Guidance Note Working as a Costs Lawyer outside England and Wales

May 2021 (version 4)

Costs Lawyer Standards Board





At the time this guidance was published, the UK government was pursuing the Professional Qualifications Bill 2021-22 to implement its policy on the recognition of professional qualifications following the UK's exit from the European Union. This guidance note is therefore subject to passage of that Bill and any changes in the government's policy approach. You can read the government's <u>policy statement</u> or <u>contact us</u> for the most recent information.

Can I practise as a Costs Lawyer outside of England and Wales?

- 1. A Costs Lawyer's right to carry out reserved legal activities in England and Wales is derived from the Legal Services Act 2007, and the CLSB regulates Costs Lawyers' activities in accordance with that Act. The Act does not give the CLSB authority to grant a Costs Lawyer any rights to provide legal services outside of England and Wales.
- 2. You therefore do not automatically have the right to practise outside of England and Wales based on your authorisation as a Costs Lawyer. If you wish to practise in a different jurisdiction, you will usually need to have your qualifications assessed and recognised by the local regulator in the jurisdiction where you want to work.
- 3. In some jurisdictions, the local regulator's rules will differ depending on whether you intend to advise clients only on the law of England and Wales or whether you also intend to advise on matters of local law. You will need to check with the local regulator in your jurisdiction of choice.
- 4. If a local regulator requires information about the scope of the CLSB's regulatory remit, or your authorised rights in England and Wales, the CLSB can provide that information directly to the local regulator on request. You can also apply for a Certificate of Good Standing using the <u>form on our website</u>.

Scotland

- 5. In September 2017, the Law Society of Scotland (LSS) determined that a Costs Lawyer authorised and regulated by the CLSB qualifies to be registered as a Registered Foreign Lawyer ("RFL") in Scotland.
- 6. Where a Costs Lawyer is a manager in a multi-national practice which has a presence in Scotland, they will need to obtain the status of a RFL whether or not the Costs Lawyer intends to carry out activities in Scotland. The status of an RFL does not give the Costs Lawyer the right to any carry out any reserved legal activities in Scotland; it is simply necessary to comply with Scottish legislation with regard to business structure. Rules and application forms can be found on the <u>LSS website under Rule D7</u>.
- 7. The profession "Costs Lawyer" does not exist in Scotland. However, should a Costs Lawyer wish to carry out non-reserved activities, they may approach the LSS Registrar at <u>registrar@lawscot.org.uk</u>. Should a Costs Lawyer wish to carry out reserved legal activities, and they are also a qualified solicitor, they may apply to take the intra-UK test.

The EU

- 8. Previously, a Costs Lawyer could seek to establish themselves in an EU country to provide costs services on either a permanent basis or a temporary/occasional basis. Following the UK's exit from the European Union, this mutual recognition regime ended when the transition period closed on 31 December 2020. A temporary recognition regime has been put in place in the UK.
- 9. We recommend that you seek advice from the local regulator in the jurisdiction where you wish to practise about their specific requirements. You can also seek guidance from the <u>national assistance centre for professional qualifications</u> in the country where you would like to work.

10. If you are a foreign qualified lawyer and would like to apply for recognition as a Costs Lawyer in England and Wales, you can find information and application forms on the CLSB's webpage for foreign qualified Costs Lawyers.

Can I be regulated in two jurisdictions?

- 11. There is nothing in the CLSB's rules to prevent a Costs Lawyer being regulated by both the CLSB and a local regulator in a foreign jurisdiction. You should check with the relevant local regulator as to whether this is also permissible under their rules.
- 12. If you are regulated by both the CLSB and a local regulator in a foreign jurisdiction, you should keep the following in mind:
 - You must comply with the regulatory rules of both regulators. If there is a conflict between the requirements of the Costs Lawyer Code of Conduct (or any other CLSB rules or guidance) and the requirements imposed by the local regulator, please <u>contact us</u> for advice.
 - You must have adequate professional indemnity insurance in place to cover potential liabilities to your clients. This might mean you need to purchase insurance in both jurisdictions or purchase a policy with international coverage.
 - You should ensure that clients are informed of your regulatory status and understand the protections and redress available to them in the relevant jurisdiction.
 - In accordance with the <u>Practising Rules</u>, you should tell us straight away if you are the subject of disciplinary proceedings by any other regulatory or professional body, in any jurisdiction.

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