THE PUBLIC INTERNATIONAL LAW OF TRADE IN LEGAL SERVICES

This book examines the international legal regime covering trade in legal services. While legal services are a vital component of the economies of many developed and emerging countries, they remain poorly liberalized with numerous restrictions undermining market access for foreign suppliers. Although some modern bilateral and regional trade agreements have begun to address barriers to trade in legal services, few go beyond the basic commitments of non-discrimination and transparency contained in the WTO GATS. This book approaches the pressing need to open the global market for trade in legal services across the four modes of supply: cross border, consumption abroad, commercial presence, and temporary movement of natural persons. It considers changes under way within the legal profession brought about by alternative business structures and technology. Both underscore the importance of reconceptualizing trade in legal services as one that should be as open as possible with a view to maximizing competition while safeguarding the needs of clients.

DAVID COLLINS is Professor of International Economic Law at City, University of London.

CAMBRIDGE INTERNATIONAL TRADE AND ECONOMIC LAW

Series editors

Dr Lorand Bartels, *University of Cambridge* Professor Thomas Cottier, *University of Berne* Professor William Davey, *University of Illinois*

As the processes of regionalization and globalization have intensified, there have been accompanying increases in the regulations of international trade and economic law at the levels of international, regional, and national laws.

The subject matter of this series is international economic law. Its core is the regulation of international trade, investment, and cognate areas such as intellectual property and competition policy. The series publishes books on related regulatory areas, in particular human rights, labour, environment and culture as well as sustainable development. These areas are vertically linked at the international, regional, and national levels, and the series extends to the implementation of these rules at these different levels. The series also includes works on governance, dealing with the structure and operation of related international organizations in the field of international economic law and the ways in which they interact with other subjects of international and national law.

Books in the series

The Public International Law of Trade in Legal Services David Collins

Industrial Policy and the World Trade Organization: Between Legal Constraints and Flexibilities

Sherzod Shadikhodjaev

The Prudential Carve-Out for Financial Services: Rationale and Practice in the GATS and Preferential Trade Agreements

Carlo Maria Cantore

Judicial Acts and Investment Treaty Arbitration Berk Demirkol

Distributive Justice and World Trade Law: A Political Theory of International Trade Regulation

Oisin Suttle

Freedom of Transit and Access to Gas Pipeline Networks under WTO Law Vitalily Pogoretskyy

Reclaiming Development in the World Trading System, 2nd edition Yong-Shik Lee

Developing Countries and Preferential Services Trade Charlotte Sieber-Gasser

Cambridge University Press 978-1-108-42352-6 — The Public International Law of Trade in Legal Services David Collins Frontmatter <u>More Information</u>

> WTO Dispute Settlement and the TRIPS Agreement: Applying Intellectual Property Standards in a Trade Law Framework Matthew Kennedy Establishing Judicial Authority in International Economic Law Edited by Joanna Jemielniak, Laura Nielsen and Henrik Palmer Olsen Trade, Investment, Innovation and their Impact on Access to Medicines: An Asian Perspective Locknie Hsu The Law, Economics and Politics of International Standardisation Panagiotis Delimatsis The WTO and International Investment Law: Converging Systems Jürgen Kurtz Export Restrictions on Critical Minerals and Metals: Testing the Adequacy of WTO Disciplines Ilaria Espa Optimal Regulation and the Law of International Trade: The Interface between the Right to Regulate and WTO Law Boris Rigod The Social Foundations of World Trade: Norms, Community and Constitution Sungjoon Cho Public Participation and Legitimacy in the WTO Yves Bonzon The Challenge of Safeguards in the WTO Fernando Piérola General Interests of Host States in International Investment Law Edited by Giorgio Sacerdoti, with Pia Acconci, Mara Valenti and Anna De Luca The Law of Development Cooperation: A Comparative Analysis of the World Bank, the EU and Germany Philipp Dann WTO Disciplines on Subsidies and Countervailing Measures: Balancing Policy Space and Legal Constraints **Dominic Coppens** Domestic Judicial Review of Trade Remedies: Experiences of the Most Active WTO Members Edited by Müslüm Yilmaz The Relevant Market in International Economic Law: A Comparative Antitrust and GATT Analysis Christian A. Melischek International Organizations in WTO Dispute Settlement: How Much Institutional Sensitivity? Marina Foltea

