

## European legal market update -

### In this issue:

- » **European overview**
- » **Brexit review**
- » **French market update**
- » **Belgian market update**
- » **German market update**
- » **Luxembourg market update**
- » **Italian market update**

# EUROPEAN LEGAL MARKET UPDATE

FRANCE | BELGIUM | GERMANY | LUXEMBOURG | ITALY

February 2021



### European overview

The European legal market launched its 2021 with a huge wave of positivity. Most of the European jurisdictions appear to have weathered the pandemic well and have been able to maintain a good level of business continuity. We have still seen firms grow and open in new locations over recent months and although a shift has been seen as to which practice areas are bringing in the revenue, the value of the market overall has grown and firms continue to have a healthy bottom line with increased profitability.

Lawyers overall have enjoyed the flexibility brought by working from home. There are always the firms that prefer to see lawyers in the office, but the embracing of technology means most can accommodate mixed working practices and quickly move to complete remote working when required. Ultimately, firms have all learnt to become a lot more agile. There have of course been some casualties, and where there were pay cuts and bonus freezes some firms have lost talent, but this loss is another firm's great gain. Overall firms have realised that they can trust their staff to work seriously at home and understand the importance of motivating their teams in order to keep them happy and ultimately at the top of their game. Firms want to keep their talent and they realise that by caring about their wellbeing they are more likely to be able to do this.

## Brexit review

Before the pandemic hit, Brexit was the one big topic that everyone was waiting for. The world, particularly those on the continent, were waiting patiently to see what kind of deal would be done and how this would impact the legal market and its services both in Europe and the UK. Cross-border transactions are the bread and butter for so many of the leading firms and Brexit has made these even more complicated, not to mention the impact of the end of free movement of people. We have seen firms holding off on hiring UK qualified lawyers in the hope that the new path would become clear. While the long-term impact remains to be seen, we can only hope that the legal profession is so highly-regarded that it remains possible for law firms across Europe to hire UK qualified lawyers. However, UK qualified lawyers will be subject to the rules of each of the 27 European jurisdictions when it comes to whether they will need to requalify to practice in any one location. It is likely to get more difficult and arguably firms may avoid looking at UK lawyers because it becomes more complicated than hiring on the ground. We already know that in France lawyers will have to register as foreign qualified and take an exam in order to be admitted to the French bar.



## The French market

The French M&A market has been one of the big winners of recent times. According to law firm, White & Case, the M&A real estate market is believed to be worth EU1.58billion. Various changes in legislation, including the reduction of the “squeeze out” percentage from 95% to 90%, have made buy outs easier and helped buoy the market in 2020. Generally, across the legal sector, if the deal was there to be done, technology could make it happen. This is very different to the crisis in 2008 where work just suddenly dried up.

It's not just M&A that is busy, but finance, advisory areas such as employment and antitrust, and, quite unsurprisingly, the life-sciences and pharmaceutical sector are all currently hugely profitable for firms.

So many firms grew their headcount despite the pandemic, including:

- » Winston & Straw who acquired four partners from K&L Gates
- » Quinn Emanuel hired a tax team from Weil Gotshal
- » BCLP strengthened their tax, real estate, finance and renewable energy teams with 21 new lawyers as well as launching a new antitrust and competition group
- » Latham & Watkins and Paul Hastings both grew their restructuring teams
- » Addleshaw Goddard; following their launch in Paris

Paris also saw the launch of Medici Law, an all women dispute boutique made up of four women from some of the very best arbitration practices around the world.

### Partner opportunities

- » Litigation Partner/team: US law firm
- » Arbitration Partner: US law firm
- » Restructuring Partner: US & UK international law firms
- » Leveraged Finance Partner: US law firm
- » Corporate – Counsel level (10 PQE): French law firm

### Associate opportunities

- » Corporate/PE (3–6 PQE): French & US law firms
- » Investment funds, paralegal/professional support lawyer: US law firm
- » Arbitration (4–6 PQE): boutique law firm
- » Corporate Counsel (10 PQE): French law firm
- » Employment (2-6 PQE): international law firm
- » FS reg/litigation: French law firm

## The Belgian market

The last year saw two big launches in Brussels and some heavy hitting moves within the data protection field. Reed Smith and King & Spalding launched and Alston & Bird hired Wim Nauwearlarts for their DP team. Cooley also welcomed an entire DP team.

As the heart of the European Union, it is no surprise that competition law has always been a busy market in the city and with the Brexit deal now done, this is expected to continue for the foreseeable future.

As a result of its smaller population, Belgium was one of the countries that was hit the hardest in the first wave of the COVID-19 pandemic. However, unlike other places across Europe there were very minimal pay freezes within the Belgian legal market.

## Partner opportunities

- » Antitrust Partner: US & international law firms
- » Antitrust team: international law firm

## Associate opportunities

- » Competition (1-2 PQE): US law firm
- » Competition (3 PQE): US law firm (German qualified)
- » Competition (2-4 PQE): US law firm (native English speakers)
- » Life sciences (1-6 PQE): US & international law firms





## The German market

Of all the European jurisdictions, Germany arguably is the most positive – both when the pandemic first hit and now as we start to see the way out. Germany seems to have taken the events of the last year in its stride, with less panic than was seen in other corners of Europe.

