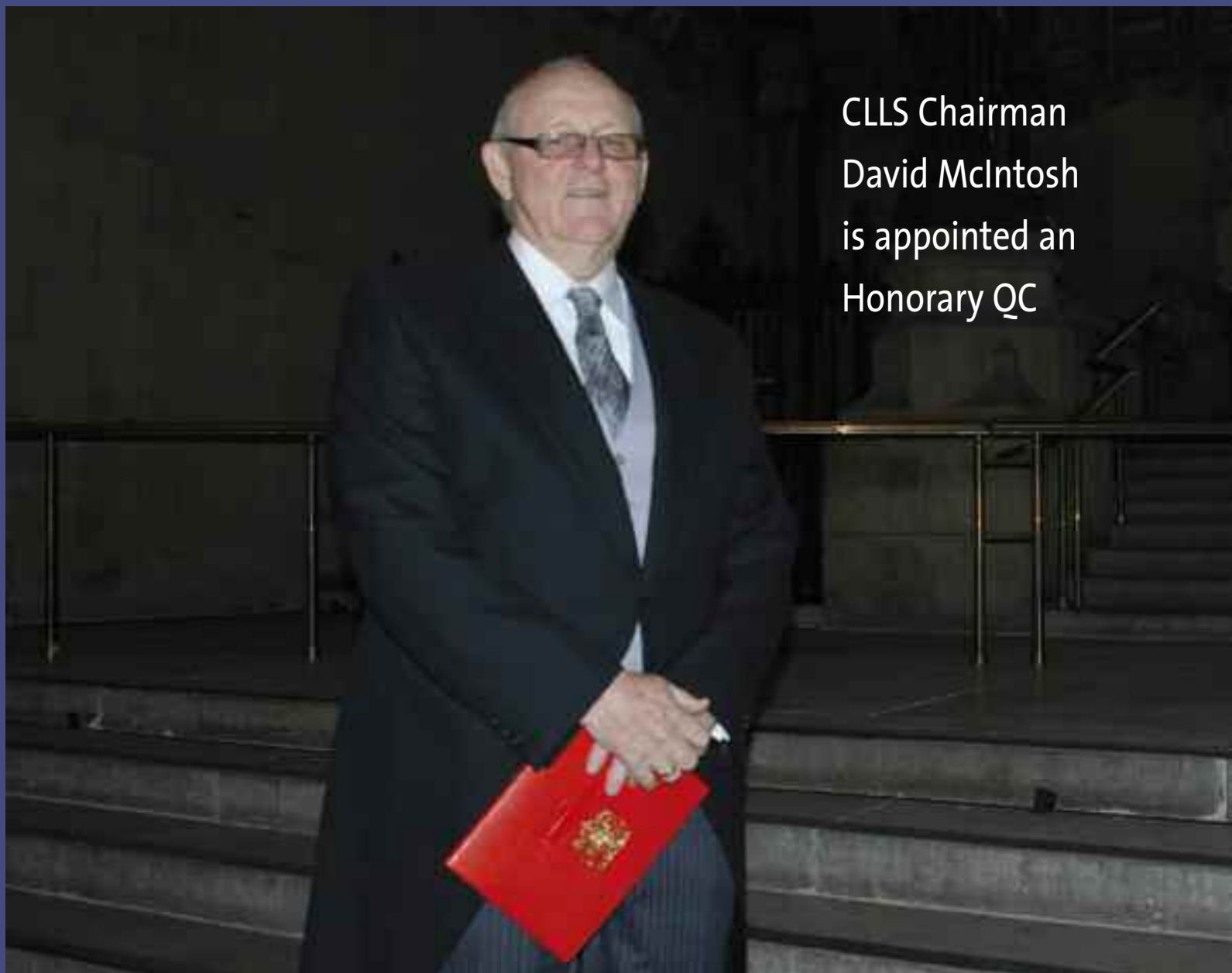




City Solicitor

The newsletter of the City of London Solicitors' Company and the City of London Law Society



CLS Chairman
David McIntosh
is appointed an
Honorary QC

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City of London Law Society

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† Ex-officio as members of the Council of The Law Society

Clerk to the Company and Secretary of the City of London Law Society

Neil Cameron

4 College Hill, London, EC4R 2RB

Tel: 020 7329 2173 Fax: 020 7329 2190

Email: mail@citysolicitors.org.uk

Editorial Board

John Abramson

58 Fenchurch Street, London, EC3M 4AB

Tel: 020 7954 8525 Fax: 020 7954 8961

Email: john.abramson@aig.com

Elizabeth Thomas

4 College Hill, London, EC4R 2RB

Tel: 020 7329 2173 Fax: 020 7329 2190

Email: mail@citysolicitors.org.uk

City of London Solicitors' Company

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Editorial



The blossoms are now out, heralding a sunny and warm spring after a particularly grim winter. We now look for the shoots of recovery in many aspects of the City's business, and in our profession as well.

Exciting news for the Committee and the

Company, however. Our Chairman, David McIntosh, became an honorary QC earlier this year, and Senior Warden David Lewis received a knighthood following his successful term as Lord Mayor. Many congratulations to both for achieving such recognition for their efforts on our behalf.

Several social events are reported in this edition, none the least the Annual Banquet at the Mansion House. The Company and Committee are particularly active at present, with the 2009 formal events listed inside. Please also watch these pages as well as the website (www.citysolicitors.org.uk) for up to date news of additional events.

The Committee's engine room, the professional committees have reported in detail on their activities since the beginning of the year. The Regulatory Committee has been particularly active, a benign reflection on the intensely changing times we currently inhabit.

Early summer is associated with sporting awakenings: cricket bats are being oiled, tennis racquets re-strung and health club memberships renewed. This year's Editor's Request is for reports of unusual sporting prowess by our readers. All contributions will be considered!

John Abramson
AIG, Editor

Front Cover: CLS Chairman David McIntosh is appointed an Honorary QC

Chairman's Column

David McIntosh, QC (Hon), Rodney Warren & Co,
Chairman of the City of London Law Society



The dominance of City of London Law firms, which include the world's top six global firms as measured by revenue and nine of the top fifteen by turnover, is not a matter of luck. To the contrary, it stems from careful long-term planning with the benefit of hard won core client support from major international corporations drawn to the City of London and the excellence of its legal services. This success stems from business acumen informed, but unconfined, by the responsibility of advising and representing major businesses.

This application of legal and market know-how skills will continue to provide top world rankings for the City's law firms as the downturn in the business economy requires adaptability and versatility on the part of all financial services providers.

