Submission Template —Enabling corporate legal practitioners to support related entities of their employer

Please complete all relevant sections. Use plain language and provide evidence or examples where possible. You may attach supporting documents.

A. Submitter details

- **Organisation (if applicable):** Association of Corporate Counsel Australia
- **Primary contact name and role/title:** Chris Drummer, Director, Policy and Chief Legal Officer Engagement
- **Email:** [redacted]
- **Phone:** [redacted]
- **Jurisdiction(s):** NSW / VIC/ WA / Other (specify):

B. Confidentiality and publication

- **Do you request that your submission (in full) be treated as confidential?** No
- **If 'No', may the Council publish your submission on its website, including your name/organisation?** Yes

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C. Detailed responses to consultation questions

Question 1 — Practical operation of the current framework

Does the current definition of "related entity" present practical difficulties for corporate legal practitioners employed by entities that are not a company within the meaning of the Corporations Act?

1. **Position:**
   Yes

2. **Please provide details of any practical difficulties experienced:**

   "Corporate legal practitioners" employed by statutory corporations such as universities and other similar bodies (e.g. Australia Post) - which are not companies within the meaning of the *Corporations Act 2001* ("the Act") - are at present unable to provide legal services to associated entities as these entities do not fall within the definition of "related body corporate" in **s.50** of the Act - even though the statutory corporation may control the associated entity. Universities, for example, commonly operate through networks of controlled or associated entities for purposes such as research commercialisation and operational activities. It is submitted that the "control" test under **s.50AA** of the Act be applied to such entities to enable corporate legal practitioners to provide legal services to any entities that are controlled by their employer.

3. **Additional comments (optional):**

   A similar situation exists in relation to corporate legal practitioners who, by virtue of **s.6** of the Legal Profession Uniform Law ("Uniform Law") and the definition of "related body corporate" in **s.50** of the Act, are limited to providing legal services to subsidiary companies and holding (parent) companies in the same corporate group. For example, a company which holds 50% or less of the share capital or voting power in another company (which therefore is not a subsidiary company under the Act) may nevertheless still control that company depending upon the shareholding structure of same. The Act sets the takeover threshold for share acquisitions in a listed company at 20%, thereby indicating that control may be capable of being exercised at a very low level. Therefore, it is strongly advocated, in similar fashion to what has been submitted above in relation to corporate legal practitioners employed by entities that are **not a company**, that the same "control" test under **s.50AA** of the Act be applied to corporate legal practitioners employed by a **company**. This will enable corporate legal practitioners in such situations to provide legal services to entities **controlled** by any company within the corporate group.

Question 2 —Reliance on the concept of "control" under section 50AA of the Corporations Act

If this issue is addressed by an amendment to the Uniform General Rules, do you support relying on the definition of "control" in section 50AA of the Corporations Act to capture related entities of entities that are not a company?

1. **Position:**
   Support

2. **Are there any alternative approaches the Council should consider?**

   We are not aware of any alternative approaches to the "control" test advocated above that would fully satisfy the practical needs of corporate legal practitioners to provide legal services to entities controlled by their employer – **regardless of whether the employer is a company or is not a company**. It is submitted that a control-based approach better reflects the exigencies of modern corporate life and governance structures and, at the same time, avoids a rigid reliance on shareholding thresholds where corporate structures are involved.

3. **Rationale:** The current limitations for the provision of legal services by corporate legal practitioners overlooks modern corporate practice. It is submitted that a control-based approach is more suited to the exigencies of contemporary corporate and governance structures while, at the same time, avoiding a rigid reliance on shareholding thresholds where corporate group structures are involved.

4. **Additional comments (optional):**

Question 3 —Potential implications and unintended consequences

If the potential reforms outlined at Q2 are progressed, could this cause any unintended consequences, and if so how should these be addressed?

1. **Position:**
   We are not aware of any unintended consequences or other implications should the proposed reforms be progressed.

2. **Please identify any potential implications or unintended consequences:**
   N/A

3. **Are there any safeguards, limitations or clarifications the Council should consider?**

   The LSC's Consultation Paper suggests that "corporate legal practitioners may need additional guidance on the application of professional conduct rules, particularly those dealing with confidentiality and conflicts of interest". We do not agree. To the contrary, we submit that corporate legal practitioners are just as well-equipped to deal with issues relating to client confidentiality and potential conflicts of interest as private practitioners. However, should the proposed reforms be progressed, ACC Australia stands willing to work with the LSC to provide any additional guidance to corporate legal practitioners that the LSC believes might assist.

4. **Additional comments (optional):**

D. Attachments (optional)

Lodgement and deadline

- **Submit by email: submissions@legalservicescouncil.org.au**
  (If you require an alternative lodgement method or accessibility adjustments, please contact the Council.)
- **Closing date:** *22 July 2026*
- **General enquiries: lsc@legalservicescouncil.org.au**