

**Statement**  
**March 24, 2014**

**The following statement was issued by the IMF staff regarding a press statement made by EU Commissioner for Justice, Viviane Reding, on March 17, 2014:**

“The Commissioner expressed concern that the IMF, as part of the EU-IMF supported adjustment program, asked Ireland to propose reforms to the organization of the legal profession that would undermine its independence, as well as that of the judiciary.

The IMF considers the rule of law to be a key ingredient in fostering a positive business and investment climate and recognizes that it is underpinned by strong and independent institutions, including the judiciary and the legal profession. No program measure was proposed by the IMF in Ireland that would have undermined the independence of the judiciary or the legal profession. In particular, the development of reforms of the legal profession was led by the Irish authorities and they focused on increasing transparency on legal costs, better protecting consumers of legal services, and creating independent oversight bodies for professional misconduct and disputes over legal costs, with these broad goals supported by both the IMF and the European Commission. Following concerns raised by the legal profession, the Irish authorities responded by introducing certain amendments to the relevant draft bill.

The Legal Services Regulation Bill currently before the Irish parliament proposes legal practitioners be regulated by a new Legal Services Regulatory Authority independent of both the legal professions and the government. Objectives of the new Authority would include supporting the proper and effective administration of justice and encouraging an independent, strong and effective legal profession.”