



Waiting for Godot: Will the insolvency surge ever arrive?



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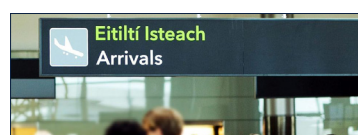
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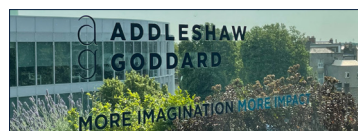
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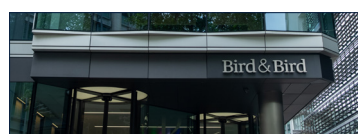
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Dublin's new arrivals

Six years on from the Brexit vote, international law firms continue to land in Dublin, making Ireland the hottest EU jurisdiction for new offices. *Dominic Carman* finds out why



Ireland recently won the 'best destination' award, which was presented to Tourism Ireland at the prestigious Travel Weekly Readers' Choice Awards in New York. This achievement is far from unique: welcoming more than 11m overseas visitors annually, Ireland has won the award every year since 2014. International law firms seem to have followed a similar destination trend: since the Brexit vote in 2016, more than 20 firms have decided to open a permanent office in Dublin. The latest trio to do so – Addleshaw Goddard (AG), Bird & Bird and Ogier – will not be the last. It can't be the weather,

so why is Dublin the EU's hottest place for law firms to set up and is there enough work to sustain their ambitions?

New arrivals are certainly guaranteed a traditionally warm Irish welcome.

"Competition is good for the market: international players tend to drive activity," says Michael Jackson, managing partner of Matheson. "It's not something we're nervous about; it's something we welcome. We've been able to grow our market share when the market gets larger. Different firms pursue different strategies: the merger route, picking off partners or

▲ **Since the Brexit vote in 2016, more than 20 firms have decided to open a permanent office in Dublin**

individuals from existing firms, or setting up representative offices targeting particular sectors. Each has its pros and cons."

Stephen Holst, who became the new managing partner of McCann FitzGerald in May, concurs: "We've had huge competition for many years and we welcome it. Interest in the Irish legal sector reflects its growth and strength, as part of the increased globalisation of the legal services market." According to Declan Black, his counterpart at Mason Hayes & Curran, managing partners of international firms are "now expected to have an Ireland

strategy. For some, that's boots on the ground; for others it's: go niche; and for some, full service. So, niche – Simmons & Simmons; more full service – DLA Piper."

Competition welcome

The warmest words come from Peter Stapleton, managing partner of Maples Dublin which opened 16 years ago.

"We can't complain about other international firms coming in to disrupt the Irish market as that was our own model," he says. "Indeed, we're generally encouraged by new entrants. Firms that have entered the Irish market are an endorsement of the strength of the legal community and client opportunities. Some firms coming in are well-known internationally, and they will attract positive attention and market the jurisdiction. Financial services players, offshore players, corporate players, and IP specialists – we welcome them all. They're a very strong endorsement of the market.

But, Stapleton concludes, "We haven't seen anybody come in that's truly disrupted the market to the extent that Maples has so we're fortunate to remain the number one international law firm by a number of metrics. That's a position we have taken a long time to build and will defend robustly."

The market remains hot, notes Owen O'Sullivan, managing partner at William Fry. "There are rumours of other firms coming," he adds. "Some who have made decisions, but haven't arrived yet; others, who set up shop and quite openly contact us to say: we're establishing, this is what we're doing, this is the practice area we'll focus on, these are the people who'll be doing it. They want to maintain good relations."

Some managing partners at Ireland's leading independent firms are more circumspect. "A



"We are fortunate to be ahead of the curve"

Alan Connell, managing partner, Eversheds Sutherland

lot of the new entrants have a very narrow focus," says David Widger, who became A&L Goodbody's new managing partner in May. "For most of our clients, one of the reasons they're with us is the breadth of our expertise. We're not remotely complacent – although we haven't felt the impact of those firms to any great degree, there's been no sense of complacency. But thus far, the market which contributes most to our high performance is unaffected."

Remaining paranoid

Others are more concerned. "It's a large part of my job to remain paranoid about it," says Geoff Moore, managing partner at Arthur Cox. "In terms of market entrants, we've seen very few, with the exception of Addleshaws, who have said: we plan to be full-scale across all the leading disciplines in the short

term. The reality is that it will take a significant level of acquisition or investment for any new market entrants to get there. That takes time. Interestingly, unlike France or Germany, what we haven't seen is the magic circle to any significant degree or leading US firms enter the market. That's not to say they won't."

So far, only two of the five magic circle firms have made a move, taking just the smallest of steps. Linklaters opened a small Dublin office a year ago. But the partners in the Ireland team – antitrust & foreign investment partners Nicole Kar and Jonathan Ford, as well as TMT partners Richard Cumbley and Julian Cunningham-Day – are generally to be found in Silk Street rather than in the firm's rented office suite on Merrion Square.

In November 2020, the Law Society of Ireland ruled that UK lawyers with an Irish practising certificate had to have a physical presence in Ireland in order to benefit from the rights that come with the certificate, most notably access to EU markets.

In March, Allen & Overy hired David Herlihy, an experienced Skadden arbitration partner. ►

According to A&O's statement, Herlihy – who is a treble-qualified lawyer in the UK, Ireland and New York – intends to divide his time between London and Dublin. As A&O views office space and seeks regulatory approval to practise from Dublin, the firm's stated position is that this move accommodates Herlihy's desire to live there.

Legal hub

Beyond the magic circle, a clutch of big international firms has made much bigger strides. The original trailblazer was Eversheds Sutherland which is now the ninth largest Irish law firm with 111 lawyers. "Dublin will continue to develop as an international platform and legal hub," says Alan Connell, managing partner of the firm's Ireland practice. "We welcome it because we are fortunate to be ahead of the curve: we were the first major international law firm to have a significant presence in the Irish legal market back in 2006. We have led the way in driving that evolution."

More recent arrivals include Hogan Lovells, which announced plans in March 2021 to open an Irish office. Last October, the firm hired Eoin O Connor from Walkers to lead its global regulatory practice in Dublin and is set to hire a further 30 lawyers to staff its new office in the Grand Canal Dock area.

Dentons, which opened a Dawson Street office in 2020, has already hit that mark. "We're north of 30 lawyers," says Shane O'Donnell, head of corporate in Ireland. In May, Dentons hired a trio of lawyers who have been appointed as partners in Dublin: energy and projects lawyer Colm Ó hUiginn from Shearman & Sterling; corporate M&A lawyer David McGuinness, who was a senior associate at Allen & Overy in Dubai; and Michael McDonald who joined from Gilbert + Tobin



“ The latest conversation is that the Big Four can provide a legal offering

Alan Murphy, head of EY Law Ireland

in Sydney, where he was a corporate advisory consultant. Previously, he spent four years at William Fry.

"Some hires haven't yet been announced," says O'Donnell. "By the autumn, we hope to be at 40. It's been a bit slower than we would have liked because it's been person by person. We've got big plans: we're moving into a new office which can accommodate over 100 lawyers. That gives you an idea of our intent to grow." Such growth would see Dentons nudging into the top ten Irish firms by size.

Big Four challenge

And then there is EY Law – an international law firm affiliated to EY Global which has offices in 150 countries and more than 300,000 professionals.

"For some years, the big topic of conversation was international

law firms coming into Ireland, but the latest conversation is that the Big Four can provide a legal offering," says Alan Murphy who became head of EY Law Ireland last October, after moving from the managing partner role at Eversheds Sutherland Ireland. "It's a genuinely different offering from a genuinely different brand," he enthuses.

In four core practice areas, the strategy was to hire leaders first and then hire across teams, he explains. M&A, corporate and structuring is led by Adam Synnott (ex-William Fry); real estate investment by Mairead Finlay (ex-Leman); employment by Deirdre Malone (ex-Ronan Daly Jermyn); and tech and commercial by Peter Bolger and Rob Haniver (both ex-LK Shields).

