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**Risk Management Policy
Respecting Rendering Legal Opinions**

The purpose of this policy is to assist Member firms to reduce the risks that may arise as a result of their lawyers giving legal Opinions. For the purposes of these guidelines, an “Opinion” is an expression of professional judgment on legal issues explicitly addressed, and communicated, by a Member firm to its client and/or to a third party.

Members should have effective and ongoing written procedures with respect to rendering Opinions that include the following elements:

1. an Opinions Committee, or equivalent, that can provide guidance on Opinion issues, resolve disputes regarding Opinions, and oversee the development of model Opinions and related precedent documents;
2. a continuing structure through which Opinion precedents are developed, updated and approved; and
3. quality control procedures for rendering Opinions, including procedures and standards with respect to:
 - (a) the formats by which different types of Opinion can be delivered (e.g. in writing, by email, or orally);
 - (b) the levels of review and authorization required for different types of Opinions; and
 - (c) review, by a disinterested partner or committee, of Opinions which are given by lawyers who are not in a position to make fully objective decisions because there is an actual or perceived conflict of interest between the lawyer and the client.

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**Quality Control Appendix
to
Risk Management Policy
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This Appendix provides examples of quality control procedures for rendering Opinions. These are merely examples and are not intended to be definitive or mandatory. They are provided solely to assist Member firms to develop their own written procedures with respect to rendering Opinions. Capitalized terms are defined in Section 3.

4. Examples of Different Levels of Authorization and/or Review Applicable to Different Categories of Opinions

(d) One Partner or Senior Associate Authorization

A single partner or senior associate with sufficient relevant expertise may provide or sign:

- Routine Advice
- Transaction Opinions

(e) Two Partner Authorization

The following types of Opinions should be signed only by a partner after review by a second partner:

- Significant Opinions
- Tax Opinions

(f) Subject Matter Expert Review and Approval

The following types of Opinions should be signed only by a partner or a senior associate, after review and approval by a Subject Matter Expert:

- Reasoned/Analytical Opinions
- Multi-Jurisdictional Opinions

The following type of Opinion should be signed only by a partner, after review and approval by a Subject Matter Expert:

- Tax Opinions involving tax shelters

(g) Opinions Committee (or Equivalent) Review and Approval

The following Opinions should be reviewed and approved by the Opinions Committee (or equivalent):

- where there is any disagreement between partners regarding whether a particular Opinion, or portion of an Opinion, can or should be given
- any Significant Opinion, Transaction Opinion or Tax Opinion that is inconsistent with another firm Opinion
- any Reasoned/Analytical Opinion, Multi-Jurisdictional Opinion, Tax Opinion involving a tax shelter or Significant Opinion that has not been reviewed and approved by a Subject Matter Expert.

5. Other Quality Controls

- (a) An Opinion should be reviewed and approved by a second, disinterested partner where the lawyer rendering the Opinion:
- has a direct or indirect material personal interest in the outcome of the transaction, other than by reason of compensation from the firm
 - may be perceived to be beholden to the client because the work the lawyer does for that client constitutes a large or otherwise significant component of his or her practice or contribution to the Member firm
 - is a member of the Board of Directors of a party to the transaction
 - has any other connection to the parties, the transaction or its outcome which creates an actual or reasonably perceived inability to be fully objective when considering whether or not to render an Opinion.
- (b) Significant Opinions, Reasoned/Analytical Opinions, Tax Opinions, Transactional Opinions and Multi-Jurisdictional Opinions should not be delivered orally or in e-mail format.
- (c) In cases where another law firm is retained to provide an Opinion about the laws of a particular jurisdiction, that Opinion should, wherever possible, be addressed directly to the client or a third party and should not be included in an Opinion from the firm, unless the Opinion arises from a practice area where it is the accepted convention to flow the Opinion through the firm.
- (d) Routine Advice may be given orally, but should be confirmed to the client in writing whenever it is possible and practical to do so.
- (e) When giving any written Opinion, a disclaimer that limits reliance to known recipients/third parties should be included.

6. Definitions

- (a) **“Client Opinion”** means any Opinion addressed to or communicated to a client of the firm.
- (b) **“Multi-Jurisdictional Opinion”** means any Significant Opinion that includes an expression of legal judgment with respect to a jurisdiction outside of the jurisdiction(s) where the Firm is authorized to practice.
- (c) **“Opinion”** means any expression of professional judgment on legal issues, and includes any Client Opinion or Third Party Opinion.
- (d) **“Reasoned/Analytical Opinion”** means any Significant Opinion that contains a detailed analysis of the law and that reaches conclusions about the application of the law to a particular set of facts.
- (e) **“Routine Advice”** means any Client Opinion that relates to matters that are clearly within the expertise and capability of the partner or associate providing the advice, but which is not a Significant Opinion, Reasoned/Analytical Opinion, Tax Opinion and/or Multi-Jurisdictional Opinion.
- (f) **“Significant Opinion”** means any Opinion that:
 - (i) is a Third Party Opinion
 - (ii) involves the risk of a large potential liability, or other harm, to the Member firm and/or client or third party (e.g. exposure to liability over \$10M);
 - (iii) is novel or involves unprecedented issues where there is material uncertainty regarding the legal or regulatory treatment of the transaction;
 - (iv) involves difficult, complicated or controversial issues, and is likely to be seen as “pushing the envelope” of accepted practice;
 - (v) may set a precedent for future transactions that would have a significant impact on the Member firm’s opinion practice;
 - (vi) is controversial and/or is likely to attract significant media, government or regulatory attention;
 - (vii) involves the review of a foreign law Opinion; or
 - (viii) is inconsistent with one or more other Opinion(s) given by the Member firm.
- (g) **“Subject Matter Expert”** means a partner with appropriate expertise in a particular practice area who has been authorized by the Member firm to review and approve Opinions rendered by partners or associate in certain departments or practice groups.
- (h) **“Tax Opinion”** means any Significant Opinion regarding tax law.

- (i) **“Third Party Opinion”** means an Opinion addressed to or communicated to a third party that is not a client of the firm.
- (j) **“Transaction Opinion”** means any Opinion that follows the form of a “usual” closing Opinion.
- (k) **“Written Opinion”** means any Opinion which is written on paper or saved as a separate electronic document.