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**Revisited Sector Paper on:**

**ISIC Rev.4 691**  
**Legal activities**

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## INTRODUCTION

The main purpose of this paper is to summarize methodological recommendations and national practices in the compilation of data on output and producer prices for legal activities. Moreover, it also identifies the challenges faced by countries while collecting, processing and disseminating data reflecting the output and producer prices for legal activities.

Legal services were the subject of the following papers presented at previous Voorburg Group meetings:

- Classification of Services of ISIS (89.12+89.13), Netherlands Central Bureau of Statistics– 1987, Stockholm,
- Draft classification of Legal services excluding jurisdiction (ISIS 89.11), Netherlands Central Bureau of Statistics– 1987, Stockholm,
- Australian Price Indexes for Legal Services, David Collins, Australian Bureau of Statistics, 2000, Madrid,
- Legal Services within Producer Price Indexes - The New Zealand Experience, Ron McKenzie, New Zealand, 2000, Madrid,
- Producer Price Index for the Legal Services Industry, Richard McKenzie, Australian Bureau of Statistics, 2001, Orebro,
- Service Price Index for Legal Services, Sima Assaf, Central Bureau of Statistics Israel, 2003, Tokyo;
- PPI for Legal Activity, Auditing and tax Consulting Services in Germany, Astrid Stroh, Susanne Lorenz, Federal Statistical Office Germany, 2004 – Ottawa,

The information presented here is based on these previous papers and a survey that was conducted among the member states of the Voorburg Group in advance of the 2010 meeting (21 countries took part in the survey).

## OVERVIEW OF THE INDUSTRY

Looking at the different legal systems existing in different countries, two types can be identified: the continental European legal system and the Anglo-Saxon legal system. They differ significantly to each other and, undoubtedly, this causes differences in the functioning of the legal services' markets as well as the methods of pricing for the services in question.

In continental Europe, legal practice follows laws and acts whereas in Anglo-Saxon countries it is based on precedent cases. As a result it can be observed that in continental Europe the market of legal services is more regulated by government than in the Anglo-Saxon countries. However, in all countries there are different regulatory bodies (dependent or independent of government) such as law societies or bar associations which coordinate the functioning of the legal market, e.g. requirements necessary for entering the market etc. In geographically smaller countries regulations concerning the legal market are common throughout the whole country while in the case of large countries, for example the USA, they are established separately at the regional level.

Moreover, in the Anglo-Saxon countries fees are usually agreed after free price negotiations and sometimes on a success basis whereas in the countries of continental Europe the fees are set on the basis of scales of fees.

As far as the players of the legal services market are concerned, the following types of lawyers can be identified in countries who responded to our questionnaire: barristers, solicitors, notaries, patent attorneys, bailiffs, arbiters and mediators. However, the types of services provided differ across the countries.

Generally, *barristers* and *solicitors* deal with advising their clients in legal matters as well as disputes and their representation in a court of law and other legal institutions. Most of them specialize in activity fields such as civil, commercial, criminal, family, fiscal, insurance, labor, renting law etc. *Notaries* are the next group of lawyers who are responsible for stating legal situations in the field of family, company and real estate rights such as real estate contracts, partner inscription in company register etc. There are also *patent attorneys* who represent their clients in obtaining patents for innovative products and services and protecting the product or services from competitors' patents until the prolongation of a patent. Moreover, within the industry other legal professions such as bailiffs, arbiters and mediators can be identified.

Each of these legal professions requires special education and qualifications. For example, solicitors, barristers and notaries require a profound education in law, whereas patent attorneys require a more technological and science background with less knowledge in law.

The paper “*Producer Price Index for the Legal Services Industry*” by Richard McKenzie from Australian Bureau of Statistics, available at the Voorburg Group’s website (2001, Orebro) describes the general **business model of legal industry**. It should be kept in mind that the presented model is only a generalization and as a result different discrepancies are observed across the countries. Generally, a common feature of the legal industry is that “in most countries is a small number of large firms to be involved in providing a range of services to corporate clients, and a much larger number of small firms (usually in the form of a sole proprietor or partnership) servicing household and small business needs”<sup>1</sup>.

The results of our conducted survey shows that in most countries who responded small units, based on the number of persons employed constitute the majority – from at least 58% to above 90% of the total number of units. Regarding the turnover generated by legal units and the number of persons employed the contribution of small units is not significant. For the main source of turnover from legal services, legal advisory and representation services were most often mentioned by countries.

Nowadays, in the setting of globalization, the market of legal services develops steadily with the demand for legal services driven mainly by “the increasing legal requirements of corporation”<sup>2</sup>. There is a general tendency for smaller units to merge in order to achieve better economies of scale, or to enter into strategic alliances with other small units. Even during the global crisis, legal companies proved to be flexible and were able to make profits from their activity. Generally, the legal companies moved easily from mergers and acquisitions to liquidations, litigation, debt recovery or restructuring works.

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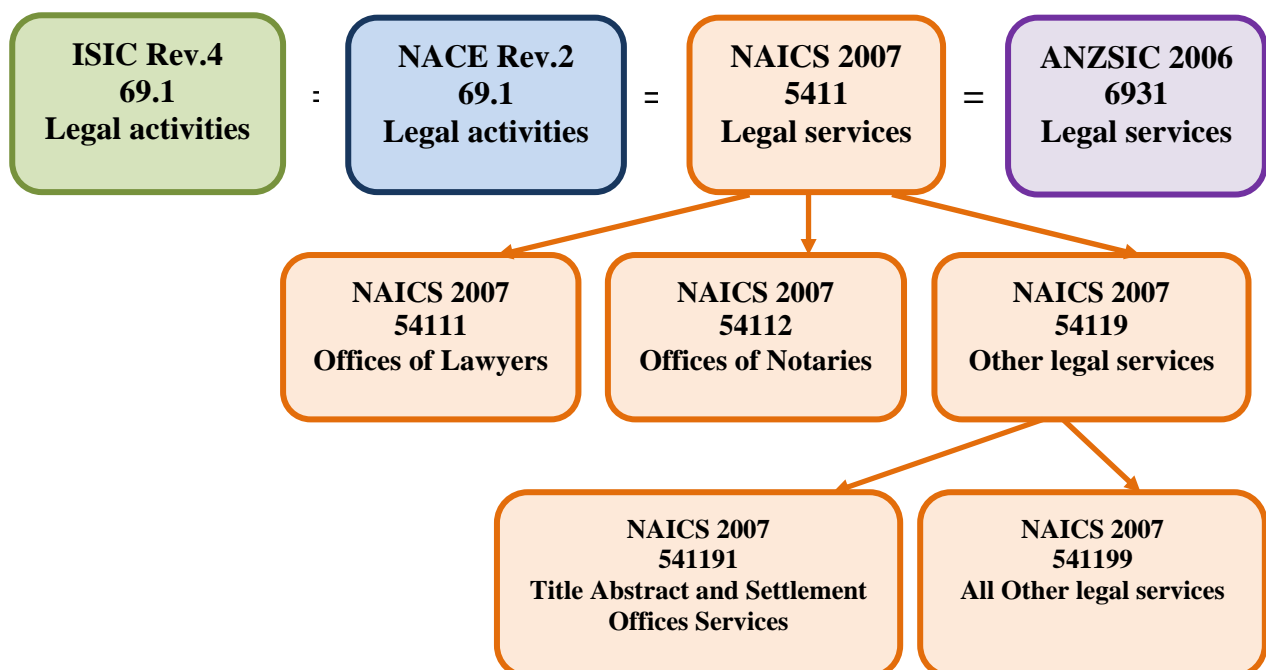
<sup>1</sup> *Producer Price Index for the Legal Services Industry, Richard McKenzie , Australian Bureau of Statistics, 2001, Orebro;*

