

Q&A

Latham's London finreg foray - a two-year progress report

By Hannah Roberts

It's never easy setting up a team from scratch, but Latham & Watkins has made quick progress in putting together a City financial regulation practice in just two years.

At the beginning of 2017, the US firm brought in Ashurst global financial regulation co-head Rob Moulton



(pictured) and partner Nicola Higgs with a brief to build up the firm's offering in the City.

Quinn Emanuel Urquhart & Sullivan partner David Berman came on board six months later, with the spate of partners hires rounded off with Linklaters partner Carl Fernandes this summer.

Key clients the new team have advised since joining



forces at Latham have included Bank of America Merrill Lynch, Bank of China, Credit Suisse, Jeffries, Rothschild and Goldman Sachs, while the group was recently brought in to oversee a culture review into Legal & General's investment management arm.

Rivals in the market attest to the firm's emerging

stature in the finreg sphere, with the team attracting plaudits for having bedded in quickly, although others note that it is still early days.

Legal Week spoke to the team to find out what progress they're making in an area traditionally dominated by established UK players, and learn more about their plans for the future.

What's the strategy for the practice?

Fernandes (pictured): "We have completed our first phase of building out the



team and all the pieces are now in place. We've made tremendous progress so far and expect to

see more of the same.

"If more of the same is more than we can handle, we may look at hiring laterals, but we also have outstanding talent within our associate ranks. Sometimes the right things do happen externally, but we know that we have a good pipeline and that there is potential to grow internally."

Moulton: "[Banking and finance litigators] Jon Holland and Andrea Monks joined us a year ago from Hogan Lovells - their arrival represented a major piece of the jigsaw. Regardless of the problem, contentious or non-contentious, we now have the skills and experience in place."

Higgs: "Clients want a triangular representation - namely

legal advice that encapsulates product expertise, litigation risk, and traditional regulatory advice. They want to understand how to get things right, but they also need to understand what might happen if things go wrong."

What are some new areas of interest for the group, and how is Brexit impacting the practice?

Higgs: "A key part of the firm's growth trajectory is to plan for tomorrow. To do that, we can't ignore the growing importance of fintech in the context of financial services regulation. As a firm, we are well placed in that regard thanks to the strength of the US West Coast relationships with Silicon Valley tech companies, and the relationships of our Asia-Pacific teams with the dominant tech players in that market."

Moulton: "The globalisation of fintech companies is a key trend that particularly interests young lawyers in the market who are excited by the potential for integration between technology and law. Discovering how we can use

new tech will continue to be of interest."

Higgs (pictured): "For obvious reasons to do with Brexit, Frankfurt is an incredibly important hub for us. Many of our London



financial institution clients now require our UK advice to be mirrored by a German equivalent view.

"The same goes for Paris and Dublin - clients are asking themselves how their work will work if they move things to Dublin and elsewhere on the continent. As clients shift their outlook from UK implementation to continental European focused implementation, we have to make sure we react to that."

Moulton: "Clients are starting to understand European regulation more now than previously. It was always seen as important, but now it's driving conversations. Brexit has moved this higher up the agenda for clients. In the run-up to Brexit, there will be lots of pressing

mandates. Clients need a blueprint for the phase one exit without the bells and whistles. They need a longer-term plan too. We need to be ready to execute that.”

“It was surprising how little the last couple of weeks of political turmoil has impacted clients’ plans. Clients need to be ready for March, so they are moving ahead, and will not change course until things become less uncertain.”

Fernandes: “Large institutions have been planning for some time on a worst-case basis. Some smaller institutions are only now starting to look at their Brexit plans.”

What are some of your key mandates at the moment?

Higgs: “The big implementation period for MiFID II passed, but advice on related issues will continue to make up a large part of the practice. For much of 2018 the trend was helping people to adapt to the MiFID II issues they faced in the context of live transactions.”

Moulton: “We have found that if people trust you to do their MiFID work, they trust you on a lot of other issues. MiFID predates Latham’s

London financial regulation practice, but no one has really done all of the work, including in the US and Asia, around that one regulation together like we have. Enforcement cases, governance reviews, and Brexit are also key areas of interest.”

Fernandes: “Cross-border, transatlantic work is the basis of our practice. But we’re a local player too. Our distinct New York and London presence helps.”

Berman (pictured): “We have a broad client base from across the whole financial services spec-



trum; coupled with a diverse workload. For example, we were recently brought in to advise on a high-profile culture review for a large institutional asset manager. We were asked to do it because it’s an area we’ve been focusing on for some years now - it didn’t come out of the blue. For a long time we’ve been helping clients to understand how they can meet the regulator’s expectations in this important area.”

Fernandes: “We have a broad practice that caters for all clients. That’s something that’s been purposely pieced together by the team, it was a strategic decision. You want a right-sized business to help navigate the peaks and troughs.”

Moulton: “No one else in the City has put a team like this together so quickly and so effectively. No one has grown as much as we have from scratch. Part of Latham’s unique selling point in London is that it has a full-service office. We’ve been busy as we’ve grown too, which is a difficult thing to achieve.

“London presents a great growth opportunity. Latham doesn’t do things by half - when the firm sees a strategic opportunity, it throws the kitchen sink at it.”

Hannah joined Legal Week in May 2018 after finishing her degree at Kingston University. Her focus is private equity and she covers a variety of UK and City-based US law firms.