Murphy has big local ambitions: "We want to build out of financial services regulatory: there's a very compelling client need," he says "We're looking at banking, financial structuring, tax controversy. A very large energy team was recently recruited into EY Law in the UK, so we're also looking at energy. With four lawyers joining over the summer, we'll be at 20 lawyers. We're aiming for 50 by 2025. ►

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"It all comes back to an end-to-end service across multiple disciplines – our ability to join up tax, consulting, law, strategy, and bring that to a client, both from an expertise perspective across multiple disciplines, but also from a team perspective. From the beginning, we also wanted to reflect the national presence of EY. We're building hubs out of Cork and Galway: two of the four lawyers will be joining us in Cork. EY is by far the largest of the Big Four in Munster, it's got 300 people in Cork."

The strategy has been bespoke, he suggests: looking at individuals, hiring the best. "We have a strong bench of very good specialists and will build out some practice areas further, spreading the bench even more," he adds. "We're looking at several different options. We're also considering some merger opportunities, which might give us a significant increase in numbers. It has to be the right firm, the right fit: our interest lies in a specialist corporate firm."

More mergers

Open talk of mid-tier, mid-sized Dublin firms being invited to merge is common among managing partners. Black offers the following critique: "I'm only surprised there haven't been more mergers. The 25 biggest independent law firms in Ireland have three strategic options: to keep doing what they're doing and to try and get better; to combine locally, or to combine internationally. It seems logical that some will choose to combine internationally."

Among the larger mid-sized firms who might potentially be doing so, according to Reports Legal enquiries, are the following: Ronan Daly Jermyn, Dillon Eustace, Beauchamps, Hayes, LK Shields and the fast-growing Phillip Lee, which, according to its eponymous founder, plans to



"We haven't seen anybody come in that's truly disrupted the market to the extent that Maples has

Peter Stapleton, managing partner, Maples Dublin

recruit at least 50 lawyers this year.

Cultural issues sometimes preclude local mergers, suggests Black, "whereas people can get over those issues with international mergers – it's more of a clean break. They can preserve their local culture and affiliate through a verein structure internationally."

Ann Lalor, head of Pinsent Masons Ireland, offers a slightly different take on the growing list of international legal brands with a Dublin presence, suggesting that some are just flag-planters. "I'm a bit cynical because it depends what those firms are doing here," she says. Pinsent Masons opened in Dublin five years ago, since when it has

grown to almost 50 lawyers and is among the small band of international players to deliver a full service offering to clients.

"Other firms come in and just want a foothold in the Irish market," says Lalor. "You can tell from their press releases whether or not they're going to establish a true entity. The big tell is when they say: a partner is appointed to spearhead the Dublin office and will split his/her time between London and Dublin. Then you know that they're not going to put meaningful boots on the ground. It's probably a competition or litigation play."

She notes, pointedly: "You can look at Ireland and wonder how a business population could support that number of law firms. But when you drill into what they are doing, it's more nuanced. Competition is always good, but it looks more competitive than it really is."

That critique, however, does not apply to the latest trio of big law firms who "arrived" in Dublin this year: two have decided to take the merger route and the other is actively recruiting at a high level.



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Addleshaw Goddard:

Merger with Eugene F Collins sets a pattern



A top 20 UK law firm by size, Addleshaw Goddard (AG) arrived with a bang in Dublin this spring, extending its global footprint into Ireland through a combination with Eugene F Collins.

Sharing the same core practice areas – litigation, property, corporate and banking – AG’s merger with one of Ireland’s top 20 law firms is certainly the biggest of its kind to date in the Irish market: 25 partners at the Dublin-based firm became part of the AG group, which has 300 partners across 16 offices in Europe, the Middle East and Asia.

The Dublin office continues a pattern of expansion for AG which launched in Paris in January 2021 and in Germany in June 2019. Weeks after arriving in Dublin, AG opened an office in Luxembourg to boost its funds finance practice. Announced in February and completed in March, the Irish merger had been two years in gestation. Mark Walsh, formerly managing partner of Eugene F Collins and now Head of Ireland at the rebranded AG office in Dublin, explains:

“We started discussions in January 2020. We went over to Scotland and met the AG team and spoke to the French and the

▲ **The Dublin office continues a pattern of expansion for Addleshaw Goddard**

German offices, but discussions had to be mothballed because of COVID. Then we picked up serious discussions last year. By August, we had heads of terms signed and then an opening date of 1st March. The big thing was trying to merge a strong Irish firm, 132 years full service, with an international firm that was thriving. Negotiations took time, because we wanted to get it right.”

Walsh offers particular praise for David Teenan, Senior Manager Transaction Services at PwC in Glasgow, who advised the Irish partnership: “He really was very good.”



Culture is critical

The culture piece, he notes, was critical because Ireland is a small market. "Some firms have come in and just planted flags," he says, adding that two things were of particular importance in this context: clients and employees. "It was very important to hold on to our existing clients, some of whom are looking for international opportunities, so they can tap into AG's strength in the UK, the Far East, France and Germany," says Walsh. "Here we are, 65 lawyers who want to grow as part of a bigger AG team. We thought this would be good for our clients. Beyond full service, add in AG's bench strength and the international practice is becoming more important."

"We contacted as many of our clients as we could, explaining the rationale and why Eugene F Collins was changing its name: 'We're letting the name go because we're going into this with both feet.' Different clients have specialisms for different uses – some are more domestic, others less so. In terms of client reaction, they want to know:

“It’s very important what your people inside the organization think. You need to bring them with you on the journey

Mark Walsh, head of Ireland, Addleshaw Goddard

how will the work get done and how can you support them? From a client survey we carried out during lockdown, they want more technology that will help them save money and more about green leases and sustainability. But they also want international reach."

In terms of employees, Walsh says: "It's very important what your people inside the organization think. You need to bring them with you on the journey. How do you do that? It's about explaining the opportunity to people and getting them to understand it."

AG provided significant support along the way. "A lot of people came over from AG

– IT people, marketing and the other teams," he says. "I found AG very sensitive in terms of understanding this is a different market. AG's thinking was: we're not going to tell you about the Irish market, you know it, rather than: this is the way we do things."

Walsh adds: "John Joyce, AG's managing partner, talked to the trainees, to the secretaries, to everybody. That was very important in terms of support. It was also about explaining the rationale, getting people to understand that the culture wasn't going to change hugely and that there are some alignments."

"It's working out, it's grand"

As a litmus test for how things have progressed, he refers to the firm's longest-serving employee. "Our receptionist, Bernie, who's been with us 43 years, recently said to me: 'Mark, they're all decent people. It's working out, it's grand.'"

Looking ahead, both revenues and lawyer headcount will double under Walsh's plans. "We're allowing three to five years for this to happen, steadily growing, adding to the teams," he says. "People see us as an example: they'll look to see how well it works and how we grow."

Feedback from peer firms who have dealt with AG has been really positive, according to Walsh. Some on-the-record comments made to Reports Legal confirm this. "It's a good marriage," says O'Donnell. "For some smaller Irish firms, it's a better fit in terms of having wider access to resources. From Addleshaw's perspective, they probably have Irish clients needing to be serviced."

Walsh adds: "I suspect it won't be the last such move in the Irish market. I hear rumours that other firms are looking at a similar option."

Bird & Bird:

A natural fit for Ireland, a big draw for local lawyers



The Bird & Bird brand is as prestigious as its blue-chip clients; entry into the Irish market was perhaps long overdue. "We'd been looking at it for several years," says Sally Shorthose, IP and life sciences partner and initial head of the firm's Dublin office which opened in June. The focus is on Bird & Bird's core specialisms: privacy and data protection, technology, life sciences, intellectual property and corporate law.

"Our corporate colleagues were involved in many transfers/setting up of European headquarters," says Shorthose. "Time and again, the Irish option

was the most attractive, not only for US companies but also for Indian or Chinese companies because it's anglophone and Common Law is something they can get their heads round. People just like the market; where one company goes, others follow."