<sup>2</sup> *See footnote 1*

## CLASSIFICATION ISSUES

Legal activities and their products are classified in various classifications at different levels of detail. The official classification of United Nations (**ISIC Rev.4** - International Standard Industrial Classification of All Economic Activities, Rev.4) and the classification of the European Community (**NACE Rev.2** - Statistical Classification of Economic Activities in the European Community, Rev. 2) classify legal activities into **the class 6910 Legal activities**. While in **NAICS** (North American Industry Classification System) the legal activities are classified into **the class 5411 Legal Services** and in **ANZSIC 2006** (Australian and New Zealand Standard Industrial Classification, 2006) into **the class 6931**. The details of activity and product classifications concerning legal activities are presented in [Appendix 1](#). The diagram and table below compare the different classification systems.

### *Legal activities in industry classifications*



*Legal services in product classifications*

CPC Ver. 2		CPA2008		NACPS for NAICS		Products for ANZSIC 2006	
<b>82.1</b>	<b>Legal services</b>	<b>69.1/ 69.10/ 69.10.1</b>	<b>Legal services</b>	<b>5411</b>	<b>Legal services</b>	<b>6931</b>	<b>Legal services</b>
8211	Legal advisory and representation services concerning criminal law	69.10.11	Legal advisory and representation services concerning criminal law	Legal services, criminal law		Advocate service	
8212	Legal advisory and representation services concerning other fields of law	69.10.12	Legal advisory and representation services in judicial procedures concerning business and commercial law	Legal services, business and commercial law		Barrister service	
		69.10.13	Legal advisory and representation services in judicial procedures concerning labour law	Legal services, labor and employment law		Solicitor service	
		69.10.14	Legal advisory and representation services in judicial procedures concerning civil law	Legal services, family law		Legal aid service	
				Legal services, civil negligence law		Legal service	
			Legal services, other civil law				
8213	Legal documentation and certification services	69.10.15	Legal services concerning patents, copyrights and other intellectual property rights	Patent agent services		Patent attorney service	
		69.10.16	Notarial services	Legal services, real estate law		Notary service	
				Notarization and certification services		Conveyancing service	
8219	Other legal services					Title-searching service	
	82191	Arbitration and conciliation services	69.10.17	Arbitration and conciliation services	Arbitration, mediation and conciliation services	Legal service	
	82199	Other legal services n.e.c				69.10.18	Auction legal services
	69.10.19		Other legal services	Process server services			
				Legal consulting services			
	Legal document filling and searching services						
	Other related products						

## INTERNATIONAL METHODOLOGICAL RECOMMENDATIONS

According to the *Compilation Manual for an Index of Service Production* the **best variable** for measuring the output of legal activities is the **gross turnover deflated by appropriate quality adjusted price indices**. Turnover data should be gained “from survey of enterprises supplying these types of services [legal services] or from administrative data taken from tax returns which could be split by type of other business service supplied”<sup>3</sup>. While the appropriate price indices are the consumer price index (CPI) or the producer price index (PPI) for legal services depending on the type of consumer.

The **gross turnover deflated by a partially representative price index** or **volume indicators**, for example, number of contracts drawn up or the number of billable hours, are presented as **the alternative variables**. The partially representative deflator means partially **representative for legal services producer price index (PPI) or consumer price index (CPI) or general price index**.

In order to meet the national accounts’ needs relating to deflators for gross domestic product it is recommended that the guidelines included in the *Handbook on price and volume measures in national accounts* are followed. It provides information on **the best method for compiling the price indices** based on the type of legal service and customer (see table below)<sup>4</sup>.

Type of legal service	Client	Pricing mechanism	Pricing method	Method A/B/C
Drawing up the contracts for buying houses, wills, marriage contracts et. – “notary” services	households	Most often - fixed tariffs	CPI	A
			Volume indicator – number of contracts drawn up etc.	B
Legal services related to gross fixed capital formation being part of transfer costs of buying property	households and businesses	Fee is related to with the price of property	Percentage fee method	B
		Fixed fee	Direct use of prices of repeated services	B
Other services to businesses	businesses	Total fee = hourly rate*number of hours	Charge-out rates	B
		Fixed-rate on the basis of contact	Contract pricing	A
			Model pricing	A

Source: *Handbook on price and volume measures in national accounts*, Eurostat, pages 105-106

There is also the *Methodological Guide For Developing Producer Price Indices For Services* which describes more comprehensively pricing mechanisms used for charging fees and the

<sup>3</sup> *Compilation Manual for an Index of Service Production*, OECD 2007, page 116;

<sup>4</sup> *Handbook on price and volume measures in national accounts*, Eurostat, pages 105-106;

pricing methods for their statistical observation. The guide specifies two groups of pricing mechanisms for legal services: freely contracted fees and scales of fees. More detailed information on pricing mechanisms is included in the tables below:

*Pricing mechanisms applied in case of freely contracted fees*

<b>Pricing mechanism</b>	<b>Description</b>	<b>Pricing methods</b>
<b>Charge-out rates (hourly rates)</b>	<p>The client pays an amount that equals the multiplication of a person day – usually eight hours - with the hourly rate. The rate itself can be negotiated between client and attorney. It is of interest that the hourly rate in general is independent of the legal activity field. After a long education and intensive practical experiences on the job these experts expect a certain compensation for their work irrelevant of what tasks they have to fulfil for their clients.</p> <p>Many middle-sized and big companies (regarding their turnover) use a list of external commercial hourly rates for different staff levels. Smaller companies may have an average hourly rate for all employees dealing with cases in contrast to large companies where support staff are not billed separately but integrated within the general average rates for professional staff.</p>	<i>Hourly charge-out rates</i>
<b>Ad valorem prices</b>	In many countries, especially in the Anglo Saxon legal systems, <i>ad valorem</i> prices are found as freely negotiated prices (in the Central European countries they rather exist in the legal scales of fee). They are either a proportion of the value of a claim or the fee relates to price classes which represent the various values of claims. Therefore the client does not negotiate about the amount of the value of claim but about the proportion or factor that relates to it	<i>Percentage fee method</i>
<b>Flat rates</b>	Flat rates that integrate all modules for a complete case are also charged - here time and the single service expenditures are not exactly calculated. The client is offered a fix base of calculation, these rates occur more often in the Anglo-Saxon countries than in the others.	<i>Percentage fee method</i>
<b>Success-correlated fees</b>	In the Anglo-Saxon countries free price negotiations are common. In these countries the lawyer's performance is more honoured than elsewhere as fees on success basis are permitted by the legislative which is not allowed in other countries.	<i>Model pricing</i>

