



GATELEY FLOAT MAKES HISTORY AS RIVAL FIRMS WAIT IN WINGS

By Paul Rogerson » Commercial outfit Gateley will make legal business history today when it becomes the first UK law firm to float on the London Stock Exchange.

Sector analysts expect competitors to follow its fortunes closely as they review growth strategies and consider whether to follow suit. It has even been suggested that the Anglo-Scottish firm could be the subject of a 'reverse takeover' within five years by a bigger firm that wants to 'join the party'.

In a stock exchange filing last week, Gateley disclosed that seven partners are set to split £20m of shares when the national commercial firm's initial public offering comes to the Alternative Investment Market this morning.

Gateley is admitting 105.2 million ordinary shares of 10 pence each at 95p. The IPO represents a 30% stake in the firm.

Institutional investors Schroder Investment Management and Miton Asset Management are subscribing for 8% and 5.6% stakes respectively.

Legal market guru Alan Hodgart, of

Hodgart Associates, predicted that up to half a dozen top-200 law firms outside the top 25 could follow Gateley's lead in the next two years. 'Flotation could appeal to firms who do not want to borrow too much or put in too much capital, but still want to expand by acquiring new firms,' he said.

The very biggest firms are unlikely to see the appeal of new capital, he suggested. 'Another key issue that partners worry about is "what happens to my profit share if we sell, say 49% of the firm?"'

Peter Noyce, head of professional services at Menzies LLP, expects Gateley's rivals to 'look at the earnings multiple and start bashing calculators to work out their own firms' valuation - and of course their potential windfall'.

He added: 'Will a successful Gateley IPO create a stampede? Definitely not. But there will be a few interested parties. My guess would be for Gateley to be the subject of a "reverse takeover" within five years, when and if a large law firm is satisfied it works and decides to join Gateley's party.'



BLM's Lucy Tolond: 'The claims experience firms get from insurers is a big differentiator. It's not just price they're choosing on' **Roundtable p12**

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The UK would be 'mad' to leave the European Union, say Europe's bar leaders at the latest CCBE plenary



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Beverly Sunderland on how a scientific background can reap dividends in the law

Rolls Building considers specialist financial list

By Monidipa Fouzdeer » The Rolls Building in London will host a new specialist list dealing with complex financial markets cases if a proposal put out for consultation by the chancellor of the High Court is adopted.

The 'financial list' would provide a specialist dispute resolution forum

in competition with centres such as Dubai and Singapore.

A consultation document also proposes a new 'test-case procedure' to settle areas in which 'relevant authoritative English law guidance is needed'. The procedure will enable issues to be brought for resolution by interested parties even though an actual dispute

is not before the court.

Eligible cases would include claims for more than £50m relating to derivatives and complex financial products, private equity deals, hedge fund disputes and sovereign debt.

Cases would be allocated to a 'docketed' judge - selected from a pool of 'financial list' judges who would

preside over case management decisions from the commencement of proceedings to the final trial, through to enforcement if necessary.

It says the Rolls Building, which houses the Chancery Division, Commercial Court and Technology and Construction Court, 'has worked well,

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Power in a Union?

Europe's bar leaders believe the UK would be 'mad' to leave the EU. **Jonathan Rayner** reports from the latest CCBE plenary session in Gdansk

It would be a 'disaster' if the UK deserted the EU, Jędrzej Klatka, the head of Poland's delegation to the Council of Bars and Law Societies of Europe (CCBE) tells the *Gazette*. A member of Ireland's delegation is more outspoken. Even contemplating Britain's possible exit (Brexit) from the EU is 'sheer madness', he says, while France's head of delegation describes Brexit as 'something I can neither imagine nor believe'.

Meanwhile, Lech Walesa, founder of the Solidarity trade union and one of the architects of the collapse of Soviet communism, tells delegates to the CCBE's plenary session in Gdansk, Poland, that it is their duty as lawyers to 'help strengthen the existing structures of the EU, not dismantle them'.