Three years, 30 lawyers

And the growth strategy? "Our three-year plan is to have about 30 lawyers," she explains. "That's fairly safe and achievable. If things go quicker, then so be it. But we're certainly not planning to have a full service offering in Ireland over the next year or two.

▲ **There is a natural fit between Bird & Bird and the significant presence of big tech and life sciences in Ireland**

We're easily going to make our recruitment targets, I believe, with absolutely top people. By the end of this year, we'll have at least five partners."

Given the natural fit between Bird & Bird and the significant presence of big tech and life sciences in Ireland, why did they not open sooner? "Brexit provided an extra impetus, but the seeds of the idea were sown a lot earlier," confirms Shorthose. "There was also a call from US clients to have a Dublin presence." Like AG, the Dublin opening was delayed because of COVID, she explains. "Otherwise, we'd have been there two years earlier. The

plans, strategy and rationale for opening were all there.”

Bird & Bird appointed its first Dublin partners in May: Deirdre Kilroy, a former technology and innovation partner at Matheson, and Anna Morgan, who joined from Ireland’s Data Protection Commission (DPC), where she was a deputy commissioner and head of legal affairs.

Kilroy outlines her reasons for moving. “I’ve had the pleasure of working with many international law firms,” she says. “Irish work for international clients was largely serviced by the big traditional Irish law firms. I was happy at Matheson, but have always respected the deep learning, knowledge and emphasis on quality that Bird & Bird has shown over the years I’ve dealt with them. It’s always been consistent – regularly dealing with the data protection team in Germany, the IP team in London or the US. It’s always about giving clients a really high-quality service. Culturally, the people are super nice: it’s collegiate across all functions.

“When I started the conversation some time ago, I could see the opportunity for Ireland playing a really significant part in the Bird & Bird jigsaw. I also had the luxury of having been part of that jigsaw as an independent best friend for several teams.”

Morgan offers her perspective: “For nearly six years, I was at the DPC where I established the horizontal legal function. I was very happy in the role, which was fulfilling and challenging. I’d been approached by various organisations, but it was always going to have to be something very special to make me move on. When Bird & Bird approached me, it was a unique opportunity. I’d always admired the firm from afar – in getting to know them better, I was really encouraged by the collegiate culture, the



“ When Bird & Bird approached me, it was a unique opportunity. I’d always admired the firm from afar

Anna Morgan, partner, Bird & Bird in Dublin

international profile and the range of work.”

No Bird & Bird-shaped opposition

In the same areas that Bird & Bird Ireland practises, there are strong teams in other firms across the Irish legal market, according to Morgan. “But we have a different offering: we can deliver the whole package with a multi-jurisdictional dimension,” she says. “That seamless way of working around the globe sets us apart from the vast majority of those other firms.” Shorthose adds: “I don’t think there’s a Bird & Bird-shaped opposition.”

Kilroy emphasises the very collegiate nature of their relationships with Irish firms.

“The existing Irish law firms are wonderful: sometimes clients will reach for them for very good reason, but sometimes they’ll reach to us instead for very good reason,” she suggests. “We’ll sit alongside each other as an offering to the market.”

But the firm’s focus will ultimately extend beyond their core specialties, adds Kilroy. “We recognise that, for example, corporate is a key foundation stone – an area that we intend to have as part of the suite of services we offer,” she says. “It will be a full service within telecoms, IP, IT, data protection, life sciences, corporate, and litigation. The regulatory, transactional and disputes parts of those practices will be supported.”

The potential breadth of this offering might surprise some local players. “Bird & Bird specialises in IP, data and tech – so there will be competition in that space, but not across all practice areas,” says Lalor. “Bird & Bird is a strong niche player,” adds O’Connell. “There’s so much of that work around; the issue is being able to hire quality lawyers in that space. That’s the big pressure point.”

Ogier Leman:

Driving offshore further into the Irish market



Ogier is no stranger to mergers. Its international reputation has been forged through a series of them: in 1995: Ogier & Le Cornu and Le Masurier Giffard & Poch merged to create the Ogier Group; in 2004, Ogier created the first trans-Atlantic offshore firm when it merged with Boxalls in the Cayman Islands; and in 2007, Ogier merged with WSmiths in BVI and Hong Kong.

In February 2022, six months after setting up shop in Singapore, Ogier opened a representative office in Beijing: the first offshore law firm to have a presence in the Chinese capital. The following month, Ogier announced a merger with Leman in Dublin, making it the twelfth office in the firm's global network.

On 25th May, the two firms formally combined, operating

under the joint brand of Ogier Leman. The merged entity offers services to Irish clients across corporate, real estate, dispute resolution and employment law, while the international network also provides banking, corporate, funds and private wealth services.

"We decided to co-brand for a year to get the best of both worlds since the Irish legal market wouldn't necessarily be that familiar with Ogier, although offshore firms and some Dublin practices would be very familiar," says John Hogan, managing partner of Ogier Leman. "Having the two brands alongside each other will help to familiarise everyone with Ogier. There have been so many new entrants in the Irish market, so marking yourself out is very important."

▲ The two firms formally combined in May, operating under the joint brand of Ogier Leman

In reality, Ogier is already pretty well-known by most Irish lawyers, and well respected too. Among local firm commentary, O'Sullivan's critique is notable: "Ogier Leman was very interesting: a bit of onshoring is driving that," he says.

Proud Tribe

Hogan, who helped to co-found Leman in January 2007, defines the firm: "We are a proud tribe – nearly 16 years old and enormously proud of our culture. We take the familial approach very seriously. We feel it's unique in Ireland, but I didn't know if anyone internationally would share our approach."

Ogier and Leman were introduced by a third party. "The initial Zoom introductions made it hard to read the room," says Hogan. "The core issue

was: would you like to work alongside these people on a deal, or in the trenches? We picked up the feeling that we would really quickly. Meeting Ed Mackereth (Ogier's global managing partner) was the first time we'd met a firm where we felt they had that a similar value system. We'd had a few approaches and never found a cultural alignment that felt comfortable."

Mackereth adds: "You get a real sense when you're standing in front of the firm in Dublin that Ogier Leman employees don't hold back. I've had a good grilling from trainees about what we stand for and whether we have the integrity to do what we say we will do, which may not be the universal experience with new market entrants. From a managing partner perspective, that's refreshing: people aren't afraid to voice their concerns, how they want the firm to be – for example, about D&I reporting, because Leman were the first Irish firm to report their gender pay gap."

The presence of a third major offshore in Dublin had not been widely anticipated. Since 2010 – when Walkers followed in the footsteps of Maples, which opened in 2006 – no other offshore firm has publicly suggested that Dublin was a key target jurisdiction. Ogier Leman's 52-strong team, led by nine partners, makes it an immediately significant presence in the Irish capital. In addition to Irish law, the firm practises the laws of BVI, Cayman, Guernsey, Jersey and Luxembourg.

"Across each of its home jurisdictions, Ogier has between 75 and 150 people," says Hogan. "That's probably the strategic target in Ireland." He is anxious to allay fears about how that growth might be achieved. "Culturally, we don't want to create a bloodbath in the market



“ Would you like to work alongside these people on a deal, or in the trenches?”

John Hogan, managing partner, Ogier Leman

for our colleagues and other firms," he says. "It's a mature industry: people need to treat each other well. My instinct is that unseating entire teams from firms in Dublin would not go down well. It wouldn't feel right."

Expand and deliver

And the strategy? "We're maintaining all the service lines and enhancing them, expanding our current footprint and plugging into Ogier's service lines – funds, financial services, and regulatory – and taking advantage of Ogier's broader network," says Hogan.

"Areas where Ogier is very strong – traditionally private equity and investment structures that are Channel Island/Cayman

specialisms – are very interesting in Ireland. Ogier has a depth of expertise that most Dublin firms don't. Talking with the funds industry in Ireland, they nod when those approaches are being discussed. We're going to adapt to what the local market needs. We have a leading opportunity for people to come in and take up a new funds offering – essentially, a ground floor opportunity, and a blank slate.