Source: *Methodological Guide For Developing Producer Price Indices For Services, OECD,2005, page 98*

*Pricing mechanisms applied in case of scales of fees*

<b>Pricing mechanism</b>	<b>Description</b>	<b>Pricing methods</b>
<b>Fixed fees</b>	In the fee scales a certain amount of fee is listed that relates to a precisely defined legal service. They apply to standard and routine matters that do not require a detailed and elaborate occupation with the case and client (e.g. signature authentication).	<i>Hourly charge-out rates</i>
<b>Ad valorem prices</b>	<p>This kind of fee represents the most important and the most occurring share of turnover derived from the scales of fee. The amount of fee increases stepwise. It does not rise proportionally with growing values of a claim. The proportion of the fee corresponding to the value of a claim decreases as the value of a claim rises.</p> <p>In most cases the legal advisers either set charge-out rates after free price negotiations or they bill <i>ad valorem prices</i> according to the scales of fee.</p>	<i>Percentage fee method</i>

Source: *Methodological Guide For Developing Producer Price Indices For Services, OECD,2005, pages 98-99*



The pricing mechanisms described in the table above leads to the following types of pricing methods being most applicable within this industry: **hourly charge-out rates, percentages fee method and model pricing.**

<b>Pricing methods</b>	<b>Calculation method</b>	<b>Other information</b>
<b>Hourly charge-out rates</b>	<ul style="list-style-type: none"> <li>- data collected via direct inquiry which should ensure that rates are obtained for all categories of staff which are billed by the firm (also support staff if it is specifically billed);</li> <li>- price relatives for each category of staff should be weighted together based on the proportions of turnover generated by each staff category which must also be supplied by the firm;</li> <li>- structure of turnover by staff category should be split by types of legal services;</li> </ul>	<p>It is important to verify whether the reported charge-out rates reflect actual (or approximate) transaction prices and are not simply list or reference prices;</p> <p>Advantages of the charge-out rates approach – short and simple questionnaire;</p> <p>Disadvantages of the charge-out rates approach – less preferred method due to fact that fees are charged independently from performance and success of lawyer.</p>
<b>Percentage fee method:</b>		
Fixed fee	- searching the updates of scale of charges	
Ad valorem prices	<ul style="list-style-type: none"> <li>- when applying the percentage fee method, resulting prices of services change over time due to changes in the scale of charge and values of claims.</li> <li>- estimates on price changes of claims in various activity fields are based on the use of adequate reference price indices, for example for notaries - housing price index;</li> <li>- exceptionally, other reference indices may be considered to be used.</li> <li>- the choice of the index depends on grounds for compensations that the courts generally apply in various kinds of legal cases;</li> </ul>	<ul style="list-style-type: none"> <li>- changes most often dependent on changes in the values of claim;</li> <li>- difficulties in defining representative value of claim as legal cases differ from client to client and time to time;</li> <li>- regarding the patent attorneys there are often difficulties to produce a weighting pattern for various activity fields due to the lack of possibility for identifying the different patent phases;</li> </ul>
<b>Model pricing</b>	- the respondent is asked to define the activities involved in a representative legal service they perform (e.g. obtaining an injunction) and to reprice this service in each subsequent reporting period.	

*Source: Methodological Guide For Developing Producer Price Indices For Services, OECD,2005, pages 99-100*

## OUTPUT /TURNOVER

In accordance with international recommendations the most preferable variable used to reflect the output of legal activities is **turnover**. However, countries also specified other variables, for instance, revenue, receipts, production value, sales of own goods and services or value added at factor cost.

The vast majority of countries that responded to our questionnaire produce data on turnover (18 of 20) at the industrial level either annually, quarterly, monthly or at some other frequency (see in table 1 below). Data are collected within the census or sample surveys or are compiled on the basis of administrative data - VAT. Large enterprises are surveyed within the census while smaller units are surveyed on the basis of sample surveys (most often random stratified samples).

Table 1: Frequency of data collection and data source for countries which compile or plan to compile data on turnover at the industry level for legal services

Frequency	Number of countries	Data source
annually	18	census, sample survey, administrative data
quarterly	6	sample survey, administrative data
monthly	8	
with other frequency- every five years	1	census
with other frequency- every two months	1	administrative data

Most of the surveyed countries (15 of 20) also stated that they compile data on turnover by product (mainly annually, biennially – see in table 2 below) which are used for producing the system of weights for the SPPI. Sample survey is the main data source. However, data are also collected within the census or from administrative data. In many countries the whole population is not covered; only areas legally required by the European Union. In compliance with the Regulation (EC) No 295/2008 of the European Parliament and of the Council of 11 March 2008 concerning structural business statistics, Member States are obliged to provide Eurostat with data on turnover by product and residence of client for the population of entities with 20 or more employees. As a result a lot of countries limited the population frame to this.

Table 2: Frequency of data collection and data source for countries which compile or plan to compile data on turnover at the product level for legal services

Frequency	Number of countries	Data source
annually	9	sample survey, administrative data
biennially	5	sample survey
with other frequency – every five years	1	census

In summary, in the EU countries, information on turnover for legal activities is produced in compliance with the Regulation (EC) No 295/2008 of the European Parliament and of the Council of 11 March 2008 concerning structural business statistics. As a result, from 2008 member states are obliged to compile annual data on turnover at the industry level for group 69.1 by NACE Rev.2 Legal activities and every second year annual data on turnover by product (by CPA 2008). As far as the short-term statistics are concerned there is no obligation to produce data on turnover separately for legal activities<sup>5</sup>. However, most of the EU countries compile this data for national purposes.

Data on turnover are published at the national level in the following forms: internet publications, paper publications, public databases. Moreover, in the case of EU countries data on turnover are published on the Eurostat's website.

