

LONDON CALLING?

With M&A activity producing globalised commercial firms, does the City still hold the same appeal for high-flying Aussie lawyers?

● Story by Aleks Vickovich

Under the corridors of the commercial law firms rising high above London's 'square mile' – or the pubs situated at their feet – and you are bound to hear some Australian accents. While the top-tier British firms, those making up the so-called Magic Circle, have often come under fire for demonstrating a recruitment preference for Oxbridge-educated and uppercrust applicants, somehow antipodeans have been exempt from the alleged discrimination, with no shortage of 'colonials' employed in the offices of the major firms.

As the epicentre of English common law and Westminster democracy, the appeal of practising in London is self-evident for an ambitious Australian lawyer. For those that ply their trade advising the financial services sector, the City's reputation as a world-leading investment hub adds additional cachet and opportunity.

Walk west a few blocks and the majestic cobbled lanes of the Inns of Court have inspired many a budding Australian silk (and politician), causing generations of talented twentysomethings to trade in their thongs and board shorts for tailored tails.

However, in recent years there has been a flurry of merger and acquisition activity among the world's commercial firms, resulting in truly global identities emerging

out of the once fiercely disparate legal markets. In addition, many non-British jurisdictions have been slowly but surely developing their professions, with many former colonial outposts now legal market juggernauts in their own right, from the former Trucial States to the tiger economies of south-east Asia.

Has the emergence of a more globalised – and less Anglo-centric – commercial law firm landscape caused Old Blighty to lose some of its shine? If it has, what does that mean for the Australian legal profession?

The rise of the rest

Not too long ago, the prospect of an esteemed 'silver circle' London firm such as Herbert Smith – listed as the UK's "sixth most prestigious law firm" by ratings house Vault in 2012 – merging with an Australian firm (even one with the reputation of Freehills) would perhaps have been unthinkable. Equally, the thought that a truly global, US\$1 billion revenue firm like King & Wood Mallesons would be headquartered in Asia would probably have drawn smirks from Blackfriars to Broadway.

To say that the first decade of this century has been the 'age of M&A' would be an understatement. The legal industry has embraced globalisation like no other, with UK- and US-domiciled firms expanding

rapidly into the emerging economies of Asia, Africa and the Middle East, with merger or acquisition seemingly the favoured method. The trend is showing no sign of abating.

In the first quarter of 2015 alone, 29 US law firms announced mergers, according to legal consultancy Altman Weil.

Once a 'no-go zone' for international lawyers, China has developed its commercial firm market considerably in recent years, evidenced by the emergence of a 'Red Circle' collection of PRC-domiciled firms to rival London's 'magic' and 'silver' circles.

The Middle East, and the thriving commercial hubs of the United Arab Emirates and Saudi Arabia in particular, has also seen impressive growth as these jurisdictions have developed their own arbitration and disputes regimes, and incorporated more English common law-friendly nuances.

According to Clyde & Co senior business development executive Elizabeth Steel, Ashurst senior associate Mary Seely and James Drake QC of 7 King's Bench Walk Chambers – speaking to *Lawyers Weekly* in their role as representatives of the Anglo-Australasian Lawyers Society (AALS) – the Asian and Middle Eastern legal markets are attractive to young Australian and British lawyers because of the "expat lifestyle, and tax and salary reasons".

Australia has also seen its market significantly globalised. In addition to Herbert Smith's merger with Freehills, Pinsent Masons and Hogan Lovells recently opened their doors in Australia.

"The structural change in [Australia's] domestic private practice landscape shows no signs of slowing and the notion of UK and US firms setting up shop in Australia has long become the reality," says leading legal recruiter Taylor Root in a document prepared for *Lawyers Weekly*.

Therefore, while Asian jurisdictions may be increasingly appealing, Australian lawyers now have the opportunity to gain work experience with international firms – and the brand and CV benefits this can bring – without having to leave Australia.

Empire strikes back

Given the internationalisation of Australian firms and the rise of Asian and Middle Eastern commercial law markets, some have suggested that London is no longer the destination of choice for top Aussie legal grads. AALS points to "anecdotal evidence" that there has been a downturn in the number of Australian and New Zealand lawyers working and living in the UK.

Beyond the issue of immigrating lawyers, the British legal market has experienced some problems in recent years. According to analysis of the Law Society of England and Wales research, conducted by LexisNexis, in 2013 there was a drop in solicitor numbers as well as a significant reduction of training contracts (falling to the lowest levels since the late 1990s).

More broadly, commentators have suggested London's status as a world-leading financial centre is under threat from other European and some Asian cities, which would have a flow-on effect in terms of revenue for many of the top commercial firms. A spate of post-GFC and Libor crisis regulation in the UK may have also made the City less attractive for some of the firm's traditional clients, particularly those at the riskier end of the financial services spectrum.