"We feel that there's a great opportunity for the Irish card to be played within the network. Ireland remains a very attractive place to do business. US fund managers who are making investment decisions like doing business in Ireland. There is also our historical political connection, which we feel we could hopefully mine into for our colleagues in Ogier. The Irish connection is slightly different – an onshore jurisdiction with structuring characteristics that make it unique. So far, the mood music is really positive, and hopefully it will stay that way."

Waiting for Godot

The much-anticipated surge in Irish restructuring and insolvency may finally become visible later this year, but for now the wait continues



Next January will see the 70th anniversary of the first performance of *Waiting for Godot*, arguably the best English language play of the past century – written, of course, by an Irishman. Although its meaning is subject to much academic debate, Beckett's circular narrative is really quite straightforward: two men wait for a third, who never appears.

There is perhaps some parallel with the much-anticipated arrival of a surge in Irish restructuring and insolvency work, particularly those of zombie companies – which earn just enough to continue operating and servicing their debt, but little more. Two men, both managing partners of their respective firms, offer their thoughts.

Still waiting

"Insolvency lawyers have been waiting for a wave of insolvencies

since the beginning of 2020," says Declan Black, managing partner of Mason Hayes & Curran. "But we don't see it yet." Geoff Moore, his counterpart at Arthur Cox, echoes the point. "We still haven't seen that wave of restructuring work, which 12 months ago seemed inevitable," he says. "It's still inevitable, it just hasn't quite landed yet."

Partner and Head of Restructuring & Disputes at Dentons Ireland, Gareth Steen, puts their thoughts into a wider context. "When COVID began, insolvency and restructuring lawyers were relatively quiet," he says. "Everyone immediately began to think: this is going to have extraordinary consequences for the economy; trade is effectively being shut down. It was therefore anticipated that a significant flow of insolvency work would follow. What's strange is that view has

▲ **The anticipated onslaught of restructuring work simply hasn't happened yet**

continued for over two years. The anticipated onslaught of restructuring work simply hasn't happened yet."

Looking ahead, David Widger, managing partner at A&L Goodbody, sees a silver lining. "We anticipate more restructuring and insolvency – as to timing, we're not sure," he says. "That could easily creep into early 2023. In an Irish context, there might be greater latitude from our banks in tolerance. We've been through such a cycle of banks having dealt with non-performing loan books, largely in real estate – some would say that it was a little heavy-handed during the financial crisis. Societally, there's also an element of the banks' tolerance not to call a company's inability to work its way through too early."

But, he adds: "If things go a bit south, that won't greatly trouble us. In a small economy, law firms' fortunes don't necessarily travel

with growth. In the financial crisis, it quickly turned into a very busy period. There are so many sectors that are quite defensive and immune. Trouble or crisis can throw up opportunities.”

PwC: 4500 companies saved... for now

February saw the publication of a major report from PwC – Act Now: From recovery to growth. Probably the most comprehensive review of Irish insolvencies ever undertaken, it examines 18,000 business failures in Ireland over the past 17 years, measuring the correlation between key economic indicators and other trends with the rate of insolvencies. Using data analytics, PwC modelled the number of companies that would have failed during the pandemic had it not been for government support.

Having crunched the numbers, the report deduces that pandemic support from the Irish government “had saved at least 4,500 Irish companies from going bust.” This represents an average of 50 companies being saved every week. PwC also estimates that there is currently a debt overhang of at least €10bn comprised of warehoused Revenue debt, loans in forbearance, supplier debt, landlords, rates and general utilities.

Critically, the report concludes that “further support will be required for certain sectors and many of the 4,500 companies identified earlier – which have effectively been on life support – will recover while the economy fully reopens but some will need to proactively repair their balance sheets.”

Those words about the “4,500 companies...on life support” (aka zombie companies) were published on 8th February 2022 – just over a fortnight before Russia invaded Ukraine and the full producer and consumer impact of



“ Don’t wait, act early. If you wait for the axe to fall, it’s too late

Gareth Steen, head of restructuring and disputes at Dentons Ireland

sharply rising energy costs started to be felt and broader inflation pressures really began to bite.

“It’s now a question of when, as opposed to if, restructuring and insolvency become busier,” confirms Michael Jackson, managing partner of Matheson. “People predicted from the start of the pandemic that the restructuring space was going to get pretty busy. Government supports meant that the expected surge in activity was delayed. Hopefully, quite a number of companies will survive and trade through. For those companies who were heavily dependent on supports, the withdrawal of them will have an impact.”

Putting on the Green Jersey
Steen points to that impact being quite severe. “We talk

about putting on the green jersey, supporting Ireland Inc.,” he says. “There was a real sense of the business community and the government working together to try and avoid that situation (during COVID). Massive government supports were put in place to ensure that businesses survived. What hasn’t gone away is the debt and distress that has yet to be brought to bear. Governmental supports have only recently come to an end. We also have the impact of the terrible war in Ukraine, increasing interest rates and fuel prices, increasing costs of living and a supply chain crisis – it’s a perfect storm.”

But William Fry’s managing partner, Owen O’Sullivan, identifies more immediate challenges facing many Irish companies. “There’s certainly a lot of talk about zombie companies,” he says. “In terms of how best to deal with them, action is yet to become apparent. The focus for many corporates right now is on supply chain and distribution issues, which concern them more than inflation. But inflation is impacting everybody’s planning.”

Jackson sees things differently. “There will be an uptick in restructuring – something we’re planning for. We’re growing our restructuring team, which is already the largest of its type in Dublin. The activity will start with smaller companies and smaller businesses, but it’s only a matter of time before we see similar things in the medium and large enterprise space. That’s what we’re expecting: a spell of more intense restructuring activity.”

Ann Lalor, managing partner of Pinsent Masons Ireland, is a little more sanguine when comparing Ireland’s current problems with those of a decade ago. “The consequence and the pullback will not be as catastrophic as before,” she says. “Banking in Ireland has fundamentally changed: we won’t be looking

50
Number of companies saved every week by pandemic support from the Irish government, according to PwC research

at another 2008-2011 situation. However, one would expect, particularly linked with inflation, that businesses are going to be under pressure. It will be in the SME space, in particular – hugely important for Ireland, because much of the Irish economy is based on SMEs.

“A bite, an aftershock”

“If you’re looking at industry overall,” she adds, “where the economy is and where different industries are, you have to expect that for companies which have clung on due to supports through the pandemic, there now has to be a bite, an aftershock. It’s regrettable. Because as a lawyer, you can be hugely busy in those times, but it’s not happy work. I genuinely don’t say it with glee, but it’s the next phase.”

Largely modelled on US Chapter 11 proceedings, Irish examinership legislation provides a strong focus on saving jobs and has proved itself to be an attractive option for companies of every size that are temporarily unable to pay debts when they fall due.

Stephen Holst, managing partner of McCann FitzGerald, identifies the types of business most likely to use it. “As we’re seeing an increase in interest rates and inflation, creditors may well be seeking repayment of debt,” he says. “Sectors that could be affected include tourism, airlines, hospitality, and bricks and mortar retail, which was being looked at pre-COVID because of the growth in online retail. From a macroeconomic perspective, there is a confluence of several factors. It’s still unpredictable.” In terms of the estimated €10bn of debt overhang, it is for the Revenue Commissioners to enforce that against the relevant SMEs, he suggests.

This scenario might deliver potential commercial benefits for some Maples clients, according



“ That wave of restructuring seemed inevitable. It’s still inevitable, it just hasn’t quite landed yet

Geoff Moore, managing partner at Arthur Cox

to Peter Stapleton, managing partner of the firm’s Dublin office. “Clients will look at opportunities in the market, which might involve buying distressed assets, or companies in trouble,” he says. “If we get into a cycle of seeing insolvency and restructuring, it does create some very attractive opportunities for our clients.”

