

Understanding US

Multi-Jurisdictional

Practice Challenges

SURVEY RESULTS & KEY CONSIDERATIONS

### Introduction

Navigating the complex and often fragmented world of multijurisdictional practice (MJP) is a constant challenge for in-house counsel. As companies expand their operations across state lines and into new virtual environments, the lawyers who advise them must contend with a patchwork of licensing rules, regulations, and ethical guidelines that can feel outdated and inconsistent with the realities of modern legal work.

This report provides a deep dive into the real-world experiences of in-house counsel with MJP, drawing on a comprehensive survey of legal professionals across the United States. Ultimately, understanding and modernizing MJP is critical to ensuring that legal talent can move freely and efficiently to meet the needs of a dynamic, national economy.

An online survey was conducted among ACC member in-house counsel in the U.S. between July 29 and August 8, yielding a robust response of 623 participants from nearly every U.S. state. This broad participation ensures that the resulting data provides a comprehensive and geographically diverse perspective on the experiences and challenges related to multijurisdictional practice.



### **Purpose and Significance**

The purpose of this survey is to quantify the prevalence of cross-state practice and to identify the specific pain points and challenges lawyers face as they advise their clients across multiple jurisdictions. By shedding light on the difficulties presented by the state-by-state licensing system, the report highlights a need for clarification and simplification that better aligns with the demands of modern business. For the individual in-house lawyer, the data validates their daily struggles and provides a clear picture of what others in the profession are experiencing.

#### What We Cover:

- Prevalence of Multi-jurisdictional Practice (MJP)
- Pathways to Licensure
- Major Challenges
- Seeking Guidance
- Impact on Career Mobility
- Guidance and Solutions





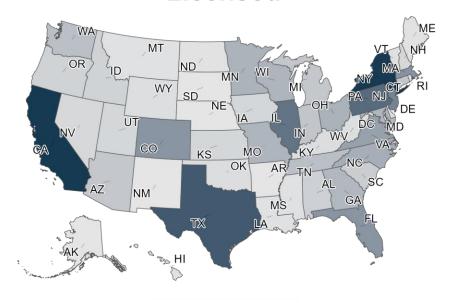
# Prevalence of Multijurisdictional Practice



# Mapping Licensing vs. In-house Counsel Work Location



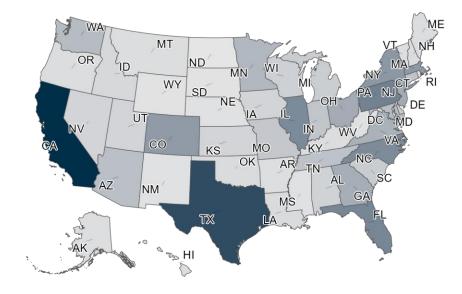
#### Licensed



#### **Top 3 States**

- 1. California 14%
- 2. New York 14%
- 3. Texas 11%

#### **Practice**



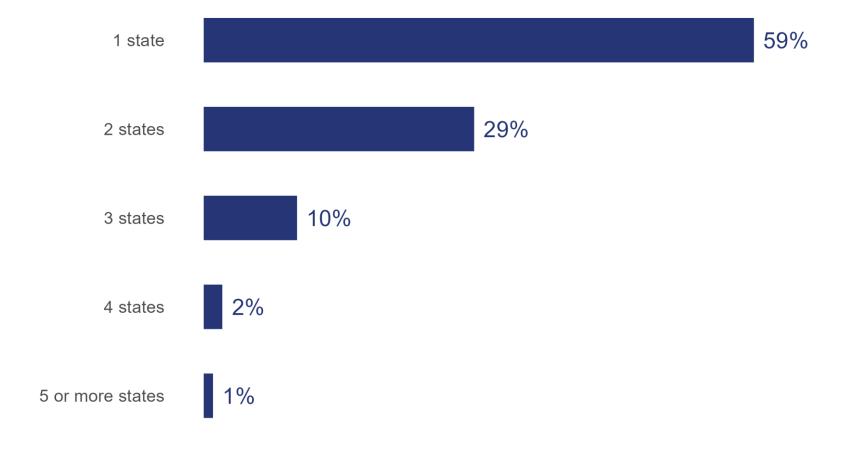
#### **Top 3 States**

- 1. California 15%
- 2. Texas 13%
- 3. Pennsylvania 8%

The data demonstrate two distinct geographic patterns. The left-hand map visualizes the states where in-house counsel hold their bar licenses, while the right-hand map highlights the states where they primarily perform their work as inhouse counsel.



