Erasmus
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Law

Alternative business structures for lawyers

Lawyering as a societal enterprise

Summary

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Summary

1. About the research

The assignment. The research was commissioned by the Scientific Research and Documentation Centre *(WODC)* of the Dutch ministry of Justice and Security, which acted on the request of the ministry's Directorate-General for Administration of Justice and Law Enforcement *(Rechtspleging en Rechtshandhaving)*. The results of the research will inform the ministry's assessment of whether alternative business structures for legal services can be integrated in the legal profession *(advocatuur)* and the current system and instruments of supervision in the Netherlands. In June 2020, the minister for Legal Protection *(Rechtsbescherming)* informed the Second Chamber of Dutch Parliament that such research would be undertaken.

The research questions. The main research question comprises two parts. Firstly: which alternative business structures (ABS) exist in England, Belgium (e.g. Flanders), Germany en France, and what are the experiences with ABS in practice? And secondly: what impact would allowing ABS in the Netherlands have on the access to, the core values and privileges of, the partnerships in, and the supervision of the legal profession as currently known in the Netherlands? The term 'lawyers' as used herein means *advocaten* (Netherlands and Belgium), *solicitors* and *barristers* (England), *Rechtsanwälte* (Germany) and *avocats* (France and Belgium).

The introduction of the Legal Services Act 2007 in England has set the tone.[1] England was the first country in Europe to introduce far-reaching possibilities for ABS. Evaluations of ABS as innovation are coming in. This makes England an important benchmark.

Structure of the research; methodology. We have consulted public sources, including legislation, regulations, statistics, reports and legal literature. An extensive list of consulted sources is included in the report. For verification and deepening insights, we have held discussions with representatives of professional organizations for lawyers, scholars, policy makers and managers of innovative legal service providers. A list of interlocutors and a questionnaire we used are included in the report.

Alternative business structures. For this research, the term ABS refers to business structures which are currently not allowed in the Netherlands. Also, an eye is kept on the broader English definition, in which ABS for lawyers means a law practice in which non-lawyers hold a capital participation or a management board function, and/or in which lawyers and non-lawyers jointly exercise a practice for their common account. This latter form is referred to as a multidisciplinary practice (MDP). The form of interdisciplinary partnerships which in the Netherlands is known as *IDS-samenwerking* constitutes a form of MDP; at this moment, lawyers may only set up such MDPs with civil law notaries *(notarissen)*, qualifying tax advisors and patent attorneys. In summary, ABS as a subject matter is both about capital participations and control issues, and certain multidisciplinary practices.

Directive (EU) 2018/958. Prior to the country studies, the report explains the relevance of EU law for the subject. Directive (EU) 2018/958 plays an important role. This directive aims to remove obstacles for access to and exercise of professional activities, as an employee or independent practitioner, by submitting such obstacles to a proportionality test. According to Directive (EU) 2018/958, the free market, hence allowing ABS, is the starting point. Restrictive provisions must be objectively justified on the basis of public order, public safety or public health, or on the basis of compelling reasons of general interest, such as the protection of consumers, purchasers of services and employees, and the safeguarding of a good administration of justice. Restrictions must be thoroughly substantiated and objectively justified. Also, that test must be carried-out in an objective and independent fashion. Still, a member state will enjoy a degree of freedom and margin of appreciation as to the determination of the public interest, the protection level pursued and the protection methods.[2]

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[1] The regulation discussed for England also applies to Wales. For readability reasons, this report only refers to England.

[2] EU Court of Justice 19 May 2009, C-171/07 and C-172/07 (joint cases) *(DocMorris)*, para. 19 and 53 and further.

It may be expected that the EU Court of Justice, when assessing compliance with Directive (EU) 2018/958, will also consider the coherency requirement it imposed on national regulation in its *DocMorris* decision. This means that the purpose of protecting the general interest must always be pursued in a coherent and systematic way.[3]

2. Countries compared

For a long time, the Dutch rules in the field of ABS (allowing for MDPs of lawyers with civil law notaries, qualifying tax lawyers and patent attorneys) were the most liberal of all countries included in the research. However, the Netherlands were overtaken, first by England (introduction of ABS by the LSA in 2007 and subsequent regulation by the independent authorities instituted by the LSA), then by France (*Loi* Macron of 2015 and subsequent regulation allowing *inter alia* more forms of MDP), and then again by Germany (the BRAO-reform of 2022 allowing even more forms of MDP).

