



**New York State Bar Association
Committee on Professional Ethics**

Opinion 1284 (09/16/2025)

Topic: Multi-Jurisdictional Practice; Referral Fees; Division of Fees

Digest: Lawyers admitted in New York and a foreign jurisdiction who associate with a lawyer admitted only in the foreign jurisdiction may divide a fee with that lawyer because Rule 1.5(g) explicitly permits lawyers associated in the same law firm to share fees. But the New York-licensed attorneys in the firm must exercise supervision pursuant to Rule 5.1 over the non-New York partner to the extent such partner's conduct implicates the New York Rules of Professional Conduct.

Rules: 1.0(a), 1.0(h), 1.5(g), 5.1, 5.1(c), 5.3, 5.4(b), 5.5(a), 7.1(a) & (c), 7.2(a), 7.5(d), 8.5(a)

FACTS

1. The inquiring attorney ("Attorney 1") and his colleague ("Attorney 2") are licensed in New York State and in a foreign country. Both lawyers reside in New York and handle cases in both jurisdictions. They plan to create two entities: (i) a New York PLLC ("NY PLLC"), of which they will be the members, to provide legal services in New York and (ii) a Foreign Country Limited Liability Company ("FC LLP"), in which they will be partners, to provide legal services in the foreign country but not in New York.

2. The two New York attorneys intend to include a third attorney ("Attorney 3"), who is licensed in the foreign country but not New York, as a partner in FC LLP. Attorney 3 will be a partner *only* in FC LLP, and will *not* be a member or employee of NY PLLC. Rather, with respect to NY PLLC, Attorney 3 will not manage clients or cases, will not use resources of NY PLLC, and will be identified on the FC LLP website as an "attorney admitted to practice only in foreign country. Not affiliated with the New York office of NY PLLC." New York PLLC intends to give a 30% referral fee to Attorney 3 for any New York cases Attorney 3 refers to NY PLLC.

QUESTIONS

3. May New York attorneys pay a referral fee to an attorney who is admitted in a foreign country but not in New York?

4. Are members of a New York PLLC required to exercise supervise responsibility over an attorney who is not a member or employee of the New York PLLC?

OPINION

5. As a preliminary matter, Attorneys 1 and 2, both of whom are admitted in New York (as well as in a foreign jurisdiction), are "subject to the disciplinary authority of this state regardless of where their conduct occurs." Rule 8.5(a). Moreover, because Attorneys 1 and 2 are admitted in New York and in another jurisdiction, they may be "subject the disciplinary authority of both this state and another jurisdiction where [the lawyers] are admitted for the same conduct." *Id.* In this

opinion we opine only on the New York Rules of Professional Conduct (the “Rules”) and do not purport to opine on the rules or law of any other jurisdiction.

6. In N.Y. State 1072 (2015), we observed that while Rule 5.4(b) “seemingly disallow[s] a partnership with any lawyer not admitted to practice in New York, [it] is tempered by Rule 7.5(d), which recognizes partnerships ‘between or among lawyers licensed in different jurisdictions.’” See N.Y. State 658 (1993); see also N.Y. State 542 (1982). Clearly, today there are many national and international law firms with New York offices, so many New York lawyers are partners with non-New York lawyers who are admitted in other jurisdictions. Indeed, Rule 7.5(d) assumes the legitimacy and validity of partnerships between lawyers licensed in New York and lawyers licensed in non-US jurisdictions. See N.Y. State 1072 ¶ 15 (2015) (Rule 7.5(d)’s reference to “‘lawyers licensed in other jurisdictions’ includes lawyers licensed in jurisdictions outside the United States”).

