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PwC Legal Aims to Disrupt the Status Quo in the Middle East

The Big Four firm's legal arm expects to double its growth in the region in the next three years.

By Peter Shaw-Smith | June 01, 2021



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PwC's legal arm in the Middle East has thrown down the gauntlet to rival law firms as it expands in the region, leveraging its global reach as it markets itself as a full-service firm that integrates legal advice with the massive accounting firm's traditional tax and auditing offerings.

"Our entire modus operandi is to be a part of a multidisciplinary one-stop shop," said Darren Harris, legal leader and head of corporate for PwC Legal Middle East. "With PwC, we go to market and provide more holistic solutions and better outcomes for our clients. That is our differentiator."

Whether that strategy will make PwC a real disrupter in the Middle East's legal community remains to be seen. While PwC aims to take a broad, multidisciplinary approach when working with clients, traditional firms in the region are more focused on doing specialized, transactional work, arguing that this is what their clients seek.

"Clients in the Middle East are increasingly presenting highly complex issues and novel transactions that require more than a cookie-cutter approach to law," Bader El-Jeaan, partner and co-founder of Kuwait-based Meysan Partners told Law.com International.

Economic growth to boost firms in the region

Whether more clients will ultimately need specialized legal services or a more holistic approach, PwC has clearly made a dent in the region's legal market. It has grown significantly in the past three years, with 55 lawyers and legal professionals currently on staff. And it expects to double its head count in the next three years to match anticipated growth in the region, Harris said.

"The Middle East market is a sophisticated and ambitious one. There's nowhere else like it in the world. If you look at some of the advancements made in technology and fintech, this region is doing more than any other in the world," he said.

PwC's legal arm is not the only Big Four law practice in the Middle East, although it has been in the region the longest—for more than a decade, in fact. Rival accounting firm EY set up a legal team and launched EY Law in Dubai in late 2019, hiring former Pinsent Masons and Trowers & Hamlins partner Alison Hubbard as managing partner.

"The region is a growth market, a developing market, with lots of exciting things going on," Hubbard said. "We obviously felt we needed a presence here."

EY Legal in the Middle East is also being built out as a full-service law firm. Today, it numbers 10 lawyers, three of them partners, and Hubbard says its head count will grow with more specialists, practice area groups and partners in areas that include corporate transactions, digital law, employment and labor law, and financial services.

"The global legal services market is in a state of evolution. The demands on legal functions are changing. There's new technology coming into the market, new methodology. The Big Four are meeting that demand and meeting those challenges," she said.

The legal arms of Deloitte and KPMG, the two other Big Four firms, have yet to open offices in the Middle East.

But PwC is pushing ahead to match increased activity in corporate projects and fintech in the United Arab Emirates and Saudi Arabia, as well as in Kuwait and Bahrain. In the last nine months, the firm has executed more M&A and restructuring projects than in the two years prior, Harris said. The firm is also busy preparing family businesses for the next generation and readying corporates for future listings or partial divestments.

Harris said clients are turning from more traditional law firms to PwC, where they can obtain something “far more holistic.” Rather than working with advisers in silos, they get access to multidisciplinary teams, obtaining legal counsel and advice from a tax consulting, accounting, and deals perspective under one engagement and from one team, he said.

Harris knows both approaches. He was a partner at Addleshaw Goddard for nearly seven years, more than four of them as a partner, and before that he worked at DLA Piper. He joined PwC three years ago.

He said the Magic Circle firms in the region did well focusing on transactional work, and the regional heavyweights, such as Al Tamimi, also performed well. “But we feel the market is ready for further disruption and that’s where we see our role increasing,” he said.

Still, Middle East-based lawyers say they aren’t worried about the Big Four firms, seeing little threat to the legal services they provide.

“Regional firms are the most effective repositories of regulatory policy objectives and [understand the] inherent limitations and risks based on existing legislative frameworks,” Meysan Partners’ El-Jeaan said. “They play the critical role at the forefront of legal initiatives and in shaping legislation.”

King & Spalding Middle East managing partner Jawad Ali said his firm welcomed the Big Four accounting firms into the legal services industry in the Middle East. The U.S. firm focuses on high-value, complex legal work that requires specialized lawyers in various industries, a strategy that he said has worked well globally, including in the Middle East.

The Big Four, he added, are viewed as offering complementary services rather than as competitors.

“The accounting firms are very good at standardization of processes,” he said. “Frankly speaking, there are a lot of legal services in the Middle East that can benefit from being streamlined and standardized.”

Indeed, the Big Four say they are especially attractive to clients because of their advanced use of technology. “We make better use of technology than many of our competitors, which helps with not just executing projects in a more efficient way, but in keeping costs down for the client,” Harris said.

And it is that ability to offer quality legal services at a lower cost, he says, that makes PwC stand out.

“We are genuinely disrupting the legal market in this region,” he said.



Darren Harris

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