

# Law Firm Structures

- The Process and Benefits of ABS Applications
- Trading structures available to law firms

Friday 1 March 2013



# Andy Poole

## Legal Sector Director, Armstrong Watson

### Agenda

- Reasons to become an ABS
- The impact of banning referral fees
- Links between Claims Management Companies and Alternative Business Structures
- Potential structures to adopt



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## Reasons to become an ABS

- External investment
- Promote non-lawyer managers
- Spouse ownership
- Joint ventures
  - Claims Management Companies
  - Estate Agents
  - Insurance Brokers
  - IFAs



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# The impact of banning referral fees

- Reduced inflow of work to lawyers
- Reduced expenses
- Offset by reduced fixed recoverable portal costs
- Portal extension
- Impact on Claims Management Companies
- Can the ban be avoided?



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# Links between Claims Management Companies and Alternative Business Structures

- CMCs impacted by referral fee ban
- Joint Ventures with lawyers as ABSs
- Reduced fixed recoverable portal costs
- Number of different joint ventures?
- Vertical integration



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# Potential structures to adopt

- Partnership
- LLP
- Limited Company
- Corporate Partner
- Partnership of Corporates
- Hybrid
- Joint Venture



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## Structure: Issues to consider

- The Legal Services Act
  - External Investment – capital growth
  - Spouse Investment
- Liability
- Image
- Financing
- Impact on partners/succession
- Conversion issues/simplicity
- Public disclosure/accounting
- Flexibility
- Tax Savings



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# Trading structure options

- Partnership
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- Limited company
- Corporate Partner
- Partnership of corporates
- Hybrid
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# Trading structure options

- Partnership
- **LLP**
- Limited company
- Corporate Partner
- Partnership of corporates
- Hybrid
- Joint Venture



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# Trading structure options

- Partnership
- LLP
- **Limited company**
- Corporate Partner
- Partnership of corporates
- Hybrid
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# Trading structure options

- Partnership
- LLP
- Limited company
- **Corporate Partner**
- Partnership of corporates
- Hybrid
- Joint Venture

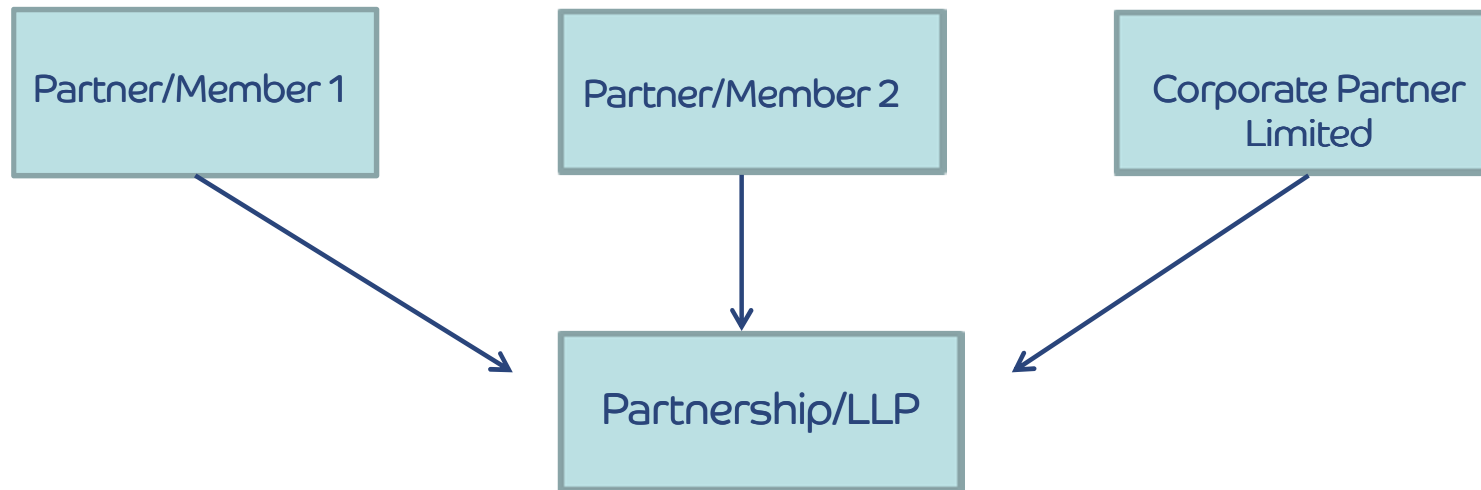


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# Trading structure options



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# Trading structure options

- Partnership
- LLP
- Limited company
- Corporate Partner
- **Partnership of corporates**
- Hybrid
- Joint Venture