On the specific issue of zombie companies, he adds: “In the regulated space, I don’t have as much concern because the rules on minimum capital adequacy and tiered capital will protect them. But in the unregulated space, there is more of a concern that some companies have over extended: in an era of quantitative easing and low interest rates have invested,

or acquired assets that they believe they would always have the ability to fund on a very cheap basis. If that environment changes, the liquidity squeeze might impact them and may result in some companies getting into difficulty.”

Don’t wait, act early

Steen is unambiguous.

“There will be lots of zombie companies,” he says. “Our central bank governor recognised that during the pandemic, suggesting that those businesses that could be saved and those that couldn’t should be identified. That hasn’t happened. Instead, it’s been blanket support across the board. But there are also countless good businesses that need significant restructuring to the right size. They require assistance – forbearance from and workouts with their lenders, suppliers, and customers. If done correctly, a lot of terminal situations can be avoided.”

Ultimately, much will depend upon the stance taken by lenders and by the Revenue Commissioners.

“It’s the back end of this year before it will be really felt,” says Steen. “Insolvency practitioners, bankers, colleagues in other firms – we’re all of the same mind. We can’t all be wrong. If we are, we’re in the wrong game and should be doing something else.”

His advice? “Don’t wait, act early. If you wait for the axe to fall, it’s too late. Whereas engaging with all counterparties early, taking advice and, if necessary, implementing restructuring – formally or informally – will have a much better outcome than doing nothing. That’s the key message for all businesses and companies. Good outcomes are possible. We have really sophisticated restructuring processes in Ireland and a very strong professional base.”



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From ESG to D&I

Ireland works hard to keep up: turning necessity into advantage



Client expectations on what Dublin law firms can deliver in ESG and D&I continue to grow.

Among acronyms with universal resonance, most large commercial law firms enjoy talking about M&A and IPOs: terms which serve as shorthand for mega deals and huge amounts of capital raising. But in the popularity stakes, they have become overshadowed by two rather different acronyms – ESG (Environmental, Social and Governance) and D&I (Diversity

and Inclusion). These speak more to a law firm's values and those of their clients, rather than stock values as measured exclusively by euros, dollars or pounds. But they also provide a lucrative new green workstream. In this context, Ireland is no exception.

A&L Goodbody's ESG page perfectly summarises this evolution: "Once seen as niche, environmental, social and governance (ESG) is now a dominant market force. And while many clients understand

▲ Led by their Irish managing partner, Peter Stapleton, Maples lawyers participate in Dublin Pride 2022

the concept of ESG, some are less sure about how it applies to them as an individual investor." The point is developed on Arthur Cox's ESG hub: "ESG considerations have risen to the top of the agenda for investors and businesses concerned about sustainability and doing business responsibly."

In dealing with diverse ESG challenges, how are Irish law firms positioning themselves to advise clients on a multiplicity of complex new issues?

"Last year, we were the first large Irish firm to set up an ESG advisory group: we see it as central to our clients' activities," says Michael Jackson, managing partner of Matheson. "Very few clients are embarking on projects without considering them from an ESG perspective – entities providing financing, lending and investors are demanding an ESG analysis; employees within organisations are demanding an ESG focus; boards are increasingly concerned about sustainability issues."

The ESG focus cuts both ways, as Jackson explains. "Clients increasingly ask us about our ESG credentials, about what we're doing internally and use that as one of their selection criteria," he says. "We've made good progress on ESG issues and on the reduction of our carbon footprint and employees have been very engaged and enthusiastic in helping to promote and drive that change."

Stephen Holst, his counterpart at McCann FitzGerald, confirms there are two facets: "Our own ESG strategy, and our clients' ESG strategy and objectives – to some extent, they're symbiotic." He summarises how that symbiosis works in practice: "Our ESG strategy and investment within the business feeds our expertise to assist clients in achieving their objectives."

The firm's commitment is not new, he suggests: "We've always had a very strong focus on ESG – our building was already carbon neutral in 2006." But he is now "looking to place greater focus on it" and sees "continued growth in energy, partly driven by ESG, partly by necessity arising from the Ukrainian crisis: pressure on energy prices, looking for diversification and energy security. Green energy, green finance is a continuing growth area, regardless of other factors."



“ ESG impacts a huge number of practice areas
**David Widger, managing partner,
A&L Goodbody**

"In terms of existing clients, particularly in relation to green finance, we have a very strong practice – from an environmental perspective, a key issue for clients. Our corporate governance experts are spending a lot of time assisting clients on the governance aspects of these issues."

Hot topic

Arthur Cox's managing partner, Geoff Moore, explains some of the challenges. "Particularly for listed companies, ESG continues to be a hot topic that boards are very focused on. That advisory piece – it's a challenge for some clients to get their heads around; it can occasionally be a challenge for advisors to get their head around as well because it's so cross-disciplinary. We spend a lot of time trying to set ourselves

up across practice groups in that area.

"I've been impressing upon my colleagues that we are, and we need to be, the issue lawyers from now on. It's an area that continues to throw off plenty of work for us – green financings, bonds, and funds disclosures. Energy conscious M&A and financial regulation more generally are the two areas where we've seen the most significant levels of increased client demand over the last few years."

David Widger, managing partner at A&L Goodbody, concurs. "Both on the advisory side, and how we adopt ESG internally, is critical," he says. "ESG impacts a huge number of practice areas. It's a big feature for equity and investment funds, for example. We recently approved our own ESG approach. We've always been at the forefront as a responsible business, but recognize that it's moving from having a responsible business strategy to having responsible business at the core of your business, and being very much part of your purpose."

Looking at the sectors most affected, Ann Lalor, head of Pinsent Masons Ireland, points to green energy. This will be further assisted by the Irish government's decision to implement the EU's ESG legislation, such as the forthcoming the corporate sustainability reporting directive (CSRD). "The focus on renewables is massive," she says. "In transactions, an ESG link in finance is becoming commonplace. Within the energy space – renewables, solar, wind farms – it's huge."

As a banking lawyer, Lalor outlines how lenders operate. "In lending criteria, banks have their own targets in terms of ESG and green-linked loans," she says. "We see that written very regularly into term sheets: loans, whether on day one or in the future, are, or will be classed as green or ESG-related. The nuance: it's becoming commonplace, but we don't yet have an embedded set of market standards. The market is still evolving with different lenders and entities setting their own criteria internally."

"In the ESG space, we haven't seen a lot of activity in transition finance – brown to green. That's the next phase of lending. It's going to be very interesting because it's potentially more complex industry-to-industry, to manage the criteria for that transition. But whether it's because of pricing, or a green agenda, there's a greater push."

Owen O'Sullivan, managing partner at William Fry, points to the requirement for funds to be ESG compliant as an activity driver. "Some elements are external, such as regulatory requirements," he says. "Others are internal, where investors want to see ESG credentials, not greenwashing, not just talking ESG, but actually doing ESG. Law firms are no different. Many of our unregulated clients are also



“ Our own ESG strategy, and our clients’ ESG strategy and objectives – to some extent, they’re symbiotic’

Stephen Holst, managing partner, McCann FitzGerald

having their own discussions around ESG and everything that comes with it.”

Sustainable financing

ESG is key suggests Peter Stapleton, head of the Maples Dublin office. "We were an early adopter," he notes. "Sustainable finance has been a core part of our strategic plan for several years and that will continue. We've worked with some specialist managers in the sustainable and renewables space who did incredible things long before ESG became mainstream, building up our dedicated in-house expertise."

The real accelerator, he suggests, was the Paris Climate

Agreement and subsequent EU Sustainable Action Plan. "That created a much-needed sense of urgency." Outside client work, he points to thought leadership and pro bono. "We're the sole legal advisers to the Sustainable Finance Ireland who are working on a proposed Centre of Excellence for Sustainable Finance - a key pillar of the Irish Government's IFS Strategy 2025 Paper."

Greenwashing risks are being analysed amid some high-profile scandals: German regulators raiding DWS, as well as the SEC fining BNY Mellon and investigating Goldman Sachs Asset Management.