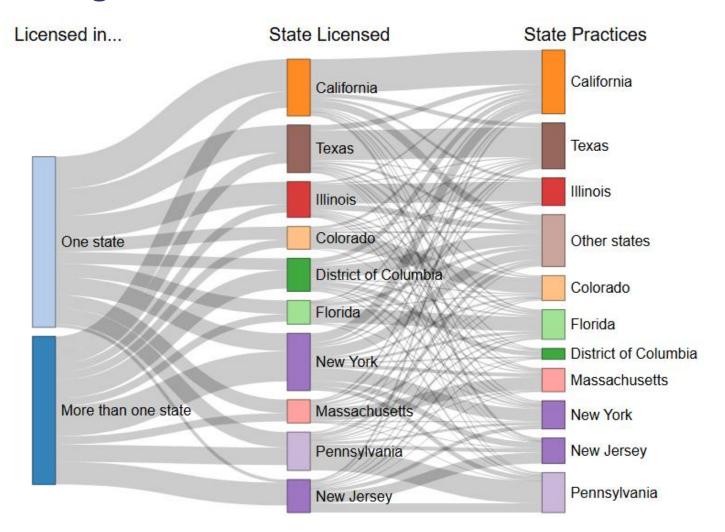
# Number of US Jurisdictions Where In-house Counsel Are Licensed



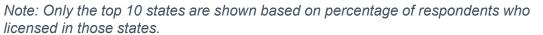




# Geographic Flow of In-house Counsel: From Licensing to Practice Location

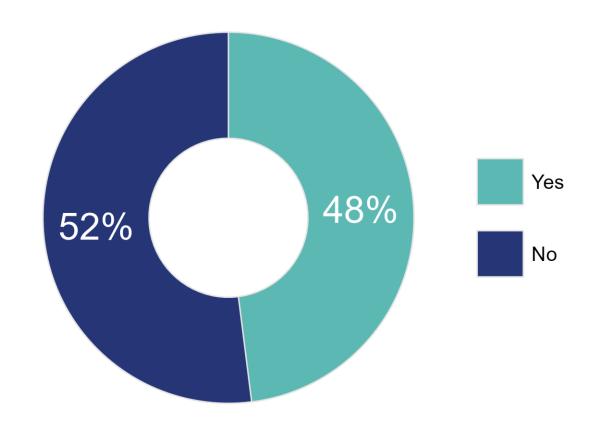


This Sankey diagram visualizes the geographic flow of in-house counsel. It starts by classifying respondents into two groups: those licensed in one state versus those licensed in multiple states. The diagram then shows how these groups are distributed across states and, finally, where the individuals from each of those states primarily practice law as in-house counsel.





# Nearly Half of In-house Counsel Practice in a State Where They Are Not Licensed



48% of in-house counsel regularly perform legal work in a US state where they are not licensed. This data highlights the reality that in-house legal work often extends beyond a lawyer's state of licensure. The findings suggest a disconnect between the modern, cross-border nature of corporate legal work and the traditional state-bystate licensing model.

