



**T**HE CIS Legal Counsel Network (LCN) was announced last year amid much fanfare. The “best friends” network comprises nine regional organizations, spearheaded by Russia’s Egorov Puginsky Afanasiev & Partners. At the start of 2010, the network confirmed it

was seeking additional members from Georgia, Tajikistan and Uzbekistan.

LCN is a streamlined version of an existing group known as the CIS Counsel Forum, an informal annual meeting of managing partners with the participation of representatives from interna-

tional law firms. The Forum was launched in 2006 and includes all the LCN firms as well Baku Law Centre and Grata Law Firm and no fewer than 18 Russian and 11 Ukrainian practices.

“The idea for LCN was born out of long-term ties among several leading CIS law firms, strengthened by their on-going participation in the CIS Local Counsel Forum,” explains **Irina Paliashvili**, a partner from RULG and chair of LCN and co-chair of the Forum. “LCN member-firms already knew each other and have been working together for years so it made sense to move towards a more substantial network.”

The network was described as a “significant milestone in the legal landscape of the CIS” by Egorov chairman **Dimitry Afanasiev**. Commentators detected a shrewd marketing ploy. Much of LCN’s publicity gleaned off links to the Slaughter and May “best friends” (its inaugural meeting had Hengeler Mueller’s **Oleg de Lousanoff** and Bredin Prat’s

**Patrick Dziewolski** in attendance).

Unlike the European “best friends” group, however, LCN is far from a collection of evenly balanced practices. Russia’s Egorov is the dominant force in terms of size and quality with 160 lawyers, well over a 100 more than the second largest firm (the rest have under 40 lawyers). This has led to the suspicion that LCN is a platform for Egorov

to service its own clients across the region rather than a genuine relationship of equals.

Other members refute this, as well the logical conclusion that a strategy centred on Egorov will lead to mergers. In fact, some even dismiss the notion of closer referral links beyond the initial agreement.

“A merger is not on the agenda and neither is exclusivity,” says Ms Paliashvili. “Not only do firms still want independence but it does not always make sense to

have exclusive arrangements. Especially in small countries, or in cases when member firms may not be the best-suited to advise on an instruction.”

The network has a pledge that if one firm is not able to fulfil a specific referral mandate then it will pass it on to a leading local rival. In this way, smaller firms will not feel that they risk being overrun.

“I do not see any “danger” here because all nine members voluntarily came together and each of them will benefit from the LCN in their own way,” claims **Nariman Ramazanov** managing partner of Azerbaijan member FINA. “Each of the smaller firms can be considered “smaller” only in comparison, I would say, with Egorov. But individually all of them are more or less the largest and leading law firms in their respective countries.”

Ms Paliashvili adds that, while she envisages more cross-border business, she does not expect the CIS to form an economic bloc. “The jurisdictions were once part of a single country but now

they all have their own separate agenda.”

Other members think differently. **Konstantin Mikhel**, managing partner of Vlasova Mikhel & Partners, claims the driver for the network will be increasing convergence of the CIS economies. “This will define demand for legal services to the region and determine the consolidation of the legal services market.”

Ms Paliashvili concedes that a greater proportion of work will be generated from Russia and Ukraine but she stresses the group is not just about referrals. The network will also co-develop IT projects and training programmes to help smaller firms.

Scepticism that the network is more of a marketing venture than a genuine integrated legal solution is supported by members themselves who view the LCN as only a part of their wider international strategy. Egorov, for example, remains the Lex Mundi member for Russia. Vlasova Mikhel & Partners is affiliated to Baltic network TLS Alliance and America lists UK, US and French

firms among its “partners”. “We always work with big international firms and I am sure our relations will not change due to our participation in this or other similar networks,” says Ameria partner **David Sargsyan**.

According to Mr Ramazanov, the network is not expected to deliver anything new. “I

am not expecting immediately any special benefits for my law firm,” he says. Preferences for multiple referral avenues remain strong and, in the end, it seems that best friends are not the only friends. ■

### LCN Members

Law firm	Region	Offices	Lawyers	Partners
Egorov Puginsky Afanasiev	Russia	Moscow, St Petersburg, London	160	12
RULG	Ukraine	Kiev	21	11
Aequitas	Kazakhstan	Almaty, Astana, Atyrau	20	5
Kalikova & Associates	Kyrgyz Republic	Bishkek	18	3
Vlasova Mikhel & Partners	Belarus	Minsk	15	5
FINA	Azerbaijan	Baku	10	3
Turcan & Turcan	Moldova	Chisinau	4	2
ACT	Turkmenistan	Ashgabat	4	1
Ameria	Armenia	Yerevan	8	1