MDPs. Belgium (at least: Flanders) is most restricted with respect to MDPs as they are simply prohibited. In France, more possibilities exist, including partnerships of lawyers with civil law notaries, bailiffs and accountants. Germany takes it one step further as it allows MDPs with persons of all 'liberal professions'. In addition to lawyers, this includes not only tax advisors and accountants, but medical doctors, psychologists and architects among others as well. In England, an MDP can be admitted as an ABS by the most willing professional authority (in practice this most often is the SRA, the professional authority for *solicitors*). In England, a partnership between *solicitors* and *barristers* already qualifies as an ABS.

The Netherlands currently takes an intermediate position. Lawyers may enter into an MDP with various other professions, as discussed, but not with bailiffs or accountants or other non-legal professionals.

Capital participations and board memberships by third parties. Belgium does not allow non-lawyers to hold capital participations in law firms.

France allows for third party capital participations with restrictions. In a law firm or holding of professional companies with lawyers, at least one shareholder must be a lawyer and more than half of the capital and voting rights must be held (directly or indirectly) by qualifying legal professionals (lawyers, tax lawyers, bailiffs, civil law notaries and administrators). The remainder of capital and voting rights may only be held by lawyers, ex-lawyers of the company (for a maximum of 10 years) and their heirs (for a maximum of 5 years). The board members and at least two thirds of the members of the supervisory board, if any, must be lawyers employed in the company.

In Germany, non-lawyer capital participations in law firms are prohibited. However, professional with which MDPs are allowed, may also participate in capital and management. Until 2022, it was required in such situations that the majority of capital and board seats were held by lawyers; this majority rule was deleted. Compliance with professional obligations is now safeguarded by an obligation for the firm as such to comply with the core obligations of lawyers and to institute organizational rules securing such compliance. An obligation to respect this is vested in all non-lawyer partners or shareholders, and board members. In theory, it now suffices when at least one lawyer sits on the board of the firm; the other capital investors may exercise another permitted profession. Non-lawyers may not give instructions to lawyer-employees on legal matters. The traditional prohibition on capital holdings by third parties has been maintained.

In Germany, several parties insist upon lifting the ban on non-lawyer capital participations altogether. The federal minister for legal affairs recently disputed the proportionality of the prohibition and said the ministry is still reconsidering it. At the same time, the proportionality of the ban on capital participations is the subject of an interesting case pending at the EU Court of Justice (preliminary question from the Bavarian *Anwaltsgerichtshof*).[4]

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[3] EU Court of Justice 19 May 2009, C-171/07 and C-172/07 (joint cases) *(DocMorris)*, para. 41 and 42.
[4] *Bayerisches Anwaltsgerichtshof*, Beschluss v. 20.4.2023, Az. BayAGH II-4-20/21.

In England, law firms exist that are listed on a stock exchange, which are owned by private equity investors or financial services providers (e.g. an insurance company) or by retail distribution businesses (such as a supermarket company). An ABS must comply with a number of requirements, e.g. it must have at least one manager authorized to exercise legal activities reserved for lawyers. Also, the licensing authority may subject a license to a number of specific conditions. The licensing authority also assesses whether the persons participating in the capital or board of the ABS are suitable to operate or control a business providing regulated legal services. The law explicitly requires an ABS to appoint a Head of Legal Practice (HOLP) and a Head of Finance and Administration (HOFA).

In the Netherlands, third party capital participations in law firms are quite strictly limited. MDPs are allowed with a limited number of other professions only (see above). If the majority of voting rights in an MDP is not held by lawyers, a 'professional statute' (agreement between the firm and its lawyer guaranteeing the latter's professional independence) will be required. Also, persons employed in the firm who are not lawyers or persons exercising another permitted profession, may jointly hold a maximum of 10% interest in the firm's profits. This allows for an employee participation scheme. Other than e.g. in Germany and France, in the Netherlands professionals with which an MDP may be formed are not allowed to hold a capital participation in a pure law firm *(advocatenkantoor;* not being an MDP).

Specific rules apply in the Netherlands to legal assistance insurers and damages handling firms they use. Their in-house lawyers may act for insured people (legal expenses insurance) and – under an experiment ongoing until 2026 – for uninsured people. As a condition for acting for non-insured people, the majority of the board (including the chair) of the firm offering these legal services must consist of lawyers. If the firm is a company having a majority shareholder, also the board of the majority shareholder must have a majority of lawyers (including the chair).

