

In-house renovations

Yulia Andrusiv is an in-house lawyer at British American Tobacco in Ukraine and is one of a new breed of local general counsel. Until quite recently the corporate legal function was quite undeveloped in the country, but as more foreign companies enter Ukraine and local businesses expand abroad, the role is increasingly becoming more important. Mrs Andrusiv says the position is also evolving, in tandem with the rapid modernisation of the country: "As the regulatory environment in Ukraine becomes more complicated and legal risks grow higher, in-house counsel are more often seen as risk managers in addition to procurers of legal services."

This steady increase in regulation and the need for corporate oversight is in turn having an impact on the number of in-house lawyers. "Some industries are more heavily regulated than others, hence there is a greater need for the involvement of lawyers," she says, adding that some teams currently go up to 20 lawyers in Kiev.

But while things are changing fast, Western-style fixed panels with annual reviews are still rare here – albeit, this is not too surprising given that strict firm vetting is still developing in most of Europe. However, as more and more Western banks (traditionally at the forefront of panel use) take over the local banks, such practices may grow.

Mrs Andrusiv explains that at the moment most internal legal teams keep using the same one or two firms, although they will instruct outside these long-term advisers for specific jobs – especially when it comes to international deals. She is aware of the rush of foreign firms into Kiev, but she stresses that the indigenous players still have plenty going for them. "Local practices are traditionally stronger in litigation and are often less expensive than their international counterparts. All these factors influence companies' decisions regarding procuring legal services."

But, perhaps worryingly for home-grown outfits, she confirms a suspicion that foreigners have about some Ukrainian lawyers: "International law firms tend to comply with more stringent standards of professional ethics." ■