Cambridge University Press 978-1-108-42352-6 — The Public International Law of Trade in Legal Services David Collins Frontmatter <u>More Information</u>

> Public Services and International Trade Liberalization: Human Rights and Gender Implications Barnali Choudhury The Law and Politics of WTO Waivers: Stability and Flexibility in Public International Law Isabel Feichtner African Regional Trade Agreements as Legal Regimes James Thuo Gathii Liberalizing International Trade after Doha: Multilateral, Plurilateral, Regional, and Unilateral Initiatives David A. Gantz Processes and Production Methods (PPMs) in WTO Law: Interfacing Trade and Social Goals Christiane R. Conrad Non-Discrimination in International Trade in Services: 'Likeness' in WTO/ GATS Nicolas F. Diebold The Law, Economics and Politics of Retaliation in WTO Dispute Settlement Edited by Chad P. Bown and Joost Pauwelyn The Multilateralization of International Investment Law Stephan W. Schill Trade Policy Flexibility and Enforcement in the WTO: A Law and Economics Analysis Simon A.B. Schropp

Cambridge University Press 978-1-108-42352-6 — The Public International Law of Trade in Legal Services David Collins Frontmatter <u>More Information</u>

THE PUBLIC INTERNATIONAL LAW OF TRADE IN LEGAL SERVICES

DAVID COLLINS City, University of London



Cambridge University Press 978-1-108-42352-6 — The Public International Law of Trade in Legal Services David Collins Frontmatter <u>More Information</u>



University Printing House, Cambridge CB2 8BS, United Kingdom

One Liberty Plaza, 20th Floor, New York, NY 10006, USA

477 Williamstown Road, Port Melbourne, VIC 3207, Australia

314-321, 3rd Floor, Plot 3, Splendor Forum, Jasola District Centre, New Delhi - 110025, India

79 Anson Road, #06-04/06, Singapore 079906

Cambridge University Press is part of the University of Cambridge.

It furthers the University's mission by disseminating knowledge in the pursuit of education, learning, and research at the highest international levels of excellence.

www.cambridge.org Information on this title: www.cambridge.org/9781108423526 DOI: 10.1017/9781108526265

© David Collins 2019

This publication is in copyright. Subject to statutory exception and to the provisions of relevant collective licensing agreements, no reproduction of any part may take place without the written permission of Cambridge University Press.

First published 2019

Printed in the United Kingdom by Clays Ltd, Elcograf S.p.A.

A catalogue record for this publication is available from the British Library.

ISBN 978-1-108-42352-6 Hardback

Cambridge University Press has no responsibility for the persistence or accuracy of URLs for external or third-party internet websites referred to in this publication and does not guarantee that any content on such websites is, or will remain, accurate or appropriate. Cambridge University Press 978-1-108-42352-6 — The Public International Law of Trade in Legal Services David Collins Frontmatter <u>More Information</u>

CONTENTS

Acknowledgements ix List of Abbreviations xi Table of Cases xv

- 1 Introduction: The Globalization and Regulation of Legal Services 1
- 2 The International Legal Framework Governing Trade in Legal Services 28
- 3 Import Restrictions on Trade in Legal Services: Cross-Border Supply 67
- 4 Consumption Abroad and Export Restrictions on Trade in Legal Services 101
- 5 Import Restrictions on Trade in Legal Services: Commercial Presence 127
- 6 Import Restrictions on Trade in Legal Services: Movement of Natural Persons 155
- 7 Domestic Regulation and Mutual Recognition of Legal Services 192
- 8 Conclusions and Recommendations: Towards a Global Future for Legal Services 227

Index 255

Cambridge University Press 978-1-108-42352-6 — The Public International Law of Trade in Legal Services David Collins Frontmatter <u>More Information</u>