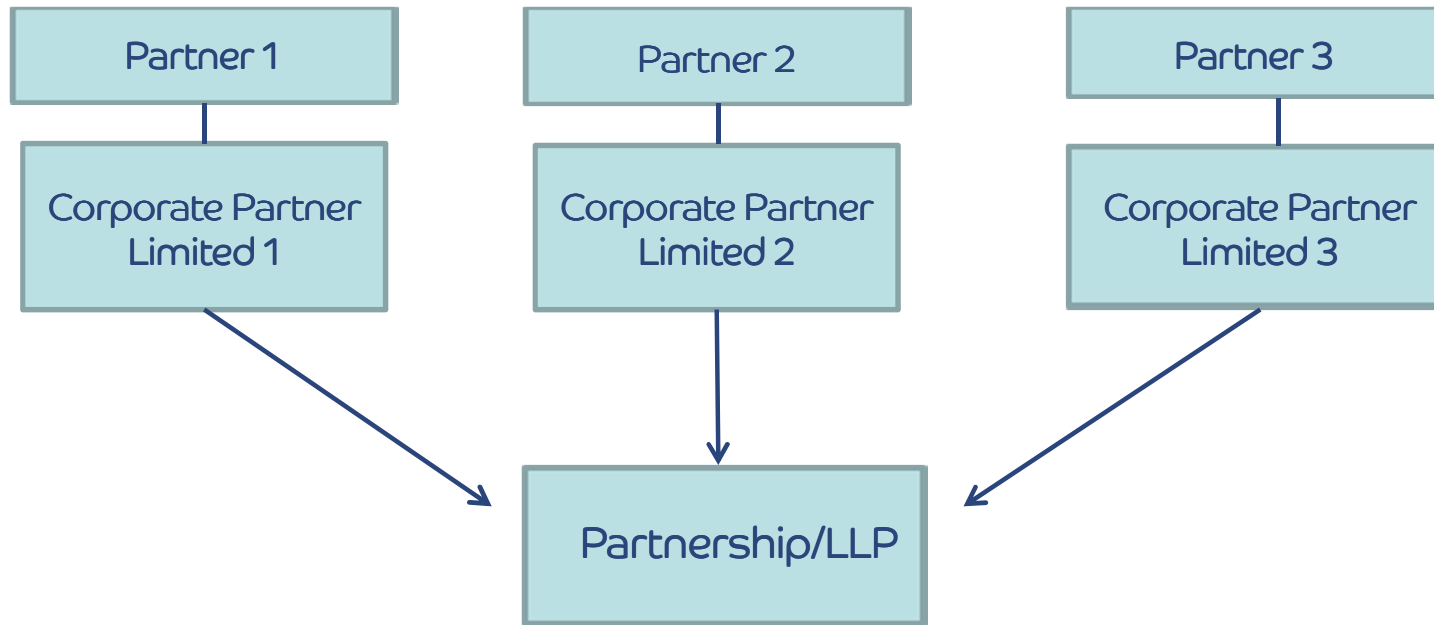


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# Trading structure options



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# Trading structure options

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- **Hybrid**
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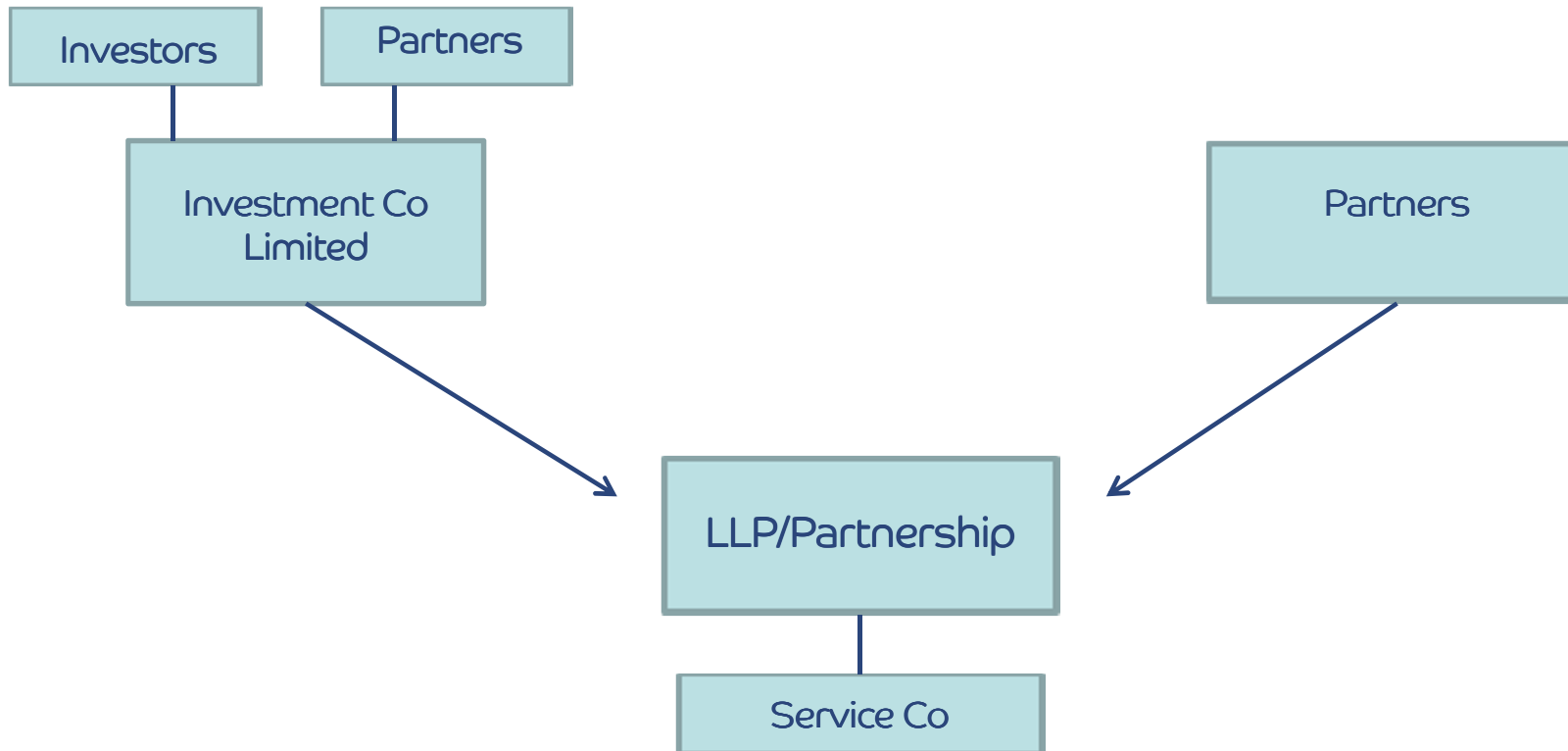


