

## Subject Resource Guides

# Research and Resources for Financial Services Lawyers

**Abstract:** The Financial Services and Markets Department is one of 11 main departments at City law firm Travers Smith LLP. Shirley Lofthouse, Head of Information at Travers Smith, considers the work of the financial services lawyer and the resources needed to support the research requirements of the department.

**Keywords:** Legal research; financial services

## Introduction

The Financial Services and Markets department at Travers Smith, originally referred to as a “group” internally and always quoted in-house as “FSMG”, is well-established and highly specialist. The department has its own professional support lawyer (PSL) and researchers and consultants are appointed on an ad-hoc basis to help with organising the department’s know how. Although the department is to some extent self-sufficient with regard to know how and access to information, the Information Centre (“Info Centre” or “Info”) at Travers Smith supports the department with its purchasing requirements, by alerting it to latest legislative and regulatory developments and with the occasional technical enquiry.

## General characteristics of a financial services practice

Of all the departments in a city law firm the work of the financial services department is arguably the most esoteric. At a broad level the financial services lawyer advises on regulatory issues, including the legislation governing financial services, such as the Financial Services and Markets Act 2000 and its subordinate instruments and the huge number of rules imposed by the regulators like the Financial Services Authority. Increasingly the UK law and regulation of financial services is governed or shaped by European legislation. The financial services lawyer does not operate within a vacuum and as well as specific financial services legislation, he must have regard to principles of company, commercial and banking law.

He must also be knowledgeable about the financial markets and how they operate. This includes exchanges,

multi-lateral trading facilities, clearing houses, settlement systems, payment systems etc. The work is often advisory but financial services lawyers also get involved in transactional work. In general the work is non-contentious but it may also encompass contentious work when dealing with potential criminal or civil actions.

The clients of a financial services department will include corporate finance firms, venture capital and private equity firms, fund managers and hedge funds, retail funds, investment banks, custodians, clearing firms, banks and payment service providers.

## Key sources

Access to legislative, case law and regulatory sources is critical for FSMG. The online sources used by the department at Travers Smith include *Complinet* and the legislative and case law resources of *Westlaw* and *Lexis Library*.

Websites such as those for the Financial Services Authority, the Treasury and the London Stock Exchange are key resources for the department, but a close and frequent watch is also kept on other websites, in particular CESR (Committee of European Securities Regulators), JMLSG (Joint Money Laundering Steering Group) and OPSI (Office of Public Sector Information).

There are two large encyclopedias on financial services law: *Butterworths Financial Regulation Service*, published by LexisNexis and the *Encyclopedia of Financial Services Law*, published by Sweet & Maxwell. FSMG also uses the big multi-volume work on company law *Palmer’s Company Law* published by Sweet & Maxwell and the ever-popular *Tolley’s Company Law* published by LexisNexis.

There are various guides specifically on financial services legislation and the most useful is probably always the most recently published. Examples are *Financial*

*Services and Markets Act: a Practical Legal Guide* by Ashurst (published by Sweet & Maxwell, a 2<sup>nd</sup> ed is due at the end of 2010) or *Financial Services and Markets Act: an Annotated Guide* by Lomnicka (Sweet & Maxwell).

Popular handbooks used by the FSMG lawyers include *Butterworths Securities and Financial Services Law Handbook*, *Butterworths Banking Law Handbook*, *Butterworths Company Law Handbook*, *Butterworths Insurance Law Handbook* and *Butterworths Commercial and Consumer Law Handbook*.

City and Financial Publishing do a series of "Practitioner's Guides" on any number of aspects of financial services law and these are very popular. Either that or Travers has shares in the publisher as the firm takes the following "Practitioner's Guide to" titles: *FSA Investigations and Enforcement*; *MiFID*; *the Basel Accord*; *the FSA Handbook*; *the FSA Regulation of Banking*; *the FSA Regulation of Insurance*; *the FSA Regulation of Investment Banking*; *Inside Information -Managing the Legal and Regulatory Risks*; and *EU Financial Services Directives* (this latter by Freshfields Bruckhaus Deringer).

A highly regarded author is Roy Goode and the following books form a core part of the library: *Goode on Commercial Law* (a new edition has recently been published by Penguin Books), *Goode on Legal Problems of Credit and Security*, *Goode on Payment Obligations in Commercial and Financial Transactions*, both published by Sweet & Maxwell, and finally *Goode: Consumer Credit Law and Practice*, an encyclopedia of consumer credit law published by LexisNexis. The other encyclopedia of consumer credit law used by FSMG is *Encyclopedia of Consumer Credit Law* by Guest and Lloyd, published by Sweet & Maxwell.

Rules and regulations of stock exchanges and other regulatory bodies such as the London Stock Exchange, the Financial Services Authority, the London Clearing House (LCH), the London Metal Exchange, and CREST are all kept by the department and maintained by the Info Centre.

Other textbooks taken by the department on specialist subjects include *Lindley and Banks on Partnership* (Sweet & Maxwell); *Derivatives: the Key Principles*, by Castagnino (OUP); *Derivatives Law and Practice*, by Firth (Sweet & Maxwell); *Collective Investment Schemes – the Law and Practice*, by Macfarlanes (Sweet & Maxwell); *Mann on the Legal Aspects of Money*, by Proctor (OUP); *International Finance – Law and Regulation*, by Scott (Sweet & Maxwell); *Set-off and Netting, Derivatives, Clearing Systems*, by Wood (Sweet & Maxwell); *Law of Global Custody – Legal Risk Management in Securities Investment and Collateral*, by Yates and Montagu (Tottel); and *Ellis and Wiltshire's Regulation of Insurance in the UK, Ireland and the EU* (Sweet & Maxwell).

Finally the key journals read by the department are the *Journal of Financial Regulation and Compliance* (Henry Stewart Publications), *Butterworths Journal of International*

*Banking and Financial Law* (LexisNexis), and *Journal of International Banking Law and Regulation* (Sweet & Maxwell).

### Research requirements of the financial services department

The maintenance of the hard copy and online collections of FSMG is undertaken by the Info Centre at Travers Smith in consultation with the department's PSL in the usual manner. New editions of books are bought if required and new publications are obtained on approval. All loose-leaf books are updated by the Info Centre staff and the journals are circulated as required.

The Info Centre plays a proactive role in keeping FSMG up-to-date by visiting the "what's new" pages of specific websites on either a regular, or more often a daily, basis and forwarding relevant information found there to the appropriate source, usually the department's PSL. Despite the prevalence of alerting services, RSS feeds, PLC alerts and other handy tools offered by publishers, this service offered by the Info Centre is popular, probably because the information is filtered, targeted, and very current.

A further alerting service offered by the Info Centre is the daily monitoring of news sources, both by manually reading the newspapers and via automatic alerts. Although FSMG takes its own copy of the *Financial Times*, this is a service that is appreciated. Items researched include anything to do with financial services law, of course, but also client news and legislative and/or regulatory developments.

The financial services department at Travers Smith is largely self-sufficient with regard to access to information but the Info Centre will be asked to track cases such as the recent *AMRO International v Financial Services Authority* and obtain judgments with all possible speed. Other types of enquiry may be to send links to European legislation, which is often tricky to locate, or find background material for an article a lawyer may be writing. Info may be asked for news searches on particular companies or events or to obtain books or journal articles published many years ago on a subject that is usually guaranteed to be obscure.

### Conclusion

The information resources of a financial services department will be constantly changing in response to regulatory changes. The trick for the information centre is to provide a relevant and effective service that is also cost efficient.