

Consultation paper: Legal Profession Uniform General Amendment (Related Entities) Rule 2026

October 2026

Table of Contents

CALL FOR SUBMISSIONS.....3

EXECUTIVE SUMMARY3

INTRODUCTION AND BACKGROUND4

ABOUT US4

CORPORATE LEGAL PRACTITIONERS AND RELATED ENTITIES.....4

PROPOSED REVISION TO THE UNIFORM GENERAL RULES6

PROPOSED IMPLEMENTATION TIMELINE7

ANNEXURE A: LEGAL PROFESSION UNIFORM GENERAL AMENDMENT (RELATED ENTITIES) RULE 20269

Call for submissions

The Legal Services Council (**Council**) is conducting consultation on the draft Legal Profession Uniform General Amendment (Related Entities) Rule 2026 pursuant to s 425(3)(b) of the Legal Profession Uniform Law (**Uniform Law**).

The Council would be grateful for your feedback on the consultation questions in this paper by 9 November 2026. Feedback can be sent to submissions@legalservicescouncil.org.au.

Unless you advise us otherwise, your submission may be published or shared with other organisations that contribute to this consultation.

Executive summary

What this consultation is about

The Council is inviting written submissions on the draft Legal Profession Uniform General Amendment (Related Entities) Rule 2026 (**Related Entities Amendment Rule**). The Related Entities Amendment Rule would insert a new Rule 7A into the Legal Profession Uniform General Rules 2015 (**Uniform General Rules**).

The proposed Rule would prescribe related entities for corporate legal practitioners whose employer is not a company within the meaning of the *Corporations Act 2001* (Cth) (**Corporations Act**). It would capture an entity controlled by the practitioner's employer, an entity controlling the employer, and an entity controlled by the entity controlling the employer. For this purpose, "control" would have the same meaning as in section 50AA of the Corporations Act.

Why we are proposing this change

The Council consulted from June-August 2026 on whether the current definition of "related entity" creates practical difficulties for corporate legal practitioners employed by non-company entities, and whether the concept of "control" in section 50AA of the Corporations Act should be used to address this issue through the Uniform General Rules.

The Council received 20 submissions which have been published on our website (except where the author of the submission requested confidentiality)¹ In their submissions, stakeholders identified practical difficulties arising from the current framework, including additional external legal costs, duplication, fragmented legal advice, and the requirement for cumbersome administrative workarounds. Stakeholders expressed broad support for relying on the section 50AA control test. Following consideration of that feedback, the Council agreed to progress to public consultation on a draft amendment to the Uniform General Rules.

This consultation seeks stakeholder views on the wording and operation of the draft Rule at Annexure A, prepared by the NSW Parliamentary Counsel's Office.

Introduction and background

About us

The Council is a statutory body established under the Uniform Law. The Council oversees the operation of the Uniform Law in New South Wales, Victoria and Western Australia. Among other functions, the

¹ <https://legalservicescouncil.org.au/consultations/current-consultations.html#%3Cb1>

Council develops and makes the Uniform General Rules, which support the operation of the Uniform Law framework across participating jurisdictions.

The Council works closely with local regulatory authorities, governments, the legal profession and other stakeholders in maintaining and improving the operation of the Uniform Law scheme.

The Uniform Law enables certain matters to be prescribed or specified in the Uniform General Rules. The Council may make or amend the Uniform General Rules after conducting consultation with relevant stakeholders and following approval processes specified in the Uniform Law, including consideration by the Standing Committee of Attorneys-General. As part of this process, the Council routinely undertakes targeted and public consultation regarding proposed amendments to the Uniform General Rules.

Further information about the process for amending the Uniform General Rules is available on the Council's website.²

Corporate legal practitioners and related entities

Corporate legal practitioners are Australian legal practitioners who engage in legal practice only in the capacity of an in-house lawyer for their employer or a related entity. Unlike practitioners in private practice, corporate legal practitioners do not provide legal services to the broader public and instead practice only within the organisational structures connected to their employment.

The Uniform Law recognises this distinction by permitting corporate legal practitioners to provide legal services to their employer and, in some circumstances, entities related to their employer. This supports practical in-house legal service delivery across organisational groups while maintaining the existing professional obligations applying to Australian legal practitioners. This avoids the need for corporate legal practitioners to set up a law practice, obtain a principal practising certificate, and hold mandatory Professional Indemnity Insurance.³ It also preserves legal professional privilege when providing advice in their capacity as a corporate legal practitioner.⁴

Section 6 of the Uniform Law contains the following definitions that regulate the legal services a corporate legal practitioner may provide.