***In-house lawyers*.** Comparable to the law-firm-owned-by-a-business is the situation where an individual lawyer is employed in a non-lawyers' business (or by a public institution). In Belgium and France, such in-house lawyers are not allowed. In Germany, England and the Netherlands they are allowed (for a long time already), and subject to requirements safeguarding the independent exercise of their profession (such as the 'professional statute' in the Netherlands). These in-house lawyers may only act for their employers (and group companies thereof). An exception is made for, inter alia, lawyers employed by trade unions (who may act for union members). In the Netherlands, an exception is also made for in-house lawyers of legal assistance insurers and the damages handling firms they use, under the specific arrangements mentioned above. In England, broader possibilities exist for in-house lawyers to act for others than the employer.

Regulating the lawyer and/or the firm. In the Netherlands and France, the way lawyers may exercise their profession, including in law firms, is regulated through rules applicable to individual lawyers. The law firms as such are not regulated. In the regulations, subject matters such as the quality of services, deontological rules, supervision and disciplinary law are not structurally centred around the law firm, even though the firm as a whole is more and more determinative for the quality of services and conduct of lawyers. The important role of firms has taken more and more countries to regulate, and supervise and subject to disciplinary laws, firms as a whole, in addition to regulating the individual lawyers employed in them. In England, law firms and ABS require a license as such. In Germany, law firms are required to register since the fall of 2022. In Belgium, a similar requirement has been proposed.

Regulating firms (the legal entities in which law practices are exercised) allows for subjecting capital investors and board members to a suitability test and imposing organizational requirements such as the designation of compliance officers (as is the case in England). Also, MDP-offices as such can be subjected to the supervision of one supervising authority (as is the situation for ABSs in England). Also, disciplinary sanctions can be imposed on the firm as a whole. This is consistent with the fact that clients usually enter into contracts with the firm, not with individual lawyers employed in it.

Lawyers' prerogatives. In all countries covered by the research, lawyers benefit from (limited) reserved legal activities, which include the representation of clients in court. Certain other legal professionals, such as civil law notaries and bailiffs, also benefit from certain reserved legal activities.

Germany and France go one step further; in these countries providing legal advice is regulated as well. In general, legal advice may be given only by qualifying lawyers; non-lawyers (such as accountants and architects) may give legal advice on matters connected to their main activities.

The right to legal privilege forms a special lawyers' prerogative. In the Netherlands, England and Germany, the right to legal privilege also accrues to in-house lawyers and certain other legal professionals (such as civil notaries in the Netherlands). In Belgium and France, where in-house lawyers (qualifying as 'advocaat') are not allowed, in-house legal personnel have no legal privilege; they are subject to a less far-reaching confidentiality obligation. The EU Court of Justice does not recognize the legal privilege of Dutch, English and German in-house lawyers.

Regulatory objectives. In England, the first provision of the LSA sets out a meaningful list of 'regulatory objectives':[5]

Regulatory objectives

1. Protecting and promoting the public interest
2. Supporting the rule of law
3. Improving access to justice
4. Protecting and promoting consumer interests
5. Promoting competition in provision of services
6. Encouraging an independent and diverse legal profession
7. Increasing public understanding of citizen's legal rights and duties
8. Promoting and maintaining adherence to the professional principles

The angle of this act (legal services), and its regulatory objectives, centre on certain needs of citizens and societal interests. This act therefore does not start from the position of certain professional groups or reserved legal activities. This broader perspective in England is also reflected in the independence of regulatory and supervising authorities. The position of lawyers and other legal professional groups is embedded in and subjected to the above list of regulatory objectives. These regulatory objectives provide a guidance to the regulators and form the basis for regular evaluation and adjustment of regulation for the entire legal services sector.

Regulator of the legal profession. In the Netherlands, the professional organization of lawyers (the bar association, NOvA) is the most important regulator for lawyers. This means a high degree of self-regulation. The statutory Lawyers Act *(Advocatenwet)* does not oppose ABS. The development of ABS is restricted by the NOvA's own regulations. In Belgium, the situation is similar, with the regional professional organizations (bar associations) OVB and OBFG as the main regulators. Directive (EU) 2018/958, prescribing an objective and independent proportionality test for professional regulation, has been implemented in the Netherlands and Belgium for formal legislation, but, wrongly, not for regulation imposed by said professional organizations.

In Germany, the regulatory powers of the BRAK, the national professional organization of lawyers, are restricted such that they are not referred to as self-regulation but rather as (only) self-administration. Legal restrictions in the field of ABS are set out in legislation (the BRAO). Also, Directive (EU) 2018/958 has been implemented; for this purpose, regulation of the BRAK is subjected to a proportionality test by the Federal ministry responsible for legal affairs (the *Bundesministerium der Justiz und für Verbraucherschutz*), as an independent body.