"Regulators and market participants are evaluating the new rules in this sector to try and ensure that greenwashing risk is mitigated," says Stapleton. "The lack of available data and the pace of regulatory reform has certainly given some managers a reason to pause and ensure that their green credentials are validated."

Stapleton adds: "It's an exciting area for our lawyers to work in. ►

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Some investors want to move their mandates and would even accept lower returns, provided they can make a meaningful impact and change. Impact investment will be a big theme and we'll continue to see a lot of impact funds."

Diversity matters

A core component of ESG, D&I has generated greater attention in the mainstream media for longer and, more recently, from institutional investors who are now incorporating ESG considerations within their investment processes.

"Diversity and inclusion (D&I) are integral to how organisations attract, retain, develop and engage employees." The words of Mary Brassil, partner at McCann FitzGerald, and Ellen Nolan, formerly senior associate at McCann FitzGerald and now senior associate at Matheson, in an article they wrote last year. It is a sentiment that would be reflected by the managing partner of every law firm in Dublin.

But in an article published by *Business Post* in May, Irish law firms are apparently "being put under pressure by their international clients to increase diversity among staff...it is understood the issue is more prevalent in the Dublin offices of leading law firms. While many of the firms have implemented diversity and inclusion policies, lawyers said clients want to see "real evidence" of a diverse workforce."

The conclusion was clear – too often, teams presented by Irish law firms to international clients are too male-dominated.

Given that women comprise more than 52% of Irish solicitors with practising certificates, the problem centres primarily on partnership, where the male to female ratio is around 2:1 – almost exactly the same as the UK. The gender pay gap



“ Diversity in practice means diversity in terms of culture, background, ethnicity, sexuality

Deirdre Kilroy, IP partner at Bird & Bird in Dublin

at partnership level remains a significant D&I problem for many women partners in Dublin.

To add further confusion, there is a proliferation of D&I awards. In recent years, William Fry has been voted as The Most Diverse Law Firm in Ireland. Last year, Arthur Cox and Mason Hayes & Curran were named among the best law firms in the world for promoting diversity at the Accenture Outside Counsel Diversity Awards. Meanwhile, A&L Goodbody was named 'Diversity & Inclusion Firm of the Year' by the International Tax Review (ITR).

In June this year, Matheson was named the third most gender diverse partnership – and the highest ranked Irish

law firm for gender diversity among its partners – in The Lawyer European 100. Last year, Matheson was also named Diversity and Inclusion Law Firm of the Year at the Irish Law Awards 2021.

Awards and criticism

So, all of the big six Irish law firms have won D&I awards, while at the same time being criticized for a lack of diversity. What are they doing to avoid future criticism?

"One of our core values is diversity," says Jackson. We've had a D&I programme running for several years. We were the first organisation and the only law firm in Ireland to achieve the gold standard from the Irish Centre for Diversity and I'm delighted that we have retained that standard."

He believes that Irish firms' diversity stats will continue to improve in the next few years. "All the Irish firms are focused, going about it in different ways," he says. "But sadly, I believe that the profession globally can't really boast about being cutting edge in this space, because for



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far too long, the legal profession was dominated by one particular category of lawyer. I'd like to think that the benefits of diversity are evident to everyone now, both from a societal and business perspective, and it's good to see the change happening and to try to lead some of that change from within.

O'Sullivan highlights a theme from the Business Post article. "People want to see our D&I credentials, our D&I practices," he says. "The focus has moved from clients wanting to know about your D&I policies to what your actual D&I practices are, and sometimes being quite prescriptive about what they want to see in terms of the teams that are servicing them. Some are less prescriptive, but make it clear, nonetheless, that diversity is important to them.

"We take our D&I credentials very seriously," he says. "We're one of only two law firms to have attained a particular D&I accreditation: Business in the

“ Banks have their own targets in terms of ESG and green-linked loans

Ann Lalor, head of Pinsent Masons' Dublin office

Community. It's independently audited – a process that took us two years. You have an initial review, a preliminary audit, a dry run of the full audit, then a full audit. We're very proud and will work hard to maintain it. We see that as a differentiator."

Moore focuses on the data. "We publicly committed in 2020 to 40% of our partnership being female by 2028," he says. "We're currently at 38%. Looking at our pipeline, it's probably going to decrease slightly before it increases again. We're far from perfect. It's a bit like turning around a super-tanker. But equally, 60+% of grads who join us are female, and we're failing

them and the industry we operate in if we can't look to continue to hold on to and promote to the various highest levels quality female talent."

Where the industry in Dublin continues to fail by comparison to other jurisdictions, he notes, is ethnic diversity. "But that's primarily a factor of our heritage: we're not a particularly ethnically diverse country, although we're becoming reasonably more diverse."

Widger's attention is on the partnership. "We spend a lot of time trying to ensure that we keep our best female talent and that they're up for partnership," he says. "When you look at the sheer numbers, it's very hard to move the dial as quickly as you'd like. It has to be merit-based. We spend a lot of time ensuring that we have all the mentoring and sponsoring that's needed for women in the business.

We critically analyse our makeup of appointments, year to year, to partner. And last year,

they were predominantly female. So, the goal would not be 30%, but 40%, 50%, 60%."

Beyond gender

The above commentators are clearly trying very hard to do their best. A perspective on how they might do even better is given by Deirdre Kilroy, recently recruited as an IP partner at Bird & Bird's Dublin office.

"Without shareholders or external forces, the people who become management in law firms are often really talented lawyers, but do they understand the need to foster clever people and allow them to be their best in their careers?" she asks. "That question answers itself by the lack of diversity at partner level in Ireland. Many recent partner appointments have shown a recalibration – to a degree. [In Ireland, intellectual

"The focus has moved from clients wanting to know about your D&I policies to what your actual D&I practices are

Owen O'Sullivan, managing partner, William Fry

property is an area which has been quite diverse in its own way.]

"But diversity goes beyond gender. There's a whole range of diversity. We can't just sit back and say: We're diverse because we happen to start the Bird & Bird office with two women. Diversity in practice means diversity in terms of culture, background, ethnicity, sexuality. We are fully on the same page that we're going to be truly living that creed. It's very much part of the cultural touchstone.

"As women, we've all experienced bias against us –

sometimes obvious, sometimes less so. The entrance of new people with new ideas, and perhaps a longer history of developing that conversation internally, will help stimulate the market in that regard. I very much tested that when I was looking at whether to move. I was very happy that the culture is really lived in Bird & Bird. There's a very strong emphasis placed on diversity and inclusion in the broadest sense of those two words. All of us are really keen to make sure we live that as the rest of the network does."

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Putting on the Green Jersey

Placing the national interest first served Ireland well in the financial crisis and during the pandemic, but what happens when Irish law firms face intense competition for talent?



Dublin is a village and Ireland is a village – different maybe to other jurisdictions,” according to Ogier Leman’s managing partner, John Hogan. “Many lawyers in Ireland trained together and spent time together, so friendships endure for decades.” The data supports his argument. According to Ireland’s Central Statistics Office (CSO), net inward migration of more than 190,000 over the past six years has helped to push Ireland’s population to 5.12m in 2022 – up 7.6 per cent from the 2016 Census and the highest since its pre-famine peak of 1841.

But to service the country’s international business community just 11,483 practising certificates were issued by the Irish Law Society last year – insufficient to meet demand. For the next generation of lawyers, guaranteed collegiality is matched by tremendous career prospects, according to Declan Black, managing partner of Mason Hayes & Curran. “It’s a great time to be a young lawyer: the world’s your oyster and you get paid really well,” he says. “You’ll work hard in Dublin but you’re not chained to your desk, and you’re not expected to be doing 2,400 billables. We target 1,500 hours.”

In promoting Ireland’s myriad benefits, managing partners habitually default to an element of justifiable patriotism, exemplified by the phrase ‘putting on the green jersey’. As advocates for their jurisdiction and its commercial, legal, tax and technological advantages, they are certainly without equal: combining optimism, pragmatism, creativity and charm, they sell Ireland passionately and persuasively on its merits.

