



Facts on Utah Reforms	
Overview	<p>The Utah Supreme Court has authorized bold reforms to the regulation of lawyers and legal practice to increase Utahns access to legal help and to optimize the ability of legal practitioners to meet the challenges of economic and technological disruption. The reforms include allowing new providers of legal help, new business models for legal practitioners, and new methods of providing legal help. The reforms will take place under a new regulatory system focused on protecting consumers from harm. Ultimate authority over all new providers rests in the Utah Supreme Court.</p>
Process	<p>In late 2018, the Utah Supreme Court tasked Justice Deno Himonas and John Lund, past President of the State Bar, to form a working group to study and make recommendations to the Court on how to reform the regulatory structure of the legal profession to promote innovation to increase both access and affordability of legal services. The working group included leading Utah lawyers and leading academics, including two economists. The working group submitted its report to the Supreme Court in August 2019. On August 28, 2019, the Court voted unanimously to approve the report and form the Implementation Task Force on Regulatory Reform.</p>
Report	<p>Titled “Narrowing the Access to Justice Gap by Reimagining Regulation,” the report submitted to the Court by the working group proposed two main tracks for reform of the regulation of legal practice.</p> <ul style="list-style-type: none"> <li>• Substantially loosening restrictions on the corporate practice of law, lawyer advertising, solicitation, and fee arrangements, including referrals and fee sharing;</li> <li>• Simultaneously establishing a new regulatory body under the supervision and direction of the Supreme Court to advance and implement a risk-based, empirically-grounded regulatory process for legal service entities offering services in a pilot regulatory sandbox structure.</li> </ul>
Implementation Task Force	<p>The Implementation Task Force on Regulatory Reform is made up of leading legal professionals and academics. The Task Force has been working since September 2019 to formulate necessary rule changes and develop the</p>



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	regulatory framework for the new regulatory body overseeing new legal service providers and methods. This includes developing regulatory structure and process and data reporting and protection requirements and regulatory sandbox parameters.
Regulatory Approach	<p>The Task Force is designing a new regulatory body to oversee new providers and methods of legal practice using an “objectives-based, risk-based” approach to regulation. This means that regulation of these new providers will be guided by a clear objective (goal) and effected by requiring detailed reporting from providers on risk of harm to consumers.</p> <p>The objective set by the Supreme Court is: <b><i>To ensure consumers access to a well-developed, high-quality, innovative, affordable, and competitive market for legal services.</i></b></p> <p>Where the data show that the risk of a particular service is too high (consumers are harmed more than they would be without the service), the provider is fined, suspended, or terminated. All licensing and enforcement decisions will rest finally with the Utah Supreme Court.</p>
Sandbox	The new regulatory body will use a regulatory sandbox structure to pilot its model and to allow new providers and services a controlled environment in which to launch and test products, services, and models. A regulatory sandbox is a well-established policy tool through which regulators permit new models and services in a market under careful oversight to test the interest, viability, and consumer impact and inform policy development. In Utah, new legal practice providers and services will have to apply to enter the regulatory sandbox before they will be permitted to offer services in the legal market. If they are admitted, they will be able to offer services under careful oversight until they are able to show no increase in consumer harm.
Why	The Utah Supreme Court recognized that the current regulation of the legal system has created a crisis of access for regular Americans and a professional crisis for many American lawyers. The rules governing the practice of law



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are too complex, too strict, and divorced from the realities of 21st century American life. The rules have become economic restrictions, preventing lawyers from creating new business models, developing new partnerships, offering new kinds of services and products, and keeping out many potential innovators. As the way legal help is provided is changing rapidly because of technology and globalization, the Court recognized the need for a more open approach, able to be responsive and flexible with changing circumstances while focused on protecting consumers. Risk-based regulation is that approach.