In France, restrictions in the field of ABS are set out in an *ordonnonance* (of the French President). The CNB, the national professional organization of lawyers, merely has limited powers to harmonize regulation of local bar associations. Rules set by local bar associations with economic consequences may not impact on the competition between lawyers or others. Also in France, the system is

[5] The American Bar Association has drafted a similar set of regulatory objectives for legislation concerning legal services.

characterized by self-administration rather than self-regulation. For the purpose of implementing Directive (EU) 2018/958, the ministry of Justice is charged with the execution of the proportionality test in advance of the entering into effect of regulation.

In England, the law does not restrict ABS. Facilitating ABS where appropriate is left to the independent authorities for the legal professions, such as the SRA for solicitors.

Lawyers' independence. In all countries covered by the research, the independence of lawyers is seen as important. Generally, with respect to this independence, emphasis is put on the intellectual independence of the lawyer when handling a case, and the ability to act accordingly. As part of this independence, the lawyer may have no conflict of interest in a case at hand. The independence of the professional organization as a whole, and the role it plays in drafting and supervising compliance with rules of conduct, are seen to support the individual lawyer's independence and as a safeguard for ensuring that individual independence is used for the purposes it is protected for.

The lawyer's independence from the State is considered important as a counterbalance against State power over citizens (government, public prosecutor, judiciary). This matters most where the State acts as an opponent (government acting in both public and private capacities; public prosecutor). The lawyer's independence thus functions as a crucial safeguard for upholding the rule of law.

Cooperation between professional organizations. The Netherlands and Germany have a long tradition in multidisciplinary cooperation in the form of MDPs, including between lawyers and civil law notaries. However, at the level of the organizations of the legal professions in the Netherlands (NOvA, KNB, KBvG),[6] little structural cooperation to promote access to justice exists. Occasional consultations occur when the joint interests of the professions so demand. In Belgium, where MDPs for lawyers are prohibited, no institutional cooperation between the organizations of the various legal professions exists either.

France has created a High Council of the Legal Professions *(Haut conseil des professions du droit, HCPD)* in 2010, in a search for ways to enhance the contribution of the legal sector as a whole to citizens' access to justice. In this HCPD, the professional organizations of lawyers, civil law notaries, bailiffs and administrators come together. The HCPD, in turn, is a member of the National Council of the Law *(Conseil national du droit*, CND), which was created in 2008 and is a thinktank representing universities and the legal professions. In this manner, an interprofessional dialogue is promoted. This French development was partly inspired by developments in England.

In England, independent authorities for the various legal professions, including the Solicitors Regulation Authority (SRA), were created pursuant to the LSA in 2007. The *Legal Services Board* (LSB) was set up as an umbrella authority. These authorities were charged with advancing the regulatory objectives discussed above. The cooperation between the professional authorities has thus gained a strong profile in England.

Experiences with ABS in other countries. In England, ABS are allowed since 2012 and MDPs since 2014. In practice, the English liberalization did not (yet) produce a revolutionary improvement for access to justice. For example, the price of legal assistance has not decreased. Yet, consumers have more choice between types of providers of lawyers' services (whether or not multidisciplinary; small providers and large providers targeting a large retail group of customers, etc.; physical and online services). Also, research has shown that ABS generally are more innovative than classic law firms. From England no negative effects of ABS are to be reported; some ABS have however proven little successful and there have been incidents in which ABSs went insolvent. The regulatory innovations in Germany and France are of more recent dates and do not yet give rise to meaningful results.

3. Evaluation, conclusions and recommendations

[6] These are the professional organizations of lawyers, civil law notaries and bailiffs respectively.

Consequences for access to the legal profession in the Netherlands. When assessing the extent to which ABS should be permitted in the Netherlands, more is at stake than just the interests and core values of the legal profession. In this context, we suggest that regulatory objectives be drafted. The English regulatory objectives, set out in the LSA, serve as an example. This includes, without limitation, what in the Netherlands is referred to as the core values of the legal profession. Several variations to the English list can be considered. This evaluation stresses the plurality of the objectives relevant to professional regulations. Against the backdrop of such broader regulatory objectives, an assessment can be made of the extent to which restrictions in the field of allowing ABS for lawyers are needed.