The *Gazette* lists the usual Eurosceptic reasons for advocating withdrawal from the EU. Among others, these are: increased control over our national borders (including regulation of immigration from within the EU); the restoration of the supremacy of the British legal system over the rulings of 'unelected judges' in Brussels, Strasbourg, Luxembourg and elsewhere in Europe; the freedom to agree trading deals with other nations independent of EU policies; and full control over UK government spending irrespective of budgetary decisions made in Brussels. And still the *Gazette* finds nobody at this conference of more than 200 lawyers from across Europe who has anything to say in favour of Brexit.

James MacGuill, a member of Ireland's delegation, describes Brexit as 'sheer madness'. He blames 'certain very well-known politicians', as well as elements of the media, for misleading the British public about the benefits of EU membership. 'The people of the UK have been badly misinformed,'

he says. 'It's impossible to imagine comparable support in Ireland for leaving the EU. We recognise that the EU is our biggest trading partner and we don't want to endanger that relationship. We also know that the EU offers great career opportunities for young people. I can't believe that Britain, with so many young and educated citizens, is seriously thinking in terms of Brexit at all.'

MacGuill adds: 'It is doubtful that the devolved parts of the UK will support Brexit.' He explains that EU regional funding benefits Scotland, Wales and Northern Ireland more than it does England. Wales and Northern Ireland are net recipients from the EU budget and, in particular, Northern Ireland stands to lose significant sums if the UK withdraws from the EU.

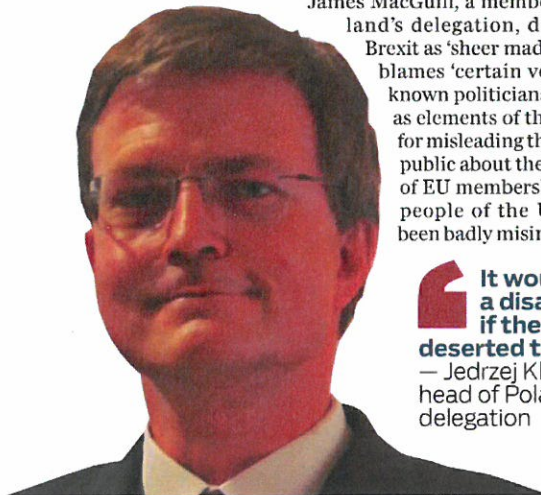
Scottish, Welsh and Northern Ireland assemblies, moreover, all say they are opposed to leaving the EU, with Holyrood stating that EU reform can be achieved without major treaty change.

Brexit would add the additional complication of creating an external EU border running through the island of Ireland, says MacGuill. Would visa requirements and customs duties be imposed between the Republic and Northern Ireland? Would the 1998 Good Friday agreement between the UK and the Republic, which speaks of 'close co-operation between (the) countries as friendly neighbours and as partners in the EU', be void? And would the European Arrest Warrant, frequently invoked by the UK to extradite criminals from the Republic of Ireland, be scrapped?

'Ireland would need to reinstate its extradition laws with the UK,' says MacGuill. 'And the UK, in turn, would urgently have to reshape around 130 pieces of legislation to reflect its new non-EU status and in order to continue meeting its international obligations.'

MacGuill goes on to consider the implications of Brexit for free movement within Europe. 'Will we need visas to go to France? Will we be told we can't travel to the Champions League [football] final without a visa?' He ends: 'Supporters of Europe are not going to be interested in a less European Europe just to keep UK Eurosceptics happy. They'll say the British can have their pale ale and Wensleydale cheese, but that's as far as they want to go.'

Walesa, who was imprisoned by the Soviet regime in his native Poland for fomenting unrest through political activism, is a surprise visitor to the plenary session. Now 71, he tells delegates that the BHP Hall in which the conference is taking place is the same room that he and his shipyard colleagues spent two



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weeks locked in negotiations with Soviet officials in 1980. The outcome of those negotiations was the creation of Solidarity, communist Poland's first independent trade union.

