

Technology makes it easy for lawyers to work across borders. Regulations should too

April 11 2024, by Temitope Lawal



Credit: Unsplash/CC0 Public Domain

The rules of legal practice are highly localized. Every country [sets rules](#) that determine how lawyers qualify professionally and what they are allowed to do.

When a lawyer who is licensed to practice in one country provides legal services in another country, it is known as [cross-border](#) or [transnational legal practice](#). Many countries have regulations that restrict the services that foreign lawyers may provide.

The restrictions vary from country to country. For example, in Nigeria, foreign lawyers aren't [allowed](#) to practice any form of law—Nigerian law, their home country's law, or international law—unless they are licensed as a local lawyer.

A [recent study](#) by the Organization for Economic Cooperation and Development found that restriction on cross-border legal practice was the most common form of trade restriction among 50 countries surveyed. The most restrictive barrier was nationality or residency requirements.

These restrictions tend to be justified on two grounds: [protecting](#) the public from incompetent legal practitioners; and [protecting](#) local lawyers against competition from foreign lawyers.

But these regulatory approaches don't [consider](#) the ease with which technology enables the provision of legal services across borders.

My [doctoral research](#) focuses on the role of technology in cross-border legal practice. I explore technology's ability to make the practice of law borderless.

In a [recent paper](#), I argued that because technology is [transnational](#), it is disrupting traditional notions of jurisdiction and regulation in relation to practicing law [across borders](#). Although regulations are [essential](#) for the proper functioning of any society, particularly as they serve to protect users of services, when such regulations stifle [innovation and competition](#), they actually make services inaccessible and unaffordable to the very people they aim to protect.

Therefore, I'd encourage legal regulators to review current rules on cross-border practice. This is particularly necessary in countries that do a lot of direct trade with each other and those with similar legal systems.

In my research, I identified three ways in which technology affects cross-border legal practice:

- lawyers can offer services virtually
- law firms don't need a physical base
- many legal services can be automated and provided more affordably.

Cross-border services

[Communication technology](#) has made it possible for lawyers to offer legal services across borders. Clients can access these services from anywhere in the world.

The result is that [virtual law firms](#) have emerged. Their practices separate legal services from geographic limitations.

In addition, law firms increasingly [outsource](#) tasks such as document review and drafting. Companies that provide this service may be based in countries like India and the Philippines, where labor costs are lower. Some of the largest are [Lex Outsourcing](#) in India and [Flatworld](#) in the

Philippines. [Integreon](#) and [Axiom](#) are also major players in this market, operating from multiple locations, including the US and the UK.

They produce high quality work and use technology to [work](#) from anywhere in the world, [regardless](#) of whether their lawyers are licensed to practice in the country where the work is used. Given this reality, restrictive laws governing cross-border legal activities need to be reassessed.

Accessibility and affordability

Lawyers are [using technology](#) to set up firms that exist "virtually"—they don't have a physical presence. They can provide cost-effective legal services because they don't maintain bricks and mortar offices. Known as [NewLaw](#), this trend allows lawyers to offer innovative services at a lower cost than traditional law firms.

The trend [creates](#) opportunities for lawyers to engage in cross-border legal practice. It also helps them navigate different regulatory regimes.

As a result of technological advancements, particularly seamless communication across borders via the internet, cross-border legal practice rules drafted with locality and physical territorial boundaries in mind are [not effective](#) in regulating activities that occur online. Therefore there is a need to reconsider and adapt these rules.

Automation of legal work

Legal technology can automate, assist and enhance various aspects of legal practice. According to a McKinsey estimate, [23%](#) of lawyers' work can be automated and done more efficiently.

In a [2018 study](#), an AI model completed a contract review task in 26 seconds with 94% accuracy, whereas 20 highly experienced lawyers took 92 minutes to complete the same task with an 85% accuracy rate.

Legal technology has potential for [generating](#) legal documents and [conducting legal research](#) using databases with vast repositories of information from multiple jurisdictions. This could enhance lawyers' ability to serve clients in cross-border transactions.

Need to modernize regulatory approaches

In 2021, the global legal technology market was valued at US\$29.8 billion and it is [projected](#) to reach US\$68.04 billion by 2034.

This goes to show that the influence of technology on legal practice cannot be ignored.

My findings show that regulatory approaches must adapt to the changing nature of cross-border legal practice.

For developing countries like Nigeria, however, the process of liberalizing cross-border legal practice is anything but straightforward. Nigeria, with a population exceeding 200 million, has fewer than [200,000 lawyers](#). There is only one lawyer for every 1,000 Nigerians. In contrast, Brazil, a country with a population similar to Nigeria's, has about 2 million [lawyers](#). It has the [highest lawyer-to-citizen ratio in the world](#), with one lawyer for every 164 people.

[Research](#) has shown that many Nigerians can't afford legal services.

Despite these barriers, [protectionism](#) persists.

Liberalization efforts should recognize the [globalization](#) of legal

services, made possible by [technology](#), while still valuing the uniqueness of local legal systems and traditions.

Current regulations on cross-border legal practice run the risk of becoming obsolete if these issues are not carefully considered.

This article is republished from [The Conversation](#) under a Creative Commons license. Read the [original article](#).

Provided by The Conversation

Citation: Technology makes it easy for lawyers to work across borders. Regulations should too (2024, April 11) retrieved 21 May 2024 from <https://phys.org/news/2024-04-technology-easy-lawyers-borders.html>

<p>This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.</p>
--