ACKNOWLEDGEMENTS

I would like to thank the British Academy for its generous support of the research and writing of this book. I would also like to thank the faculty, fellows, and staff of the Center for the Study of Law and Society at the University of California Berkeley School of Law, where a significant portion of this manuscript was written during my sabbatical there in the autumn of 2017. Thanks also to my former student Ben Robinson for assistance with preparing the index. Finally, I wish to express my gratitude to the International Committee of the Law Society of England and Wales, on which I have had the pleasure to serve as a member for almost ten years, during which time I gained valuable insight into trade in legal services and met many warm and inspirational legal professionals. Finally, I would like to thank Ben Robinson for help with indexing and proof-reading of the manuscript.

ABBREVIATIONS

AARPI	L'Association d'Avocats à Responsabilité Professionnelle Indi-
	viduelle
ABA	American Bar Association
ABS	Alternative Business Structure
AFAS	ASEAN Framework Agreement on Services
APEC	Asian Pacific Economic Cooperation
ASCM	Agreement on Subsidies and Countervailing Measures
ASEAN	Association of South East Asian Nations
BIT	Bilateral Investment Treaty
BPRL	United Nations Basic Principles on the Role of Lawyers
CAFTA	Central American Free Trade Agreement
CARIFORUM	The Caribbean Forum
CCBE	Council of Bars and Law Societies of Europe
CEPA	Hong Kong-China Closer Economic Partnership Agreement
CETA	Comprehensive Economic and Trade Agreement
CFIUS	Committee on Foreign Investment in the United States
CIS	Commonwealth of Independent States
CJEU	Court of Justice of the European Union
CLA	Commonwealth Lawyers Association
CPC	Central Product Classification
CPTPP	Comprehensive Progressive Trans Pacific Partnership
DETA	Digital Economy Trade Agreement
DIFC	Dubai International Financial Centre
ECHR	European Convention on Human Rights
EEA	European Economic Area
EFTA	European Free Trade Association
FIFO	Fly in Fly Out
FIRB	Foreign Investment Review Board
FLC	Foreign Legal Consultant
FTA	Free Trade Agreement
FTZ	Free Trade Zone
GATS	General Agreement on Trade in Services

Cambridge University Press 978-1-108-42352-6 — The Public International Law of Trade in Legal Services David Collins Frontmatter <u>More Information</u>

xii	LIST OF ABBREVIATIONS
GATT	General Agreement on Tariffs and Trade
GCC	Gulf Cooperation Council
GDP	Gross Domestic Product
GDPR	General Data Protection Regulation
GJB	Gaikoku-Ho-Jimu-Bengoshi
IBA	International Bar Association
ICC	International Chamber of Commerce
IIA	International Investment Agreement
ISO	International Standards Organization
ITA	Information Technology Agreement
JD	Juris Doctor
JLV	Joint Law Venture
LCIA	London Court of International Arbitration
LLB	Bachelor of Laws
LLM	Master of Laws
MERCOSUR	Southern Common Market
MFN	Most Favoured Nation
MIGA	Multilateral Investment Guarantee Agency
MOOC	Massive Open Online Course
MRA	Mutual Recognition Agreement
NAFTA	North American Free Trade Agreement
NCA	National Committee on Accreditation
NDIAC	New Delhi International Arbitration Centre
NYIAC	New York International Arbitration Center
OAB	Brazilian Bar Association
OECD	Organisation for Economic Co-operation and Development
QLTS	Qualified Lawyers Transfer Scheme
RCEP	Regional Comprehensive Economic Partnership
RTA	Regional Trade Agreement
SAAS	Software as Service
SCC	Supreme Court of Canada
SIAC	Singapore Arbitration Centre
SPS	Sanitary and Phytosanitary Agreement
SRA	Solicitors Regulatory Authority
STRI	Services Trade Restrictiveness Indices
TBT	Technical Barriers to Trade Agreement
TFA	Trade Facilitation Agreement
TFEU	Treaty on the Functioning of the European Union
TISA	Trade in Services Agreement
TPRM	Trade Policy Review Mechanism
TRIPS	Trade Related Aspects of Intellectual Property Rights
TTIP	Transatlantic Trade and Investment Partnership

