LEGAL SERVICES AND THEIR INTERNATIONAL TRADABILITY: NAVIGATING BETWEEN THE BENEFITS AND CHALLENGES OF ARTIFICIAL INTELLIGENCE

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ABSTRACT*: In recent years, business models have been significantly influenced by the use of smart technologies, which have had a transformative role, especially in service industries where digital tools are used in trading services, both on national and foreign markets. This paper aims to highlight the main trends in the trade in legal services, with a focus on the implications of the latest developments in artificial intelligence (AI) on it. This research is focused on a qualitative analysis of the specialised works, as well as companies' experiences, in order to identify the role of AI in the development of the trade in legal services. The main results emphasise that AI brings benefits to the legal services sector, mainly in terms of optimising specific processes and workflows, increasing productivity, as well as facilitating their cross-border provision. At the same time, the intensification of AI use also generates many challenges, most of them related to the regulatory framework, ethical standards, and employment in the field of legal services.*

Keywords: *Legal Services, Trade In Services, Artificial Intelligence, Digitally Delivered Services, Services Regulations.*

JEL Classification: *F13, F23, L84, L86, O24, O33.*

1. INTRODUCTION

In recent years, professional services have made significant progress in their international trade, as a result of a generally favourable regulatory framework, but also of the high specialisation of service providers and service business models, due to technological developments used in their delivery on foreign markets. As a result of a series of positive influencing factors, trade in professional services has held an increasing share of total trade in services. According to the World Trade Organization (WTO), trade in "legal, accounting, management, consulting and public relations services", where legal services are included, increased from USD 123,766 million in 2025 to USD 599,404 million in 2022 (latest data available at the time of our analysis) (WTO, 2026). Their recent developments have also been supported by the implementation of smart technologies, with a transformative role, especially in service industries where digital tools are used in trading services, both in national and foreign markets. In 2022, 95% of "legal, accounting, management, consulting and public relations services" were delivered on foreign markets by digital tools (corresponding to USD 569,321 million), compared to 75.3% in 2005 (corresponding to USD 93,254 million) (WTO, 2026).

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Within the broader category of professional services, legal services hold a significant place, due to their essential role for individuals, companies and organisations requiring specialised assistance and representation within the legal system. Similar to other professional services, legal services are highly specialised, with professionals focusing on specific areas of law, such as civil, commercial, corporate, criminal, employment or family law, necessitating experts in particular legal areas. In recent years, the market of legal services has extended beyond the national borders of their providers, with legal services becoming traded in foreign markets (GVR, 2025), although the trade in legal services still faces some obstacles to cross-border legal practice (Muller, 2014). However, nowadays, trade in legal services takes the advantages offered by the regulatory framework favourable to the development of professional services and technological developments, but at the same time faces challenges, mainly those arising from trade barriers or the extremely rapid expansion of the use of smart technologies.

This paper aims to highlight the relevant developments of trade in legal services, considering the following: (i) the specific characteristics of the international legal services market, (ii) the main trends in the export-import flows of legal services, emphasising the key players on the international market, (iii) some evidence related to the barriers to entry and operation of legal services in foreign markets, (iv) the current integration of digital and smart technology, especially artificial intelligence (AI), in legal services delivery in foreign markets, underlying the advantages and also challenges associated with their intensified use.

2. TRADE IN LEGAL SERVICES: PARTICULARITIES, TRENDS, OBSTACLES

2.1. The particularities of the legal services market in the context of globalisation and technological advancements

Legal services cover a wide range of activities from assistance and advice to representation, provided by qualified legal professionals to individuals, companies and other entities regarding their legal rights and obligations or responsibilities. The complexity of the legal system requires expertise and professional support provided by legally qualified personnel to help clients understand and make decisions with legal implications, protect their rights and effectively resolve their legal problems. The legal services market stands out within the large category of professional services, their specific characteristics influencing the way they are delivered. Essentially, the particularities of legal services are related to intangibility, information asymmetry, complexity and specialisation, which makes it difficult to assess the quality of services provided to clients, as well as trust and private relationships, implying a personal connection between service provider and customer, the strict regulation in this area and ethical considerations aiming to assure professional standards and safety (Yarrow & Decker, 2012). The legal services market addresses a diversity of clients from individuals to small and medium-sized enterprises, large corporations, non-profit organisations, as well as governmental entities, with their specific legal needs, covering transactional matters, such as contracts, property transactions and mergers, litigation and dispute resolution, advisory and compliance services (WTO, 1995; OECD, 2026a).