The CLLS's 52 (and rising) corporate member firms play an important part in supporting the UK's overall economy and contribute substantially to trade surpluses from the professional sector, which in 2007 included the sum of £6.3bn from legal accountancy and management services.

It is also worth noting that CLLS member firms advise all of the FTSE Top 100 companies and 232 of those listed in the FTSE 250 [Chambers and Partners FTSE Survey Client Report 23: Winter 2007/8]. These are the law firms which will

continue to be relied upon in and beyond the City of London as our and other economies react to and climb out of recession. They have the talent to assist in restructuring and in helping the new businesses which emerge during downturns.

They have been quick to adjust themselves by way of business driven rationalisations including redundancies as they have reshaped themselves to the needs of their continuing core clients' own changing business requirements. Whilst some of these adjustments have been prompted by the suddenness of the present business recession, there is nothing new in successful law firms adjusting their shape and deployments to meet the anticipated and never static needs of their clients.

The firms' widespread determination to maintain trainee recruitment programmes demonstrates the confidence they have in the future with the appreciation that they must not be short of talent when normal business resumes.

It is this, already well-proven adaptability, which will continue to maintain the City of London's leading law firms' position as front-runners worldwide and why the CLLS expects a steady increase in its corporate membership.

New Members of the City of London Solicitors' Company

The following people have been admitted as Freemen of the Company, in person and in absentia:-

NAME	FIRM
Kofi Atta	Travers Smith
Christopher Michael Bilmes	Bilmes LLP
Robert Henry Glanville Bourns	TLT LLP
Dara Leonard	The College of Law
Andrew James Marshall	Linklaters LLP
David Lee McLernon	Denton Wilde Sapte LLP
Manmohan Singh Panesar	Squire, Sanders & Dempsey
Lucy Blanche Riley	Rooks Rider
Richard Thomas Henry Wilson	TLT LLP
Richard John Evans	Allen & Overy LLP

The following Freemen have been admitted as Liverymen of the Company:-

NAME	FIRM
Jeffrey Allan Forrest	J A Forrest & Co
David Andrew Graves	Lovells LLP
Anthony Louis Marks	Chartered Institute of Arbitrators



A week in the life of..

Six months ago, if anyone asked me - as people frequently did - whether I was enjoying my year as Master, I would often reply that I was eating for my profession! In the early days of last summer, the round of receptions, garden parties and dinners loomed large in my weekly calendar - and fellow guests regularly shared tips for avoiding gastronomic overload (decline potatoes, pudding and port were amongst the favourite suggestions).

Since then, however, I have experienced a different aspect of the livery movement - and one perhaps more fitting with the sombre mood affecting much of the country, and the City in particular. Last night, for example, I attended the XXIIInd World Traders' Tacitus Lecture in the Great Hall at the Guildhall. To a capacity audience of some 800 people, comprising individuals as diverse as pupils from the City of London schools to Aldermen, Masters and Clerks, Dr Vincent Cable spoke with admirable clarity, style and absence of party-political dogma on "After the Financial Crash, What Next?" It was a thought-provoking and stimulating speech which, if you are interested, you can find on the World Traders' website <http://www.world-traders.org>.

Earlier, I had spent the day at the Law Society's Leadership Summit for Presidents and Secretaries of Local Law Societies, chairs of special interest groups, as well as leaders of practitioner associations. The aim was to discuss support for, and leading of, the profession through a time of immense change. It was fascinating to note the similarity of issues facing such a broad spectrum of practitioners. Advice in the final session on "Surviving the downturn" included nuggets such as "cash is King" and "keep close to your clients" which are as familiar to those of us who practise in the City as they are relevant to our colleagues in small, medium or large firms all around the country. The Society has developed a number

of advice sheets and other tools on these themes which are accessible from its website: <http://www.lawsociety.org.uk>

Sadly, of equal pertinence to our members was the guidance offered by LawCare, a charity for solicitors, law students and other lawyers, on redundancies and alternative career options. Their excellent fact sheets can be found on their website <http://www.lawcare.org.uk>.

The conference proved also an opportunity to demonstrate that City solicitors are neither insulated from these issues, nor indifferent to them. I was able, for example, to assure the group which met to discuss "Legal Aid at 60", that City firms' enthusiastic commitment to pro bono is in no way intended to replace a properly funded legal aid system. Most of us abhor the decreasing access to justice resulting from the decline in numbers and geographical spread of legal aid practitioners. The rapid rise in litigants-in-person is just one indication of the scarcity of legal advice desperately needed by those facing housing, debt and employment problems.

As if that weren't enough, the profession is facing momentous change by virtue of the Legal Services Act. From the end of March, legal disciplinary partnerships (LDPs) become a reality with the prospect of alternative business structures (ABSs) appearing within the near future. To the pessimists, this spells the end of legal practice as we know it, but to the positive thinkers a powerful opportunity to rethink our business models.

As one speaker reminded us, it is appropriate during this bicentenary year of Charles Darwin's birth to remember - accurately - his ground-breaking theory of evolution. It is not "the fittest" who survive, nor the strongest or most intelligent, but those who are best able to adapt to their environment.

Dates for 2009

THE CITY OF LONDON SOLICITORS' COMPANY

- Mon. 11th May** Court meeting at 5.30 p.m.
Annual Service at 6.30 p.m. H.M.
Tower of London, followed by
Reception/Supper at Trinity House.
Liverymen, Freemen and Guests. L.
- Wed. 20th May** Inter-Livery Clay Shoot, Holland &
Holland, Northwood, Middlesex.
- Thurs. 21st May** Inter-Livery Golf - Prince Arthur
Cup. Walton Heath.
- Mon. 15th June** Court meeting 4.30 p.m.
Annual General Meeting and
Champagne Reception at 5.30 p.m.
at Tallow Chandlers' Hall, Dowgate
Hill, EC4. Liverymen and Freemen
- Wed. 17th June** Legal Charities Garden Party,
Lincoln's Inn Fields.
- Wed. 24th June** Election of Sheriffs, Guildhall, noon.
Followed by lunch at venue to be
arranged. Liverymen.
- Mon. 7th Sept.** General Purposes Committee,
at the Company's offices at
4 College Hill, EC4 at 5.00 p.m.
- Thurs. 24th Sept. *** Court meeting at 4.30 p.m. followed
by Court Dinner at 6.30 p.m.