Allowing ABS will offer chances for business models which seem able to serve the interests of both consumers and lawyers. All in all, room for ABS seems to be an attractive option for the Netherlands. This goes for partnerships of lawyers with professionals other than civil law notaries, qualifying tax advisors and patent attorneys, as well as for capital participations by third parties. In particular, the developments in the field of IT (including AI) are on high-speed. To enable investments in that category, much capital will be needed. The legal profession and its societal performance may benefit, if lawyers have more opportunities to invest, by attracting external capital. Also, the management-style approach that commercial businesses can bring, may contribute to the work of lawyers. The small scale at which many lawyers operate and the varying quality of their performance account for a rather instable fundament underpinning the current system, with little room for consistently better and more affordable services.

The principles of proportionality and coherence – see inter alia Directive (EU) 2018/958 – also demand recalibration of business structures available to lawyers. England, Germany and France allow MDPs of lawyers with people exercising other professions more than the Netherlands do. Unlike the Netherlands, those countries also allow people from other professions to participate in the capital of a law firm. Enough reasons to assess whether the Netherlands could follow suit. This also applies to the even further-reaching possibilities in England for capital participations by third parties more generally. In addition, it is remarkable that, in the Netherlands, in-house lawyers of legal assistance insurers and damages handling firms may act for insured people and (on an experimental basis, and subject to further requirements) for uninsured people. England leaves more room for the employment of in-house lawyers. Is it coherent that, in the Netherlands, the possibilities given to legal assistance insurers and damages handling firms are not also given to other employers?

The potential advantages of ABS leave unaffected that regulatory objectives may justify limitations and caution. These then, must be carefully reasoned. The EU-directive leaves the competent national authorities with a meaningful margin of appreciation. This allows for gearing towards socially-desirable developments, also with respect to (types of) ABSs to be permitted. Specific recommendations about this are beyond the scope of this research project. Only restrictions based on objective (and coherent) grounds of justification are permissible. Caution may justify a step-by-step approach. That would, for instance, facilitate the giving of priority to initiatives aimed at improving access to justice for the middle group in society. Also, certain types of potentially beneficial ABS might (in a first instance) be labelled 'high risk' for the general interest. After all, the real positives and negatives of certain structures may not be known in advance. Such high-risk types of ABS could possibly be admitted on an experimental basis.

Consequences for the core values of the Dutch legal profession. The core values of the legal profession can be viewed as part of the aforementioned broader regulatory objectives for the legal services sector.

The core values of the Dutch legal profession can be summarized in the following terms: independence (from the client, third parties and the case at hand), partiality, expertise, integrity and confidentiality. These core values can be safeguarded in a robust manner, when allowing ABS.

In terms of these safeguards, firstly, it should be considered to introduce a license obligation for legal entities which offer lawyers' services to the public. Thus, law firms will be directly subject to supervision and disciplinary laws in addition to individual lawyers. Also, suitability requirements can be applied to non-lawyer capital investors and board members.

Organizational requirements can be introduced as well, providing for specific guarantees to the professional independence and other core values. These can go further than the 'professional statute' which the NOvA already prescribes for certain situations; these organizational requirements may inter alia provide that firms must designate compliance officers. Furthermore, firms can be made responsible for the independent exercise of the legal profession and board members and shareholders can be required to respect that.

With such rules, it seems unnecessary to require that a majority of voting rights in the board and/or shareholders meeting accrues to lawyers.

Introduction of a license requirement for firms is attractive anyway, as it creates space for improved regulation and supervision of lawyers' services, also without allowing ABS. In addition, it makes room for allowing ABS. To what extent ABS are to be actually permitted, is a separate follow-up question.

Consequences for the prerogatives of the Dutch legal profession. The most important prerogatives of a lawyer under Dutch law are the reserved activity of representing people in court and legal privilege. Should ABS be generously allowed, this does not need to cause infringement to the reserved activity of representation in court. A choice to leave far-reaching limitations in the field of business structures unchanged, may, however, be expected to cause pressure on the reserved activity of representation in court. There would be more reasons to share said reserved activity and legal privilege with professions that are permitted to work in business structures prohibited for lawyers (if that serves larges societal goals).

Consequences for forms in which Dutch lawyers cooperate. Several consequences which allowing ABS might have for forms in which Dutch lawyers cooperate are already discussed above under 'Consequences for access to the legal profession in the Netherlands'.

In addition, the question arises whether a type of ABS allowed for lawyers *(advocaten)*, should equally be allowed for civil law notaries *(notarissen)*. In general, it seems desirable that rules over business models for lawyers and civil law notaries be coordinated where possible, as was done for the rules currently in place. This is relevant, inter alia, for the development opportunities for offices in which lawyers and civil law notaries work together.