For some time now the German legal market has been in growth mode. Firms continue to be hungry to grow and hire. Movement around the market has been fairly fluid and candidate driven. Associates can easily move around and step up to the Counsel or Senior Counsel level if they have experience in the relevant practice area. There are plenty of opportunities at these levels. Even with the lockdowns in place, processes have not been noticeably slowed down as in many cases face to face interviews could still take place. There hasn't been the delay from candidates tentative to accept an offer for a firm where they haven't met anyone.

Over the last year the market has remained strong for lateral partner moves, and team moves were a big part of the 2020 story. M&A, private equity and finance were all busy; Shearman & Sterling bolstered their private equity offering with a team hire and Gibson Dunn and Noerr hired an M&A and antitrust team respectively.

### Partner opportunities

- » Regulatory Partner/financial services: US law firm, Frankfurt
- » Corporate Partner/team: US law firm
- » Finance Partner: US law firm

### Associate opportunities

- » Corporate/PE associates: range of US law firms in Frankfurt & Munich, magic circle and international law firms
- » Real estate: leading international law firm
- » Finance associates (1–6 PQE): range of US firms in Frankfurt & Munich, magic circle and international law firms





## The Luxembourg market

The Luxembourg legal market continued to be busy throughout 2020 and remains so now. As a result of the fiercely international nature of the market the state was much more protected from any slow down as a result of the CV-19 crisis compared to the UK, for example. The regulator is sympathetic to business and its favourable tax laws are no secret.

The market thrives primarily on investment funds, M&A and fund finance work. The funds work has now only been enhanced as a result of Brexit and the loss of passporting rights for the UK. And indeed as a result, many law firms have seen an increase in work advising businesses on the impact of Brexit. There is growing competition from the domestic firms and as a result, international firms have found that they increasingly need to be on the ground in Luxembourg; Debevoise launched with an investment team and KPMG Legal also opened in 2020. The market is less busy than it was a year ago, but this is more the nature of the market than as a result of the virus crisis. Luxembourg is a small market and activity can fluctuate.

### Partner opportunities

- » Funds Partner: US law firm
- » Funds Counsel: US & international law firms

### Associate opportunities

- » Funds (1–6 PQE): US, Benelux & international law firms
- » Senior finance associates: international law firms



## The Italian market

There are plenty of reasons to be positive about the growing strength of the Italian legal market. Even when taking the most conservative of approaches and by being highly objective, the market has weathered the Covid-19 crisis fairly successfully so far. Arguably firms took a particularly stringent approach in the early days and this is why they have been able to bounce back more quickly; essentially being more cautious than was perhaps necessary in hindsight.

Undoubtably there are practice areas that are busier than others and firms which have come out stronger than others. But, what can be said, is that, on the whole, firms are now in a stronger position than they were in March because the systems are now in place for everyone to work effectively remotely and where they can, safely, in the office. This, so called “smart working” is not a new concept in Italy, being first introduced in 2017. However, it was generally only large multinational businesses who had adopted this before 2020. As “smart working” has taken hold and firms have their systems working efficiently we have seen business bounce back. We have seen a return to a busier banking and finance market and corporate is much better than it was earlier in 2020. One of the bigger casualties has been the tax market and highly regulated areas such as TMT and antitrust. Litigation is also struggling. When the courts completely shut down in the spring, everything existing was pushed backwards and even now with tribunals not running at normal capacity, any new litigation is very slow.

In 2020 we saw finance specialist RCCD acquire the corporate team of Roberto Cappelli previously Gianni Origoni Grippo & Partners and several boutiques join forces e.i Gatti Pavesi Bianchi and Ludovici & Partners.

While the full impact of Brexit remains to be seen across Europe, what is already noticeable is an influx of Italian lawyers looking to make a move back home. Many lawyers feel that the UK is now not right for them in the longer term.

## Associate opportunities

- » NQ - 2 PQE restructuring and distressed M&A (2 roles): international & domestic law firms
- » NQ - 4 PQE structured finance: international & domestic law firms
- » NQ - 4 PQE M&A: international & domestic law firms
- » NQ - 2 PQE banking: international & domestic law firms
- » NQ UK corporate: international & domestic law firms



# CONTACT US

For more information on your local market, if you are looking to grow your team or you would like to consider your own move, please contact a member of our team:

## **Kay Khan**

**International legal search**

+44 (0)207 029 3605

kay.khan@mraresearch.co.uk

## **ALICE HOWARD**

**German market**

+44 (0)207 618 3057

alice.howard@mraresearch.co.uk



## **ANGELA PRIOLO**

**Italian market**

+44 (0)207 029 3692

angela.priolo@mraresearch.co.uk



## **DEBORAH FRANCHINI**

**Italian market**

+44 (0)20 7029 3600

deborah.franchini@mraresearch.co.uk



## **London**

1-3 College Hill  
London EC4R 2RA  
England  
t: +44 (0)20 7618 9080

## **Hong Kong**

17th Floor, Somptueux Central  
52 Wellington Street  
Central, Hong Kong  
t: +852 2861 0002