The legal services market has been keeping the same pace of dynamism and increasing competition as all the other services markets, with a large diversity of providers, as law firms and individual practitioners, with the expansion of international law companies in the context of intensifying globalisation (LAW.COM, 2025); in their particular case, reputation and referrals for competence, integrity and successful outcomes are crucial.

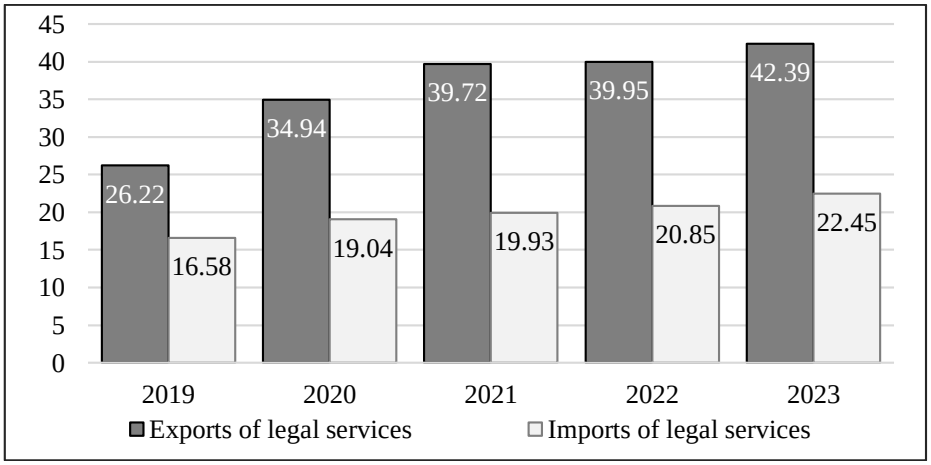
Nowadays, the legal services market is undergoing significant transformation, driven by technological advancements and innovation, evolving regulatory changes and client

demands. The development and intensive use of smart technology are increasingly impacting the legal services market, with the implementation of artificial intelligence in many specific activities, such as legal research, contract analysis, case management systems, as well as the expansion of online legal service platforms. The shift towards remote work and the emergence of virtual law firms are changing the legal business models, especially in terms of service delivery.

2.2. Trends in the global trade in legal services

The main trends shaping the trade in legal services highlight the market's steady growth due to the intensification of the globalisation process of service industries, where professional services stand out. Given the complexity of this field, the extent of the legal services market is difficult to assess accurately, as the availability of statistical data at a global level is hard to obtain. However, the International Trade Centre (ITC) has managed to create a detailed database of international trade flows by specialised services, where legal services are included as part of the "professional and management consulting services" category. Even if the data covers only the countries for which statistics are available, the representation in Figure 1 reflects the increasing trend of trade in legal services. At the same time, considering the data collected at the international level, the total trade in legal services is around 5% of the "professional and management consulting services" category.

Figure 1. The global exports and imports of legal services, during 2019-2023* (in USD million)**



Notes: *Latest data available at the time of our analysis. **The data representing total exports and imports includes 41 countries counted in the ITC database on legal services.
Source: Author's representation based on ITC Trade Map (2026).

Considering the data available on ITC Trade Map, also confirmed by other sources (GVR, 2025), the legal services market is very concentrated, with the top 10 countries trading legal services providing around 90% of total global trade in legal services. As can be observed in Table 1, this market is dominated by developed countries; in 2023, the first positions were occupied by the United States of America, the United Kingdom, Germany and the Netherlands.