- Tues. 29th Sept.** Election of Lord Mayor, Guildhall,
11.45 a.m. followed by lunch at
venue to be arranged. Liverymen.
- Thurs. 5th Nov** General Purposes Committee, at the
Company's offices at
4 College Hill, EC4 at 5.00 p.m.
- Sat. 14th Nov.** Lord Mayor's Show
- Mon. 23rd Nov.** Livery Dinner, Drapers' Hall,
Throgmorton Street, EC2.at 7.00 p.m.
Liverymen and Guests. D.
- Thurs. 26th Nov. *** Court meeting at 11.00 a.m.
followed by luncheon at 1.00 p.m.

THE CITY OF LONDON LAW SOCIETY

- Wed. 22nd April †** Committee of the City of London
Law Society at 11.00 a.m.
† Carvery Lunch at 1.00 p.m.
- Mon. 15th June.** Annual General Meeting and
Champagne Reception at 5.30 p.m.
at Tallow Chandlers' Hall, Dowgate
Hill, EC4.
- Wed. 17th June. †** Committee of the City of London
Law Society at 11.00 a.m.
† Carvery Lunch at 1.00 p.m.
- Wed. 30th Sept. †** Committee of the City of London
Law Society at 11.00 a.m.
† Carvery Lunch at 1.00 p.m.
- Wed. 2nd Dec †** Committee of the City of London
Law Society at 11.00 a.m.
† Carvery Lunch at 1.00 p.m.

* At Cutlers' Hall, Warwick Lane, EC4.

† At Butchers' Hall, Bartholomew Close, EC1.

Liz Thomas, CLLS

Cheese & Wine Tasting Evening

The Company's wine tastings are always popular and our latest Whittington Committee event, a cheese and wine tasting evening, was no exception.

In February a group of members had a very enjoyable evening at "Cheese", a specialist cheese and wine shop in Leadenhall Market, in the heart of the City. Cheese's owner Sue Cloke and her team put together a fantastic selection of unusual cheeses from across Europe perfectly matched with accompanying wines from around the world, for us to try. With Sue's cheese expertise we were taken on a tasting tour that included, amongst others, Ossau Iraty, a classic French sheep's milk cheese paired with an Argentinian Norton



Torrontes, an organic Gorgonzola paired with a Lebanese Chateau Ka and a Lanark Blue matched with Malbec Reserva. We sampled seven pairings of cheese and wine and each was exceptional. Using "Cheese" as the venue made the evening more sociable than a formal wine tasting and also gave everyone the opportunity to make a few purchases at the end of the evening.

This fun and informative evening will definitely feature on our calendar of events next year.

The City of London Solicitors' Company Prize 2009

Invitation for Applications

Each year the City of London Solicitors' Company awards a Prize of £600 to a trainee solicitor who has completed one year's training with a firm in the City of London and who shows the most promise in terms of a future City Solicitor. We are now seeking candidates for the 2009 Company Prize.

Candidates wishing to apply for the Prize must:-

- have gained a Distinction on the LPC in the year 2006/7
- write a short essay (max 1000 words) in response to the

following question "What do you regard as the key challenges that City firms will face over the next 5 years and how would you address them?"

- submit a letter of support from their firm's training principal.

The deadline for entries is Friday 1st May 2009.

Selected finalists will be invited for a short interview with the Master of the City of London Solicitors' Company and the Chairman of the City of London Law Society's Training Committee, before the winner is announced. The Prize will be awarded at the Company's AGM on 15th June 2009.

We look forward to receiving entries but if you have any further queries, please contact mail@citysolicitors.org.uk or 020 7329 2173.

The City of London Solicitors' Company
4 College Hill
London EC4R 2RB

Banquet Report

Unable to keep a secret - the Livery Banquet on Wednesday 25 March was a success story for all to know.



Trumpeters heralded the entrance of the Master, Alexandra Marks together with her principal guests into the Egyptian Hall at Mansion House and the high notes continued to be hit throughout the splendid evening.



The Grace pronounced by the Company's former Chaplain, Rev Paul Abram, humorously alluded to the fare that we were to receive and the well presented food and wine was certainly to be praised. No one could have thought that the stuffed cabbage ball could be mistaken for a carbolic smoke ball nor would they take issue with the misdescription of the succulent white fish starter as being red bream - we lawyers know when to switch off our interrogative antennae.

The date was well chosen with the banquet being on Lady Day so that both the Master and Baroness Hale of Richmond (whom all of you will know as the first female Law Lord) could use the occasion to encourage the sisterhood of legal achievement by their own personal shining example. The further happy coincidence of the 90th anniversary of the passing of the Sex Disqualification (Removal) Act 1919 led to some uncomfortable comments by the Baroness about the early day City of London Solicitors' Company which considered that it was (we were told) undesirable for women to become solicitors because of their "inability to keep a

secret". However the profession and the Livery Company have since then worked hard to rectify any perceived discrimination or imbalance.

Such was the context of the Banquet in which the other (male) speakers added to the theme with former Lord Mayor (and former Master) Alderman Sir Robert Finch remarking that although many occupations were given gender specific names lawyers had always used non sexist descriptions save for that of the position of the Master of the Livery Company! Junior Warden Alderman David Wootton managed to ensure all the Company's guests were mentioned in style and his train of welcome encompassed a locomotive theme until he finally ran out of steam!

This is not to overlook the range of other important guests in attendance including the Recorder of the City of London, His Honour Judge Peter Beaumont. His presence allowed the Master to remind the Company of the good work carried out by the Sheriffs' and Recorder's Fund and the support given to it by the Company. Indeed the calling of the Banquet had the innovation of encouraging attendees to make a charitable financial contribution at the same time as the application for tickets. This had resulted in an inflow of funds of some £1,000.

The magnificence of the Egyptian Hall shined brightly with the glitterati of the guests, the gold plate and brightly burning candles. In a world of competitiveness and commercial rivalry, the fellowship of the Livery triumphed - it was only the two trumpeters who tried to outplay each other in the post horn gallop. Finally, speaking as a woman - no need to keep this wonderful banquet a secret any more.



Members' News



David McIntosh, Chair of the City of London Law Society has been appointed as an Honorary QC, in recognition of his contribution to the legal profession, particularly the fostering of strong relations between the City law firms and the Law Society through the City of London Law Society.



Following his evidence to the Treasury Select Committee in November 2008 on the subject of bankers' bonuses, Past Master Ronnie Fox has during a period of just a couple of weeks discussed the same subject on:

ITN News at Ten, BBC Newsnight (twice), CNN (twice), Bloomberg (twice), BSkyB, BBC World Radio, BBC Radio 4 and Radio 5 Live.

He is trying to overcome his natural shyness.