European lawyers should show a similar solidarity, he says, uniting 'to help strengthen the existing structures of the EU, not dismantle them'.

Walesa says: 'The way we attained victory all those years ago provides a lesson for today's Europe. Remember there were 200,000 Soviet troops occupying Poland and more than a million spread over eastern Europe. They had nuclear weapons in silos, and tanks and aeroplanes. And then there was us, unarmed and told by everyone that only thermo-nuclear war could bring down the iron curtain. Everyone was wrong.

'Today we are similarly being told that building and sustaining European unity is impossible - it is too complex a task, every state has different philosophies and priorities, and so on. We have been told this so many times that many of us believe it. But I say this: nobody believed that Soviet communism would end in our lifetime, but it did. We stopped being afraid of them and said that communists are like prawns - red on the outside, white on the inside.

'Thirty of my friends died in a single protest, shot down by the Soviets, but we persevered. Building European unity is the same. We are going to fail many times, but with each failure we will be closer to agreeing the core secular solutions that will unite Europe and then the world.'

Walesa suggests that 'lawyers should be at the forefront of talking to protesters, too, because politicians fail to keep their promises'. He proposes a



Lech Walesa was a surprise visitor to the plenary session

novel solution to the unreliability of the political class: 'Let's implant a computer chip into all politicians. If you want to be a politician, we'll tell them, then we need to know everything about you, including who you are sleeping with. Go wrong and you and your family will be banned from politics for

50 years. That should sort the problem.'

Walesa goes on to compare his fortunes with those of Mikhail Gorbachev, the final president of the Soviet Union prior to its dissolution in 1991. Walesa won the Nobel peace prize in 1983 for 'vic-

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tory' over Soviet communism, he says, whereas Gorbachev won his in 1990 for 'failure'. The latter's policies of glasnost ('openness') and perestroika ('restructuring') and his reorientation of Soviet strategic aims not only contributed to the end of the cold war, says Walesa, they also inadvertently led to the dissolution of the Soviet Union - which his reforms were meant, but failed, to protect.

Walesa invites contributions from the floor. The president of the Polish bar, a native of Gdansk, says: 'In August 1980, when I was 17 years old, and for a few years afterwards when I was a student, we used to protest by the shipyard gates. A person in a bowler hat - I never discovered his identity - shouted "100 years for Lech Walesa!" You are already almost three-quarters there. I hope you make it all the way.'

He adds that Walesa's triumphs happened in the Kashubia region of Poland, of which Gdansk is the capital. 'Kashubians

are tough,' he says. 'I'm glad you found Kashubians to help you.'

Thierry Wickers, the head of France's delegation, describes himself as a 'simple lawyer working in a mid-sized city [Bordeaux]'. Despite globalisation, he says, 'localisation' matters for him as he has few opportunities to work with lawyers from overseas. 'Nonetheless,' Wickers tells the *Gazette*, 'I believe that not having the UK in the EU would cause huge damage to us all. Your country played a very important part in establishing the rule of law and also created many of the elements of our democratic systems of government. And as we try to attract new states to join

in a unified Europe, they will think it very strange that the country that exemplifies democracy, freedom and civil liberties has withdrawn from the union. Brexit is something I can neither imagine nor believe.'

Wickers gives an example of what British lawyers will lose in the event of Brexit. 'When your Legal Services Act was being mooted to liberalise and regulate the legal services market, the CCBE spent a long time debating it and considering the effect it would have upon British lawyers,' he says. 'But once you are no longer in the EU, you are on your own. New rules will go undiscussed and British lawyers will stop having the protection of pan-European regulations.'

The final word on Brexit is left to a delegate from a major European economy, who asks not to be named. He accuses elements of the British media of 'misrepresenting' European issues by 'wilfully conflating the European Convention on Human Rights (ECHR) with the EU' and in the process turning public opinion against continued EU membership. The EU, he reminds us, is essentially a trading body governed by treaty and not the source of controversial human rights rulings. He goes on to say that if the manufactured unpopularity of the Human Rights Act - which embeds the ECHR in British law - leads to it being scrapped in favour of a British Bill of Rights, then the UK would find itself left out in the cold with Belarus, the last Stalinist dictatorship in Europe and the only European state that is presently not a signatory to the convention. 'Such alienation from the democracies of Europe is inconceivable,' he says.