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# Trading structure options



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# Trading structure options

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# Trading structure options

Holding/Service  
Co Limited



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# Trading structure options

Holding/Service  
Co Limited

Solicitors

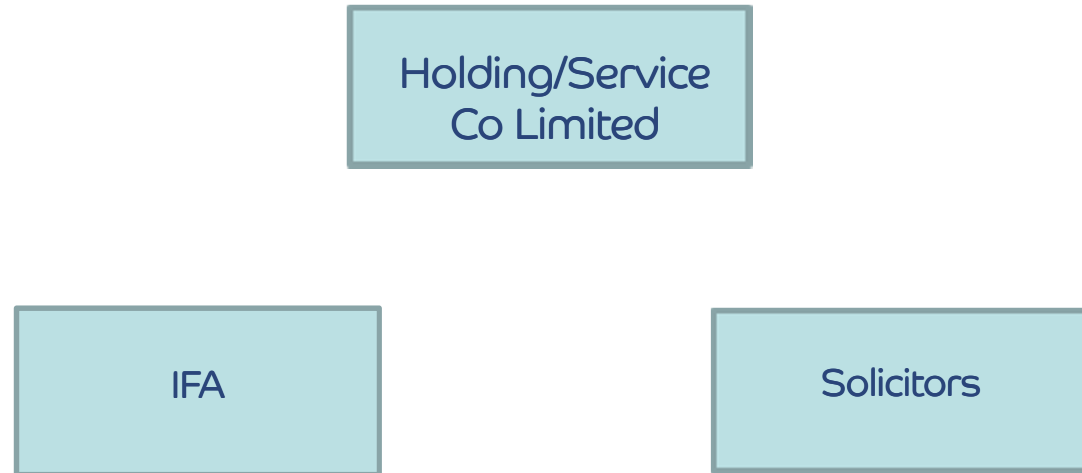


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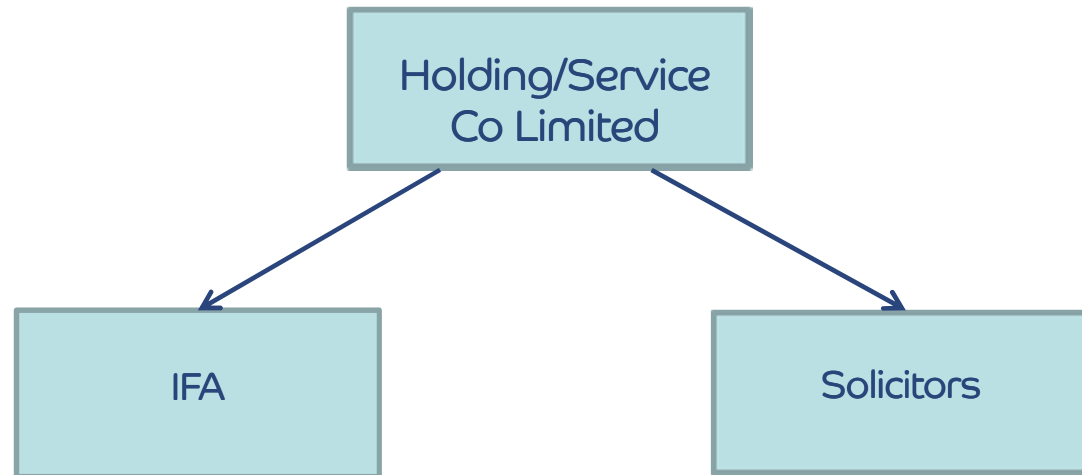
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# Trading structure options



# Trading structure options



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