“corporate legal practitioner means an Australian legal practitioner who engages in legal practice only in the capacity of an in-house lawyer for his or her employer or a related entity, but does not include a government legal practitioner.”

“related entity, in relation to a person, means—

- (a) if the person is a company within the meaning of the Corporations Act—a related body corporate within the meaning of section 50 of that Act; or
- (b) if the person is not a company within the meaning of that Act—a person specified or described in the Uniform Rules for the purposes of this definition;”

The operation of this framework differs depending on whether or not the employer of the corporate legal practitioner is a company within the meaning of the Corporations Act. Where the employer is a company, s 6 permits the practitioner to provide legal services to related bodies corporate of their employer, as defined by section 50 of the Corporations Act, which reads as follows.

² <https://legalservicescouncil.org.au/documents/council/general-rules-s425-flowchart.pdf>

³ Legal Profession Uniform General Rules 2015, r 82(1)(a).

⁴ Legal Profession Uniform Law, s 38

“Related bodies corporate

Where a body corporate is:

- (a) a holding company of another body corporate; or
- (b) a subsidiary of another body corporate; or
- (c) a subsidiary of a holding company of another body corporate;

the first-mentioned body and the other body are related to each other.”

A corporate legal practitioner employed by a corporation may, therefore, provide legal advice across corporate groups – for example to parent, subsidiary and sibling entities – if these entities are related bodies corporate of their employer.

The Council has not yet specified or described any persons in the Uniform General Rules for the purposes of limb (b) of the definition of “related entity”. As a result, corporate legal practitioners employed by an entity that is not a company can only provide legal advice to their employer, and not to any of its related or associated entities.

Background to this consultation

The issue was raised with the Council by Australian universities in November 2025. Most universities are established by legislation rather than incorporated as companies under the Corporations Act, but commonly operate through controlled or associated entities supporting activities such as research commercialisation and other operational functions.

In June 2026, the Council published a consultation paper⁵ seeking views on whether the current framework creates practical difficulties for corporate legal practitioners employed by non-company entities, whether section 50AA of the Corporations Act provides an appropriate basis for defining related entities, and whether the proposed approach could give rise to unintended consequences.

The Council received 20 submissions from universities, professional associations, legal regulators and other stakeholders. Feedback strongly supported addressing the existing regulatory gap. Stakeholders identified additional external legal expenditure, duplication of legal work, delays, fragmented or inconsistent advice, reduced visibility of legal risks and the need for administrative workarounds.

There was broad support for a control-based approach using section 50AA. Some stakeholders also raised drafting and implementation considerations, including the treatment of relationships analogous to parent, subsidiary and sibling entities, control through intermediate entities, and the potential value of practical guidance on applying the control test.

Following that consultation, the Council agreed to progress amendments to the Uniform General Rules using the concept of control in section 50AA and sought drafting assistance from the NSW Parliamentary Counsel’s Office. The draft Rule at Annexure A has been prepared for statutory consultation under s 425(3)(b) of the Uniform Law.

Proposed revision to the Uniform General Rules

During this statutory consultation, the Council is seeking feedback on the proposed amendment to the Uniform General Rules in the Related Entities Amendment Rule (at Annexure A).

⁵ Available at: <https://legalservicescouncil.org.au/highlights/consultation-on-enabling-corporate-legal-practitioners-to-suppor.html>

Draft Rule 7A - Related entities for corporate legal practitioners

The Related Entities Amendment Rule would insert new Rule 7A into the Uniform General Rules. Proposed Rule 7A(2) would prescribe the following as related entities for the purposes of paragraph (b) of the definition of “related entity” in section 6(1) of the Uniform Law:

- (a) an entity controlled by the legal practitioner’s employer;
- (b) an entity controlling the corporate legal practitioner’s employer; and
- (c) an entity controlled by the entity controlling the corporate legal practitioner’s employer.

Proposed Rule 7A(3) provides that “control” has the same meaning as in section 50AA of the Corporations Act. Section 50AA concerns whether one entity has the capacity to determine the outcome of decisions about another entity’s financial and operating policies.

Subsections section 50AA(2)-(4) of the Corporations Act specify when an entity has the capacity to control a second entity as follows.

(2) In determining whether the first entity has this capacity:

- (a) the practical influence the first entity can exert (rather than the rights it can enforce) is the issue to be considered; and
- (b) any practice or pattern of behaviour affecting the second entity’s financial or operating policies is to be taken into account (even if it involves a breach of an agreement or a breach of trust).

(3) The first entity does not control the second entity merely because the first entity and a third entity jointly have the capacity to determine the outcome of decisions about the second entity’s financial and operating policies.