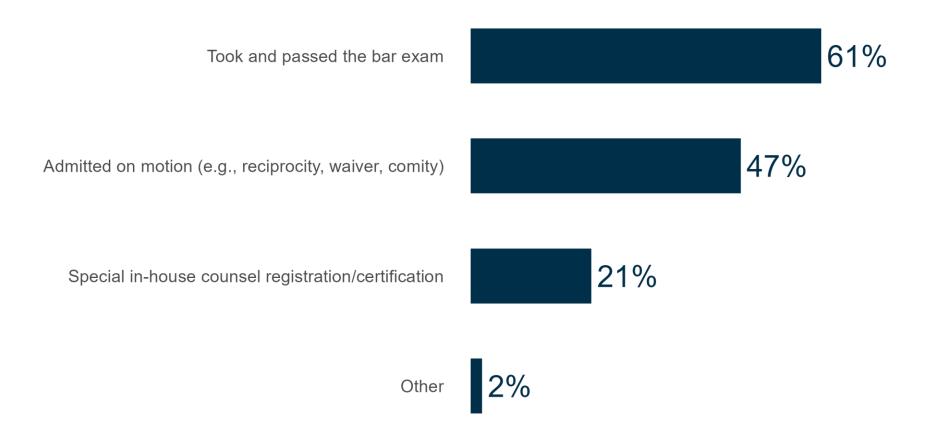




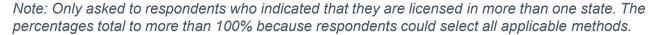
## Pathways to Licensure



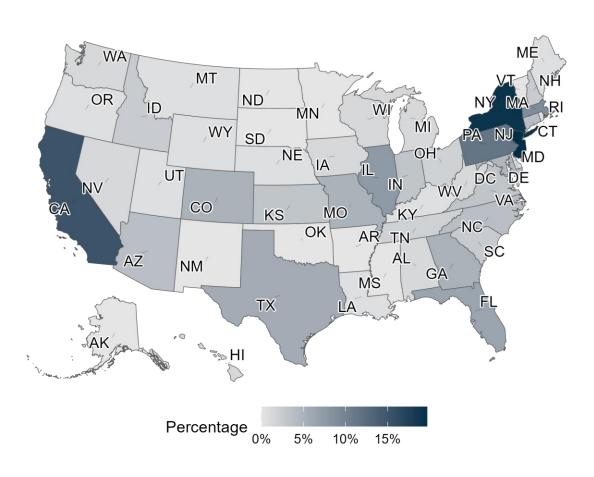
# Methods of Licensure in Additional Jurisdictions



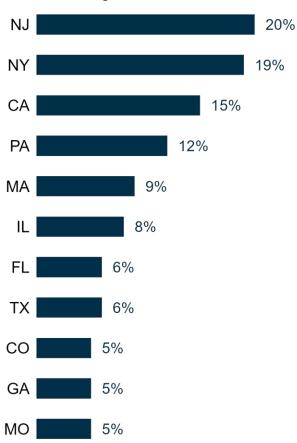
The findings show that a majority of multi-state licensed in-house counsel (61%) achieved their subsequent licenses by taking and passing another bar exam, while a significant percentage (47%) were admitted on motion (e.g., through reciprocity).



## Jurisdictions Where the Bar Exam Was Taken for an Additional State License



### **Top 10 States**



A disproportionately high percentage of in-house counsel who obtain a subsequent license by taking a new bar exam do so in just a handful of states, with California, New Jersey, and New York being the most common destinations. Many in-house counsel surveyed are based in or have their company's operations centered in these states, making a local license more desirable for their work.