Vibrant ecosystem

Their collective pitch does not need hyperbole; it is



“ It’s a great time to be a young lawyer: the world’s your oyster and you get paid really well

Declan Black, managing partner of Mason Hayes & Curran

underpinned by hard evidence: FDI (foreign direct investment) into Ireland now exceeds €1 trillion, according to the CSO. Over the past 30 years, around 1,700 multinationals have chosen to operate in Ireland, reflecting its status as an open, globalised economy that offers access to skilled labour in “a vibrant ecosystem of established international businesses,” according to Ireland’s Foreign Direct Investment Agency. Attracted by tax incentives and a highly skilled, English-speaking workforce, big tech companies such as Airbnb, Apple, eBay, Facebook (Meta), Google, LinkedIn, Microsoft, and PayPal have decided to base their European headquarters in Ireland.

Notwithstanding the pandemic’s effects on the

domestic economy, accentuated by some of the longest and strictest set of coronavirus restrictions in Europe, Irish law firms continued to experience robust levels of activity. “2021 was a strong year for M&A in the Irish market,” says Alan Connell, managing partner of Eversheds Sutherland Ireland. “Our firm was in the top five Mergermarket league tables by deal volume. We were involved in some of the largest deals – many of them, private-equity related. Valuations, even though there’s been some correction, remain very strong. There is also consolidation in many sectors, such as financial services and healthcare that’s driving activity.”

Black adds: “2021 was an extraordinary year – our best ever. Revenues were up 23% to €98m+. In my nine years as managing partner, we’ve never had a year like it where every practice group was up compared to the prior year. Quite extraordinary.”

Standout deals

The events of 2022 – the Ukraine crisis, soaring energy costs, and the twin prospect

of protracted inflation and a potential recession – have inevitably put a damper on deals with aggregate value and volume dropping so far this year (see tables). But, according to PwC, the M&A market was down but hardly out in the first half of 2022 with the TMT, life sciences, financial services and energy sectors predominating.

Notable deals so far this year include:

- Brookfield Asset Management purchased Hibernia REIT Plc for \$1.2bn – Arthur Cox advised Brookfield and Hibernia was represented by A&L Goodbody
- The acquisition of stock management fintech Global Shares by JP Morgan for \$730m – Arthur Cox advised Global Shares while McCann FitzGerald advised JP Morgan
- Partners Group became the majority shareholder in Version 1 for \$867m – William Fry advised Partners Group while Maples advised Version 1
- Gallagher acquired INNOVU Insurance for an undisclosed consideration – McCann FitzGerald advised MML Capital Partners, the management team and other INNOVU shareholders
- IQ-EQ Group acquired Green Bay Acquisitions, the holding company of Davy Global Fund Management (DGFM) – Matheson advised IQ-EQ and William Fry advised DGFM.

Despite a softening of deal volumes/values and a plateauing of activity in some practice areas, law firm rates remain strong. “Fee rates are generally being accepted by the market,” says David Widger, managing partner of A&L Goodbody. “When there’s an international dimension, and you’re on the slate with a London or US



“It’s not just about salaries – it’s also about the culture, the experience, the training proposition, and the career development opportunities

Michael Jackson, managing partner at Matheson

law firm, we’re seen as pretty reasonable. We’re happy with our realization rates relative to our charge out rates.”

Stephen Holst, managing partner at McCann FitzGerald, goes further. “We’re certainly seeing a strengthening of fee rates, but you can’t look at them in isolation – you also have to look at client tolerances,” he says. “A diversified client base has different expectations. Our key focus is to ensure that clients realise they’re getting value for money and value for the output that we deliver in whatever fee arrangements are agreed.”

Looking at what the rest of the year might bring,

Widger says: “We anticipate being happy with our 2022 performance. We look at it through the prism of 2019 – a good year. We want to beat 2019 and beat the average of 2020 and 2021 – a good year, and a challenging year.”

Retention & Recruitment

His biggest concern is not an absence of deals, but a shortage of lawyers. “Retention is such a challenge,” he says. “All the law firms are facing challenges with retaining people.” Ann Lalor, head of Pinsent Masons Ireland concurs: “There’s a finite number of lawyers in Ireland. As more firms come in, that puts further pressure on resources. The challenge for all law firms is the recruitment and retention of talent.”

Pointing to last year’s small reduction of lawyers in most big Irish firms, Widger explains: “Numbers plateauing in (Dublin) law firms last year was more an issue of retention rather than market demand.” Black notes: “It was really gratifying that we grew lawyer numbers. According to Irish Law Society data (see box). they went down in all of

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Widger adds: “We have a number of open positions that we would love to fill – we’re firmly on the recruitment trail. In speaking to other managing partners, to the extent that there is attrition, it’s often into the big tech companies, or in-house roles, where people – it’s pandemic related – having had time to think, have decided they’d maybe leave private practice. That’s probably the biggest segment. Retention in firms is running at a level that even if a practice group, at a given point in time doesn’t have the need for additional resource, they will in a year or so.”

Beyond the lure of in-house roles at some of the big tech companies listed above, for example, other elements are also in play. Michael Jackson, managing partner at Matheson, says “There’s an ongoing war for talent. A softening in the market for legal services may cause that to ease, although the arrival of the new entrants is likely to counterbalance that to some extent.”



“ You try and identify issues that seem to be important to people when you’re recruiting them

Owen O’Sullivan, managing partner, William Fry

International competition

The arrival of more than 20 international firms in the Dublin market over the past three years adds to the pressure on

A good work-life balance is becoming even more important for younger lawyers ▼

both salaries and talent. The impact of new entrants, so far, has been relatively minimal with the exception of increased competition for resources, suggests Holst.

“Rather than organic growth, most of them are adopting a lateral hire policy, looking to recruit from existing firms,” he says. “Every firm relies on the strength of its people: we’ve worked really hard to make ourselves the most attractive legal employer in Ireland at all levels. Increasing competition for





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people creates salary pressures – paying market salaries and benefits at levels that reflect their value. Talented people will look for the best opportunities.”

And there is no shortage of demand for that talent. Every managing partner talks of the need to retain, recruit and add strategically to various practice areas – in some cases, across the board. So, in competing for talent and responding to the strong upward push on salaries, does putting on the green jersey still apply?

“For six or seven years, there’s been pretty significant wage inflation,” says Jackson. “We may be at an unusual place in the cycle, where the rate of increase in remuneration starts to outpace the rate of growth.

That’s never a good position for a business, but it’s also a position that rarely last long.”

Wage inflation

Geoff Moore, managing partner at Arthur Cox, develops the point. “There’s certainly wage inflation in the market, but nowhere near the levels in London, which are eye-watering and unsustainable,” he says. “We haven’t seen anything close to that level. We do tend to lose some of our graduates to London, we really encourage them to come back when they return to Ireland. I say that to anybody and all who will listen to me on the topic: don’t forget us.”

William Fry’s strategy is explained by managing partner

Owen O’Sullivan. “In the war for talent, you try and identify issues that seem to be important to people when you’re recruiting them: your hybrid working policy, your D&I credentials, your pro bono policy, ESG, the calibre of your clients, the nature of the work they’re going to be doing, the biggest transactions you’ve been working on, the most exciting cases that you’ve acted on,” he says. “Although we can only rely on our clients to send us interesting cases and transactions, we can try and get our diversity and pro bono profile aligned with general client expectations to assist both winning instructions and attracting/retaining talent.”