"London's position as a financial centre is now threatened," hedge fund boss Robin Bowie declared to *The Economist* at the height of the financial crisis in 2009. Hong Kong and Singapore have long been nipping at the heels of London (and in some cases have surpassed it) in rankings of the world's financial hubs (although New York tends to still take out top spot).

However, according to Taylor Root, the UK legal industry is staging a comeback aided by more positive economic tailwinds.

"After five or six years of low or non-existent economic growth following the GFC, the UK economy and London in particular is buzzing again," the recruitment firm says.



A tale of two cities

Two recent law graduates from the Antipodes reflect on life in their chosen new homes

"I CHOSE Paris over London because of the opportunity to work in Paris in a specialist international arbitration team at one of the world's leading international law firms. There are not many opportunities for Australian graduates to gain experience specifically in international arbitration. Paris also appealed to me because it has an excellent reputation as an international arbitral seat. Further, I studied in Paris as part of my undergraduate degree and was eager to return. The possibility of returning to France would also mean that I would be able to develop further my French language skills. However, I think London remains the most popular destination for Australian graduates interested in working abroad."

● **Harrison Grace**
stagiaire [intern], Allen & Overy, Paris

"I MOVED to London as it was one of the two largest global financial centres. As a finance lawyer I knew that it would be a great place to get exposure to a quality and scope of deals that I just would not get back at home in New Zealand. The practicalities of securing a role in London were relatively straightforward, Taylor Root organised a number of video conferences for me and I ended up with a choice of roles after a couple of weeks. I have found the transition relatively easy. Most of the large firms offer assistance with relocating. There are lots of Australians and New Zealanders in the firm and there is a real sense of camaraderie between all of us and the UK lawyers. It's exciting living in such close proximity to Europe and London is a much cheaper city to live in than I was perhaps expecting."

● **Carl Hey**
associate, Herbert Smith Freehills, London

Cover story

“The City is busy, deals are being done, new construction projects are seemingly on every corner and the skyline is punctuated by new high rise office and hotel developments. Opportunities and career prospects for ambitious Australian lawyers are also on the rise.”

Despite the ‘rise of the rest’, Taylor Root believes London’s position as the world’s most attractive legal work destination (at least for Australians) remains unchallenged. Or, at least, it has retained its lofty perch.

“Over the past 12 months we have seen a wholesale shift in the UK legal recruitment market, with London leading the way with a huge increase in the number and variety of roles available for Australian lawyers,” the document says.

“Once again, many law firms in London are turning to Australia and New Zealand for talent ... London is once again the favourite overseas destination for our lawyers.”

It should also be noted that Taylor Root has offices in London, Dusseldorf, Munich, Dubai, Singapore, Hong Kong, Melbourne and Sydney, and is therefore objective on the matter.

Even though it says there has been a decline in the number of Australian lawyers in the UK, AALS agrees that London is unrivalled in the international work experience stakes, pointing to the “sheer volume and quality of work on offer”.

Speaking to *Lawyers Weekly*, Patrick Sherrington, Hogan Lovells’ regional managing partner for Asia and the Middle East, suggests English common law remains an important attraction in the world of international commerce.

“London and New York continue to be the world’s major commercial law hubs, not least because of the attraction of their legal systems when it comes to international legal transactions,” Mr Sherrington says.

“The choice of English law is attractive, too, because of the stellar reputation of the English courts and the high quality of the judiciary.”

Like Mark Twain’s notorious obituary, it would seem rumours of the death of London’s appeal for young lawyers may have been greatly exaggerated.

In the family

Taylor Root argues that the entry of the major UK firms into Australia has actually increased, not decreased, the thirst of and ability for Australian lawyers to make the move.

“These ‘new’ market entrants bring internal transfer and secondment opportunities for some who seek a London adventure,” the firm notes.

Hogan Lovells’ Mr Sherrington says the route to international work experience has been made easier now with the emergence of truly global firms.

“Secondment opportunities [mean] they can get the [overseas experience] as an integral part of their career development,” he says.



AALS says secondment is particularly attractive, for example, to lawyers who have practised for some time and would be hesitant to throw it all in and jump on a plane with a working holiday visa.

“The globalised firms are certainly offering greater cross-secondment opportunities for lawyers to move within organisations,” the society says.

“Particularly at senior level, where lawyers might be more reluctant to leave behind networks and relationships they have built, opportunity to move within the same firm provides the opportunity to develop these connections further.”

However, while secondment may be simplifying the process and opening up new opportunities, Taylor Root warns that sometimes this path can lead to a narrow focus that may limit a young lawyer’s options and career progression.

“In our experience, differences in firm culture and reputation can be significant from location to location,” it says. “The firm’s London office may bear little resemblance to the Australian ‘outpost’ and whilst an internal transfer may be the easier option, it

can actually be career limiting when London provides so much choice and variety of work and firm culture.”

Given the strong boutique market in the UK and buoyant demand in cities outside London, focusing narrowly on the major commercial firms would be unwise, the recruitment agency suggests.