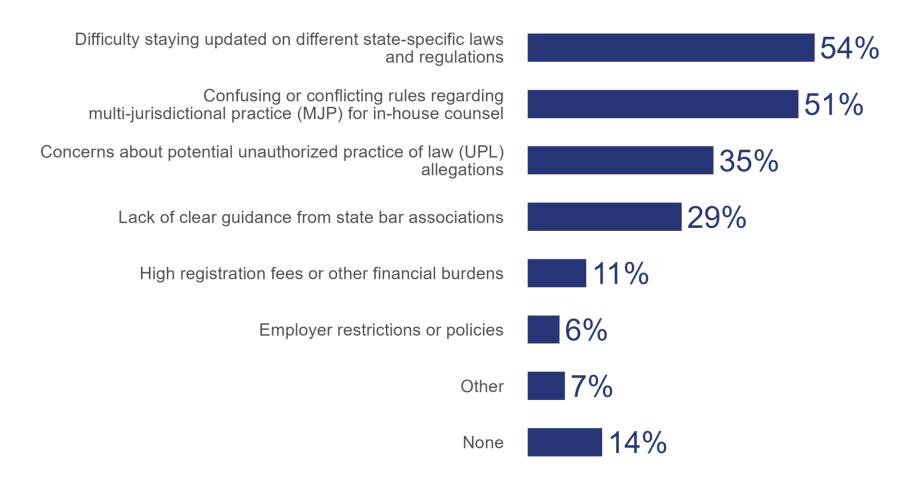


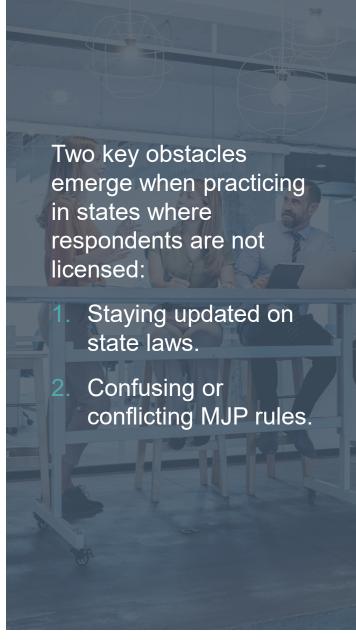


# **Major Challenges**



## Biggest Challenges Facing In-house Counsel in Multi-Jurisdictional Practice









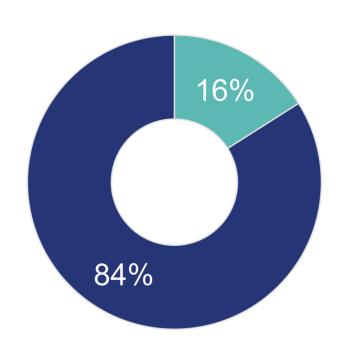
# Seeking Guidance

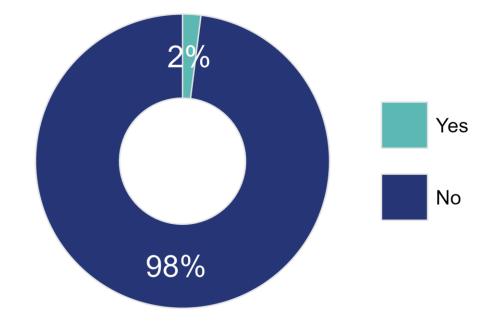


## Frequency of Formal and Informal Multi-Jurisdictional Practice Inquiries

#### I have sought guidance

### I have sought a formal opinion

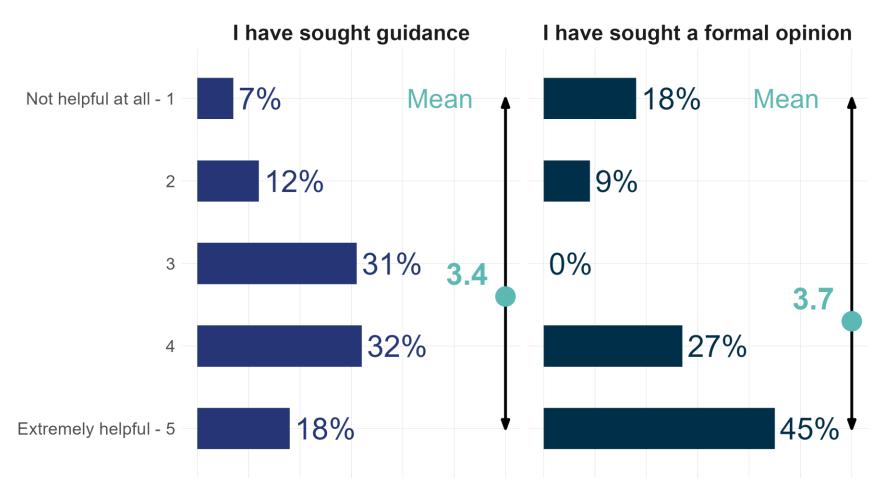




A very small percentage of in-house counsel have sought official guidance or formal opinions from state bar associations regarding their multijurisdictional practice. This low rate of engagement with state bars suggests a need for clearer and widely disseminated MJP rules.



# **Assessment of MJP Guidance and Opinions from State Bars**



While in-house counsel who sought official guidance or a formal opinion found the information generally helpful, the level of helpfulness was only moderately high. These findings demonstrate an opportunity for state bars to provide guidance that is consistent, clear, and practical for the complex realities of modern inhouse legal practice.