7. In previous opinions this Committee has addressed the concern that a person who qualifies as an “attorney” in another country may differ in the educational background, ethical standards and other qualifications which would be required of an attorney in this jurisdiction. In N.Y. State 1072 ¶ 16 we opined that “the mere fact that a foreign ‘lawyer’ is licensed in another country is not by itself sufficient to reach the conclusion that a New York lawyer may permissibly form a partnership with the foreign lawyer.” Rather, we stated that “an inquiry needs to be made into (i) whether the foreign country’s educational requirements for admission are generally similar to those for New York attorneys and (ii) whether the standards of professional conduct and discipline governing the foreign attorney are essentially compatible with New York’s standards. See N.Y. State 542 (1982); N.Y. State 658 (1993).”

8. Accordingly, we advised in Opinion 1072 that “[b]efore a New York lawyer may ethically form a partnership with the foreign lawyer, the New York lawyer must conclude that the partnership would not be likely to compromise the New York lawyer’s ability to uphold the standards of professional conduct in this State.” Thus, before agreeing to admit Attorney 3 to FC LLP as a partner, the Inquirer will need to investigate the requirements to become and remain a lawyer in the foreign country in which Attorney 3 is admitted to make sure that a New York lawyer may ethically partner with a lawyer from that country.

Would payment of a referral fee by Attorneys 1 and 2 to Attorney 3 violate the New York Rules of Professional Conduct?

9. If the Inquirer determines that a New York lawyer may ethically partner with a lawyer from the jurisdiction where Attorney 3 is a lawyer, then paying a referral fee to Attorney 3 would not violate the Rules. Attorneys 1 and 2 will be associated in the same firm - FC PLLC - with Attorney 3, and Rule 1.5(g) explicitly permits a lawyer to divide a fee with another lawyer associated in the same law firm without meeting the conditions set out in Rule 1.5(g) for dividing a fee with a lawyer *not* associated in the same firm. Moreover, Rule 7.2 (“Payment for Referrals”), which prohibits a lawyer from giving anything “of value” to a person as a reward for recommending the lawyer paying the referral fee does not regulate lawyers in the same firm. Lawyers associated in the same firm may ethically compensate or give credit to each other for referring business to that firm. For example, law firms may (and typically do) give “origination credit” to a partner for bringing business to the firm even if another partner in the firm does the work. Rule 7.2 does not apply to intra-firm compensation arrangements.

Are members of the NY PLLC required to exercise supervising responsibility over Attorney 3 even though Attorney 3 will not be a member or employee of NY PLLC?

10. Even though Attorney 3 will not be a member or employee of NY PLLC, the members of NY PLLC will be required to make reasonable efforts to ensure that any partner in the firm who is subject to the New York Rules – including Attorney 3 and FC LLP – complies with the New York Rules of Professional Conduct. In N.Y. State 762 (2003), which construed provisions in the old Code of Professional Responsibility equivalent to today’s Rule 5.1, this Committee concluded that:

New York lawyers with management or supervisory authority in law firms with New York offices, as well as the firms themselves, are required to make reasonable efforts to ensure that lawyers subject to the New York Code who are affiliated with the firm in such offices comply with the New York Code. A New York firm has broad supervisory responsibility under DR 1-104(C) [now covered under Rules 5.1 and 5.3] with respect to non-lawyers and lawyers licensed in foreign countries in the New York office and must ensure that compliance by foreign lawyers with the ethical rules of a foreign jurisdiction does not compromise the firm’s adherence to the New York Code.

11. In interpreting Rule 5.1, we stand by our analysis and conclusions in Opinion 762. We also made clear in Opinion 762 that “New York lawyers may enter into partnerships with lawyers who are bound by ethics rules other than the New York Code.” A New York law firm must therefore make reasonable efforts to ensure that any lawyer associated in FC LLP who is subject to the New York Rules complies with the Rules. We see no reason to modify that conclusion.

CONCLUSION

12. Lawyers admitted in New York and a foreign jurisdiction who associate with a lawyer admitted only in the foreign jurisdiction may divide a fee with that lawyer because Rule 1.5(g) explicitly permits lawyers associated in the same law firm to share fees. But the New York-licensed attorneys in the firm must exercise supervision pursuant to Rule 5.1 over the non-New York partner to the extent such partner’s conduct implicates the New York Rules of Professional Conduct.

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