### **MAIN CHALLENGES IN DEVELOPING TURNOVER FOR LEGAL SERVICES**

Among the challenges concerning the turnover/output statistics countries mentioned:

- Decreasing and effectively managing the respondent burden which mainly results from the obligation to deliver data on turnover by product;
- The method of counting the establishments - every lawyer working at a law firm which does not have corporate status should be counted as one establishment respectively, but the law firm is sometimes counted as one establishment regardless of the number of lawyers in the business frame;
- Difficulties in properly measuring the output of legal activities due to the different ways of establishing prices in the industry;
- Meeting the legal requirements and user needs;

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<sup>5</sup> In compliance with Regulation.... The EU countries are obliged to compile quarterly data on turnover for grouping by NACE Rev.2: 69 and 70.1 together

- Difficulties in selecting appropriate samples for surveys in order to adequately reflect output and profit levels.
- The environment of legal professionals - strong lobby that is resistant to providing statistical information;

## **RECOMMENDATIONS**

Based on the information provided by various countries it can be stated that the variable which best reflects the output of the legal industry is **turnover**.

In order to meet all the requirements reported by users it is highly recommended that data is compiled on turnover at both the industry and the product level. Annual information on turnover for legal activities at the industry level presents changes in values and allows the growth of the legal services sector to be assessed. Data on turnover at the product level shows the phenomena which takes place within the industry. Moreover, data on turnover by product is used when constructing the SPPI for legal services. In order to obtain more in depth insight into the legal industry it is helpful to analyze short-term data on turnover (turnover indices) which reveal the trends and cycles specific to the legal industry.

## **SERVICE PRODUCER PRICE INDICES (SPPIs)**

The first sector paper on legal services was presented at the 2001 Voorburg Group meeting in Orebro, Sweden. At the time this paper was written Australia, New Zealand, Japan and the United States had developed SPPIs for legal services. Papers describing methods used in Australia, New Zealand, Germany and Israel have been presented at previous Voorburg group meetings.

From the answers to our survey, 14 countries have developed SPPIs for legal services in whole or in part (New Zealand has also developed an SPPI but was not included in the survey). Both the United Kingdom and Poland are currently developing SPPIs for this industry. Countries that have developed an SPPI for this industry are Australia, Austria, Finland, France, Germany, Ireland, Israel, Japan, Netherlands, Norway, Spain, Sweden, United States, and Slovenia. Information regarding the methods used by various countries can be found in Appendix 2.

Legal services are sometimes published together with other indices for example ‘accounting, bookkeeping and auditing activities’ or ‘business management consultancy’. Countries such as Austria only collect and publish legal services indices on an industry level. 9 countries collect and publish legal services indices at the product level.

Some countries including Israel, Japan, Norway and Slovenia aim to cover the whole of the industry. Others focus on a few selected areas. For example, Austria only include legal advice (legal advice given by the lawyer, general counselling) and legal representation (e.g. if a case is brought to court) and do not include patent attorneys and notaries. Finland covers legal representation activities. The Netherlands cover lawyers and notarial services. Countries such as the UK and France are focusing on business to business services. The scope of the legal services index in Australia is restricted to business clients. Further investigation is required to develop and extend coverage of the wide range of legal activities undertaken

## **PRICING METHODS**

A number of different pricing methodologies have been adopted in SPPIs for this industry. The main pricing method used is a time based method based on hourly charge-out rates.

It was recognised by McKenzie that most forms of charging within the legal services industry are based on an analysis of the time involved for the various mix of staff (e.g. partners, associates, juniors) required to provide the service. The direct use of hourly charge-out rates is a common form of billing in most countries. Hourly charge-out rates are often collected with the assumption that changes in hourly charge-out rates will approximate changes in the final charges paid by clients<sup>6</sup>. Model pricing and contract pricing are also quite common. A detailed description of pricing methods can be found in the joint OECD/Euostat “Methodological guide for developing producer price indices for services” and the “Thesaurus of Producer Price Indices for Services”.

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<sup>6</sup> McKenzie, Richard (2001), Producer Price Index for the Legal Services Industry, Australian Bureau of Statistics, Australia, 16th Voorburg Group

## **PRICING METHODS BASED ON WORKING TIME**

Most countries indicated some use of methods based on working time. Respondents may be asked to provide a selection of hourly charge-out rates for a specific type of project that is representative of the firm's activities. Hourly charge-out rates provided by firms are often collected by level of staff/qualification category.

Hourly charge out rates may be collected as part of a model specification. For example, in the United States models are constructed based on previous billing invoices for services rendered to an individual client. Where the invoice specifies the charges of individual legal professionals that provided the service, each of these rates are updated in future periods. Charges for other expenses such as travel are also updated.

In Australia respondents are asked to report a selection of hourly charge out rates by staff level, for a project for a major client. This is considered to be close to constant quality pricing. Where there is reluctance on the part of the solicitor to reveal their cost structure, tendering contracts (if accessible) are used as a source of hourly rates<sup>7</sup>.

Japan monitors monthly or hourly fees for attorney services (covering advisory services only). To maintain constant quality, monthly fees for services for specified clients from the same attorneys are monitored and for hourly fees the same attorneys are monitored (clients are not specified here as the hourly fees do not depend on the client). Where organisations provide hourly fees categorized by the length of experience of attorneys, attorneys with the same length of experience, not the same attorneys are surveyed<sup>8</sup>.

The United Kingdom is conducting a pilot survey in the legal services industry during 2010. Standard hourly charge out rates are collected along with the hours billed and the total fees billed during the quarter. The ratio between what was actually billed for the hours and what would have been billed had the standard rates been used is calculated. This is used to adjust the standard rates to try to get a measure of actual charge out rates, as the standard rates are not always used. This method is still in the early stages of testing and the United Kingdom are still considering other ways of using the charge out rates, for example, if adjusting the standard rates proves volatile these may be collected without adjustment.

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<sup>7</sup> Collins, David (2000), Australian Price Indexes for Legal Services, Australian Bureau of Statistics, Australia, 15th Voorburg Group

<sup>8</sup> McKenzie, Richard (2001), Producer Price Index for the Legal Services Industry, Australian Bureau of Statistics, Australia, 16th Voorburg Group

## OTHER PRICING METHODS

Most countries that use a time based pricing method supplement this with other methods. The use of different pricing methods is necessary as different pricing mechanisms tend to be used within the industry for different types of work. Fixed fees are common for more routine legal matters, such as drawing up a simple will. A fixed rate is typically employed when both the time and staffing level needed to complete the project are known in advance. Ad valorem pricing is where the price is a proportion of the value of the subject of the legal work, for example the value of a property being conveyed or the amount recovered in court action. The actual fee is subject to risk and may have little relation to hourly charge-out rates<sup>9</sup>.

Model pricing is used by Ireland, Israel, Netherlands and the United States. Contract pricing is used by Australia, Ireland, Israel and Japan.

For model pricing, specifications are developed (in consultation with legal professionals) for a range of legal services provided by the industry. These specifications are then sent to respondents each sample period for re-pricing.

