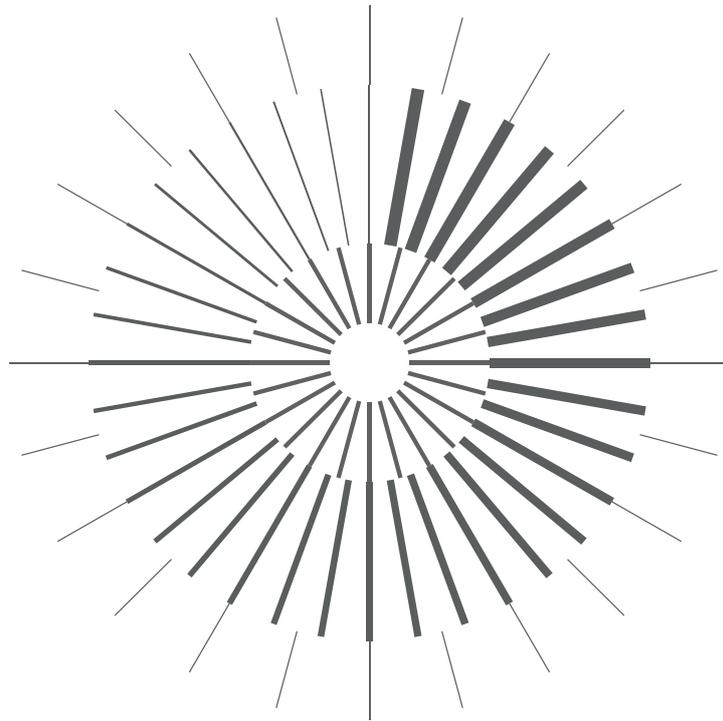


Guide to becoming
a self-employed
lawyer in Australia.



Peerpoint.

by ALLEN & OVERY

Legal consulting – a new way of working.

The majority of lawyers are most familiar and comfortable with being employed in either the long-established partnership model at a law firm, or in-house. But, as the legal profession continues to undergo change, more flexible possibilities have emerged.

One of the most popular options is to become a consultant – also referred to as being self-employed, freelance or a contractor – and, even though it is a relatively new concept to many lawyers, it is already a familiar and popular approach for professionals in other sectors, such as IT, accounting and engineering.

Although it is not right for everyone, it is an approach that offers individuals greater control than is often possible within a traditional employment relationship. There are various reasons why you might wish to become self-employed, including wanting to include significant non-law or personal projects in your life. Peerpoint's structure is designed to help you achieve those goals whilst still engaging in high quality work.

As a Peerpoint consultant, you will become part of an emerging new breed of lawyers. So what does it mean in reality, and how do you go about becoming self-employed? It really is a great deal easier than you might expect!

This guide is intended to give some insight into self-employment in Australia and an indication of what is involved and how to go about it. It is not an exhaustive guide and does not constitute formal advice from Allen & Overy or Peerpoint. There are numerous sources of information available online and you should seek independent advice.

Finally, many of our consultants are happy to share their experiences of working as Peerpoint consultants.

We have consultants working in a variety of ways around the world to suit a mixture of personal circumstances.

You can read some of their stories on our website. If you would like to arrange a confidential chat with one of them, please speak to a member of the Peerpoint team.



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Peerpoint – the right choice for you?

Peerpoint offers clients a panel of experienced, high-calibre lawyers available to work on top-quality legal placements within Allen & Overy and with our clients.

Peerpoint offers:

Lawyers the opportunity to take greater control of their careers

Clients high quality lawyers to meet resourcing needs

The firm the ability to augment the permanent workforce at times of high demand

Peerpoint is an inspired way of working for those lawyers who want challenging and varied work at the pinnacle of our profession but with more control over the type of work they do, and when and where they do it.

As a Peerpoint consultant, you will join a community of elite lawyers and be backed by one of the world's foremost international legal practices, with access to all the relevant training and market leading know-how.

We know that while your career is important, so too is the time and space for other things in your life. Peerpoint gives you the opportunity to achieve that balance, with a diverse range of part-time and full-time assignment options available.

You will have the opportunity to work in an innovative way, integrating into new teams to advise on high-quality projects.

79%

PEERPOINT CONSULTANTS WITH IN-HOUSE EXPERIENCE

80%

HAVE OVER 8 YEARS' PQE

33%

ALLEN & OVERY ALUMNI

With Peerpoint, our lawyers have the chance to be placed with both Allen & Overy and with some of the world's leading companies in London, Amsterdam, Hong Kong, Australia and Singapore. Not only do our consultants have the opportunity to take on career defining roles, but they are the ones controlling their career.

So why wouldn't you join?

For more details about Peerpoint and how talented lawyers are working differently, go to **peerpoint.com**.