In the last edition of City Solicitor we reported on Past Master Stuart Beare's work on the new draft convention on the carriage of goods by sea. On 11th December 2008 it was adopted by the UN General Assembly as the Convention on Contracts for the International Carriage of Goods wholly or partly by Sea, and it will be open for signature, and subsequent ratification, in September 2009.

Richard Fleck at Herbert Smith LLP received a CBE in the New Year's Honours.

The Company's Senior Warden Alderman Sir David Lewis received a Knighthood in the New Year's Honours in January.

Sir Nigel Knowles of DLA Piper UK LLP also received a Knighthood in January's New Year's Honours.

Past Master His Honour Harvey Crush, of Quadrant Chambers was a guest speaker at the annual conference of the Solicitors' Association of Higher Court Advocates. His paper, "ADR For Solicitor Advocates," drew on his experience in practice as a commercial arbitrator and mediator.



INTER-FIRM CLAY PIGEON SHOOT

The 16th Inter Livery Clay Pigeon Shoot will be held on Wednesday 20th May 2009, at the shooting grounds of Holland & Holland in Northwood, Middlesex.

Due to the high number of teams, variable standards cash prizes will be presented to the 1st, 13th, 23rd, 33rd, 43rd, 53rd, teams, to be donated to the charities of their choosing. Prizes will also be awarded for top gun, highest flush, best side by side single and team, best lady, Horner's prize past masters team and the highest non livery team.

The cost of the event is £155 per gun, which is inclusive of insurance, cartridges, clays and the famous buffet lunch, roast pig, breakfast, morning coffee etc. All teams will be seated to table plan.

Please visit www.interliveryshoot.com for further information and booking details.



Online Launch of College of Law's Training Programmes Brings Legal Updates Direct To City Lawyers' Desktops



The College of Law has tapped into the growing popularity of e-learning by launching its multi-media distance learning programmes online.

City lawyers can now access the 76 programmes produced each year by College of Law Media across the full spectrum of practice areas directly on their desktops.

A recent survey of learning and development professionals revealed that e-learning is the fastest growing training method among major companies.

College of Law Media, formerly called LNTV, has been providing video training programmes to solicitors working in law firms and other organisations in all areas of practice for many years through its DVD service.

The new online service allows solicitors to gain CPD points by offering interactive test and feedback exercises to reinforce key points and ensure comprehension. Viewing a programme

and completing the relevant exercises means one full CPD point per programme can be gained.

It also includes an automatically-updating diary feature enabling individuals and supervisors to monitor the amount of CPD points earned. Lawyers can also add in CPD points earned from other sources.

Jon Harman, College of Law Media director, said: "This is a fast and cost-effective way to fulfil CPD requirements without the need to travel away from the office and miss out on valuable billing time. Learning and Development professionals are all currently facing tough strategic decisions on training spend. The attendance at last month's Learning Technologies event in London had doubled on the previous year's. We are seeing a re-awakened interest in technology learning solutions and people are realising how much this technology has progressed, coupled with new research in neurology about how the brain actually learns.

"The College of Law has led the way with the multi-faceted use of e-learning across all programmes and is firmly placed to continue to lead the way with solutions for professional legal training. College of Law Media builds on these foundations and will continue to build."

A recent survey of senior training professionals by Cegos, part of Europe's largest learning and development organisation, revealed that e-learning was set to grow at a greater rate than any other training method. Nearly three quarters (73 per cent) of organisations are planning to use e-learning for professional development in 2009, while 36 per cent say they will increase their e-learning efforts.

In addition the recent Towards Maturity Benchmark Review, undertaken in the UK between November and December 2008, shows a stark shift of thought to learning technologies as the country enters a difficult economic period. 64 per cent of respondents said they intended to transfer their training budgets to e-learning solutions, rather than traditional courses.

College of Law Media's programmes provide topical training and legal updates across a range of practice areas: corporate/commercial; property; practice management and compliance; employment; dispute resolution; local government; personal injury; family; private client; and crime.

They are professionally produced with high production values and feature advice from leading experts. The writers and producers are also all qualified solicitors with substantial experience of the realities of legal practice.

The online programmes can be viewed both by individuals on their desktops and by groups via a projector.

The College of Law is the leading provider of professional legal education and training in Europe with centres in London, Birmingham, Chester, Guildford and York. A new centre will be opening in Manchester in September 2009. The College of law is widely regarded as expert in legal training –

all tutors and course designers have practice experience. The College works closely with law firms and chambers of all sizes and exclusively deliver the Legal Practice Course (LPC) to trainees at many of the leading global law firms.

As an educational charity, the College of Law is proud of its record of empowering students from all backgrounds to achieve their legal career goals. As well as being a leading provider of the LPC, they support qualified lawyers throughout the profession with a comprehensive programme of professional development courses and in 2008 the College launched its Master's LL.M programme in professional legal practice. In 2006 the College was the first independent institution to be granted degree awarding powers.

For more information visit www.college-of-law.co.uk/cpdtraining. To register for a free trial call the Customer Centre on 01483 216789 or email cpd@lawcol.co.uk



Inter Livery Shrove Tuesday Pancake Race

The Master represented the Company for the second year running in this year's Pancake Race in Guildhall Yard. Once again we were drawn in the Wooden Spoon Race which was won by the Marketors' Company. The overall winner was the Remembrancer's Department of the City Corporation.



Senior Partners' Breakfast at Mansion House

The Annual Breakfast for Senior Partners hosted by the Lord Mayor at Mansion House took place on 4th March. This year, in particular, the event was a valuable opportunity to hear the Lord Mayor's views on the City and the legal profession.

Address by the Rt Hon The Lord Mayor of London Alderman Ian Luder

It is a tough year to be Lord Mayor of London and promoting the City's financial and professional services. One of my key messages as I travel around the world is that the City's offering is much broader than banks - taking in accountancy, insurance, and legal services to name a few. Both here and around the world people are still very keen to hear about our legal expertise. English law is the commercial law of choice in many jurisdictions. And while last year was a bad year for many financial services, the legal sector is not in such bad shape.

It is no accident that Dubai has chosen English common law to be the basis of contracts entered into in the Dubai International Financial Centre. While I was there three weeks ago I was delighted to be shown the excellent arbitration and court facilities and to meet Sir Anthony Evans who having retired from the Court of Appeal, has taken a second life applying English commercial law in Dubai.

Not to be outdone whilst we were in Qatar the Emir signed into law a provision enabling English common law to be used as the contractual basis for commercial contracts entered into anywhere in the state and Qatar has appointed Lord Woolf as its presiding commercial judge.