Statistics New Zealand uses the model pricing approach. Specifications were developed for a range of legal services provided by the industry. Charge-out rates for practitioners with particular levels of experience are used to supplement the model prices<sup>10</sup>.

The United States, in addition to collecting hourly rates, collect fixed fees for real estate transactions, simple divorces, simple wills etc<sup>11</sup>. As discussed above, in the United States models are constructed based on previous billing invoices for services rendered to an individual client. Where a contingency fee is charged (i.e. the lawyer receives all or part of their fee as a percentage of the remedy payment received by a litigant if their case is successful or settled out of court), respondents estimate the dollar value of the settlement or penalty they would receive if the case were to be taken in the current period.

Israel also re-price fixed fees, but as this only covers a small part of the industry, they also collect contract fees. The fixed monthly rate paid by a particular customer according to a long-

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<sup>9</sup> See footnote 8

<sup>10</sup> McKenzie, Richard (2001), Producer Price Index for the Legal Services Industry, Australian Bureau of Statistics, Australia, 16th Voorburg Group

<sup>11</sup> See footnote 10

term contract, for a variety of legal services, is monitored. This rate is determined once a year, by the law firm and the customer<sup>12</sup>.

Some countries, such as Austria, Germany and France, have a higher degree of regulation. Within these countries some parts of the industry are governed by industry regulators who set fees that have to be used by the industry. In such cases fees set by these bodies can be monitored. For example, more than half of the fees that German lawyers charge their clients are calculated according to statutes especially set for lawyers and notaries by the legislative 'scales of fee'. In the German legal system lawyers are not permitted to charge rates on a success basis. Some parts of the legal sector are governed by scales of fee, some by free price negotiations and some a combination of the two<sup>13</sup>.

Japan track different types of registration fees for patent attorney services and judicial scrivener services. For example, they track four types of registration fees from the same patent attorneys: patents, trademarks, designs, and utility models. For judicial scrivener services, they survey three types of registration fees among the same judicial scriveners per 100 million yen of object to be registered<sup>14</sup>.

## **MAIN ISSUES WITH THE MEASUREMENT OF PRICE INDICES**

The main concerns for this industry relate to the use of hourly charge out rates as an indicator of service prices. A number of potential concerns were highlighted in New Zealand's paper<sup>15</sup>:

- Labour productivity increases will result in the charge-out rates overstating the true price change for the service.
- While labour costs will often account for the majority of the costs in the provision of many business services, there will often be other components (materials, disbursements, overhead charges etc.) which will contribute to the final cost of the service.

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<sup>12</sup> Assaf, Sima (2003), Service Price Index for Legal Services, Central Bureau of Statistics Israel, Israel, 18th Voorburg Group

<sup>13</sup> Stroh, A and Lorenz, S (2004), PPI for Legal Activity, Auditing and Tax Consulting Services in Germany, Federal Statistical Office Germany, Germany, 19th Voorburg Group

<sup>14</sup> McKenzie, Richard (2001), Producer Price Index for the Legal Services Industry, Australian Bureau of Statistics, Australia, 16th Voorburg Group

<sup>15</sup> McKenzie, Ron (2000), Legal Services within Producer Price Indexes - The New Zealand Experience, New Zealand, 15th Voorburg Group



- Charge-out rates can often remain constant for long periods of time, whereas the true price of the service may well be increasing. This can be due to invoices containing greater billed hours or higher overhead charges. This would lead to the charge-out rate under-stating the true inflationary pressures in the short term, and then recording periodic dramatic increases

Another concern is the difficulties in maintaining constant quality for measured services. As staff gain experience and their skills improve the quality of the services they provide will change. It is difficult to estimate this quality change. Using the length of experience to estimate quality change has been suggested as one approach. However, accurately determining quality changes by length of experience can be difficult. The rate of improvement might differ between staff and other factors can affect improvements in skill, such as the provider's own effort. Using degree of user satisfaction for estimating quality change has also been suggested, but to date no methods have been determined to estimate this<sup>16</sup>.

Whilst conducting their pilot survey, The United Kingdom, have experienced difficulties with legal firms changing their mix of staff. This causes difficulties in monitoring the same staff grades each quarter and in maintaining constant quality. For example, a firm may provide standard charge out rates for a number of staff grades e.g. partner, solicitor and trainee. A solicitor may leave the firm and be replaced by a more experienced solicitor. The standard charge out rate for solicitor may then increase. As the solicitor is more experienced this increase in rate could be considered a quality change. However, if the solicitor continues to provide the same services, it could be argued that this is a price change. Deciding how to account for these types of changes adds to the difficulties of using charge-out rates.

The United Kingdom has also experienced difficulties with respondents providing average standard charge out rates. Each fee earner at a particular grade may have a different charge out rate. Respondents may therefore provide the average rate for all fee earners at that grade. This average will then be affected by changes in the mix of fee earners such as fee earners leaving or joining. Deciding how to account for these changes is also difficult.

It is recognised that some parts of the industry are difficult to measure. Where ad valorem pricing is used, the concept of a constant quality service is difficult to define since every case is different and the price for the service is dependent on the outcome of the case. It is difficult to

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<sup>16</sup> See footnote 14

survey services for lawsuits with constant quality, because contracts for these services are different and happen just once. When similar cases occur, the appropriate method for adjusting for quality differences between cases is unknown<sup>17</sup>.

Australia initially attempted a detailed model pricing approach. However it was found that collecting the data for the model was very difficult and that collecting contract prices in terms of hourly rates was more practical for the respondents and adequately reflected price movements. Model pricing is difficult because the mix of staff and factors contributing to each case differ between cases, and throughout the industry there are different bands of legal professionals (i.e., the classification of staff differs amongst firms)<sup>18</sup>.

In an attempt to ensure constant quality New Zealand also aimed to use a model approach to pricing services. However, in many instances the development of such model prices was not possible and in practice service prices have been represented by hourly charge-out rates collected from service providers<sup>19</sup>. The Netherlands attempted to use model pricing for notarial services. Whilst this was suitable for larger companies, smaller companies were unable to provide representative models. Hourly rates are therefore used for these instead.

The United States also recognised problems with re-pricing a model specification. They provide respondents with a copy of all the inputs (numbers and types of labour, number of hours, and the billing rate for each input, plus any additional charges for other services) and ask for an update. Theoretically, if the service is provided differently (e.g. less labour required) the respondent should change the listed inputs but this may not happen in practice<sup>20</sup>.