Table 1. The top 10 exporters and importers of legal services, in 2023* (in USD million, %)

Exports of legal services			Imports of legal services		
Countries	**Value (USD million)**	**Share of total (%)**	**Countries**	**Value (USD million)**	**Share of total (%)**
United States	14,611	34.47	United States	5,402	24.07
United Kingdom	10,807	25.50	Netherlands	2,765	12.32
Germany	2,877	6.79	Germany	2,241	9.99
Netherlands	2,716	6.41	United Kingdom	2,103	9.37
France	2,062	4.86	Republic of Korea	1,846	8.22
Belgium	1,601	3.78	France	1,676	7.47
Canada	1,216	2.87	Belgium	882	3.93
Spain	1,193	2.81	Canada	829	3.69
Republic of Korea	972	2.29	Italy	694	3.09
Hong Kong, China	436	1.03	Spain	568	2.53
Total top 10 exporters	**38,491**	**90.80**	**Total top 10 importers**	**19,006**	**84.67**
Total exports**	**42,389**	**100.00**	**Total imports****	**22,447**	**100.00**

Notes: *Latest data available at the time of our analysis. **The data representing total exports and imports includes 41 countries included in the ITC database on legal services.
Source: Data extracted by the author from the ITC (2026).

According to GVR (2025), the global legal services market volume was estimated at USD 1,053 million in 2024, with the legal services market being expected to continue its growth trend of around 4-5% annually to 2030. This evolution reflects the extension of the globalisation of business activities and cross-border transactions facilitated by digital technologies, including smart ones (Donnery, 2024; LSL, 2022). The major segments of the legal services market are likely to evolve in the same structure, with around 31% corporate, 26% litigation, 17% employment, the rest being completed by real estate, taxation and bankruptcy (GVR, 2025),

As can be noticed in Table 1, besides North American and Western European countries, those from the Asia-Pacific region are also important players in this market (ITC, 2026; GVR, 2025), some of them projected to be the fastest-growing markets for legal services in the coming years. The major driver is related to the technology advancements implemented in legal services and their integration into the specific activities of legal services, related to the increasing need for specialised services related to the diverse legal frameworks, compliance issues and international regulations.

2.3. The key players on the international legal services market

The most representative market for legal services comes from the professional area, both in terms of supply, with the emergence of large legal services companies, and demand,

with businesses and organisations needing legal assistance related to international transactions and activities.

Legal services clients are looking for legal service providers with the capacity to guarantee specific competencies in terms of knowledge and quality of services. Companies with domestic activity need legal services that can best be provided by legal service providers from their own country, who usually act as their legal representatives, and who have a comparative advantage over foreign providers in terms of knowledge of the client's business environment and national regulatory procedures. However, in recent years, experienced and reputable external providers have entered the national legal services markets, offering a wide variety of legal services both to foreign companies operating in these markets and to national companies in areas related to international business and also specialised competencies with an international perspective (such as those in environmental sustainability).

As a result of the expansion of business models at the international level, the need for legal services in this area has increased, which has also generated a growth in international trade in legal services, as well as the emergence of new areas of practice, especially in the field of commercial and business law (Mitra, n.d.)

The areas of international legal practice are constantly evolving, covering a wide variety of fields in line with the needs of international business. In this context, the most relevant transactions supported by international trade in legal services are related to the following legal services specialisations: import-export transactions of goods and services, needing competence in international treaties and disputes; mergers and acquisitions requiring expertise in international transactions; specific operational activities of multinational corporations; project finance in international markets, such as Africa, Asia or Latin America; litigation focused on the growing field of international arbitration; protection of intellectual property assets in other territories; bankruptcy and insolvency involving various national laws. All of these areas of legal expertise are often practised within large international firms, involving lawyers of different nationalities with expertise in various regulations at national and regional levels, with excellent language skills and availability for travelling abroad (Whitsitt, 2024).