It is true that the legal sector has been affected by the current recession and firms are cutting back, reflecting the changing needs of business. Some law firms have already reduced partners and employees and outsourced support functions such as IT and accounting to India and other offshore locations. I know others are thinking about reducing hours worked.

So far, however, legal firms do not seem to be pruning back trainee contracts, as was done in the 1990s downturn, although the word on the street is that pay levels are some

10% down. This has to be a good thing: it suggests that people realise recession is a temporary thing and that it is unwise to shed your inexpensive, bright young lawyers. When business returns you will need them. And of course, there is at least one silver lining for law firms: in the last few years legal prices have been driven up by banks: over the next few years these prices may stabilise or fall, making excellent lawyers cheaper to hire!

I think it is important to remember that City solicitors are helping to work on solutions to our present problems - whether that is rescuing deals or rescuing firms. The fact is that **Legal services in the UK are strong:**

City law firms are dominant in the top slot: they were quicker off the mark to convert into legal businesses, and to become international :

- Fee income for the largest 100 law firms in the UK grew 14% in 2007-8 to a record £14.0bn¹, while profits increased some 12.9% - and over half this revenue was generated by international law firms². In the first half of 2008-9 these profits rose 7% though overall profits are likely to be flat or slightly down at the end of this year.
- The largest three global 100 law firms are from the UK (*based on gross revenue in 2007-8*)³ and legal services generated £16.6bn or 1.4% of GDP in 2006⁴; and employ some 300,000 people in England and Wales, (2007, 320,000), of which 120,000 are solicitors⁵
- There are some 1,200 members of the Commercial Bar Association and other Specialist Bar Associations specialising in commercial law.
- Exports of legal services have tripled over the last decade to £2097m in 2007.⁶



CLLS plays an important role in this success:

- The world's top six global law firms are all CLLS members with offices in the City of London, while 9 out of the top 15 are CLLS members. (by turnover: source: *Legal Business*).

The CLLS's contributions to national and EU government and to regulatory bodies via some 76 submissions last year on topics from taxation to insurance are absolutely invaluable.⁷

Now, the UK offers legal services that are very international:

England and Wales offers virtually unrestricted access for foreign firms and there are over 200 foreign law firms with offices in London.⁸

City law firms are more international in outlook than US firms -(which did not follow the expansion of US investment banks) and many have more foreign partners than London partners now. And looking at the *International Financial Services London* paper on *Legal Services* published last month, it is these international firms⁹ (which often have 45-65% of lawyers based outside the UK) that are performing better than those with purely domestic market links. The paper concluded that much revenue this financial year is coming from the growth overseas markets of central and Eastern Europe, the Middle East and Asia, and that UK law firms are better prepared for the current downturn than in 2002 and 2003 because of greater internationalism and productivity gains.

One example of that internationalism: today, some 90% of disputes handled by international law firms in London involve at least one party based elsewhere in the world. And in 2007 over 10,000 disputes - many with an international dimension - were resolved in the UK.¹⁰

In the long term, I am very optimistic about the City of London's offer - from accounting to legal services, to valuation. I believe that the global professional and financial services cake will grow, as developing countries use more of these services. And I believe that the internationalism of our legal services will make London an even stronger player in these global markets.

I also believe that the City's fundamental advantages - a centuries-long history of financial services, its time zone which places it between New York and Asia, its use of the English language and the clarity and fairness of English law, will stand us in good stead.

But of course, it is down to all of us to ensure that our offer is competitive, correctly priced, and properly communicated. We can't expect people to know how great English law solicitors are unless we tell them - and back up those assertions with something more than national pride. I am very grateful for the support on inward and outward visits which I receive from law firms. Already this year we have had 5 law firms taking part in outward visits and over 20 for inward visits.

So I'd be interested in your thoughts on messages both here and abroad over the coming year.¹¹

¹ IFSL Legal Services 2009

² IFSL Legal Services 2009

³ IFSL Legal Services 2009; while 57% of the top global 50 are US based, 19% is UK based: US is the largest economy and the most litigious country in the world.

⁴ IFSL Legal Services 2009

⁵ IFSL Legal Services 2009

⁶ IFSL Legal Services 2009

⁷ Information supplied by CLLS

⁸ IFSL Legal Services 2009

⁹ IFSL defines as those having 40% or more of lawyers working outside their home country. Largest 3 in world are international law firms based in London - Baker & Mackenzie, Clifford Chance and Linklaters.

¹⁰ Estimates from Dispute resolution organisations, IFSL Legal Services 2009

¹¹ ties in to City of London Law society's communications drive; they are modernising their communications/ website etc.

Lawyers Fishing Club

We all know of the benefits that spending time in the countryside can bring but, asks Nick Marshall, real estate partner with Mayer Brown International LLP, how many do it with a fly rod, wandering our rivers and streams looking for trout.



It may surprise you to learn that angling is the largest single participant sport in the UK, and trout fishing with the fly is just one arm of this multifaceted sport. But once you've tried it, the draw of the water and the pursuit of the trout can become infectious; you only have to ask the Lawyers Fishing Club.

The Lawyers Fishing Club was set up over 15 years ago to provide those connected with the profession a ready made calendar of events and access to trout streams that might not otherwise be available to the general public. Nick Marshall is the Club's long standing Events and Waters Secretary, and is responsible for pulling together all of the events and negotiating the fishing rights with landowners.

"Our calendar of events is spread out across the whole year, so whether you like catching Rainbow Trout from lakes and reservoirs, drifting the Irish Loughs or wading gently up a chalk stream stalking the butter bellied Brown Trout, I believe we have something for everyone" Nick tells us. That's without mentioning the Grayling fishing in the winter, the Sea Bass on the Fly and the trip to Venezuela for Bonefish.

The main aim of the Club is to introduce more members of the legal profession to the art of Fly Fishing. Traditionally, the first event of the season is the Club's Beginner's Day. With attendance in the region of 35 /40 people and sponsorship from The Orvis Company and Sportfish, the event is a huge success, some beautiful fish adorn the dinner plates in the evening and of course those fledgling fly fishers start on their new piscatorial careers. It doesn't end there though – these new recruits are actively encouraged to attend any number of the Club's events and with experienced Club members always in attendance advice and tuition is readily available.

The Club's membership exceeds 100 and although most of the events are based in the South, members come from far and wide, including Bristol, Coventry, Leeds and Edinburgh. Membership is diverse: trainee solicitors, pupils and barristers, City and provincial lawyers alike, members of the bar and several that sit on the bench. But get them together at the water's edge, with fly rod in hand and a box of flies at the ready: each is an equal. The superior role is that held by the trout itself.