New Zealand conducted an investigation into the validity of using charge-out rates to represent services activities. They compared charge-out rates for barristers and solicitors with model prices collected for a range of legal services. They observed that hourly charge-out rates have a tendency to move in a "stepwise" manner, consistent with expectations. While there were clearly some short-term differences in the index series derived from using model prices as opposed to charge-out rates for legal services, over the medium to long-term these differences were not

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<sup>17</sup> McKenzie, Richard (2001), Producer Price Index for the Legal Services Industry, Australian Bureau of Statistics, Australia, 16th Voorburg Group

<sup>18</sup> Collins, David (2000), Australian Price Indexes for Legal Services, Australian Bureau of Statistics, Australia, 15th Voorburg Group

<sup>19</sup> McKenzie, Ron (2000), Legal Services within Producer Price Indexes - The New Zealand Experience, New Zealand, 15th Voorburg Group

<sup>20</sup> McKenzie, Richard (2001), Producer Price Index for the Legal Services Industry, Australian Bureau of Statistics, Australia, 16th Voorburg Group

necessarily as large as might have been expected (The investigation focused on a specific business service and comparisons with other services can not be readily made)<sup>21</sup>.

## **COSTS AND BENEFITS OF ALTERNATIVE PRICING METHODOLOGIES**

The fixed fee method is appealing in that it is relatively low cost and should be effective in pricing to constant quality. However, the fixed fee method may only cover a small proportion of the revenue earning activities of the legal services industry in most countries<sup>22</sup>. For model pricing, specifications have to be developed in conjunction with professionals in the area, and require periodic updating which is time consuming and costly. There are also costs for the respondent in terms of reporting time.

The collection of hourly charge-out rates, despite its draw backs, tends to be favoured by many countries. Charge-out rates tend to be readily available and easy for firms to provide (minimising reporting burden) and as they form the basis for the prices charged in a large range of legal services, they seem to adequately reflect changes in prices. Therefore, charge-out rates can provide a relatively easier and low cost method of measuring price change compared to other methods.

## **OTHER CONSIDERATIONS**

The majority of countries collect their information via survey. Some countries supplement survey information with that from organisations. For example, Austria uses official price lists from the bar association for legal representation and survey information for legal advice. France use data from notaries-organisations for notaries and surveys for lawyers. Germany uses the official regulated tariff fee and completes a survey on hourly fees for lawyers. Slovenia use only administrative data.

In nearly all countries data collection is quarterly; the exceptions are Japan, USA and Slovenia, where prices are collected monthly. Slovenia collect prices on a monthly basis but after the reference quarter the monthly prices for a particular service are recalculated as an average quarterly price.

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<sup>21</sup> McKenzie, Ron (2000), Legal Services within Producer Price Indexes - The New Zealand Experience, New Zealand, 15th Voorburg Group

<sup>22</sup> See footnote 20

14 countries publish their results (Australia, Austria, Finland, France, Germany, Ireland, Israel, Japan, Netherlands, Norway, Spain, Sweden, United States and Slovenia). The majority of these publish the results on their websites. Countries that have conducted analysis on the goodness of the published data include Australia, Germany, Norway and the United States. In Germany ad-hoc-controls are conducted if there is any market information or studies of the chambers. Norway has estimated a 95 per cent confidence interval. The interval has been very stable during a period of 5 years. For other indices the interval usually increases with time, but this tendency is weak for the price index for legal activities. The United States recently compared the trends of the PPI legal services index movement to price movement trends as reported in the U.S. legal industry trade press. These trends were found to be very similar. Confidential response rate data is also regularly evaluated.

### **MAIN CHALLENGES IN DEVELOPING THE INDEX FOR LEGAL SERVICES**

The main challenges highlighted by countries include reluctance from respondents and other associations to provide assistance and release information. Negotiation and discussions with such parties are required to gain their support. The industry is very dynamic, services do not tend to be repeated and different pricing mechanisms are used for different services. This makes determining the most appropriate pricing method and controlling for quality difficult. Defining specifications, for model pricing, is difficult as each legal case is different involving a different mix of staff and activities. Response burden and costs are key challenges for many countries.

## RECOMMENDATIONS

The following table summarises the issues described above for each of the pricing methods used within the legal services industry. Based on the experiences of various countries hourly charge out rates is the most preferred pricing method and model pricing the least preferred.

<b>Pricing methods</b>	<b>Category</b>	<b>Information</b>	<b>Issues</b>
<b>Fixed fee</b>	<b>A method</b>  Best method for part of the industry for which it is applicable but is not appropriate for all legal services.	<ul style="list-style-type: none"> <li>- Common for routine legal work</li> <li>- May monitor fees set by industry bodies</li> <li>- Usually used to supplement hourly rates</li> <li>- Low cost and effective in pricing to constant quality</li> </ul>	<ul style="list-style-type: none"> <li>- Often only covers a small part of the industry</li> <li>- Rarely get repeated constant quality services</li> </ul>
<b>Contract pricing</b>	<b>A method</b>  Best method for part of the industry for which it is applicable but is not appropriate for all legal services.	<ul style="list-style-type: none"> <li>- Monitor monthly rate paid by a particular customer according to a long term contract</li> <li>- Usually used to supplement hourly rates</li> </ul>	<ul style="list-style-type: none"> <li>- May only cover a small part of the industry</li> <li>- Difficult to measure a constant quality service</li> </ul>
<b>Hourly charge-out rates</b>	<b>B Method</b>  Adequate compromise between what ideally want to collect and what able to collect in practice	<ul style="list-style-type: none"> <li>- Most used pricing method, favoured by many countries</li> <li>- May collect a selection of hourly charge-out rates for a specific type of representative project</li> <li>- May be collected as part of a Model specification</li> <li>- May collect by staff level or for staff with the same length of experience</li> <li>- Readily available and easy for firms to provide</li> <li>- Forms the basis for prices charged in a large range of legal services and adequately reflects changes in prices</li> <li>- Easier and low cost compared to other methods</li> </ul>	<ul style="list-style-type: none"> <li>- Labour productivity increases result in the true price change being overstated</li> <li>- Other costs other than labour contribute to the total cost of the service</li> <li>- Charge-out rates can remain constant whereas the true price of services may be increasing</li> <li>- Difficult to measure constant quality as when staff gain experience their skills improve</li> <li>- Firms may regularly change their mix of staff</li> </ul>
<b>Model pricing</b>	<b>C Method</b>  Conceptually is the best approach but is difficult to apply in practice.	<ul style="list-style-type: none"> <li>- Specifications developed in consultation with legal professionals</li> <li>- Usually used to supplement hourly rates</li> </ul>	<ul style="list-style-type: none"> <li>- Defining specifications is difficult as each legal case involves a different mix of staff and activities.</li> <li>- Inputs may change but companies may not update the model</li> <li>- Require periodic updating which is time-consuming and costly</li> <li>- Costs for respondents in terms of reporting time</li> <li>- Countries experienced difficulties with this method (countries moved to hourly rates or contract pricing in terms of hourly rates instead)</li> </ul>

