

PRESENTATION “COMMISSION DARROIS” REPORT

June 30, 2009 presentation before the Task Force
on International Legal Services of the Association
of the Bar of the City of New York

BY PASCALE LONGUET AND MALY COURTAIGNE

Who is Jean Michel Darrois?



- One of the most influent business attorney in France
- Partner at the Paris law firm of Darrois Villey Maillot Brochet

Commission Darrois' Assignments (1/2)

1. To come up with “the outlines for a **profound reform of the profession of attorney**” in order:
 - A. To adapt the profession to the exigencies of the French society
 - B. To allow its participation in international competition
 - C. To give users a better understanding of the French Legal System

Commission Darrois' Assignments (2/2)

2. To provide Recommendations in these areas:

A. Reform of professional **structures**

B. **Governance** of the new professions or of the existing professions

C. **Access** to law and legal aid

Composition of the Commission

Darrois

- Practitioners of each legal profession
- Academics
- Business people

Structure of the Commission Darrois' Report

1. Modernization of the Legal Profession
2. Collaboration between the different actors of the Legal Profession
3. Access to Courts and Legal Aid

Actors of the Legal Profession in France – preliminary remarks (1/2)

1. The link btw. the Legal Professions and the **Legal systems** in which they exist (*Civil Law vs. Common Law*)
2. French legal professional have **little economic impact** in the world
3. **Fragmented** landscape in France

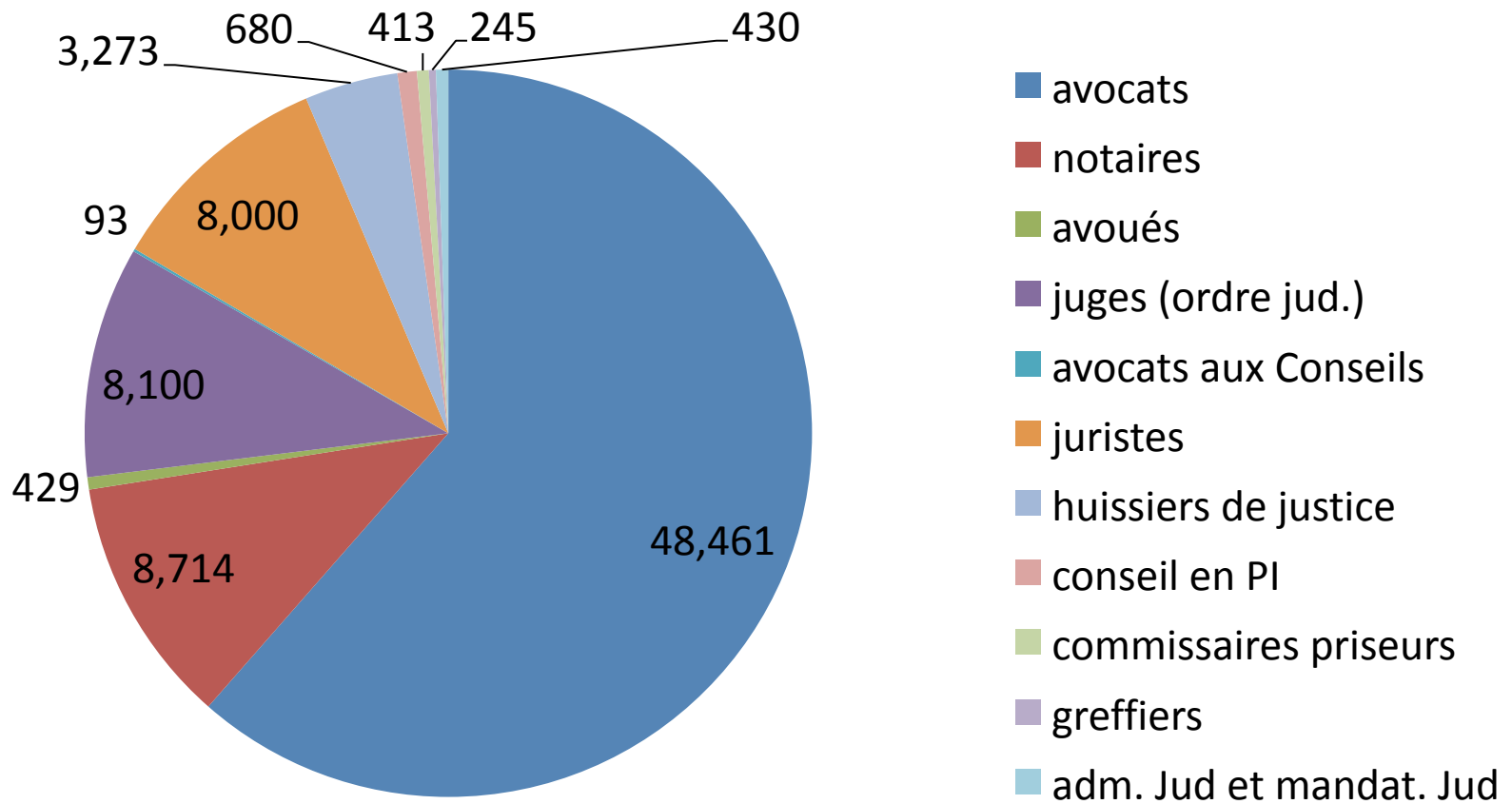
Actors of the Legal Profession in France (2/2)