Trout fishing is more accessible from London that you might realise. It's not necessary to drive for hours and you may be surprised to hear that there are a number of options within the M25. Your own transport is certainly an advantage but there are several fisheries, both lake and river, that can be easily accessed by public transport (including by Tube!) from central London.

Those that fly fish appreciate the challenges that the sport offers but it's not about how many or how quickly the fly fisher captures his fish. The fly fisher must determine where in the stream the trout might be lying, how deep they are stationed in the water and on what natural insects they are feeding. Only once all of this has been worked out can the fly fisher try and tempt the fish to take the artificial fly. To the beginner this may seem daunting but with the help and advice of other Club members, this watercraft can be learnt. To then outwit the trout is pure satisfaction and a very rewarding experience.

If this has tempted you to try fly fishing the Club can be contacted via its website www.lawyersfishingclub.com

Policy & Committees Coordinator's Report

2009 has already been an active time for the CLLS's committees:

- The Commercial Law Committee recently responded to the Law Commission's Consultation Paper No. 188 "Consumer Remedies for Faulty Goods".
- The Company Law Committee also recently developed a pro forma circular to amend the articles of association of a listed company with effect from 1 October 2009 to cater for CA 2006 changes coming into effect on 1 October 2009 and to cater for other items of business at 2009 AGMs. The Committee also produced a joint submission (with the Law Society Company Law Committee) in response to FSA CP 08/21 ("Consultation on amendments to the Listing Rules and feedback on DP08/1"), and with the CLLS Regulatory Law Committee with regards to the European Commission's Review of Directive 2003/71/EC on the prospectus to be published when securities are offered to the public or admitted to trading and amending Directive 2001/34/EC ("Prospectus Directive").
- The Competition Law Committee, in conjunction with the Joint Working Party of the Bars and Law Societies of the United Kingdom on Competition Law, recently responded to the OFT's consultation on the OFT Transparency Project.
- The Financial Law Committee has, *inter alia*, made a number of comments relating to the Banking Bill (now the Banking Act 2009) (see the Chair's report).
- The Land Law Committee has, *inter alia*, recently drafted a form of rent deposit deed, and has been involved with other activities (see the Chair's report).
- The Planning & Environmental Law Committee recently responded to an HM Revenue & Customs Technical Note dated 24 November 2008 on changes to Land Remediation Relief.
- The Regulatory Law Committee responded to a number of consultations (see the Chair's report).
- The Revenue Law Committee recently responded to HMT's consultation entitled "Principles based approach to financial products avoidance" and HMRC's consultation entitled "Taxation of the foreign profits of companies: draft clauses".

- The Training & Education Committee recently responded to the SRA Consultation Paper on the Qualified Lawyers Transfer Scheme (see the Chair's report for more details).

Furthermore, The Law Society has commissioned an independent review of the regulatory regime for law firms, to be conducted by the Rt Hon Lord Hunt of Wirral. As a distinct sub-strand of this, The Law Society has commissioned an independent review of whether the present arrangements for regulating law firms serving corporate clients are satisfactory. The Professional Rules and Regulation Committee responded to this review (the "Smedley Review"), in response to a call for evidence, and is in the process of responding to the overarching "Hunt Review". (The Training Committee may also be responding to the training-related aspects of the Hunt Review.)

The Committee also recently responded to SRA Consultation Paper 14 ("New disciplinary powers for the SRA – public rebukes and fines") and a SRA consultation paper regarding proposed amendments to rule 3 (conflicts of interest) and rule 4 (duties of confidentiality and disclosure) of the Solicitors' Code of Conduct 2007.

Furthermore, the Legal Services Board ("LSB") is the new, recently established independent body responsible for overseeing the regulation of lawyers in England and Wales. The PR&RC has commented on the LSB's draft 2009/10 Business Plan, which was published for consultation.

Details of all the Committees' submissions can be found on the CLLS's website at www.citysolicitors.org.uk



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FINANCIAL LAW COMMITTEE

In recent months, the Financial Law Committee has been heavily engaged in relation to the Banking Bill (now the Banking Act 2009) and related subsidiary legislation.

We formed a joint working party with the Insolvency Law Committee and the Regulatory Law Committee and have commented extensively on the Bill and draft subsidiary legislation as it evolved and have worked closely with LIBA, the BBA, ISDA and the FMLC on these issues. Dorothy Livingston (Herbert Smith) has been a member of the Experts Liaison Group set up by the Treasury on the Safeguards Order and David Ereira (Linklaters), her alternate, is part of the Sub-Group considering a special insolvency regime for investment banks. Geoffrey Yeowart has worked on aspects of the Bill and liaised with members of the House of Lords to ensure that key points were debated in Parliament. We are very grateful for the hard work of all working party members, drawn from many firms who have contributed at short notice.

We hope that all this work has contributed to a better legislation which will achieve its aims of providing mechanisms to preserve financial stability without unintended consequences for financial institutions and their customers. With legislation of such complexity dealt with at such a pace, there is still more to do and we continue to make representations on a number of points with a view to removing glitches as the legislation beds down. We all hope, however, that it does not see too much actual use - as this would indicate that the economy remains under great stress.

Apart from this we are active in liaising with DBERR on Scottish floating charges and charges over the assets of overseas companies with a registered place of business here and Geoffrey Yeowart is participating in a conference organised by the European High Yield Association about their ideas for insolvency law reform.

Dorothy Livingston, *Consultant*, Herbert Smith LLP

LAND LAW COMMITTEE

The Land Law Committee meets every two months and the minutes of the meetings are available on the Society's website.

In summer 2008 Peter Taylor of Olswang stepped down as chair of the Committee and we would like to thank him for his contributions to the Committee and CLLS generally. The new chair of the Committee is Nick Brown of CMS Cameron McKenna.

The Committee has discussed the implications for our firms of changes to Land Registry practice, in particular in contentious areas such as confirmation of identity. We have also monitored legislation and regulations of significant effect such as energy performance certificates, empty rates and the Community Infrastructure Levy.



The Committee has published a form of rent deposit deed which is intended to assist practitioners in an area where there are many different approaches to the documentation, whilst not suggesting that the form proposed is the only appropriate approach for this document.

Looking ahead the Committee has identified a number of projects for the coming year.

