

No vote still leaves some uncertainty for lawyers to profit from

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By Caroline Binham, Legal Correspondent, FT.com

There was one professional constituency that was always going to do well whatever the outcome of the vote : lawyers.

While a Yes vote would have secured at least 10 lucrative years of advisory work on the creation of new regulations, institutions, treaties and any litigious fallout, a No vote still provides an opportunity for lawyers.

“It would have been an interesting theoretical legal exercise had there been a Yes vote – and we likely would have got more fees – but there’s still much to be done: two or three deals landed on my desk this morning,” said Rod Macleod, an Edinburgh-based banking lawyer at Tods Murray. Clients had put work on hold, he said.

Despite the Royal Bank of Scotland saying that it would not redomicile, he predicted that some parts of banks and other businesses in the longer term may still consider moving south. He cited Canada, where Montreal banks moved to headquarter themselves in Toronto even after a No result in a Quebec independence referendum of the mid-1990s.

Work begins from Friday on a draft of the new Scotland Bill, which will set out devolved powers, including taxation, but Scotland already has its own legal system, law officers and courts. The extent of devolution will not be finalised until after next year’s general election, meaning uncertainty remains for law firms’ clients.

“Lawyers often win out through uncertainty as they have to help guide their clients through it,” said Tony Williams, the founder of Jomati, a legal-market consultancy. “There is going to be advice on two levels: both to the government and also to corporates.”

While most large London-based law firms were loath to publicly state their hopes for the referendum, privately the vast majority followed their big-business clients in fearing the economic implications of a Yes vote.

UK law firms – the largest of which are £1bn businesses – were fairly unaffected by the vote: precious little contingency planning went on at even London-headquartered firms with the largest Scottish footprints.

“If Scotland votes yes, our offices north of the border will essentially be just like any other of our foreign offices; it doesn’t really affect how we do business,” one managing partner of a large Anglo-Scottish firm told the Financial Times last week.

Source: <http://www.ft.com/cms/s/0/2b639f54-3ff3-11e4-936b-00144feabdc0.html#axzz3TLJGGH5G>