- Legal Professionals whose activities are regulated by the law
- Legal Professionals whose activities are not regulated by the law (i.e. in-house counsels)
- Other non legal professionals authorized to give ancillary legal advice (CPA, labor union, etc.)

Professionals whose activities are regulated by the law

- | | |
|---|--|
| 1. Avocats | 1. <i>Attorneys</i> |
| 2. Notaires | 2. <i>Notaries</i> |
| 3. Avocats à la CCass et Conseil d'Etat | 3. <i>Attorneys before the CCass and C.E.</i> |
| 4. Avoués près les cours d'appels | 4. <i>Attorneys before court of Appeals</i> |
| 5. Greffiers des tribunaux de commerce | 5. <i>Clerks of the commercial courts</i> |
| 6. Administrateurs et mandataires judiciaires | 6. <i>Judicial administrators and trustees</i> |
| 7. Commissaires-priseurs | 7. <i>Appraisers / Auctioneers</i> |
| 8. Huissiers de Justice | 8. <i>Process-servers</i> |
| 9. Conseils en propriété industrielle | 9. <i>IP counsels</i> |
| 10. Juges | 10. <i>Judges</i> |

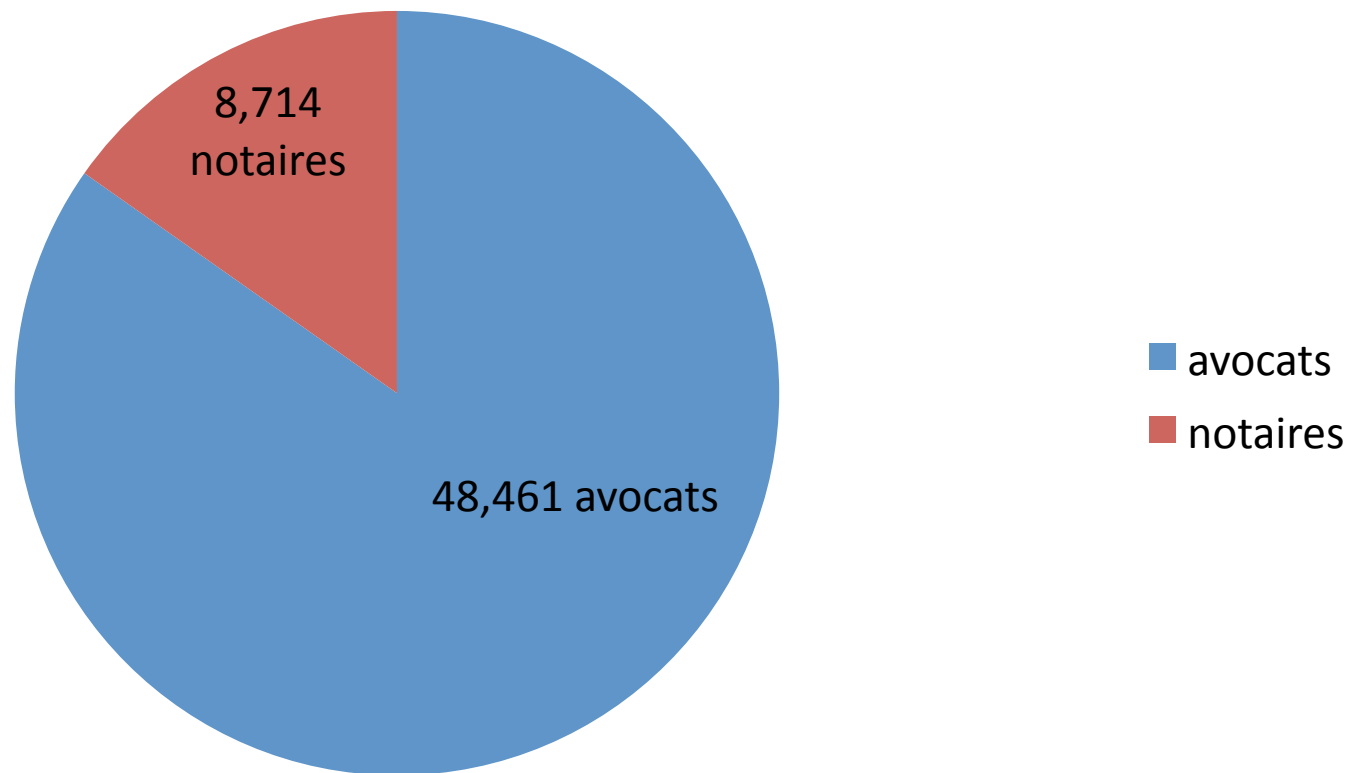
The legal profession in figures



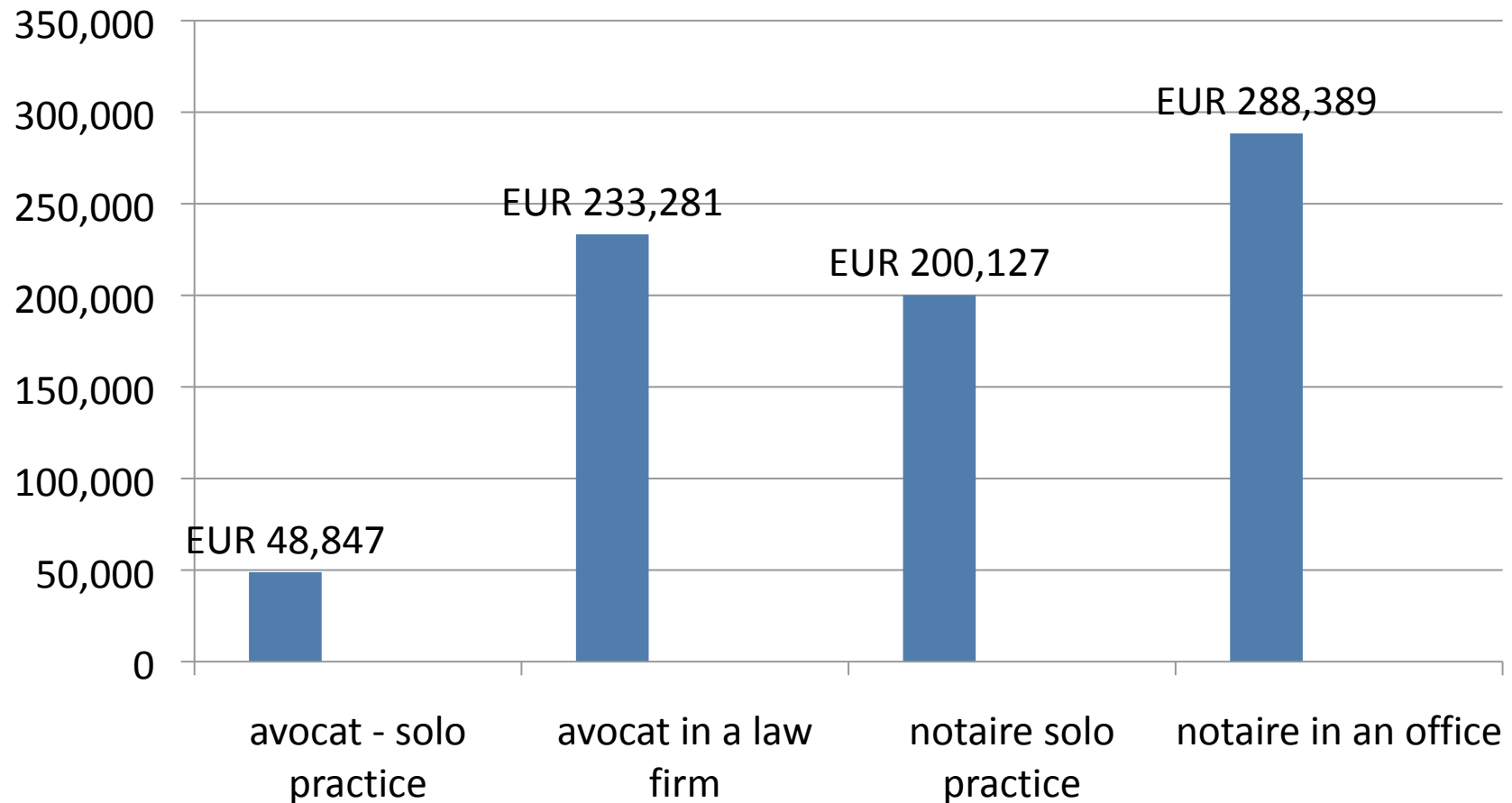
Avocats' incomes

- Average income = EUR 70,000 (USD 100,000)
- 2/3 of avocats have an annual turnover **under** EUR 120,000 (USD 160,000)
- 50% of avocats have an income Amounting **less than** EUR 42,530 (USD 60,000)

Comparison: Avocats/Notaires (1/2)



Comparison: Avocats / Notaires' incomes (2/2)



Professionals whose activities are NOT regulated by the law

- Juristes d'entreprise
- In-house counsels

Professionals authorized to give ancillary legal services

1. CPA
2. Insurance companies legal departments
3. Associations
4. Labor unions, etc...

The Commission's Recommendations

A - MODERNIZATION OF THE LEGAL PROFESSION

- Rec. #1: merger of “Avoués” and IP counsels within the profession of Avocat
- Rec. #3: new status for in-house counsels
- Rec. #5: creation of the “acte d’avocat”
- Rec. #7: legal and tax incentives for encouraging international development of French law firms
- Rec. #11: to enlarge the scope of the profession of avocat (i.e. avocat could also be CPA)
- Rec. #23&24: regulation of the legal services performed by non legal professionals

The Commission's Recommendations

B – Increased collaboration btw. the professions

- Rec. #12: no merger btw. attorneys and notaires
- Rec.#26&27: to create professional schools of law
- Rec. #32 & 33: possibility of cooperation btwn attorneys and notaries and btwn attorneys and CPAs

CONCLUSION: Are the goals fulfilled?

The legal profession remains fragmented but the building of certain bridges between them is being considered

WHAT'S NEXT?

- No agenda for the recommendations of the Commission Darrois to be discussed before the French Parliament