Our January meeting was attended by Marc Hanson, the chair of the Construction Law Committee and other representatives of that Committee to discuss an initiative to

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encourage greater use of the Contracts (Rights of Third Parties) Act 1999 as an alternative to the use of warranties. It is considered that in very many circumstances the use of third party rights will facilitate the contractual process and produce genuine benefits for the parties to development transactions. Over the next few months we will be working with the Construction Law Committee to take this campaign to industry bodies such as the British Property Federation and the RICS.

At the same time we will be working on producing suggested drafts of lease provisions to encourage some standardisation of approach, again with a view to shortening negotiation time. The general intention is to produce key lease provisions which take account of the Code for Leasing Business Premises in a way that is institutionally acceptable.

Nick Brown, *Chairman*, CMS Cameron McKenna LLP

TRAINING COMMITTEE



The Committee's focus in recent months has been the SRA's Consultation on "Arrangements for qualified lawyers transferring to become solicitors in England & Wales".

The Committee submitted a Response (posted on the CLLS's website) which reflected the discussions at the seminar on the Consultation the Committee organised in December 2008. Broadly speaking, the Response welcomed the review, recognising that the Qualified Lawyers Transfer Regulations need updating. However, the Response expressed doubts on some aspects of the proposals in the SRA's Consultation Paper. The main (but not only) ones were the likely cost of the new assessment regime proposed in the Paper and the likely limitations on the range of jurisdictions which would be within the scope of this route to qualification under the new regime.

The Consultation closed on 6 February 2009 and the SRA had not (at the time of writing) commented on the responses received. The Committee will be monitoring any commentary coming out of the SRA and will take whatever steps may be appropriate to follow up on this. The Committee will keep the members informed of developments with the next stage of this review by posting information onto the CLLS website.

Looking forward, the Committee will continue to respond to training-related issues affecting the members of the CLLS as they arise.

Furthermore, in accordance with the Committee's Work Plan, the Committee will be considering:

- 1) in conjunction with the CLLS's Rules & Regulations Committee, the training-related aspects of responding to Lord Hunt's "Review of Regulation" for the profession;
- 2) the work of the Legal Services Policy Institute (part of The College of Law) on common requirements in the vocational education and training of international commercial lawyers following up on the presentation on the topic by Professor Dara Leonard of the Institute at the meeting of City Bars which the CLLS hosted last year;
- 3) ways the CLLS can support firms and lawyers affected by the economic downturn through training; and
- 4) progress with the SRA's work-based learning pilot testing a new approach to the training of future solicitors.

The Committee will report to the membership on progress with all of these issues.

Tony King, *Chairman*, Clifford Chance LLP

EMPLOYMENT COMMITTEE

The Employment Law Committee has recently been reviewing its membership and has decided to invite further applications for new members. Applicants should have expertise in employment law and a willingness to contribute to the work of the Committee, including work outside of the regular meetings. Applicants should contact the Chairman, Raymond Jeffers at Linklaters, as soon as possible to express their interest. Tel: 020 7456 2000 or raymond.jeffers@linklaters.com

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REGULATORY LAW COMMITTEE

The CLLS Regulatory Law Committee meets monthly and from December 2008 until present has submitted the following papers.

1. A response to the FSA and HM Treasury's Joint Consultation Document on the Implementation of the Acquisition Directive (the "Directive")

The Committee considered that in order to achieve the objectives of the Directive, amendments should be made to FSMA to allow certain exemptions for market-makers and trading book positions when determining control thresholds and suggested that a clearer definition of 'acting in concert' consistent with the terms of the Directive might be helpful, either by inclusion in FSMA or by way of guidance. As the Directive is intended as a maximum harmonisation measure, the Committee also suggested removing the section 178(2) and 190(2) notification requirements, as these are not provided for by the Directive.

The Committee commented that the ability of the FSA to adapt information received from an applicant for controller approval in a way that is proportionate to the proposed transaction should be entrenched in FSMA and commented that it might be helpful to smooth market operations to allow an acquisition to proceed where the FSA had not yet given approval. The Committee supported the introduction of a simplified regime for non-Directive firms, suggested that the transitional arrangements are inconsistent with the Directive and would benefit from amendment, and encouraged the FSA to review its proposed Handbook text, as it will need to be understood by individuals who might not be familiar with it. The Committee also endorsed the responses made by the Law Society Company Law Committee and the Financial Services and Markets Legislation City Liaison Group. Particular thanks are due to Patrick Buckingham for his work on this submission.

H.M.Treasury also sought views at short notice on whether to include a definition of 'acting in concert' in the proposed statutory instrument. The Committee concluded that it was undesirable to include a definition of 'acting in concert' into the statutory instrument at such a late stage without an adequate consultation period to consider all

consequences arising from it, as the proposed wording risked triggering unintended consequences with further reaching implications than originally intended by the legislation and could lead to a chill in discussions of corporate matters between shareholders. No definition was included. The Committee is now working with other interested parties to consider the issues arising out of the "acting in concert" provision.

2. A response to HM Treasury's second consultation on Financial Services and Markets Act 2000 (Financial Promotion) (Amendment) Order 2008.

The Committee considered the exemption under Article 72A(2)(b) unnecessarily restrictive. The Committee suggested that the Article 72B(1) exemption should include further insurance products in order to apply more comprehensively and noted that it could be helpful to include Treasury guidance relating to these and similar exemptions in PERG. The Committee felt that the definition of 'employees' was rather narrow as many firms now have flexible working practices and communications by a contracted third party to an employer and/ or another member of its group should also be exempt. The Committee also suggested that the proposed exemptions should also apply to group structures e.g. a pension scheme offered by a company to an employee of another member of its group. Particular thanks are due to James Perry for his work on this submission.

3. A response to the European Commission's consultation on hedge funds

The Committee commented on the fact that there is a great deal of diversity within the hedge fund sector and this should be borne in mind when articulating any regulation of the hedge fund industry. The Committee underlined the importance of ensuring that any future regulation is suitably interlinked with current legislation to avoid conflicts between different regulatory regimes and questioned whether the authorities would have adequate monitoring tools at their disposal to deal with increased supervision requirements. The Committee also noted that attempts to tighten controls on hedge funds in respect of short selling are inappropriate given that short selling by hedge funds should not be distinguished from short selling by other non-hedge fund individuals or entities.

4. A response to BERR's consultation on EU proposals for a Consumer Rights Directive.

The Committee questioned whether the proposed additional cancellation regime was necessary given the existing consumer requirements for financial services and expressed concern that the creation of a similar regime to

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the regime under the Distance Marketing Directive for Financial Services could create confusion and add to the burden of compliance. The Committee disagreed with both proposed main changes to the definition of 'distance contract' and underlined the unintentional interpretational difficulties which could be caused by modernising the definitions of 'durable medium' and 'means of distance communication', as both terms are already widely used in other EU legislation. Particular thanks are due to Richard Stones for his work on this submission.

