, they were very well prepared, and it was very surprising for me to see how they started making the connections between, "OK, let's talk about the case of a very famous singer that has a problem in connection with a tax residence." And all of them immediately paid attention and, "OK. What's the criteria? Tie-breaker rules."

Len: It's funny that you say, you know, "five hours." That's all. Five hours of international tax. I'm sure going into the class they were like, "Five hours? That's enough." You know? "I don't need to do any more than five hours."

Dècia, in the little bit of time we have left, I want to talk to you about, as we do with all our guests, about what you like to do in your spare time when you're not working or thinking about tax law. How do you like to spend your time? What hobbies do you have?

Dècia: Well, my common answer to this question used to be "traveling." Used to be traveling, because I'm spending so much time traveling these days that traveling is no longer a priority.

Len: Feels more like work, right?

Dècia: Exactly. It's no longer a priority in my life. I have to say that I am very simple in this field. So, I just love spending quality time with the family, with friends, reading a good book, watching a film. I would say that the simplest things are the ones that I enjoy the most these days.

Len: That's great. We've been joined by Dèlcia Capocasale. She is a tax partner at Cuatrecasas in Barcelona, and also occasionally in New York. Dèlcia, it's been great to have you on the podcast. Look forward to seeing you in New York sometime soon, I hope.

Dèlcia: Thank you, Len.

Len: That's all for this episode of On Tax—A Cravath Podcast. You can find us online at cravath.com/podcast, and don't forget to subscribe on Apple Podcasts, Google Podcasts or Spotify.

If you enjoy the show, please consider rating or reviewing us wherever you listen. We'd also love to hear from you directly. You can tell us what you'd like to hear on the show by emailing podcast@cravath.com.

I'm your host, Len Teti—thanks for listening.