

LETTER FROM ITALY: BEHIND THE SCENES OF UNICREDIT'S JOINT VENTURE BANKING LAW FIRM

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While corporate law firms and in-house legal departments are scrambling to call the simple collaborative relationships that exist between them partnerships, there are those who are moving from words to deeds, setting up companies. This is the case for [Unicredit](#) and the Milan law firms [NCTM](#) and [La Scala](#). The banking group and the two firms have signed a partnership that creates UniQLegal, a law firm in the form of a joint-stock company between lawyers, 91% owned by law firms (45.5% each) and 9% by the bank, one of Europe's largest. This client-supplier marriage marks the official entry of a bank into the world of specialized legal services, turning a page on the history of the legal services market.

The genesis

"For years, UniCredit's legal department has felt the need to evaluate a similar project," general counsel Gianpaolo Alessandro (in the photo above) told our colleagues at MAG in an exclusive interview. We also spoke with the founders and members of the board of directors of the new company Shannon Lazzarini (president and head of group litigation & group deputy general counsel of UniCredit), Alberto Toffoletto (managing director and founding partner of Nctm) and Marco Pesenti (managing director and founding partner of La Scala). "We wanted to transform the philosophical concept of partnership that had bound us for a long time into reality, with the ambition to create an innovative and highly specialized structure in banking law."

The collaboration that takes form in UniQLegal is the result of the desire of the two firms to

strengthen their banking skills and the bank's need to manage more of its legal work directly. Among this, in particular, is the bank's litigation, which is the main service that the legal startup is offering from the start and the recurring consultancy and contracts, to which it will dedicate itself in years to come. The main aim is, in fact, to offer financial institutions a dedicated and tailored service, in response to the real needs of the market.

UniQLegal aims to become a center of excellence in banking law, so as to widen the customer portfolio, of which only UniCredit currently belongs, and to be attractive to other banking and financial institutions that may also be interested in joining. "I imagine that the legal departments of other banks feel, like ours, the concrete need to receive tailored advice and rely on a specialized partner rather than a simple supplier. This is why we would like them to participate in our project in the future. For the moment we will remain focused on making the machine work," comments Alessandro.

From 12 to 100

The firm is starting off with a team of 12 professionals dedicated to UniCredit's passive litigation. Two coordinators will guide it—NCTM partner Christian Romeo and La Scala partner Luciana Cipolla, responsible respectively for knowledge management and operating procedures. The two will dedicate a substantial part of their time to UniQLegal. The 12 lawyers, come from the two firms and will work exclusively for the new entity. Nobody comes from UniCredit. "The legal department will remain internal to the bank and will have its own life. Neither the outsourcing of activities nor the transfer of people is planned," explains Alessandro.

The team, according to the business plan, is expected to grow within five years, reaching 100 specialized bank litigation personnel, organized by seniority and skills. A team that UniQLegal will build "according to the normal selection criteria of any other law firm," explains Toffoletto, "focusing in particular on young people who want to specialize in banking and work in a reality that focuses on innovation".

Specialization and technology

Specialization and technology are in fact the two cornerstones of the new firm. "The basic idea is that the combination of technology and specialization creates maximum efficiency. It is a fact and you just have to observe it. Those who specialize take less time to do things and if the technology is intelligent it eliminates repetitive activities and allows the lawyer to concentrate on intellectual activity. We want to build a firm that takes full advantage of the intelligence of lawyers and facilitates legal research activities and the elements that are needed for the composition of defenses, or internal and external communication with clients. Things that today the proprietary software of the Nctm and La Scala studios, which will be made available to UniQLegal, allow you to do this," explains Toffoletto. "We will also strive to monitor new products on the market in terms of artificial intelligence. At the moment the offer is very varied and perhaps not very effective, but as soon as the AI becomes a usable tool we will implement or develop it," adds Pesenti.

In addition to the two legal partners, technology is also a central element for the bank and its legal department, which in recent years has invested in tools for the management of litigation and other management activities, emphasizes Lazzarini. In addition, the group's managing director Jean Pierre Mustier has announced that 2020 will be the year in which the bank will become completely paperless. As a result, a digital bank will require the digitalization of the documentation relating to disputes and consequently of investments to create a single digital interface between legal and customer. Investments that UniQLegal will be ready to make, confirms Alessandro.

Relationship with shareholders

As for its relationship with NCTM and La Scala, UniQLegal will remain independent. "We are

partners," explains Toffoletto. "We will be the support of this new entity, until, and we hope shortly, it will be able to move only on its own two legs." The two firms will continue to offer services and assistance to customers by maintaining their banking law departments and continuing their growth and development activities. At the same time UniQLegal will make its way, "thanks to a partnership between two legal entities that have all the skills to carry out a professional consultancy service and an industrial partner who will indicate from time to time what a bank customer actually needs", he adds Alessandro.

Independence from partners will also be the watchword. UniQLegal headquarters will embrace digitization. The classic libraries that traditionally populate "analogue firms" will leave room for common areas and places of thought. The distribution of the rooms with respect to the activities will also be new: Everything will be flexible and focused on the group, rather than on individuals.

Compared to the relationship with the legal department of UniCredit, explains Alessandro, UniQLegal's only commitment will be that not to take on work that conflicts with the bank. «While normally the management of conflicts of interest is in some way completely delegated to the firms that work with us, in this case, being also partners, the conflict will be more transparent both towards the bank and towards the clients of the firm. So we believe that in this configuration there is still another guarantee that the conflict will be managed transparently," adds the lawyer.

UniCredit and its other law firms

Finally, what will happen to the relationship between the bank and the other law firms with which it works? Nothing. UniCredit will retain its panel and the selection criteria of the old and new counsel with whom it will continue to work. "Our idea is that by its nature this firm will become our primary partner in the management of Italian litigation, but we will continue to work with many other firms that already work with us today and who have assisted us for many years and will continue to do so," concludes the general counsel.

—Ilaria Iaquinta, in Milan