“In comparison to our smaller legal services market, London caters to most tastes and Australian lawyers have enjoyed great success in a wide variety of firms of all shapes and sizes,” the document advises.

As well as moving within organisations, the benefit of London as opposed to other destinations is that there is an active community of Australian lawyers, says AALS, meaning there is a support network to help with adjusting to life in a new country, and perhaps some of the aforementioned work-cultural differences:

“AALS provides a great platform to network with senior members of the profession who are well established within the legal market in London, as well as young members who can provide advice on the best recruiters and opportunities and also

practical advice for working in the UK,” the trio of lawyers says.

“Currently the society is working on ways we can offer more to our members, including a mentoring program which we hope will assist new entrants to the UK legal scene with getting advice on making the most of their time in the UK.”

Lawyer logistics

Immigration is perennially contentious and while lawyers may be better placed to navigate the system than others, they are not exempt from the rules and regulations when looking to work abroad. AALS has detected a growing number of Australians who have experienced trouble securing work visas for Britain, but overwhelmingly the people canvassed for this article suggest the UK has a more favourable system than other countries.

While New York may provide similar work opportunities to London for an ambitious young lawyer, the availability of a visa under the Youth Mobility Scheme gives the UK a huge advantage in terms of attractiveness (and ability) to work there.

A reciprocal agreement, the scheme allows Australian citizens under the age of 30 to live and work in Britain for up to two years. In the United States, by contrast, there is no equivalent working holidaymaker framework available to Australians, meaning they will most likely have to be sponsored by a prospective employer.

In addition, AALS says that in most cases Australian-qualified lawyers will be able to practise in London without having to requalify, adding that this is especially true in the major commercial firms.

AALS says this is another tick for the UK in comparison to the US, where prospective lawyers will need to pass infamously difficult bar examinations in order to be admitted.

Secondment visas may be available to those transferring within organisations, but of course this is not specific to the UK.

According to Taylor Root, most major firms are happy to provide sponsorship but an EU passport or right to work in the UK (such as a Youth Mobility Scheme visa) will be advantageous to a lawyer’s job application.

“Despite recent adverse publicity surrounding the availability of visas for non-EU lawyers, the overwhelming majority of our clients foresee no issue with sponsored visa applications,” the document states.

The recruiter says demand is highest in London for lawyers specialising in the “UK ‘friendly’ practice areas of corporate,

banking, projects and construction, financial services and funds, technology and certain areas of litigation” with real estate, employment and environment law close behind.

When it comes to experience, the landscape is shifting, the recruitment firm suggests.

“Currently, the most fluid dynamic seems to be the downward movement of the minimum post-admission level of experience to enable a successful move,” the document explains.

“Eighteen months or so ago it was rare for any Australian lawyer with less than four years’ admission level of experience to even be considered for a role in London. We are now regularly securing interviews for lawyers with two years’ post-admission experience in the [aforementioned] practice areas.

“Generally speaking, London-based firms will consider Australian and New Zealand lawyers with two to eight years of relevant experience.”

Lawyer lifestyles

Beyond padding the curriculum vitae, London offers lawyers personal lifestyle benefits that many find appealing. While the city is not known for its fine weather and sunny disposition, the AALS representatives remind us that the close proximity to

southern Europe means warmer climes are not out of reach.

The city is serviced by four international airports and many airlines offer very cheap fares to destinations across the Continent, especially when compared with Australian prices.

Taylor Root points out that a now-growing British economy has resulted in a more competitive salary market and exchange rate environment, meaning that funding a lavish London lifestyle is achievable.

“Few places compare as favourably for that overseas work/life experience,” it says.

Putting the debate over respective cities to one side, it seems overseas experience in general is still sought-after by legal employers, despite the arrival of international firms in Australia.

“Diversity in all guises is an advantage and international experience is hugely helpful when dealing with the sort of major clients large law firms service, since they are invariably involved in international activities,” Mr Sherrington said.

“The quality of Australian lawyers is generally high, they travel well and so they have proved themselves remarkably adept in the international legal services market.”

So, for Australian lawyers thinking of going abroad – and having some fun in the process – it may be wise to remember you have a reputation to uphold. ○



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Patrick Sherrington
Hogan Lovells

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This is an excellent opportunity for a talented and ambitious individual to gain exposure to the highest-quality work, with a team that are the ‘go to’ practice in this field.

Lawyers in the team are encouraged to undertake a broad spectrum of projects work and so the successful candidate will be a minimum of two years’ experience in one of the following areas (and be interested in broadening out and applying their experience in an international projects arena): Mainstream Projects, Project Finance, Construction, General/Acquisition Finance.

Outstanding academics, strong relationship building skills and the ability to communicate effectively under pressure are further pre-requisites.

For further information about this role, or to apply, please contact David Buckley or Alyce Bennett at Taylor Root on +61 (0)2 9236 9000 or email davidbuckley@taylorroot.com.au or alycebennett@taylorroot.com.au

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