Warming to his theme, he adds: 'UK

law is moving towards [president of Russia] Vladimir Putin, not the other way around. We are witnessing the insidious creep of secret trials and mass surveillance. We are even mimicking the St Petersburg legal forum, which since 2011 has trumpeted the excellence of Russia's justice system in the face of overwhelming evidence to the contrary - the assassination of journalists, whistleblowers, oligarchs and former spies, for example, not to mention arbitrary detention.

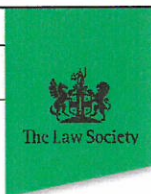
'This year, the UK is celebrating your country's commitment to the rule of law, after [former justice secretary] Chris Grayling has been busily demolishing it with court charges and by scrapping legal aid.'

He concludes: 'The UK, in common with other European states, needs the controlling hand of EU membership. Being one of 28 states that have agreed by treaty to observe certain core values, you will be unable to run roughshod over precious freedoms won over centuries. The EU is a power for good in many ways. And anyway, UK lawyers have a duty to their fellow Europeans to be an exemplar of best democratic practice.'

● Now that a referendum on Europe is firmly on the government's agenda, the profession needs to consider the implications for the legal sector of any decision by the UK to remain in or withdraw from the EU. This summer the Law Society will be publishing a report on the implications for the legal sector as an initial contribution to the national debate. The Society will be seeking the views of members about the implications for them and their clients as that debate develops



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Council Membership Committee

Vacancies for members from the City of London, City of Westminster and Holborn, and the South

Applications are invited from solicitors to fill vacancies on the Council Membership Committee, which advises the Council on the designation of Council seats, constituency boundaries and the size and representative nature of the Council.

Any member of the Law Society based or practising in the relevant area, is eligible to apply. The phrase 'relevant area' means the relevant constituency for Council election (for the City of London and the City of Westminster and Holborn) and for the area designated as the South means Berkshire, Buckinghamshire, Dorset, Hampshire, Oxfordshire and Surrey.

The term of appointment is three years, which may be renewed. The time commitment is of the order of two or three half-day meetings a year in London. Travel expenses are paid.

The Society wishes to encourage applications from all eligible solicitors irrespective of gender, race, colour, age, sexual orientation or disability and appointments will be based on merit, following an open and clear selection process.

To find out more about the Committee's work go to www.lawsociety.org.uk and click on 'About us/Our Constitution and Law Society Governance'; and to apply click on 'About us/Our Constitution/Law Society Governance/Council, board and committee vacancies'.

The closing date for completed applications is Friday 10 July 2015. Interviews will be held in late July or August at the Law Society, 113 Chancery Lane, London.

www.lawsociety.org.uk

NEW SECRETARY-GENERAL

Belgian lawyer Philip Buisseret (pictured) is the new secretary-general of the CCBE, having taken up the role on 2 March. He replaces British lawyer and *Gazette* columnist Jonathan Goldsmith, who held the post for 13 years.

Buisseret describes his duties as 'stimulating and challenging'. He has pledged to make transparency a priority so that each of the one million lawyers that the CCBE represents

across Europe knows exactly what its representative body is doing for them.

His day-to-day tasks at CCBE headquarters in Brussels include financial management and communications with members and the community at large.

He assists with the management of the CCBE's 20 committees and other working groups, and also helps the sec-



retariat prepare position papers and carry out other administrative work.

Buisseret has a 20-year track record of working as the secretary-general of a number of associations, including bodies dealing with the timber industry, and with steel for packaging. One previous job left him with 'an abiding passion', he confides. He used to work for Belgian brewers and has sustained an enthusiastic interest in the consumption - if not the production - of Belgian beer.