

WORKING IN HARMONY

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Tag: [cat-clientview](#)





In-house lawyers and external counsel can develop fruitful relationships based on trust, humility and commitment, says Citibank Europe's Isabel Charraz



The relationship between in-house lawyers and external counsel can sometimes be one fraught with tension. However, Isabel Charraz, senior vice president and country legal counsel for Portugal & Greece at Citibank Europe is keen to point out that, while some in-house lawyers do get frustrated with their external advisers, the relationship can also be highly rewarding from a professional perspective. Iberian Lawyer spoke to Charraz about the challenges in-house lawyers face, meeting the expectations of senior management, and how Citibank selects its external legal advisers.

How is your legal team structured?

The legal department is composed of two people, one exclusively dedicated to customer onboarding documentation, while the other, which is me, is the country counsel providing support to local business, control functions and any other businesses in the world that do transactions under Portuguese law. My reporting lines are based in France (division counsel for western Europe and Israel) and the UK (general counsel for EMEA and Africa). I also have a 'matrix line' to the local Citi Country Officer.

When did you join Citibank, how has your career developed during your time with the business?

In 2003, I joined the Citibank legal and compliance department as legal and compliance officer providing legal and compliance assistance to all business, and global functions to all local legal

vehicles. In December 2007, I was appointed consumer legal head launching the retail business and internet channel for credit cards acquisition in Portugal. In July 2009, I was appointed general counsel and compliance and control head and antimoney laundering compliance officer (AMLCO), a role I held until 2014. I have been the data privacy officer since 2009. I am also the company secretary of the local vehicle Sagres - Sociedade de Titularização de Créditos, and permanent member of the senior management steering committee. Last July, 2019, I was appointed country counsel for Greece.

Which areas of legal work do you do internally?

The principal function is to advise the Citigroup country officer and country management on legal, regulatory and franchise matters associated with Citi's business activities in the country. To perform this critical role, the country counsel is expected to ensure that it is appropriately addressing legal, regulatory and franchise risks in the country. The country counsel's role includes the following responsibilities: management, support and advice on all legal and regulatory matters including: civil law, banking and capital markets law, companies law, tax law, labour law, data protection law, consumer law; advice on governance and franchise-related matters and the regulatory relationships of all Citibank local legal vehicles; management of local employment matters; management of litigation and other contentious matters; and the implementation of data privacy policies.

Do you have a panel of law firms?

Yes. We do have a panel of approved law firms, although we can engage other law firms for specific transactions.

What do you look for when selecting external counsel?

The key considerations when selecting law firms are: legal expertise in a specific area; business knowledge, a pragmatic approach, ability to meet deadlines, and being innovative. We do sometimes require ideas and innovation on how a subject needs to be analysed and re-assessed and we need their [external lawyers'] 'visionary power' and experience. The time spent explaining the details of the business to lawyers gives them the ability to understand the strengths of the client and enables them to provide more robust legal advice.

How often do you review the performance of external counsel and how does this review work in practice?

Citi has maintained a close relationship with its external lawyers for many years and this fosters a close partnership and strong synergies, which creates tremendous added value to the business and cost savings.

What is the biggest challenge your legal department faces?

Being able to identify potential legal risks, and keeping abreast of legal and regulatory developments which impact upon the group's business with a view to ensuring that compliance policies and procedures are continually up-to-date. Regulatory changes are the external factor that have a potential impact on local business and this requires constant oversight of new requirements in order to ensure the business continues to get results. The financial industry is one of the most heavily regulated industries and, in recent years, we have seen a thunderstorm of new legislation and regulation that affects the industry. The legal implementation of such rules is a complex process, involving different support functions and businesses but regulatory compliance is crucial and a key priority for all organisations working in financial services and the legal department plays a key role.

Working as a partner is another constant challenge for the in-house team, as is engaging key stakeholders, focusing on understanding business needs and expectations, being pragmatic, and providing a clear and consistent line of sight to all team members regarding the most critical work

activities. The challenge is also to meet the high expectations of senior management by anticipating key legal and regulatory matters, and taking a proactive role as a key member of the country management team. This is a senior management role with multi-jurisdictional challenges, tight deadlines, and severe pressure to align regional expectations with local regulatory requirements.

What is your biggest frustration with external lawyers?

I have no frustrations with external lawyers at this point. I really think that a bridge of synergies between in house counsels and external counsels can be built in a very constructive way benefiting enormously the business when we find the right path. Over the last year I've read some articles and have participated in several discussions where the relationship between in-house counsels and external lawyers has not been expressed in the most positive way. So, it is time to turn the page and show how this bridge of synergies can be built with trust, expertise, a journey of mutual learning, humility, commitment and talent. And, in fact, I am honoured to work in Portugal, and Greece, with such talented lawyers who have contributed to my career development by helping to provide best in class legal services. We should be proud of the path we have taken over the years.

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