International law firms require attention as well. Consider, for instance, an international law firm with offices in Germany and the Netherlands; suppose, an accountant is made partner in the German office (which is thus turned into an MDP). As long as the Netherlands bars lawyers/accountants MDPs at home, the question is whether that firm should be able to continue operations in the Netherlands with lawyers only. A similar issue is at hand in Belgium, where Dutch/Belgian law firms are active with civil law notaries as partners in the Dutch office but not in the Belgian office. The Belgian lawyers of such firms are partners of the Dutch civil law notaries within the same firm, whilst their association with Belgian civil law notaries in an MDP is prohibited. The Belgian solution tolerating this, raises questions of coherency. Overly severe restrictions, however, may unnecessarily hinder the international development of the Dutch legal profession.

Following the English example, a further option may be considered for lawyers employed by an employer which is not a licensed law firm (or MDP-firm). Such lawyers can be allowed as such to perform non-reserved activities, such as giving legal advice, for clients other than the employer and its group companies. In that case, the organizational rules just discussed will not apply to the employer; the already known 'professional statute' will however be required. This would provide lawyers employed in e.g. an architectural firm or an accountancy firm to assist clients of the employer with ancilliary legal services. The possibilities for this group of in-house lawyers will thus be generally enhanced (where providing legal services to third parties is currently forbidden, it would be permitted with limitations). In certain cases, however, their room to act would thus be limited (in-house lawyers of legal expenses insurers may no longer represent insured people in court where this is a reserved activity, unless these lawyers are transferred to a licensed law firm, which may be a subsidiary of the insurance company).

Consequences for supervising the legal profession in the Netherlands. The legal profession's position deserves reassessment from time to time to review the lawyers' contribution as a group to

realizing the regulatory objectives for the legal services sector. For a sound functioning of the legal profession, it is desirable to leave evaluations and the drawing of policy conclusions to an independent authority with regulatory and supervisory powers.

The regulation would be at some distance from the national political debate, and from vested interests of the professional group itself. The independent regulator can acquire knowledge and expertise, and thus become a professional player in the legal services sector. Further development of regulation will thus be facilitated. This setup will also facilitate the design, execution and evaluation of experimental regulation. An independent authority can make policies which in advance grant opportunities and regulatory certainty to business structures with potentially added societal value. Limitations such institution may deem justified, will be sufficiently free from the defensive considerations that may exist among groups of lawyers themselves.

This idea of an independent regulator can be connected with the recent proposal, made by the Dutch minister for Legal Protection, to institute an Independent Supervisor for the Legal Profession (OTA). According to this proposal about supervision, the OTA's board will have a majority (including the chair) of non-lawyer members. The duties of the OTA can be extended to include regulatory duties, with statutory objectives for regulation to guide the OTA's policies. The OTA will thus be able to set precise requirements (selection criteria and additional rules) for allowing ABSs, and grant licenses on that basis. Powers with respect to designing, executing and evaluating experimental regulation may be vested in the OTA.

Furthermore, from a broader regulatory perspective, enhanced institutional collaboration transcending separate professional groups can be sought for between the OTA and the BFT, which is the existing independent supervisor for the notary and bailiff professions.

Concrete recommendations. On the basis of their research, the researchers make the following five key recommendations:

Regulatory objectives**:** The legislator should set out regulatory objectives which will serve as the basis for regulation regarding the legal services sector, including lawyers *(advocaten)*. Societal needs, including the improvement of access to justice and safeguarding the core values of the lawyers' profession, will be part thereof.

Independent authority: The legislator should vest the responsibility for establishing regulation regarding the lawyers' profession, in particular with respect to accommodating business structures, in an independent authority. This authority-function should be placed with the new Independent Supervisor for the Legal Profession (OTA), recently proposed by the minister for Legal Protection.

Regulating firms: In addition to the existing regulation primarily focused on individual lawyers, firms offering lawyers' services should as such be subjected to a license requirement and regulation.

Admission policy for business structures: The regulator (we recommend: the independent authority) should base the development of its admission policy for business structures on the regulatory objectives set out by the legislator.

Proportionality and coherency: The fact that Directive (EU) 2018/958 is not yet sufficiently implemented in Dutch law with respect to regulating the lawyers' profession, should be corrected as a matter of urgency. From January 1st, 2026 (expiration of the ongoing experiment), the temporary provision concerning legal assistance insurers and damages handling firms should be replaced by a permanent provision as soon as possible and until then be continued.