

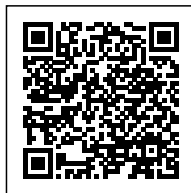
LAW FIRM SPECIALISATION BENEFITS CLIENTS

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Lawyers specialising in a particular field understand a client's business and therefore the advice

they provide is practical, rather than theoretical, says Citibank's Isabel Charraz

Some law firms may charge high legal fees but good quality legal advice is worth paying for, and in some instances, may, in the long run, actually work out as less expensive than other alternative options, believes Isabel Charraz, country legal counsel for Portugal at Citibank.

"Some law firms do have high rates but sometimes it is worth paying for high quality," she says. "Other firms may be less expensive in terms of rates but sometimes it takes them more time to provide an opinion as often the work is prepared by junior lawyers – the risk is that, in the end, you end up paying more because it takes more time as additional reviews by senior lawyers are required."

'Robust and assertive'

Charraz says she has preferred firms in Portugal – though she keeps their names confidential – and adds that her decision on which firm she uses depends on their particular area of expertise. She adds that specialisation is the key consideration when deciding which law firm to instruct. "Legal expertise in a specific area is the main criteria when selecting a law firm," Charraz says. "I have been at Citi for 12 years and have seen that the development of specialised areas within law firms has really benefitted clients." She adds that lawyers that specialise in a particular field are usually able to provide more business-oriented advice: "Specialisation gives lawyers the ability to understand the strengths of the clients as well as their business activities – it also allows them to provide more robust and assertive legal advice that is 'readable' for business people and non-lawyers to understand."

Avoid misunderstandings

In addition, Charraz says that specialisation has also enabled lawyers to focus on "advising clients on what action to take rather than providing theory or jurisprudence assessments". She continues: "This means analyses are therefore very focused on the key issues. Sometimes the answer is not straightforward and 'bright ideas' or an innovative way of analysing or assessing the issue is required. Consequently, we need our external legal advisers to use their 'visionary power' and experience." Charraz says it is vital that external legal advisers are clear about Citi's requirements from the outset. This ensures that there is no misunderstanding about what is expected and ensures that the matter at stake does not have to be revisited thereby avoiding unnecessary delays.

Alternative fee arrangements

The flexibility of being able to use different fee mechanisms allows Citi to use external advisers "tactically and economically" in accordance with the needs of the business, Charraz explains. She adds that Citi maintains a close relationship with its external lawyers and that she monitors and assesses the legal work on an on-going basis so that the adviser and the client are "aligned and on the same path". Ultimately, as Charraz is responsible for signing-off on any advice, she believes that synergy and collaboration between an in-house lawyer and external legal advisers is important and represents an added value to the business.

Such collaboration is especially critical given the global nature of Citi's business. It is vital that the organisation keeps up-to-date with extraterritorial legislation and regulation from jurisdictions such as the US or UK, where there is the Foreign Account Tax Compliance Act, Volcker Rule, and CASS Rules, for example.

Legislative 'thunderstorm'

"Banking and finance is one of the most heavily regulated industries and these past two years have seen a thunderstorm of new legislation and regulation that affects such industries," Charraz explains. "The legal implementation of such rules is a complex process, involving different support functions but regulatory compliance is crucial and a key priority for all organisations working in financial services."

Charraz expects that regulatory work will be one of her main focuses for the foreseeable future. "There are many rules that do, and will, affect the banking and finance industry, whether that is the FATCA, Volcker Rule, MIFID II, AML, data privacy or regulatory reporting" she adds. "Regulations will keep coming and that is where we can expect the legal resources to go."

Isabel Charraz is country legal counsel for Portugal at Citibank.