The intensification of the globalisation process of business and all categories of fields related to the business field has generated the expansion of legal services firms, with their activities covering a large variety of fields and countries. Currently, legal services firms have dozens of offices and thousands of lawyers around the world, with annual revenues of billions of dollars. The data in Table 2 provides an overview of the top 10 legal companies in terms of gross revenue, where companies from the United States dominate.

Table 2. The top 10 law firms in the world, in 2024

Law firms	Country of origin	Gross revenue (USD million)*	Number of attorneys	Number of offices worldwide
Kirkland & Ellis LLP	United States	8,801.74	3,514	22
Latham & Watkins LLP	United States	7,000.00	3,450	29
DLA Piper	United Kingdom, United States	4,239.83	4,561	91
A&O Shearman	United States	3,706.49	4,000	48
Skadden Arps	United States	3,669.04	1,734	22

Law firms	Country of origin	Gross revenue (USD million)*	Number of attorneys	Number of offices worldwide
Gibson Dunn	United States	3,557.62	1,836	20
Sidley Austin	United States	3,439.65	2,042	24
Ropes & Gray	United States	3,416.64	1,482	15
Baker McKenzie	United States	3,394.58	4,558	71
White & Case	United States	3,316.74	2,559	47

Source: Data extracted by the author from LAW.COM (2025) and Zaretsky (2025).

Analysing the areas of legal expertise of the largest legal services companies around the world, it can be observed that they develop services consisting of legal strategies that allow their clients to use artificial intelligence, in close connection with the risks related to it (Kirkland & Ellis, 2026). Large legal services firms work with their clients to address the entire AI spectrum (AI technology developers, investors and companies implementing AI solutions) to understand the regulatory framework for AI, the legal and compliance risks of AI and to develop AI-based business strategies. These include issues related to the acquisition and contracting of AI-based systems and services, intellectual property strategies, data management and cybersecurity, privacy and data protection laws, liability of operators and users of AI systems, as well as ethics and transparency issues (DLA Piper, 2026). At the same time, legal services companies have implemented AI solutions in their own activities (Thomson Reuters, 2025a), while their role as users of AI gives them an advantage in providing legal services in the interests of clients using AI tools.

2.4. Trade in legal services restrictiveness

Legal services are internationally traded by three of four modes of supply, as classified by the General Agreement on Trade in Services (GATS), as part of the WTO's Agreements (WTO, 1995), respectively: cross-border trade (mode 1), commercial presence on foreign markets (mode 3) and presence of natural persons (mode 4), with consumption abroad (mode 2) being hardly applied in the international trade in legal services.

Trade in services is periodically monitored for the perspective of the measures impeding import-export service flows by specific mechanisms of the WTO and the Organisation for Economic Co-operation and Development (OECD). In this respect, annually, OECD experts calculate a Services Trade Restrictiveness Index (STRI) for trade in legal services (OECD, 2026a). According to the recent STRI report, legal services register a relatively high overall level of restrictiveness, at 0.35 out of a maximum of 1 (where 1 indicates the most restricted trade regulations and 0 the most liberalised trade regulations) for all 51 countries included in the screening process of the OECD. In 2025, the individual country scores diverge considerably, ranging between 0.09 and 1.0, with 32 countries below and 19 countries above the average trade restrictiveness. The best-performing countries in the sector are Costa Rica, Latvia and the United Kingdom, while the worst-performing countries in the sector are Poland, the Philippines and India.

The restrictive regulations related to the foreign entry of legal services professionals raise many challenges for law services providers encountering a variety of overseas barriers, most of them being related to the obligation of foreign providers to affiliate with local firms,

as well as foreign ownership limits and minimum local professionals' requirements (ITA, 2026; Collins, 2018).

According to OECD (2026a), in the legal services sector, obstacles related to restrictions on foreign entry (mode 3) are most common, covering 61% of total restrictions in OECD economies and 70% in non-OECD economies. Restrictions on entry of foreign legal services providers frequently used by countries are related to the locally licensed lawyers (particularly within domestic law) for the ownership of law firms. Ownership restrictions are often coupled with requirements that the majority of the board (or equity partners in the case of partnerships), the manager of law firms be locally qualified, and an affiliate of the foreign law firm be established in the country.

