

# Market Monitor

In-house Legal Financial Services **Spring 2015**

## Follow that dog.

Despite a large number of banks still battling with financial restrictions, fines and pressing regulatory changes, seismic volatility in foreign exchange markets, and a collapse in oil and commodity prices, the Financial Services market is picking up. Firms are recruiting and new roles are being created.

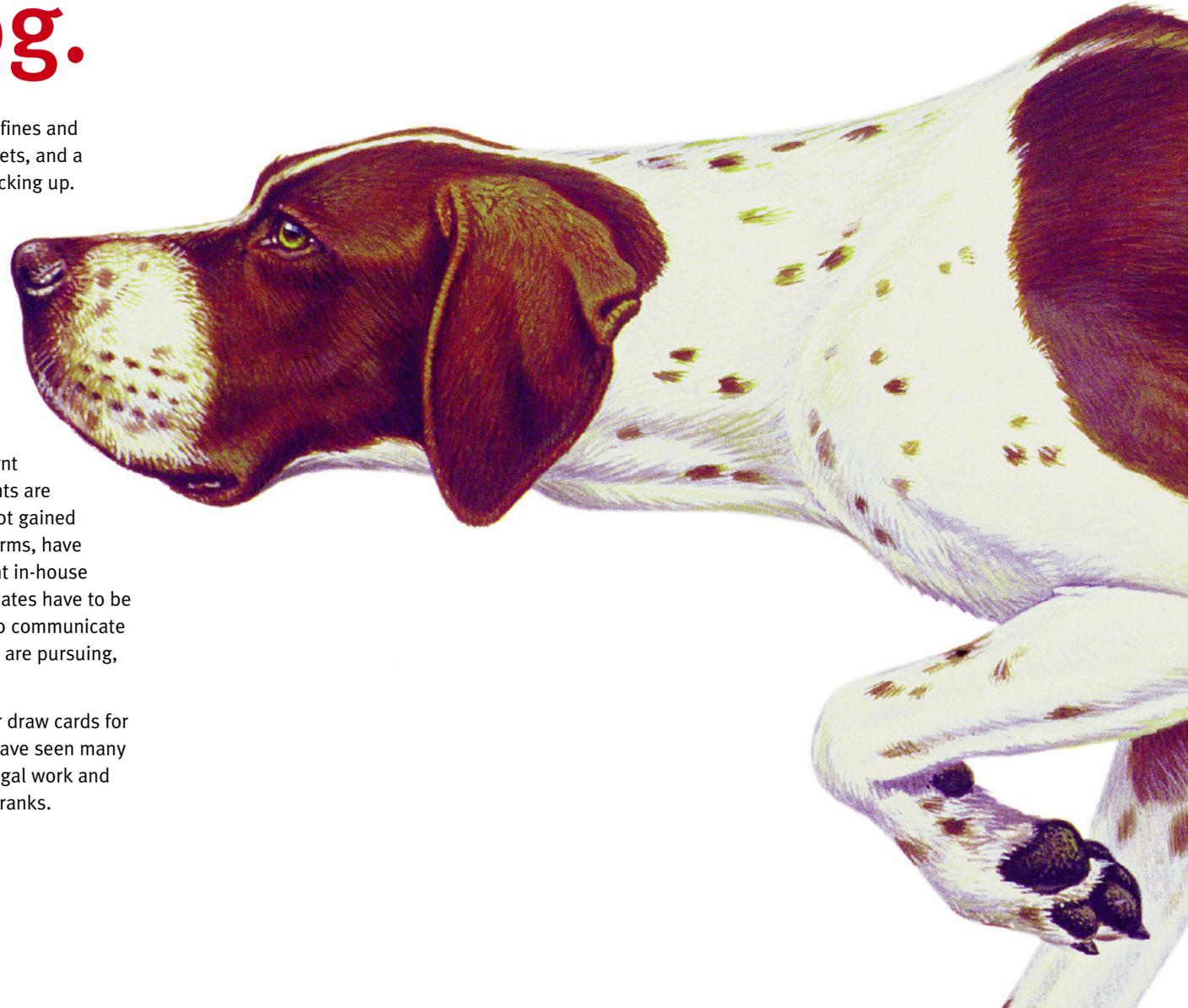
There is a real “buzz” about in-house lawyers and their involvement in a challenging and constantly evolving environment.

This has translated into an increase in recruitment activity over the last year, which is expected to continue in 2015.

