

# Life to Get Harder for Expat Lawyers

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Rules for foreign lawyers working in Russia are about to change — but only as a byproduct of a sweeping reform of the country's underregulated legal service market that the government has in the works.

The main target of the reform is to get rid of subpar lawyers whom Russian colleges are cranking out by the thousands, the Justice Ministry said.

This will result in clearer regulations for all legal specialists, including foreigners, but will likely make their lives harder, not easier, because the planned change will be "protectionist," said Deputy Justice Minister Viktor Yevtyukhov, who is overseeing the reform.

Last week, the reform caught the attention of foreign lawyers when the Federal Chamber of Lawyers abolished a 2004 rule that only allowed foreign lawyers to act as legal advisers on foreign law in Russian courts.

Many saw the rule as a boon for expensive foreign attorneys, allowing them to flood the Russian market, driving legal service prices sky-high.

But the chamber said nothing has changed — yet.

Previously, a foreign attorney looking to represent a client in a Russian court had to obtain the status of a Russian lawyer, passing cumbersome tests to confirm his or her qualification. The rule, however, only applied to criminal cases and Constitutional Court hearings, while in civil law cases anyone, regardless of nationality or status, could represent a client, said Alexei Panich, a partner with the Salans international law firm.

But now Russia will have to introduce new procedures for certifying foreign lawyers based on WTO rules, the head of the Federal Chamber of Lawyers, Yevgeny Semenyako, said in e-mailed comments Wednesday.

The World Trade Organization, which Russia hopes to enter this year, has certain guidelines for certifying foreign lawyers that all member states have to follow.

But the guidelines are not overly detailed, allowing individual countries to tweak their legislation to a considerable extent. How exactly Russia's new procedures will look remains unclear because the Justice Ministry is still working on them.

Spokespeople for all three ministry departments working on the draft refused to comment to The Moscow Times on Wednesday, saying they were not authorized to speak on the matter.

But Panich said the new measures would not have any "significant effect" on the market for legal services.

As of now, "the market is much less regulated in Russia than abroad, for example, in England," Panich said by telephone.

## **'PSEUDO-LAWYERS'**

The people the government has in mind are not foreigners but homegrown specialists with a legal degree but precious few professional skills.

Most Russian higher education establishments offer judicial courses, with graduates proceeding to become independent specialists who do little credit to their profession, Deputy Justice Minister Yevtyukhov said.

"Many citizens now use the services of pseudo-lawyers who graduated from technical colleges and decided to engage in legal advising," Yevtyukhov [told](#) journalists last week, adding that this discredits the legal profession in the eyes of the population.

Yevtyukhov, formerly a senator, was appointed to his current job in February by President Dmitry Medvedev — himself a lawyer — to oversee the reform and restore respect for attorneys.

Yevtyukhov said the ministry plans to introduce regulations restricting legal services

to "qualified specialists" who fit certain criteria.

He did not elaborate but said the reform was likely to have a "protectionist character," favoring Russian specialists. He also did not say how this would resonate with the WTO guidelines for foreign lawyers that will form part of the reform.

## WHERE THE MONEY IS

The legal service market is, indeed, considerable, despite widespread public distrust in the judicial system. The State Statistics Service put its value at 87 billion rubles (\$3 billion) in 2009, the last year for which figures are available. Industry magazine Yuridichesky Biznes ("Legal Business") said in 2008 that the market was growing by 150 percent a year.

Independent specialists provide up to 80 percent of all services on the market, judicial news web site [RAPSI](#) reported last week, citing industry specialists.

There are more than 63,000 lawyers registered in Russia as of 2010, but only about 100 of them are foreigners, according to the Federal Chamber of Lawyers.

But many other foreigners were not included in these statistics because they work as legal advisers to Russian businesses, said Max Gutbrod, a partner with Baker & McKenzie. He said foreigners are in demand because they are more familiar with international legal practices.

Yevtukhov said foreign advisers occupy about 70 percent of the legal service market in Moscow by earnings.

But Panich of Salans challenged the notion that foreign lawyers charge more than Russians, calling it a stereotype.

"A highly skilled lawyer in Moscow might charge from 500 to 700 euros per hour, while the average Czech lawyer [in Prague] costs about 300 euros," Panich said.

Moscow's top lawyers charge as much as their London colleagues, who are Europe's most expensive legal specialists, Panich said. He conceded that prices are much lower in the regions.

Panich spoke against the government's plans to regulate the legal profession, saying the market "filters qualified lawyers" without any outside help.

But his colleague from Baker & McKenzie, Gutbrod, was less skeptical, saying regulations are needed. But Gutbrod added, speaking from his 16-year Russian experience, that the rules must be "adequate."

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