Cambridge University Press		
978-1-108-42352-6 — The Public International Law of Trade in Legal Services		
David Collins		
Frontmatter		
More Information		

LIST OF ABBREVIATIONS

xiii

UNCITRAL	United Nations Commission on International Trade Law
UNCTAD	United Nations Committee on Trade and Development
USSC	United States Supreme Court
WPDR	Working Party on Domestic Regulation
WTO	World Trade Organization

TABLE OF CASES

World Trade Organization

Panel Reports

- China Measures Affecting Trading Rights and Distribution Services for Certain Publications and Audiovisual Entertainment Products, WT/ DS363/R, (12 August 2009)
- China Certain Measures Affecting Electronic Payment Systems, Panel Report, WT/DS413/R (adopted 31 August 2012)
- European Communities Conditions on the Granting of Tariff Preferences to Developing Countries, WT/DS246 (1 December 2003)
- United States Measures Affecting the Cross-Border Supply of Gambling and Betting Services, WT/DS285/R, (10 November 2004)

Appellate Body Reports

- Argentina Measures Relating to Trade in Goods and Services WT/ DS453/AB/R (9 May 2016)
- Brazil Measures Affecting the Import of Retreaded Tires, WT/DS332/ AB/R (3 December 2007)
- European Communities Regime for the Importation, Sale and Distribution of Bananas, WT/DS27/AB/R (26 September 1997)
- Turkey Restrictions on Imports of Textiles and Clothing, WT/DS34/ AB/R (21 October 1999)
- United States Measures Affecting the Cross-Border Supply of Gambling and Betting Services, WT/DS285/AB/R (20 April 2005)

xvi

TABLE OF CASES

International Investment Arbitration

CMS *v.* Argentina, ICSID Case No. ARB/01/8 Award (12 May 2005) Pope & Talbot *v.* Canada, UNCITRAL (10 April 2002) [NAFTA] Salini *v.* Morocco, ICSID No ARB/00/4, Decision on Jurisdiction, (23 July 2001) [Italy-Morocco BIT]

European Court of Human Rights

Golder v. United Kingdom, 4451/70, ECHR (21 February 1975)

Court of Justice of the European Union

- Case C-550/07, P Akzo Nobel Chemicals Ltd and Akcros Chemicals Ltd v. Commission [2010] ECR I-08301
- Case C-225/98, Commission v. France, Nord Pas de Calais [2000] ECR I-7445
- C-55/94, Reinhard Gebhard v. Consiglio dell'Ordine degli Avvocati e Procuratori di Milano, ECR-I-4165
- Case C-324/98, Telaustria Verlags GmbH and Telefonadress GmbH v. Telekom Austria AG [2000] ECR I-9315
- Case C-340/89, Irène Vlassopoulou *v.* Ministerium für Justiz, Bundesund Europaangelegenheiten Baden-Württemberg [1991] ECR I-2357

United States

Application of Griffiths, 413 U.S. 717 (1973) (USSC)
United States *v*. Microsoft, Ct of Appeals Second Circuit, Docket No. 14-2985 (14 July 2016) [currently on appeal to the USSC]

United Kingdom

Prudential PLC and Prudential (Gibraltar) Ltd v. Special Commissioner of Income Tax and Philip Pandolfo (HM Inspector of Taxes), [2013] UKSC 1 (23 January 2013) TABLE OF CASES

xvii

Canada

Andrews v. Law Society of British Columbia [1989] 1 SCR 143, 56 DLR (4th)

India

Bar Council of India v. AK Balaji & Ors (W.P. 5614/2010) (High Court of Madras) (21 February 2012)

Bar Council of India v. AK Balaji & Ors [Civil Appeal Nos.7875-7879 of 2015] (Supreme Court of India) (13 March 2018)