The second most used type of restrictions are those on the movement of professionals (mode 4), covering barriers related to the licence gained abroad and recognition of foreign qualifications, affecting the practice of legal services, particularly for domestic law. Within this category, there are also included requirements to pass a local examination or to have the nationality and residency required for obtaining the licence to practice domestic law. Obstacles related to restrictions on movement of professionals cover 24% of total restrictions in OECD economies and 19% in non-OECD economies (OECD, 2026a).

In terms of other discriminatory measures, barriers related to accessing public procurement markets for foreign tenderers remain the most common challenge. With regard to barriers to competition, minimum capital requirements are common, as are restrictions on advertising or government recommendations or regulations for lawyers' fees. Under barriers related to regulatory transparency, procedural hurdles related to business visas are the most common challenges for the trade in legal services (OECD, 2026a).

Mode 1 of services supply is used mainly for digitally delivered services; in the case of trade in legal services, the restrictions are related to cross-border data transfers, where countries regulate the types of data that must undergo a security assessment, as well as telecommunications services and taxes on digital services (OECD, 2026b). All of these aspects are highly relevant to the trade in legal services, where artificial intelligence is making important strides in enhancing it. The intensification of digitalisation and AI has sustained the high level of restrictiveness in trade in digitally delivered services, in the context of a still insufficiently comprehensive international regulatory framework covering all aspects of the AI field.

3. LEGAL SERVICES AND THEIR INTERNATIONAL TRADABILITY IN THE CONTEXT OF THE INTENSIFICATION OF ARTIFICIAL INTELLIGENCE

3.1. The implementation of smart technologies in legal services

Over the past few years, legal services have been one of the areas that have experimented with the implementation of artificial intelligence (AI), with legal professionals becoming optimistic about the positive impact that smart technologies can have on their practices, but also increasingly cautious because of their transformative power (Thomson Reuters, 2025a) and the lack of control over its some vulnerabilities. According to specialised studies (Thomson Reuters, 2024), AI is able to significantly change legal professional activities, especially routine tasks, due to its automation capacity, leading to increased productivity of legal professionals, but also facilitating the international delivery of legal services. AI-based tools have the ability to handle tasks related to legal research, contract analysis or document drafting and reviewing, at a high level of performance that can save hours of work and generate significant income for legal professionals. As a result, legal professionals

can focus on other practical activities with a high level of professional specialisation. Therefore, the future of legal professionals is considerably connected to new developments in the field of AI, among which stands out generative artificial intelligence (GenAI), applicable in specific legal activities more thoroughly and efficiently (Thomson Reuters, 2025b).

To date, several AI technology providers have emerged in the legal field, with their level of performance increasing the interest and, in some cases, the reluctance of professionals in AI. AI-based software is proving to be a useful tool that helps eliminate some of the routine legal practices. The main companies providing AI software to the legal services field are the following (Fisher, 2025):