## **SUMMARY:**

- 1) There are two types of legal systems: the continental European legal system and the Anglo-Saxon legal system. In continental Europe the market of legal services is more regulated by government than in the Anglo-Saxon countries. However, in all countries there are different regulatory bodies (dependent or independent of government) such as law societies or bar associations. Moreover, in the Anglo-Saxon countries fees are usually agreed after free price negotiations and sometimes on a success basis whereas in the countries of continental Europe the fees are set on the basis of scales of fees. These determine the functioning of the legal services market and, as a result, influence pricing mechanisms and pricing methods.
- 2) Nowadays, the market of legal services develops steadily with the demand for legal services driven by “the increasing legal requirements of corporation”<sup>23</sup>. A common feature of the legal industry is that “in most countries is a small number of large firms to be involved in providing a range of services to corporate clients, and a much larger number of small firms (usually in the form of a sole proprietor or partnership) servicing household and small business needs”<sup>24</sup>. There is a general tendency for smaller units to merge in order to achieve better economies of scale, or to enter into strategic alliances with other small units. Even during the global crisis, legal companies proved to be flexible and were able to make profits from their activity.
- 3) The best variable for measuring the output of legal activities is the gross turnover deflated by appropriate quality adjusted price indices. The appropriate price indices are the consumer price index (CPI) or the producer price index (PPI) for legal services depending on the type of consumer.
- 4) The vast majority of countries produce data on turnover at the industry level as well as at the product level. Additionally, in order to make comprehensive analyses of the legal industry it is recommended that short-term data on turnover, which presents the trends and cycles specific to this industry, are observed.

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<sup>23</sup> *Producer Price Index for the Legal Services Industry, Richard McKenzie , Australian Bureau of Statistics, 2001, Orebro;*

<sup>24</sup> *See footnote 1*

- 5) The survey is the main source of data on turnover. However, more and more countries make use of administrative data, especially VAT data, when they compile data on turnover.
- 6) When compiling data on turnover as well as the SPPI for legal services it's recommended and extremely helpful to cooperate with professional bodies, such as law societies and bar associations, who are usually reluctant to provide assistance and information.
- 7) In producing an SPPI for the legal services industry, most countries have adopted a time based pricing method involving the use of hourly charge out rates. A number of issues have been identified with the use of hourly charge out rates which need to be considered. However, charge-out rates can provide a relatively easier and low cost method of measuring price change compared to other methods.
- 8) Difficulties have been experienced by a number of countries in attempting to implement a model pricing approach. Fixed fees and contract pricing are also used but these are only applicable to a small part of the legal services sector.
- 9) The majority of countries collect pricing information via survey. Some countries supplement this survey information with that from organisations. In nearly all countries data collection is quarterly; the exceptions are Japan, USA and Slovenia, where prices are collected monthly.
- 10) The main challenges in developing an SPPI for this industry include: reluctance from respondents and other associations to provide assistance and release information; services do not tend to be repeated; different pricing mechanisms are used for different services; each legal case is different involving a different mix of staff and activities. Response burden and costs are also key challenges for many countries.

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## APPENDIX 1

Table 1. Comparability between classification systems of the United Nations and the European Community

United Nations				European Community				
ISIC REV.4		CPC Ver.2		CPA2008		NACE Rev.2		
69.1	Legal activities	82.1	Legal services	69.1	Legal services	69.1	Legal activities	
			8211	Legal advisory and representation services concerning criminal law	69.10			Legal services
				8212	Legal advisory and representation services concerning other fields of law			69.10.1
		69.10.11	Legal advisory and representation services concerning criminal law					
		69.10.12	Legal advisory and representation services in judicial procedures concerning business and commercial law					
		69.10.13	Legal advisory and representation services in judicial procedures concerning labour law					
		69.10.14	Legal advisory and representation services in judicial procedures concerning civil law					
		69.10.15	Legal services concerning patents, copyrights and other intellectual property rights					
		69.10.16	Notarial services					
		8219	Other legal services	69.10.17	Arbitration and conciliation services			
82191	Arbitration and conciliation services							
82199	Other legal services n.e.c							
8213	Legal documentation and certification services	69.10.18	Auction legal services					
		69.10.19	Other legal services					

- legal representation of one party's interest against another party, whether or not before courts or other judicial bodies by, or under supervision of, persons who are members of the bar (advice and representation in civil cases, advice and representation in criminal cases, advice and representation in connection with labour disputes);
- general counselling and advising, preparation of legal documents (articles of incorporation, partnership agreements or similar documents in connection with company formation, patents and copyrights, preparation of deeds, wills, trusts etc.);
- other activities of notaries public, civil law notaries, bailiffs, arbitrators, examiners and referees;

Table 2. The North American Industry Classification System (NAICS) and list of corresponding products for NAICS (NAPCS)

NAICS			NAPCS
<u>5411</u>	Legal Services		
<u>54111</u>	Offices of Lawyers	comprises offices of legal practitioners known as lawyers or attorneys (i.e., counselors-at-law) primarily engaged in the practice of law. Establishments in this industry may provide expertise in a range or in specific areas of law, such as criminal law, corporate law, family and estate law, patent law, real estate law, or tax law.	Legal services, criminal law
			Legal services, real estate law
			Legal services, family law
			Legal services, business and commercial law
			Legal services, civil negligence law
			Legal services, labor and employment law
			Legal services, other civil law
			Arbitration, mediation and conciliation services
			Patent agent services
			Process server services
			Legal consulting services
			Legal document filling and searching services
			Legal translation services
			Other related products
<u>54112</u>	Offices of Notaries	comprises establishments (except offices of lawyers and attorneys) primarily engaged in drafting, approving, and executing legal documents, such as real estate transactions, wills, and contracts; and in receiving, indexing, and storing such documents	Notarization and certification services

<u>54119</u>	Other Legal Services		
<u>541191</u>	Title Abstract and Settlement Offices	comprises establishments of legal practitioners (except lawyers and attorneys) primarily engaged in providing specialized legal or paralegal services.	Legal consulting services
<u>541199</u>	All Other Legal Services	comprises establishments of legal practitioners (except offices of lawyers and attorneys, settlement offices, and title abstract offices). These establishments are primarily engaged in providing specialized legal or paralegal services.	Legal document filling and searching services
			Other related products
			Patent agent services
			Process server services
			Notarization and certification services
			Legal consulting services
			Legal document filling and searching services
			Legal translation services
			Appraisal services
			Seizure and execution services
			Other related products
541930	Translation and Interpretation Services	comprises establishments primarily engaged in translating written material and interpreting speech from one language to another and establishments primarily engaged in providing sign language services.	Legal translation services
54199	All Other Professional, Scientific, and Technical	comprises establishments primarily engaged in the provision of professional, scientific, or technical services (except legal	Arbitration, mediation and conciliation services