5. A response to CP08/19; 'Regulating retail banking conduct of business'

The Committee noted that many elements of the current Banking Codes should remain and that there is a need for greater clarity and certainty in the way that the FSA's Principles for Business and proposed high level rules apply. The Committee felt that alternatives to the proposed new framework had not been sufficiently considered and although it agreed that all the Principles should apply to firms which accept deposits or issue e-money, this did not dictate a need for BCOBS. The Committee commented on the need to clarify the boundaries between BCOBS and the Payment Services Directive, the consumer credit regimes and SYSC and noted that flexibility in BCOBS would be desirable to resolve practical difficulties. The Committee also considered that BCOBS should apply to incoming firms, that supervisory tools should be exercised before any enforcement action is taken (especially given the short period until the proposed implementation date) and that the FSA should defer implementation or allow firms flexibility as to implementation date. The Committee also recommended long transitional periods in respect of certain changes and rules. The Committee questioned the compatibility of the proposals with the Principles of Good Regulation; in particular whether they represent an efficient and economic use of FSA resources and a proportionate response to the problems the FSA has identified with the current self-regulatory arrangements and the benefits which will result from the changes. Particular thanks are due to Robert Finney, Patrick Buckingham, Mark Kalderon and James Perry for their work on this submission.

6. A response to FSA and HM Treasury's Joint Consultation Paper on the legislative framework for the regulation of alternative finance investment bonds (AFIBs or sukuk)

The Committee welcomed the FSA and HM Treasury's initiative to clarify the classification of sukuk under the UK's financial regulatory framework and noted that of the four options proposed in the consultation paper it favoured Option 1 (introducing a specific regulatory

definition of AFIBs or Option 3 (including AFIBs as an existing specified instrument under Articles 77 and 78 of the Regulated Activities Order 2001). The Committee felt that the proposed definition of AFIBs should be amended before the introduction of the AFIB provision and suggested that its practical working should be reviewed in a few years' time. Particular thanks are due to Robert Finney for his work on this submission.

7. A response to FSA CP08/22: 'Strengthening Liquidity Standards'

The Committee expressed concern about the application of the proposed liquidity rules to cross-border banking arrangements involving UK branches of foreign firms and noted that several aspects of the proposed BIPRU 12 text required further clarification, including issues relating to the location and control of assets and the conditions to obtaining a liquidity waiver or modification. The Committee asked the FSA to ensure that rules and reporting procedures dovetail as far as possible with those of other regulatory authorities and that no measures are introduced which materially differ from those agreed internationally, due to the potentially serious impact on cross-border financial activities. The Committee also expressed concern that the proposed processes by which the FSA determines liquidity requirements lack transparency, which could lead to an uneven playing field between firms. The Committee noted that as the costs of compliance for a small firm will be very high, the scope or application of the requirements should be tailored to fit the wide variety of firms which will be subject to the draft BIPRU 12 requirements. Particular thanks are due to Bob Penn and Kate Sumpter for their work on this submission.

8. A response to FSA CP08/23: 'Financial Stability and Depositor Protection'

The Committee focused on the need to ensure that the obligations imposed on firms, the standards of behaviour the FSA expects firms to meet and the likely procedures to be followed by the FSA are clear and certain. It called for the FSA to set out its information requirements in a Rule to allow firms to benefit from more expansive guidance and suggested that more extensive engagement with industry on this issue would ensure advisers are conversant with FSA expectation and allow for a consistency of approach.

Margaret Chamberlain, *Chairman*, Travers Smith LLP

How Much IQ Does Fox Need?



Toyota's latest small car has a cheeky name and a cheeky appearance. Telling friends that you had improved your IQ used to mean that you had sharpened up your intelligence quotient – perhaps by eating more fish and less meat. Now it means that you have added a feature to your new car.

There are some cars which have an out-of-the-ordinary appearance guaranteed to bring a smile to the face of the beholder. The Toyota iQ is in the tradition of the Frog-eye Sprite, the Renault Twingo, the Fiat Multipla and the Nissan Micra. The upswept edges of the headlamp housings and narrow front air intake give the car a faintly surprised look.

An overall length of less than 3 metres and wheelbase of 2 metres adds up to virtually no overhang at either end. Only slightly too big for the lift at 78 Cornhill! Like the G-Wiz, the iQ is a 2 plus 2. The Japanese car is a little longer and a little wider than a G-Wiz but there is a world of difference in terms of interior space. The front seats of the iQ are large and comfortable with ample space for two broad-shouldered men to sit side-by-side. The iQ feels far more spacious than the narrower Smart for the passengers in the front; it's a bit of a squeeze for those in the back of the Toyota. With the ultra-thin rear seats folded down, there is plenty of room for luggage; with the rear seats in use there is none.

Despite its short wheelbase, the car rides amazingly well. The one litre engine insists on a degree of patience when accelerating hard from rest (0 – 62 m.p.h. takes 15.2 seconds in the automatic version) but cruising on the motorway is comfortable and quiet (the top speed is over 90 m.p.h.) Claimed petrol consumption for the automatic is better than 60 m.p.g.

Equipment levels are high in the standard version and astonishing in the luxury model (intriguingly named iQ_l).

Electrically heated and folding door mirrors, rain sensing wipers, dusk sensing headlamps, climate control air-conditioning, powered locks and windows, and keyless entry and starting are all included in the iQ_l. Prices range from £9,300 for the iQ manual to £11,250 for the iQ_l Automatic – quite expensive but broadly in line with prices for the Fiat 500, the natural competitor of the iQ.

I had three particular dislikes. The rear windows are quite small and all the windows in the iQ_l are glazed with darkened privacy glass. The result is a rather gloomy interior. The interior light is dim, which doesn't help. A glass sunroof would make the interior a much more cheerful place but unfortunately (as with most Toyota saloons) this is not available, even as an optional extra. Secondly, my view is that all cars with an automatic gear box should have a centre armrest, ideally with some storage spaces for odds and ends. I certainly missed a centre armrest in the iQ; there was plenty of space for one. Finally the colour choice is very limited: only black, white and amethyst are offered. The omission of silver – currently by far the most popular colour - is something of a surprise.

Despite these niggles, I loved the car for its looks and personality. Small car, big heart. With a turning circle of only 3.9 metres (half that of a London taxi) and optional rear parking sensors the iQ is incredibly easy to park. In many ways, the Toyota iQ is the ideal City car.