The basics of self-employment.

All Peerpoint consultants are self-employed. Rather than being employed by Allen & Overy or Peerpoint, you will set up and work for your own company – an incorporated legal practice or ILP. Your ILP will invoice for services and be responsible for your remuneration and benefits.

You set up, own and run the ILP. It is a company incorporated with the Australian Securities & Investments Commission (ASIC) and which has met various requirements of the law society in your jurisdiction. Once established, the ILP will enter into contracts on your behalf, issue invoices to clients, including Peerpoint, and be responsible for your remuneration, superannuation and taxation.

There is more to it than simply setting up an ILP and it is most important that you understand and are comfortable with the responsibilities of self-employment.

For example:

- Your ILP will need to comply with all relevant federal and state/territory laws governing the provision of legal services in your jurisdiction.
- You will become an employee of your ILP. Your ILP will be responsible for all your employment rights, including remuneration, paid leave, allowances, superannuation, other benefits and insurances.
- Your ILP will normally be paid an hourly or daily rate by your clients, including Peerpoint, for the work you perform, which will appear to be higher than employed lawyers' rates. This reflects the fact that your ILP will need to provide the aforementioned employment benefits and meet the taxation obligations outlined below.
- Payments to your ILP will be gross. This means your ILP takes responsibility for all tax obligations including Pay As You Go (PAYG) on salaries and goods and services tax. It will be entirely your decision as to how to structure payments to yourself and your responsibility to ensure that all taxes are paid correctly.
- As a self-employed consultant, you are not obliged to work exclusively for one client. You will also have no guarantee of work from your clients, including Peerpoint, and, conversely, you have no obligation to take on work that is offered – this is one of the benefits of being a consultant. At Peerpoint, we will have an honest discussion with you about likely volumes of work so that you can be clear where you stand. Once you have joined our panel of consultants, we will keep you informed of any assignments which suit your experience.

Setting up and running an ILP.

When to set up your ILP

You must have your ILP in place before entering into your first contract with Peerpoint. Whilst there are various law practice structures permitted in Australia, Peerpoint requires its consultants to set up an ILP, rather than operating as a sole practitioner or a partnership.

Appointing an accountant

It is possible to set up and manage your own company when establishing your ILP, but most consultants prefer to appoint an accountant to assist them. Accountants are experienced in these matters and can assist you to set up a company, meet annual reporting obligations and complete required business registrations. They can also offer personal advice, including ensuring that you run your company in a tax-efficient manner.

We recommend that you consider appointing an accountant to help you.

Establishing a limited liability company

This involves the incorporation of a company with ASIC. This company will ultimately operate as your ILP. You will be the sole director and shareholder of the company. You will need to choose a name for your company, complete the required application form and apply for the usual registrations (eg ABN, Business Name, GST, PAYG and Tax File Number).

How to establish your ILP

The law society in your jurisdiction will provide guidelines on how to register your company as an ILP, which you should review carefully.

As a general rule, you will have to notify the law society of your ILP's intention to engage in legal practice within the applicable timeframe (approximately 14 days before practising) and provide various details regarding you and your company for approval and registration.

An ILP must also have a principal with an unrestricted practising certificate.

Practising certificate requirements

Whilst there are differences across jurisdictions, to qualify for an unrestricted practising certificate you must have finished your required period of supervised legal practice and have completed an authorised practice management course. Once you meet the relevant criteria, you can apply to your local law society to revise your practising certificate conditions. You will also be responsible for your annual practising certificate renewal fees.

Insurances and Limited Liability Schemes

An ILP is required to hold an approved professional indemnity insurance policy before practice can commence. You will need to contact your local approved provider to obtain a quote. Your ILP may also need to obtain workers' compensation insurance. You will need to contact your local approved provider to obtain a quote.

Finally, your local law society may also offer participation in a limited liability scheme for a fee. You should contact your local law society for details and costs.

Legal profession regulation

Your ILP will need to comply with all relevant federal and state/territory laws governing the provision of legal services in your jurisdiction. This may include costs, disclosure requirements and trust accounting rules. You are not required to set up a trust account to undertake work with us but would need to determine if it is required for any work you undertake which is unrelated to Peerpoint.

Useful links.

There are many sources of information online for those considering becoming a consultant. Many law societies only make certain information available to members, so you should contact your law society directly to confirm requirements.

Establishing a limited liability company
www.asic.gov.au

Law society websites
New South Wales
www.lawsociety.com.au

Victoria
www.isbc.vic.gov.au
www.liv.asn.au

Queensland
www.qjs.com.au

Western Australia
www.lawsocietywa.asn.au

What next?

The Peerpoint team can provide general guidance on setting up and running your LLP. Additionally, many of our consultants are happy to share their experiences.

If you have further questions, please contact us.



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