(4) If the first entity:

- (a) has the capacity to influence decisions about the second entity’s financial and operating policies; and
- (b) is under a legal obligation to exercise that capacity for the benefit of someone other than the first entity’s members;

the first entity is taken not to control the second entity.⁶

The proposed Rule is intended to allow an in-house lawyer employed by a non-company entity to provide legal services across an organisational group where the relevant relationship is one of control within the meaning of section 50AA.

⁶ *Corporations Act 2001* (Cth), s 50AA.

The three limbs of proposed Rule 7A(2) are intended to capture relationships analogous to parent, subsidiary and sibling relationships. The proposed Rule does not alter the existing professional obligations of corporate legal practitioners, including obligations concerning conflicts of interest, confidentiality, independence and legal professional privilege.

Q1: Do you support inserting proposed Rule 7A into the Uniform General rules:

7A Related entities for corporate legal practitioners

- (1) This rule prescribes who is a related entity for a corporate legal practitioner.
- (2) For the Uniform Law, section 6(1), the definition of **related entity**, paragraph (b), the following are related entities of a corporate legal practitioner—
 - (a) an entity controlled by the legal practitioner's employer,
 - (b) an entity controlling the corporate legal practitioner's employer,
 - (c) an entity controlled by the entity controlling the corporate legal practitioner's employer.
- (3) In this rule—
control has the same meaning as in the *Corporations Act 2001* of the Commonwealth, section 50AA.

The Council welcomes feedback on whether the wording of proposed Rule 7A appropriately captures the organisational relationships the reform is intended to address.

Q2. Does proposed Rule 7A appropriately capture entities controlled by the employer, entities that control the employer, and entities under common control?

Feedback during the earlier consultation also identified potential value in guidance to assist practitioners when applying new Rule 7A. The Council proposes to prepare guidance to practitioners emphasising the importance of upholding conduct rules and managing potential conflicts of interest when advising related entities of their employer.

Q3.

- (a) Do you consider that guidance on the importance of upholding conduct rules and managing potential conflicts of interest would assist corporate legal practitioners in applying Rule 7A?
- (b) Are there any other matters that could be covered in guidance accompanying the commencement of the proposed Rule?

Subject to the outcome of this consultation, the Council will consider the nature of any guidance accompanying commencement of the Rule.

Commencement

Clause 2 of the draft Related Entities Amendment Rule provides that the Rule will commence on the day on which it is published on the NSW legislation website. Pursuant to the proposed implementation timeline below, this will occur in early 2027.

Q4: Do you support commencement of the Rule on the day it is published on the NSW legislation website? If not, please explain whether a later commencement date or transitional period is appropriate.

Proposed implementation timeline

The Council anticipates working towards the following timeline.

Date	Activity
6 October 2026	Public consultation commences on draft Rule under s 425(3)(b) of the Uniform Law.
9 November 2026	Deadline for submissions on public consultation.
November 2026	Council considers submissions, makes any required amendments to the draft Rule, and submits the draft Rule to the Standing Committee of Attorneys-General for approval.
Early 2027	If approved by the Standing Committee, the Council may make the Related Entities Amendment Rule. Under the current draft, the Rule commences on publication on the NSW legislation website.

Annexure A: Legal Profession Uniform General Amendment (Related Entities) Rule 2026



New South Wales

Legal Profession Uniform General Amendment (Related Entities) Rule 2026

under the

Legal Profession Uniform Law (NSW)

The Legal Services Council has made the following Rule under the *Legal Profession Uniform Law*.

STEPHEN BRAY
Chief Executive Officer
Legal Services Council

DRAFT

Legal Profession Uniform General Amendment (Related Entities) Rule 2026

under the

Legal Profession Uniform Law (NSW)

1 Name of rule

This rule is the *Legal Profession Uniform General Amendment (Related Entities) Rule 2026*.

2 Commencement

This rule commences on the day on which it is published on the NSW legislation website.

DRAFT

Schedule 1 Amendment of Legal Profession Uniform General Rules 2015

[1] Rule 7A

Insert after rule 7—

7A Related entities for corporate legal practitioners

- (1) This rule prescribes who is a related entity for a corporate legal practitioner.
- (2) For the Uniform Law, section 6(1), the definition of *related entity*, paragraph (b), the following are related entities of a corporate legal practitioner—
 - (a) an entity controlled by the legal practitioner's employer,
 - (b) an entity controlling the corporate legal practitioner's employer,
 - (c) an entity controlled by the entity controlling the corporate legal practitioner's employer.
- (3) In this rule—

control has the same meaning as in the *Corporations Act 2001* of the Commonwealth, section 50AA.