	Services	services; accounting, tax preparation, bookkeeping, and related services; architectural, engineering, and related services; specialized design services; computer systems design and related services; management, scientific, and technical consulting services; scientific research and development services; advertising, public relations and related services; market research and public opinion polling; photographic services; translation and interpretation services; and veterinary services).	Appraisal services
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*Table 3. The Australian and New Zealand Standard Industrial Classification and list of corresponding products*

<b>ANZSIC 2006</b>																					
6931	Legal services	consists of units mainly engaged in providing legal representation and advice and the preparation of legal documents. Also included are units mainly engaged in establishing the legal ownership of a property such as title-searching services	<table border="1"> <tr> <td data-bbox="1422 699 1478 756"></td> <td data-bbox="1478 699 2042 756">Advocate service</td> </tr> <tr> <td data-bbox="1422 756 1478 812"></td> <td data-bbox="1478 756 2042 812">Barrister service</td> </tr> <tr> <td data-bbox="1422 812 1478 869"></td> <td data-bbox="1478 812 2042 869">Conveyancing service</td> </tr> <tr> <td data-bbox="1422 869 1478 925"></td> <td data-bbox="1478 869 2042 925">Legal aid service</td> </tr> <tr> <td data-bbox="1422 925 1478 983"></td> <td data-bbox="1478 925 2042 983">Legal service</td> </tr> <tr> <td data-bbox="1422 983 1478 1038"></td> <td data-bbox="1478 983 2042 1038">Notary service</td> </tr> <tr> <td data-bbox="1422 1038 1478 1096"></td> <td data-bbox="1478 1038 2042 1096">Patent attorney service</td> </tr> <tr> <td data-bbox="1422 1096 1478 1152"></td> <td data-bbox="1478 1096 2042 1152">Solicitor service</td> </tr> <tr> <td data-bbox="1422 1152 1478 1208"></td> <td data-bbox="1478 1152 2042 1208">Title-searching service</td> </tr> </table>		Advocate service		Barrister service		Conveyancing service		Legal aid service		Legal service		Notary service		Patent attorney service		Solicitor service		Title-searching service
	Advocate service																				
	Barrister service																				
	Conveyancing service																				
	Legal aid service																				
	Legal service																				
	Notary service																				
	Patent attorney service																				
	Solicitor service																				
	Title-searching service																				

## APPENDIX 2

Country	Year Data Collection Began	Pricing Methods	Sampling Techniques	Sample Size	Price Quotations
<b>Australia</b>	September 1998	<p>Specification/Transaction pricing - representative services are selected along with conditions of sales. Respondents report a selection of hourly rates by the level of staff, for a project for a major client.</p> <p>Contract pricing - clearly defined specifications to respondent's key clients are monitored over ongoing large contracts.</p> <p>Tendering contracts (if accessible) are a source of hourly rates.</p>		Confidential	
<b>Austria</b>	2006 (Legal representation) 2010 (Legal advice)	<p>Scale fees (legal representation)</p> <p>Charge out rates per qualification category (legal advice)</p>	Cut off sample (source: business register)	~150	
<b>Finland</b>	2002	Hourly charge-out rates	<p>PPS sampling based on turnover (source: business register)</p> <p>From statistical year 2008 - able to use ServCom statistics.</p>	21	21
<b>France</b>	2006	<p>Global turnover divided by number hours: 3%</p> <p>Turnover by sector divided by number hours: 4%</p> <p>Price of real services: 15%</p> <p>Services for identified customers: 4%</p> <p>Charge out rates by sector: 16%</p> <p>Charge out rates by qualifications: 52%</p> <p>Charge out rates (global): 6%</p>	<p>From register (lawyers)</p> <p>(For notaries, data collected from notaries-organisations)</p>	66 (lawyers)	968 (lawyers)
<b>Germany</b>	2004	<p>Model pricing for the official regulated tariff fees (notaries and lawyers)</p> <p>Hourly rates (lawyers – to account for negotiated fees)</p>	Random sample		~660 hourly rates for different working positions (survey of enterprises, lawyers)

		Patent attorneys: not yet decided			~200 model prices (lawyer official regulated tariff fee) ~60 model prices (notaries)
<b>Ireland</b>	2005	Time based, model and contract (dependant on respondents preference)	Sample chosen in 2004 (number of large enterprises added in 2007)	19	~140
<b>Israel</b>	2003	Hourly charge out rate Fixed fee Model pricing Contract pricing Unit values	Select companies used for the Trade & Services survey and from the 'Dun's Guide'	22	142
<b>Japan</b>	January 1985	Contract, pricing based on working time (attorney services) Contract, unit value, pricing based on working time (patent attorney services) Contract (judicial scrivener services)	Select representative companies by interviewing industries' associations, related ministries and investigating published data	Do not release the sample size for each item	163 (for legal and accounting services)
<b>Netherlands</b>	2003	Hourly rates (lawyers) Hourly rates and model pricing (notarial services)	>100 employees: census >5 employees: random sample (based on employment strata - strive for a good representation per stratum)	53 (lawyers) 98 (notarial services)	331 (lawyers) 940 (notarial services)
<b>Norway</b>	Q1 2005	Hourly charge-out rates	PPS sampling	90	
<b>Spain</b>	2006	Charge out rate and transaction price of a product (dependant on enterprise's invoice method)	Cut-off survey with sampling (stratified, with one exhaustive strata) above the cut-off and no survey below the cut-off (Turnover > 100.000€ and more than 1 employee)	94	
<b>Sweden</b>	2003	Time based method for representative service	New PPS-samples every year with 20% rotation, two stratum (big cities, rest of country)	~30 (69.101) ~10 (69.102)	~160
<b>United Kingdom</b> (Pilot Survey)	Pilot began in April 2010 collecting data for Q1 2010	Time based method using standard hourly rates. Collect hours billed, standard hourly charge out rates and fees billed during the quarter. Standard rates are adjusted using the actual fees billed.	Stratified random sample from the UK Business Register. Stratified by employment	Still developing	

<b>USA</b>	January 1997	<p>Model pricing based on a previous billing invoice for services rendered to an individual client</p> <p>When the selected invoice specifies the charges of individual legal professionals, each of these rates are updated in future periods. Charges for incidental expenses such as travel and document reproduction are also updated.</p> <p>When a contingency fee is charged (i.e. the lawyer receives all or part of their fee as a percentage of the payment received if their case is successful or settled out of court), respondents estimate the dollar value of the settlement or penalty the project would occur if the case were to be taken in the current period.</p>	Probability proportionate to size sampling of the universe of U.S. offices of lawyers that have employees	Confidential.	~800
<b>Slovenia</b>	Q4 2005	Prices are collected directly from the Attorneys' Tariff and from the Notary Tariff. These are published on the websites of the Bar Association of Slovenia and Slovenian Notary Chamber.		No sample is drawn	24