

**Submission by the Department of Business, Enterprise and Innovation  
on the Legal Services Regulatory Authority report on the education and training of legal  
practitioners as required under section 34(1)(a) of the Legal Services Regulation Act 2015.**

The Department would like to comment on the report as follows:

International evidence suggests that the legal costs that Irish SME's face are higher (as a proportion of the total award) than a number of similar jurisdictions\*.

As previously indicated by the National Competitiveness Council (NCC), relatively high legal costs can negatively impact on Ireland's competitive position. The Department of Business, Enterprise and Innovation is supportive of measures that will improve the functioning of the market for legal services, as this will improve Ireland's overall productivity and make Ireland a more internationally competitive economy.

The Department is supportive of the proposals outlined in the Hook Tangaza Report to reform the way legal practitioner education and training takes place in Ireland on the basis that these proposals should introduce greater competition into this market, which should ultimately make it more efficient.

As the Competition and Consumer Protection Commission (CCPC) has stated in their submission to the LSRA's first consultation on this issue, the monopoly provision of legal training has the potential to significantly reduce the numbers qualifying as lawyers, increase the cost of legal training and diminish the possibility of innovation in teaching methods.

With regard to Proposal 1, it is the view of the Department that Company Law should remain a core competency required to practice as a solicitor or barrister: this is reflected currently in entrance exams to the Law Society and Kings Inns'

From the Department's perspective, a key proposal is the establishment of the Legal Practitioner Education and Training (LPET) committee which would 'be tasked with responsibility for setting and assuring standards of legal practitioner education and training.'\*\*

The report suggests that the LPET committee should be 'an independent body reflecting (but not representing) the interests of all stakeholders in legal services education and training ... Once it had set standards, it would then be responsible for accrediting providers to deliver relevant elements of the education and training to meet the competences required.'\*\*

This proposal seems to suggest that the LPET committee would be independent of the LSRA and would, in effect, be the body responsible for regulating, authorising and validating legal practitioner education and training.

In principle, the Department has no objections to the LPET committee operating independently of the LSRA. However, more needs to be done to justify the delegation of responsibilities to the independent committee when the LSRA is itself independent and could potentially take the responsibility for the tasks outlined itself.

On top of this, notwithstanding the fact that the report notes that the LPET committee should not represent the interests of any given stakeholder, the Department would like to stress that, if an independent LPET committee was established, it is crucial that committee does not end up being

dominated by the interests of incumbent operators while acknowledging the need for the committee to have sufficient expertise in this area.

\*The World Bank's 'Doing Business Report 2019' suggests that the total cost of enforcing a contract in Ireland was 27% of the total award. While this figure is lower than the corresponding figure for the UK (46%), it was much higher than many other comparator countries (such as Denmark, the USA, and Germany).

\*\*Review of Legal Practitioner Education and Training, Hook Tangaza, Paragraph 8.2.20