

PRESS RELEASE

CLLS INVESTIGATE THE LIBERALISATION OF LEGAL SERVICES IN EUROPE

With the assistance of the City of London Law Society, Professor Robert Lee of Cardiff Law School has written a paper on the Liberalisation of Legal Services in Europe: Progress and Prospects. This paper was discussed by the CLLS with key contacts at the EU Commission in Brussels on the 14th and 15th December 2009.

The ambit of Professor Lee's paper is to improve the liberalisation of legal services in Europe through regulatory reform.

The paper begins by examining the historical development, the current state and future prospects for the liberalisation of legal services in Europe. These are successively the provision of legal services, mutual recognition and rights to establish law firms in host states. Professor Lee shows how far the liberalisation of legal services has come, extending multi-jurisdictional rights from a limited and distanced provision of legal services to the right to establish law firms in host states.

Whilst the paper commends the liberalisation of the EU legal services markets carried out to date, Professor Lee argues that the various European legal services markets' entry requirements still restrict international law firms from following corporate clients and providing cross border services.

The paper stresses that:

The need for regulation is generally a consequence of market failure: there is little evidence of market failure in the corporate legal sector.

Given the differences between legal services provided for corporate clients and those provided for private clients, it may be more effective and proportionate to adopt differentiated strategies of regulation.

Regulation of corporate firms should be "firm based" (i.e. focussed on law firms rather than individual practitioners).

Professor Lee concludes, "Economic growth in the Single Market has been enhanced by the ability of law firms to follow and support the global activities of their clients. Against this background, it is imperative to search for mechanisms that will allow ease of access throughout Europe for both consumers and providers of commercial legal services."

A copy of Professor Lee's paper can be downloaded on the "BRASS" (The ESRC Centre for Business Relationships, Accountability, Sustainability and Society) website at <http://www.brass.cf.ac.uk/uploads/Liberalisation.pdf> A further modified version of the paper has been published in Legal Studies magazine (Legal Studies, Vol. 30 No. 2, June 2010 pp. 186-207).

David McIntosh, Chairman of the City of London Law Society says:

The CLLS's commissioning of Professor Lee's paper was in response to the European Commission having invited us to make proposals in line with a declared intention to dispense with unnecessary and destructive cross-border regulations where it is in the interests of consumers to do so.

Professor Lee's carefully researched proposal fits these aims and should be given priority over unsustainable protectionism on the part of bar associations in some European countries who are reluctant to accept the improving influence of cross border competition from renowned international law firms.

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