



# A Glance Into Law Firm Practice Areas

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This article discusses some of the key practice areas in a commercial law firm, and offers a glance into the role of commercial lawyers within such practice areas.

Please be advised that this article does not include an exhaustive list of the practice areas within a commercial law firm, nor do the brief descriptions provided encompass every aspect of a commercial lawyers involvement within these practice areas.

## *Banking or Finance*

### *i) Overview*

This practice area focuses on the contractual relationship between lenders and borrowers and oversees ( a ) how borrowers secure capital from external sources, and ( b ) how financial liabilities are mitigated.

#### ***Project Finance***

- ▶ An area that focuses on funding large-scale, and long-term projects. This includes ( i ) infrastructure, ( ii ) industrial projects, and ( iii ) and public services.
- ▶ An SPV ( Special Purpose Vehicle ) - a separate entity with separate assets and liabilities - is created, with both debt and equity, to fund the project. The cash flow from the project will be used for the capital repayments.

#### ***Restructuring and Insolvency***

- ▶ An area that concerns situations where a business experiences financial difficulties because of an inability to repay debts.
- ▶ A commercial lawyer will advise on matters such restructuring of financial or operational structure, or insolvency proceedings.

#### ***Capital Markets***

- ▶ An arena where money is exchanged between buyers and sellers. This can be through the debt capital markets ( i.e. bonds ) or the equity capital markets ( i.e. shares ).

- ▶ A commercial lawyer will provide legal and regulatory advice, and negotiate and draft various documents.

### ***Acquisition Finance, Asset Finance, Leveraged Finance***

- ▶ Acquisition Finance : A process by which borrowed capital is used for the acquisition of another company.
- ▶ Asset Finance : A process by which borrowed capital is used for the acquisition of specific assets.
- ▶ Leveraged Finance : A process by which a higher amount of debt ( vs. equity or cash ) is used for the acquisition of investment assets.

### ***Fintech***

- ▶ The integration of technology and the capabilities of financial services to create more efficient service to consumers.
- ▶ Includes the development and use of cryptocurrencies.

### ***ii ) The Role of Banking and Finance Lawyers***

- ▶ due diligence ( finance-related ).
- ▶ review, negotiate, and draft key agreements ( e.g. 'loan' or 'facilities agreement' ).
- ▶ advise on method of, and structure of, financing options for a transaction.

## ***Corporate M&A***

### ***i ) Overview***

This is a very transactional-focused practice area within a commercial law firm. Typically, it involves the acquisition of businesses ( both from the buy-side and the sell-side ) and/or their assets, and may involve a businesses internal operations ( e.g. restructuring ).

### ***Mergers & Acquisitions ( M&A )***

- ▶ An area of commercial law that is focused on transactions that involve the combination of two companies in one way shape or form.
- ▶ An acquisition refers to one company ( often a larger company ) acquiring another company ( often a smaller company ). A merger refers to a process by which two companies ( of a similar size ) merge to form a single entity.
- ▶ The practice area includes both private M&A and public M&A. The former involves acquisitions of companies under private ownership ( i.e. not listed on the stock market ) whereas the latter involves acquisitions of publicly listed companies on the stock market.

### ***Private Equity, Venture Capital***

- ▶ A PE firm ( often a client of commercial law firms ) invests in a company with high growth potential. The PE firm will work with the management team to increase the value of the business over a certain period ( i.e. 3-5 years per se ), with the intention to sell the business for a profit ( this is known as the 'exit' ).
- ▶ Similarly, a VC firm invests in businesses with the aim to increase the value of the business and sell for a profit. However, a VC firm will typically invest in smaller businesses ( i.e. start-ups ) while a PE firm invests in much larger and mature businesses.

### ***ii ) The Role of Corporate M&A Lawyers***

- ▶ collaborate across various practice areas ( i.e. banking - tax - IP - employment - competition - real estate etc. ).
- ▶ review, negotiate, and amend key commercial contracts ( e.g. a 'share purchase agreement' )
- ▶ draft commercial contracts and contractual provisions ( i.e. exclusivity clauses, non-solicitation clauses, indemnities, warranties, conditions precedent etc. )
- ▶ due diligence.

- ▶ project management of transactions.
- ▶ advise on structure of acquisition, financing for acquisition, execution of transaction, and post-merger integration.

## ***Competition and Antitrust***

### ***i ) Overview***

This area of commercial law concerns antitrust laws that seek to encourage competition by ensuring that commercial transactions ( i.e. mergers and acquisitions ) do not promote anti-competitiveness within the market, through the formation of monopolies per se.