### **The in-house buzz**

More and more solicitors are looking to move in-house, having been burnt by the lifestyle and the unpredictable work flow of private practice. Clients are looking for lawyers with industry-specific knowledge, more often than not gained in-house, which can mean that private practice lawyers, even from top firms, have struggled to access recruitment processes if they haven't gained relevant in-house experience. The competitive nature of in-house roles means that candidates have to be at the top of their game in terms of interview preparation; and be able to communicate throughout the interview process their appetite for the opportunity they are pursuing, and not simply rely on a good CV.

The attraction of working closely with a business is still one of the major draw cards for lawyers making the move from private practice. Over the past year, we have seen many candidates at the General Counsel level move into roles involving less legal work and more corporate development, paving the way for others to move up the ranks.



## Resurgence of Corporate Finance and ECM lawyers

In a world driven by debt and restructuring, we note a resurgence of ECM and Corporate lawyers, in correlation with the increased activity in the IPO market. Due to investors' interest, some organisations are expanding their equities business which in turn means hiring corporate finance lawyers to support their equities portfolio management and trading teams.

## A move towards Compliance

In-house lawyers are increasingly being moved and recruited into compliance and regulatory adherence roles. Compliance is one of the top three areas where new positions have been created over the last year. The paradigm of compliance has now clearly infiltrated the legal industry itself, and stretches well beyond the traditionally heavily regulated sectors such as Financial Services. All types of businesses have to be increasingly vigilant with how they design policy in areas as diverse as intellectual property management and data protection. More often, in-house lawyers are now tasked with formulating, implementing and monitoring corporate policies and processes relating to compliance. Lawyers as compliance officers tend to be better placed for advancement than non-lawyers, as increasing amounts of compliance work now relies upon the understanding of laws, regulations and guidelines, and the relationships between them. There is therefore a clear path for in-house lawyers looking to broaden their practice and move towards a business essential area to move into the field of compliance.

## Skillsets in demand

Financial Services Regulatory lawyers are still high in demand. Given the shortage of candidates at the 2-4 years' PQE with this skillset, we note an appetite for candidates who come from a compliance background. General FS commercial, IT/IP and outsourcing lawyers were also popular in 2014.

Lawyers with expertise in treasury services, corporate trust, hedge fund structuring, structured finance, banking litigation and ISDA have been strongly sought after. We have also seen an increased interest over previous years in property, property finance and real estate funds lawyers.

The market has created further opportunities for senior contractors, with organisations appreciating the value of hiring the expertise without having to necessarily manage or develop such candidates and bear the cost of top-end salaries long term.

## Who's contributing to growth?

The buy side was particularly buoyant in 2014, with recruitment mainly at the mid-to-senior level. We have noticed an increase in recruitment activity within hedge funds, private equity houses, exchanges, commercial and retail banks as well as some investment banks.



## Compensation and bonuses

The lack of career progression, consistent promotions or meaningful bonuses have been at the forefront of in-house lawyers looking to move. Bonuses across the board have been too often disappointing, either pitched at the bare minimum or too low to meet lawyers' expectations, especially as a large number of lawyers are working to stricter deadlines and stretching themselves to new practice areas driven by the market (e.g. regulatory work). Bonuses above 30% are rare.

One of the key recruitment tools we have seen employers use recently is the option of flexible working arrangements. The possibility of working from home one day a week is more often than not the norm and organisations who are not prepared to offer this may lose out on talented candidates.

## Investment Banking

PQE	Average Salary Range (Per Annum £UK)	Daily Daily Rate
10+	£130,000+	£500 to 800
8-10	£110,000 to £190,000	£450 to £700
6-8	£95,000 to £135,000	£400 to £500
4-6	£80,000 to £115,000	£350 to £450
2-4	£75,000 to £95,000	£300 to £400
NQ – 2	£55,000 to £75,000	£180 to £350
ISDA Negotiator	£40,000 to £120,000	£200 to £500
Paralegal	£35,000 to £55,000	£150 to £200

## Asset Management

PQE	Average Salary Range (Per Annum £UK)	Average Daily Rate
10+	£115,000 to £190,000	£450 to 600+
8-10	£90,000 to £135,000	£400 to £550
6-8	£85,000 to £110,000	£375 to £450
4-6	£80,000 to £100,000	£350 to £450
2-4	£70,000 to £90,000	£300 to £375
NQ – 2	£55,000 to £75,000	£150 to £300
Paralegal	£28,000 to £45,000	£110 to £200

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