Some of Dublin’s new or newer arrivals offer their



Ireland league table by deal count (2021)

2021 ranking	2020 ranking	Firm name	2021 value (\$m)	2021 deal count	Change vs 2020	2020 deal count
1	1	Arthur Cox	33,310	42	+6	36
2	2	A&L Goodbody	66,359	41	+10	31
3	3	William Fry	10,450	39	+11	28
4	5	Matheson	10,966	33	+12	21
5	6	Mason Hayes & Curran	1,140	24	+8	16
6	8	Eversheds Sutherland	560	22	+10	12
7	4	McCann Fitzgerald	35,798	20	-5	25
8	9	DLA Piper Ireland	5,212	16	+6	10
9	134	Dentons	1,584	16	+15	1
10	13	Wallace Corporate Counsel	126	16	+7	9

Source: Mergermarket

Ireland league table by deal count (H1 2022)

H1 2022 ranking	H1 2021 ranking	Firm name	H1 2022 value (\$m)	H1 2022 deal count	Change vs H1 2021	H1 2021 deal count
1	1	A&L Goodbody	3,801	23	-9	32
2	2	Arthur Cox	7,700	17	-12	29
3	5	William Fry	1,265	12	-10	22
4	6	Eversheds Sutherland	82	11	-3	14
5	3	Matheson	222	10	-14	24
6	29	Pinsent Masons	–	10	1	9
7	16	Maples	1,090	9	-2	11
8	7	Beauchamps Solicitors	202	9	–	9
9	30	Flynn O’Driscoll	–	9	+1	8
10	4	Philip Lee & Co Solicitors	39	8	+4	4

Source: Mergermarket

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perspective. “The private practice market is very vibrant, but it’s in-house as well, because there are so many great headquarters and big companies, there are some really exciting in-house roles,” says Bird & Bird IP and life sciences partner, Sally Shorthose, who is initially heading the firm’s Dublin office that opened in June. “We don’t pretend it’s not competitive, but Bird & Bird is a really attractive place to work for a whole range of reasons. The Dublin market has some extraordinary lawyers, but it’s a finite pool.”

In-house opportunities

Anna Morgan, who joined Bird & Bird in June after six years as Head of Legal at Ireland’s Data Protection Commission, adds: “At the associate level, the market is booming, it’s very dynamic. There are many in-house opportunities, particularly in the four core areas that we are targeting so it’s going to be challenging, but no more than for any law firm looking to recruit in those areas.”

Pinsent Masons, which has been in Dublin since 2017, remains very much in growth mode, as Lalor explains. “We’re about 50 lawyers, but still recruiting, looking to deepen bench strength across most practice areas,” she says. “Expansion is always on the horizon. It would be very naive to say: we’re going to recruit loads of people and grow. We’d love to, we’re actively recruiting, but it’s a challenging market.”

Referring to the ripple effect from New York and London, she suggests that “US law firms are really the driver – the magic circle picks up, then it filters through to Dublin. Inflation is another big issue: incremental pay rises are tougher now that inflation is at a high level. Salary expectations are going to be challenging, and not helped by

Law firm practising solicitor numbers (as of 31 Dec 2021)

2021 ranking	2020 ranking	Firm name	31 Dec 2021	Diff vs 2020	31 Dec 2020
1	1	Matheson	308	-19	327
2	3	Arthur Cox	304	-8	312
3	2	A&L Goodbody	299	-21	320
4	5	Mason Hayes & Curran	278	19	259
5	4	McCann Fitzgerald	273	-11	284
6	6	William Fry	188	-19	207
7	7	ByrneWallace	150	13	137
8	9	Maples and Calder (Ireland)	112	4	108
9	8	Eversheds Sutherland	111	-1	112
10	10	Ronan Daly Jermyn	104	-2	106
11	13	Dillon Eustace	89	3	86
12	11	Beauchamps	86	-9	95
13	15	Philip Lee	72	9	63
14	14	Hayes Solicitors	66	2	64
15	15	LK Shields Solicitors	63	0	63
16	—	Fieldfisher	63	—	—
17	15	Eugene F Collins	60	-3	63
18	15	Walkers Ireland	58	-5	63
19	20	DAC Beachcroft Dublin	49	-4	53
20	—	DLA Piper Ireland	46	—	—
TOTALS			2,779		2,873

Source: The Law Society of Ireland

Law firm practising solicitor numbers (as of 31 Dec 2020)

2020 ranking	2019 ranking	Firm name	31 Dec 2020	Diff vs 2019	31 Dec 2019
1	3	Matheson	327	42	285
2	1	A&L Goodbody	320	7	313
3	2	Arthur Cox	312	13	299
4	4	McCann Fitzgerald	284	18	266
5	5	Mason Hayes & Curran	259	20	239
6	6	William Fry	207	0	207
7	8	ByrneWallace	137	5	132
8	9	Eversheds Sutherland	112	4	108
9	11	Maples and Calder (Ireland)	108	3	105
10	10	Ronan Daly Jermyn	106	-1	107
11	13	Beauchamps	95	3	92
12	12	Freshfields Bruckhaus Deringer	88	-13	101
13	14	Dillon Eustace	86	-2	88
14	20	Hayes Solicitors	64	3	61
15	16	Eugene F Collins	63	-1	64
16	—	Philip Lee	63	—	—
17	16	Pinsent Mason	63	-1	64
18	18	LK Shields Solicitors	63	1	62
19	15	Walkers	63	-2	65
20	—	DAC Beachcroft Dublin	53	—	—
TOTALS			2,873		2,658

Source: The Law Society of Ireland

stories of very high salaries in magic circle and US law firms. Expectations, particularly at the junior level, are quite high."

Mark Walsh, Head of Ireland at Addleshaw Goddard, addresses the point. "You manage salary expectations, but you also have to manage people's desire for remote working and good team environments," he says. "Salary is important, but when you sit down with somebody and ask them: what do they want? They want a balance of them all. We say: we're strong in culture and in the type of work you're going to do, we will give competitive salaries and pay well, but you have to reject some of the stratospheric stuff, because you have to think longer term. So far, we're getting that balance right."

"Junior lawyers are also attracted by the quality of the work we're doing; they are more and more focused on the opportunity"

Shane O'Donnell, head of corporate at Dentons in Dublin

Pay matters...so does work-life balance

To the question of how much salary is the defining issue for lawyers when considering a lateral move, there are divergent responses. From EY Law and Dentons which are both focused on significant growth in lawyer headcount over the next few years, pay is a paramount consideration.

"We have an ability to attract talent in a fairly impossible market where it's very difficult to get and retain good talent," says Alan Murphy, head of EY Law Ireland. "Costs are rising, but you have to meet the market in pay, or else you're not at market. There will always be outliers who increase remuneration to a level that's difficult for everybody else to match. But pay has to be at market. I don't believe that colleagues join firms for money. It's much more push and pull in terms of people. But pay is an important factor and anybody who thinks it's not is just kidding themselves."

Shane O'Donnell, head of corporate at Dentons in Dublin adds: "We pay our people very well and are at the top of the market for pay. Junior lawyers are also attracted by the quality



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of the work we're doing; they are more and more focused on the opportunity. When we tell candidates what we've been involved in, they're impressed. It goes toe-to-toe with the offerings of any indigenous Irish firm and is the best of any international firm here. We've had success in attracting the right people to drive this business."

Jackson offers a more holistic perspective. "For candidates

choosing where to work, it's not just about salaries – it's also about the culture, the experience, the training proposition, and the career development opportunities," he says. "That's why we continue to focus on values-driven initiatives and to invest heavily in training. We are also very focused on listening to the feedback from our staff and responding to it as best we can. Throughout

▲ **Managing partners habitually default to an element of justifiable patriotism, exemplified by the phrase 'putting on the green jersey'**

the pandemic, we were one of the few firms that didn't cut our training budget. Your people strategy is really tested when things get tighter. If the first thing you do when there is a concern about the business environment is cut salaries, reduce headcount or cut back on training, that says a lot. Very deliberately, we didn't do any of those things and we reaped the benefit from that.

"Achieving a good work-life balance has always been something that lawyers in corporate law have had to work at, but it's becoming an even more important factor for younger lawyers now. Resourcing at appropriate levels, providing mentoring and support and encouraging initiatives like our Matheson mindfulness day are all ways in which we try to address that."

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