The Competition Authorities Include :

- ▶ Federal Trade Commission ( FTC ) - US
- ▶ European Commission ( EC ) - EU
- ▶ Competition and Markets Authority ( CMA ) - UK

### ***ii ) The Role of Competition and Antitrust Lawyers***

- ▶ secure competition clearance for acquisitions, or mergers.
- ▶ assess and advise on the anti-competitive nature of proposed transactions.
- ▶ advise clients on compliance with regulatory requirements.
- ▶ prepare and submit filings to competition authorities.
- ▶ represent clients accused of anti-competitive behaviour.

## ***Litigation, Dispute Resolution***

### ***i ) Overview***

A contentious matter may arise across various practice areas. These can include matters concerned with competition and antitrust, intellectual property, and even tax.

This area of commercial law involves civil disputes. These can be resolved via ( a ) a negotiated settlement, ( b ) a court litigation, or ( c ) an alternative dispute resolution method.

Two Examples of Alternative Dispute Resolution :

- ▶ Arbitration : An arbitrator ( i.e. an impartial party, often an expert in the sector ) is selected to settle a dispute between two parties in a commercial transaction. The decision reached by the arbitrator will be binding on the parties.
- ▶ Mediation : A neutral third party is selected to actively facilitate the two parties in a commercial transaction to reach a mutually beneficial agreement. Unlike an arbitrator, the decision of the neutral third party is not binding. Instead, they are mere facilitators to help the two parties reach a mutual decision amongst themselves.

### ***ii ) The Role of Litigation Lawyers***

- ▶ advise clients on their claims ( or defence ), collate evidence for a case, liaise with barristers, and represent clients in court.
- ▶ negotiate settlement agreements.
- ▶ organise and attend arbitration and mediation meetings with clients.

## ***Intellectual Property ( IP )***

### *i ) Overview*

This area of commercial law is concerned with various intangible assets that are legally protected from external use, without the owner's consent. The nature of the work often involves a tripartite combination of transactional, contentious, and advisory work.

#### ▶ The Three Types of IP :

1. Copyright : ( i ) protects authors and creators of the original material - ( ii ) lasts for 70 years after the death of the author in the UK.
2. Trademark : ( i ) protects symbols, phrases, and words ( this is often associated with a company that owns the trademark, like the Coco-Cola logo and brand ) - ( ii ) lasts for 10 years in the UK.
3. Patents : ( i ) protects inventions - ( ii ) lasts for 5 years in the UK.

### *ii ) The Role of Intellectual Property Lawyers*

- ▶ apply for trademarks or patents ( i.e. patent prosecution ), and advise on copyright.
- ▶ advise clients on IP implications for proposed business transactions.
- ▶ advise on IP-related contractual provisions.
- ▶ due diligence ( IP-related ).
- ▶ collaborate with litigation team on IP litigation matters ( i.e. patent litigation ).

## **Employment**

### *i ) Overview*

This area of commercial law focuses on the contractual relationship between employers and employees.

This practice area can consist of both advisory work, and litigation. Typically, disputes are resolved at an Employment Tribunal, or the Employment Appeal Tribunal for appeals.

### *ii ) The Role of Employment Lawyers*

- ▶ review, negotiate, and draft employment contracts.
- ▶ advise on the implications of employment-related contractual provisions ( e.g. change of control clauses ), outstanding employment claims or pending disputes, and review pension arrangements.
- ▶ advise on remuneration and incentivisation ( i.e. after Company A acquires Company B, a commercial lawyer may advise as to how they can ensure that employees of Company B can be retained post-acquisition ).
- ▶ ensure businesses comply with employment law through compliance with HR policies.

## **Real Estate**

### *i ) Overview*

This area of commercial law concerns commercial transactions that involve residential property, commercial property, and even infrastructure projects.

### *ii ) The Role of Real Estate or Property Lawyers*

- ▶ advise on property acquisitions, disposals, development, leases, registration, and planning permission to name a few.
- ▶ due diligence ( property-related )
- ▶ review, negotiate, and draft property-related contractual provisions within agreements ( e.g. option agreements ).

- ▶ portfolio management of commercial property portfolios.

## Tax

### *i) Overview*

This area of commercial law seeks to advise clients as to how tax liability can be mitigated.

These commercial lawyers offer advisory support to various departments within a commercial law firm, where tax implications frequently arise. Therefore, they are an integral feature to the business of many clients, in almost every industry.

### *ii) The Role of Tax Lawyers*

- ▶ advise on the most tax-efficient form of financing for a transaction.
- ▶ advise on the tax planning for a business.
- ▶ advise on tax disputes with the HMRC ( otherwise known as the Revenue ).
- ▶ advise on the tax implications of contractual provisions within a commercial contract.
- ▶ advise private clients on their private wealth.

## Commercial Word of the Article

### *Management Buy-In vs. Management Buy-Out*

A management buy-in occurs when an external manager or management team from Company X acquires a controlling ownership stake in Company Y.

A management buyout occurs when an existing manager or management team at Company Y acquires the business from the owner of Company Y.

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