

It's Time to Rebuild the Role of Bank Legal Departments

By [The Davis Polk FinReg Team](#) on September 30, 2019

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In an article in the ABA's *Business Law Today*, partner Meg Tahyar expresses concern about a recent trend in which the role of banks' legal staffs has been constrained and reduced as separate risk and compliance functions have grown in prominence. She says this is the opposite of the trend in other large, complex organizations, which increasingly use their general counsel and legal departments as trusted advisers and strategists.

[***First Thing We Do, Let's Exclude All the Lawyers***](#), published September 17, 2019, examines how the current state of affairs came about, including, Tahyar writes, because of a push by supervisors in the years since the financial crisis. She lays out a series of steps she believes are needed within banking organizations, regulatory agencies and in the legal profession.

Excerpts:

“The current path is a dangerous one for the ability of banking organizations to be effectively counseled and advised on the law at a time of increasing complexity in the legal framework. The path is also unwise for the banking agencies themselves, where the balance between safety and soundness and prudential regulation on the one hand, and the rule of law on the other, has gone askew.

There should be a rethink within the banking agencies and banking organizations about the role of the legal department and lawyers. There also must be a truce between banking supervisors and risk-management professionals on the one hand, and the legal profession on the other, which will require openness to understanding each other's professional silos on both sides.”

The views expressed by Tahyar are her own and do not necessarily reflect the views of Davis Polk.