

Alternative Fee Arrangements With Outside Firms Level Off

The portion of Norton Rose Fulbright's **2017 Litigation Trends Annual Survey** that covers alternative fee arrangements presents a puzzling picture that probably reveals the challenges of bringing about changes in the way external counsel are instructed, the firm reports.

Last year, 37 percent of respondents predicted they were going to increase their use of AFAs.

"Those who have used AFAs over the year are almost universally satisfied with the quality of the work they have received," according to the report. "But, despite this, the use of AFAs (56 percent) and their average spend under an AFA (28 percent) are largely unchanged since last year.

"The inherent unpredictability of many types of dispute could be placing a ceiling on the proportion of matters where both parties feel confident operating under an AFA. However, staged approaches to AFAs can help to overcome this. Predictions for 2018 once again show a rise in AFAs – it will be interesting to see if this materializes or whether inertia persists."

The survey also looks in detail at other major areas of concern, including regulatory investigations; class actions and environmental disputes.

Read the survey report.

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