- *Harvey* (https://www.harvey.ai/) is a GenAI product based on GPT that uses natural language processing, machine learning and data analytics, suitable for contract analysis, due diligence, litigation and regulatory compliance. In partnership with OpenAI, Harvey develops custom case law models being involved also in many collaborations with other companies such as PwC and Allen & Overy.
- *CoCounsel* (https://www.thomsonreuters.com/en/cocounsel) is an AI-powered legal assistant, specialising in legal research around case law, using a large language model from ChatGPT. This software is used in legal research, document review and contract compliance verification. Currently owned by Thomson Reuters, CoCounsel is used by more than 12,200 law firms.
- *Luminance* (https://www.luminance.com/) is specifically projected for contract processing and review. This software performs in the fields of contract processing (for corporate users), contract review (for due diligence purposes) and document summarisation for discovery purposes (e-discovery), working with more than 80 languages.
- *Klarity* (https://www.klarity.ai/) combines legal and accounting expertise, being used to review contracts, generate order forms, and purchase orders for validating data on orders, bills and revenues. Currently based on OpenAI's GPT, the software can extract data from different documents and integrate with enterprise resource planning systems of different enterprise service providers.
- *Ironclad* (https://ironcladapp.com/) is a software used to scan and tag contracts, looking for information (such as contract renewal dates) suitable for sales departments. This software can also indicate areas where contract terms are non-standard and suggest replacing it with standard language used in other contracts.
- *Everlaw* (https://www.everlaw.com/) is used for searching for valuable information through huge volumes of documents from the opposing party (also known as e-discovery). Through predictive coding, this software can review the documents, considerably helping the lawyers handling this process.
- *Neota Logic* (https://neota.com/) is a legal automation tool, powered by AI and natural language processing, which allows law firms to design applications and workflow processes for their clients in areas such as contract management, document automation and compliance monitoring, as well as other repetitive legal tasks.
- *Kira Systems* (https://www.litera.com/) produces patented machine learning software that identifies, extracts and analyses content in contracts. Currently owned by the legal technology company Litera, this software uses AI to look for and extract common clauses, provisions and data, making the contract review quicker and more accurate.
- *LexisNexis* (https://www.lexisnexis.com/en-us) offers a large variety of legal analytics, such as information about law firms and court judges regarding time to

trial, time to completion of trial or case outcomes, as well as information related to litigation.

Although it's been more than two years since ChatGPT was successfully launched, AI continues to be at the top of the global business world's priorities. As such, AI specialised companies continue to focus on building useful applications and products for making some tasks easier in a variety of fields, including the legal sector. In April 2025, the Forbes AI 50 list highlights the most promising AI companies in the world, funded since 2012; most of them originated in the United States, but also in European countries such as the United Kingdom, France and Germany. Among the top 50 listed companies that develop smart technologies are those that create AI software for the legal field, such as Harvey (a legal automation software established in San Francisco, United States, in 2022, with a funding value of USD 500 million) and Luminance (developing an enterprise contract automation application, established in the United Kingdom, in 2015, its funding value being evaluated at USD 135 million) (Shrivastava, 2025). Accordingly, the smart technologies in legal services are very well represented in terms of AI providers able to support the recent trend of increasing AI implementation.

3.2. Benefits of AI in legal services and their tradability on international market

The integration of technology, and especially AI, supporting automation and data analytics in the legal area has already revolutionised the delivery of legal services at the national and international level. AI-powered tools are being successfully adopted for specific activities, most of them routine tasks that do not involve intensive personalised work, such as document review and analysis, contract drafting and automation, legal research, predictive analytics for litigation, intellectual property analysis, as well as regulatory monitoring and risk assessment. The increasing complexity of national and international regulations and the need for specific legal knowledge are supporting the demand for specialised legal expertise in areas such as data privacy and cybersecurity, intellectual property protection, corporate law and governance, taxation, mergers and acquisitions, as well as environmental, social and governance (ESG) matters.

Specific linguistic models of AI capabilities operating on computing devices stand out as effective tools for technology applied in the legal field. The recognition of their performance has generated their increasing demand, attracting significant investments for the continuation of development of AI tools in the legal field; this process also involves intensive collaboration between AI-specialized engineers and legal professionals.

Amplified by the pandemic restrictions, the services market has been impacted by the shift towards remote work in the legal field, with law firms increasingly embracing virtual environments. The virtual law firms, operating entirely online, are gaining market share, offering flexibility, cost efficiency and an international legal expertise pool. Clients seeking practical and industry-specialised advisors who can offer more than just traditional legal advice amplify the legal market development ambitions, with legal service providers increasingly focusing on improving the overall client experience through technology, transparent communication and competitive rates.

