

U.S. Firms show growing interest in Brussels and other European cities

It's not exactly a wave of American firms opening offices in Europe, but fact is that since the departure of the UK from the EU, the European continent has been playing an increasingly important role in the commercial and strategic considerations of US-based law firms. As a result, the role of London as gatekeeper for American firms to the European market is diminishing.

In Brussels, a handful of new offices have opened in the past year and a half. Firms such as Reed Smith, Simpson Thacher, Kirkland & Ellis, and, Curtis Mallet have shown the ambition to grow visibility on the European market. An office in Brussels allows them to closely track EU law (and policy-making).

An important driver in this respect is the growing share of antitrust/competition work. Although competition is fierce, US firms see the advantages of directly serving the interests of their US-based clients by professionals that operate on the ground in Brussels.

Current and recent antitrust cases against American companies such as Amazon, Google and Apple underline the relevance of EU competition policies to US business. The fact that these are all tech-companies is not a coincidence by the way. EU law-makers will continue to focus on the digital sector and a firm like Cooley has been anticipating by opening an office last year with a substantial cyber/data/privacy team.

Traditionally, EU-related work was often done from London, where many US offices had their European base. This was not only due to the dominance of the English language, but also to the preference for the British legal system in, for example, M&A transactions. This sentiment is gradually changing, also because American (and European) companies see less and less need to consider British law as leading. British firms are therefore losing their clout in Europe in favour of firms that build a bridge between the U.S. and Europe, thus casting a shadow over their British competitors.

Brussels is not the only location benefiting from the growing distance between London and the rest of Europe. Cities such as Paris, Frankfurt and Vienna have long acted as hubs in the legal market and are now also reaping the benefits of Brexit - for example, in corporate/M&A and financial services. Amsterdam is also benefiting, see the arrival of firms such as Hausfeld and Fragomen, although the latter focuses mainly on visa and immigration issues.

Brexit is thus cautiously changing the landscape in the European legal market. American firms are skipping London and increasingly gaining a foothold in Brussels and other European hub cities. However, these firms often do not have the ambition to build an extensive network of their own in Europe and therefore rely on relationships with local firms in the top segment. And this is exactly where the opportunities lie for European offices with a strong position on the national market.