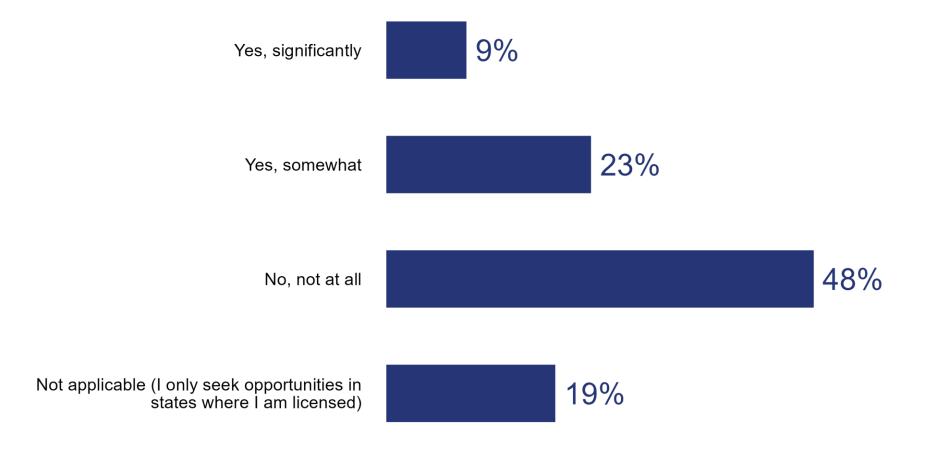




# Impact on Career Mobility



## The Impact of MJP on In-house Career Mobility



A combined 32% of respondents indicated that licensing questions significantly or somewhat deter them from pursuing employment opportunities in states where they are not licensed. This data show how the current fragmented licensing system actively limits the professional growth and career choices of inhouse lawyers, ultimately hindering the efficient flow of legal talent across the country.



## The Impact of MJP Concerns on Career Decisions

**32%** of respondents indicated that licensing questions/concerns about MJP **deter** them from searching for or accepting employment opportunities in US jurisdictions where they are not licensed. Respondents had an opportunity to elaborate on their responses through open-ended questions. Their top concerns are listed below.

### The Burden of Retaking the Bar Exam

A primary and widely cited deterrent is the concern that in-house counsel will need to take another bar exam in order to practice in a different state. Respondents feel that their decades of practice should be given more weight than a new exam, which they lack the time and bandwidth to study for. One respondent stated, "Attorneys who have been practicing for decades should not have to take a bar exam again." This is especially a concern for states like California, which has a restrictive in-house counsel registration process, forcing experienced lawyers to choose between undergoing this process, taking the exam again, or foregoing opportunities.

### **Cost, Time, & Administrative Hassle**

The process of becoming licensed in a new jurisdiction by any means is seen as time-consuming, expensive, and administratively cumbersome. Fees can be "well over \$1000," and the application process can be lengthy. One respondent cited a reciprocity application in D.C. that "takes a lot of documents and 1 year to be approved due to back log," making it impractical for temporary assignments. Another mentioned a case where a corporate admission process in Illinois began in January and was still not complete months later, "jeopardizing my employment."



## The Impact of MJP Concerns on Career Decisions (Cont'd)

### **Unclear and Conflicting Rules**

A lack of clarity and consistency in state-by-state MJP rules is a major source of concern. Many respondents feel they have to "figure out what I need to do to practice in state X" and are unsure if their role would violate any state bar requirements. This confusion is particularly acute for remote work and travel. Many respondents are unclear "where one needs to be licensed" when working from home, in a different state, or even when traveling for a few days to another company office.

### Fear of Unauthorized Practice of Law (UPL)

Many lawyers express a fear of being accused of UPL, which directly limits their job search. Respondents are hesitant to "risk the unauthorized practice of law in jurisdictions I am not licensed" and, as a result, will only seek jobs where their current license suffices. This fear extends to remote work and travel. One respondent noted they have had to become "self-employed and work outside the legal field to avoid MJP issues."



## The Impact of MJP Concerns on Career Decisions (Cont'd)

## **Employer Expectations & Requirements**

Many job listings require applicants to be licensed in the state where the company is headquartered, even if it's not a legal necessity for an in-house role. Some companies "specify preference for bar admission in the state where the employer is headquartered," while others will not hire candidates without a specific state license. This forces lawyers to either exclude those opportunities from their search or to take on the burden of a new licensure process.

### **Limited Reciprocity**

A lack of reciprocity between key states like Georgia and California prevents lawyers from seeking jobs in a different state because if they leave their in-house practice, their only path to licensure is taking another bar exam.



## The Impact of MJP Concerns on Career Decisions (Cont'd)

## **CLE & Continuing Education Requirements**

Managing different continuing legal education (CLE) requirements across multiple states is seen as a confusing and time-consuming administrative task. Respondents cited varying time requirements per CLE credit and the lack of reciprocity for some professional responsibility CLEs as a major hassle, contributing to the overall burden of multi-state licensure.

## **Concerns About International Practice & Business Travel**

The lack of clarity extends beyond US borders. Respondents noted a lack of clarity around "agreements for instances where US attorneys have to support their business in Europe and go to work over there for a week or a year," leaving them with concerns about unauthorized practice of law even when only advising on US matters.





## Guidance and Solutions



### **Guiding Principles**

While there is significant uncertainty and complexity with the US multi-state licensing system, there are also four key considerations in-house counsel should keep in mind when considering whether to pursue a position in a state where they're not licensed.