The intensification of AI use is reshaping legal services and also trade in legal services, creating international opportunities for legal professionals and the industry as a whole. The key impacts are strongly related to the increased automation and efficiency offered by AI solutions, considering: the automation of routine tasks, from document review, legal research, and contract drafting to e-discovery; simplified workflows that lead to more efficient time spent on various legal procedures; automating administrative tasks related to scheduling meetings, client communication, managing billing, and generating invoices; and the ease of accessing legal information and experts from other jurisdictions facilitated by AI platforms.

The main benefits of AI tools are seen in legal research activities, with AI-powered legal research tools able to analyse massive databases of case law and regulations more efficiently than legal professionals, finding relevant precedent cases and verdicts and also helping them in identifying more rapidly the possible arguments. AI algorithms can analyse historical legal data to predict the outcomes of cases, assess litigation risks and identify the appropriate legal strategies. This allows legal professionals to provide clients with more data-driven advice and make more informed decisions. AI can analyse contracts for compliance issues, as well as assist in drafting and managing contracts throughout their lifecycle, ensuring compliance with terms and meeting deadlines. AI systems can continuously monitor regulatory changes and assess organisational processes to ensure compliance, proactively identifying potential legal risks. They can also enhance data privacy and security by detecting vulnerabilities.

Another important benefit is related to the changes in service delivery and business models. AI enables law firms to offer new services, such as AI-powered legal advice chatbots for routine inquiries or AI-driven risk management tools for businesses. AI-powered tools can potentially make legal services more accessible and affordable, particularly for repetitive legal tasks or by providing self-service options. AI-driven efficiency can facilitate the adoption of alternative fee arrangements, such as fixed fees and subscription-based models, with predictable cost-of-service. AI and cloud computing support the growth of virtual law firms, allowing for remote service delivery and access to a wider pool of legal experts. While AI automates certain tasks, the role of lawyers will evolve to focus on higher-level strategic thinking, management of client relationships, and tasks requiring particular discoveries and judgements.

To sum up, the intensification of AI use is transforming legal services and their delivery not only nationally but also in foreign markets by increasing efficiency, enhancing capabilities, shifting business models, and reshaping the roles of legal professionals. While challenges exist, the integration of AI presents significant opportunities for innovation, improved client service and better access to justice. Legal professionals and the industry must adapt to these changes to leverage the benefits of AI effectively (Thomson Reuters, 2025c; Couture, 2025; White, 2024). The dynamism and rapidly evolving trade in legal services increase the need for law firms and legal professionals to adapt to these trends by embracing technology, specialising in key areas, focusing on client value, and being aware of the changing regulatory and work environment to thrive in the future.

3.3. Challenges of AI in legal services and their delivery in foreign markets

AI legal tools are significantly impacting legal services and their delivery in domestic and foreign markets; the integration of AI into this sector is raising concerns mainly associated with data privacy and cybersecurity (generated by the AI's ability to process large volumes of data and perform complex analyses for individuals and organisations), and also their potential displacement of jobs of legal professionals (due to the high level of automation of specific tasks through AI tools).

The future prospects of the legal services market face the growing demand for expertise in data privacy and security as companies face an increase in regulatory scrutiny and cyber threats. Data privacy is a significant concern, especially given the sensitive nature of legal data, ensuring compliance with regulations such as the General Data Protection Regulation (GDPR) to protect client information. Legal services firms are expanding their offerings in data protection, compliance and risk management, with some establishing dedicated cybersecurity practices to help clients navigate these evolving challenges. This shift reflects the critical role legal professionals play in supporting companies with data governance strategies, particularly

in sectors that operate sensitive information, such as healthcare, financial services, or government affairs (GVR, 2025). Data privacy and security, considered the most frequently discussed challenge because AI in legal services works with clients' data, are raising more concerns in cross-border trade where data protection laws vary significantly between jurisdictions (Meltzer, 2019; WEF, 2024; Trefler, 2022).