- 1. Remember Rule 5.5
- 2. Be mindful of common variations
- 3. Understand employer requirements
- 4. Don't be afraid to seek guidance



### **Guiding Principles**

#### Remember Rule 5.5

- Every US state except for Hawaii has adopted some form of the American Bar Association's Rule 5.5, Unauthorized Practice of Law; Multijurisdictional Practice Law.
- Rule 5.5(d) allows in-house lawyers to practice law in jurisdictions where they are not licensed so long as they are a member in good standing in another state, do not represent anyone other than their employer, and do not appear in court.
- Under Rule 5.5, you do **not have** to become a member of that state's bar to serve as in-house counsel, either by taking the bar exam or filing a motion.

#### **Be Mindful of Common Variations**

- Some states use the ABA numbering and text in their rules, while others use different numbering and language.
- Some states require in-house counsel to register with that state's bar. Sometimes, registration only applies if the in-house counsel lives in that state. Most, but not all, states that require registration also require a fee.
- Pro bono opportunities can differ across jurisdictions.



### **Guiding Principles**

### **Understand Employer Requirements**

- Some companies require their in-house lawyers to be licensed in specific jurisdictions for legitimate business reasons. However, some employers mistakenly believe this is a licensing requirement.
- Ask your employer (or prospective employer) about their reasoning and consider whether there is an opportunity to educate their organization.

### Don't Be Afraid to Seek Guidance

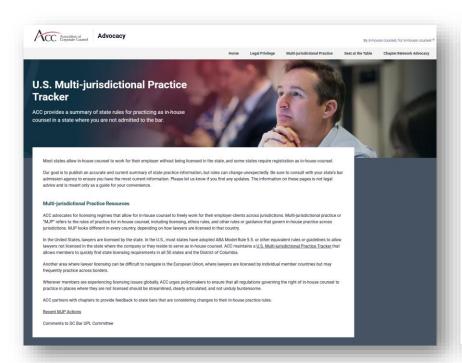
- Survey respondents reported largely positive interactions with their state licensing authority or bar association when they reached out with questions.
- While ethics counsel may not have all the answers, seeking guidance or even a formal opinion can help to clarify the bar association's position when needed by the in-house lawyer or their organization.

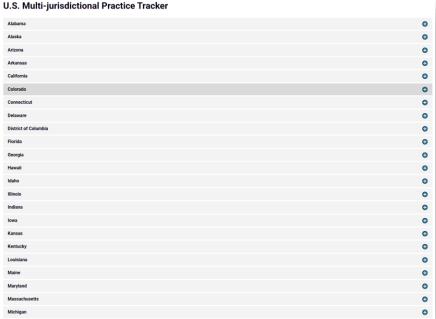


### Did You Know ACC Maintains a US Multi-Jurisdictional Tracker Resource?

Don't let the confusion around US multi-jurisdictional practice keep you from your next position! Consult ACC's <u>U.S. Multi-jurisdictional State</u>

<u>Tracker</u> to see the rules for the states where you practice or are thinking of practicing.









### **Advocacy at ACC**

From its inception, ACC recognized the importance of advocacy by, and for, its membership.

ACC's advocacy initiatives focus on issues that directly affect the practice of law by its members in their capacity as in-house counsel.

ACC's advocacy efforts span the courts, legislative bodies and regulatory agencies, and in media and professional journals.

Learn more at <a href="https://www.acc.com/advocacy">www.acc.com/advocacy</a>

### **Key Initiatives**

**Multi-jurisdictional Practice:** ACC Advocates for clarification and simplification of MJP rules to promote flexibility.

**Legal Professional Privilege:** ACC advocates for the recognition and protection of legal privilege for inhouse counsel globally.

Gatekeeper Liability: ACC advocates for the position that in-house counsel who act ethically in representing or defending their clients should not be held liable for their actions simply because they are attorneys.

**Seat at the Table:** ACC supports the position that CLOs should report directly to the CEO and that by doing so, they are in a better position to foster a culture of compliance.



#### **ABOUT ACC**

The Association of Corporate Counsel (ACC) is a global legal association that promotes the common professional and business interests of in-house counsel who work for corporations, associations and other organizations through information, education, networking opportunities and advocacy initiatives. With more than 48,000 members employed by over 12,000 organizations in 117 countries, ACC connects its members to the people and resources necessary for both personal and professional growth.

To learn more about ACC's Research & Insights visit acc.com/surveys, or email <a href="mailto:research@acc.com">research@acc.com</a>

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