Ensuring that AI systems used in legal services are not influenced by any type of entity and are free from bias is a significant challenge. AI systems can unintentionally perpetuate various biases in their training data, which can be particularly problematic in legal services, where impartiality and objectivity are dominant conditions (WEF, 2024). Moreover, AI and especially generative AI experts and users underline the risks of errors and mistakes, with AI tools being extremely vulnerable in all fields, but especially for legal services. Therefore, the need for experts in the field remains essential, as the risks of inaccurate and even wrong results are very high. From this perspective, it is obvious that legal professionals will continue to be needed, their expertise and critical thinking being essential in their work, especially since reputation in this field is a fundamental characteristic (Davenport, 2024).

Another challenge, especially for professionals, is related to the potential for job displacement, given that AI tools automate tasks usually performed by entry-level employees or administrative staff, impacting employment in the sector. To address these challenges, legal firms are concerned about the development of regulatory frameworks that balance technological developments with traditional job protection, with future strategies focused on competitiveness and professionalism (Park, 2026; Campbell, 2024). However, the activities where legal professionals are unlikely to be in danger are those strongly related to courtroom advocacy as well as expertise and judgment, including complex reasoning, strategic thinking and planning, negotiation, client interaction, and innovative and complex interpretation of laws.

The trade of legal services delivered by intelligent tools presents several challenges that need to be addressed to fully harness its potential while mitigating associated risks. One of the key challenges is the risk of regulatory fragmentation due to the large variety of domestic policies in the AI field, each country having its own regulation concerning AI, which can hinder international trade in legal services. This is the case of an AI-based legal service operating in a country with less severe data privacy regulations facing legal challenges when expanding to countries with stricter regulations. Based on the different modes of service delivery in foreign markets identified by GATS (the most relevant agreement on services under the WTO coverage), member countries assume different obligations for the variety of categories of services, this situation generating additional challenges for international tradability. The high degree of novelty of smart technologies, the different ways of using them in different service categories and the variety of national regulatory frameworks can create ambiguity and confusion, which have turned into real challenges for all legal players acting in the international market (WEF, 2024). AI also interferes with intellectual property rights; the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) under the WTO coverage needing to be updated in accordance with the current developments of AI (Mishra, 2022). Currently, only humans are recognised as authors under the Berne Convention; this situation leads to ambiguity about who holds the rights to AI-generated legal documents or advice (WEF, 2024).

The implementation of AI can generate a series of risks caused by differences in specific capabilities related to infrastructure and connectivity, electronic transactions, payment systems or intellectual property rights, with developed countries dominating the market to the detriment of developing countries. Thus, the access and use of intelligent technologies can create discrepancies between countries, fuelling already existing inequalities in terms of access to business opportunities and legal services. Addressing these challenges requires international

cooperation and the development of a global policy framework that reconciles trade and AI, ensuring that the increased use of AI in legal services is accompanied by risk mitigation (WEF, 2024; WTO, 2024).

4. CONCLUSIONS

At present, legal skills represent the subject of a business segment with a wide rise in the international market, due to their close connection to all the areas that have been expanding in recent decades, most of them related to corporate affairs, especially in finance, taxation, labour, litigation, property, arbitration, intellectual property, and antitrust, all requiring a high level of legal expertise. Similar to most service industries, the legal sector has been a favourable territory for the implementation of intelligent technologies, which have increased the transactional capacity of legal services, both nationally and internationally. AI tools have already transformed the legal services sector, offering numerous advantageous solutions that revolutionise their delivery in the international market. The implementation of AI tools in legal services brings important benefits to professionals and clients of these services, mainly in terms of efficiency, but also raises a number of challenges when it comes to privacy, security, trust or employment.

Intelligent technologies have spread rapidly in the legal services sector, due to their specific common characteristics, mainly related to the huge volume of information and data they operate. In this context, legal professionals evaluate and decide the activities where AI tools can be used more effectively, identifying the necessary skills where the human factor brings the greatest value in this area. Therefore, as in other service professions, those in the legal sector need to combine the traditional professional approach with technical skills offered by AI tools. Experienced legal professionals will continue to keep their position in the legal services market given their capacity to navigate the complexities of the legal system, assisted by AI tools in areas of searching for information and data and routine activities. In essence, creating a framework for how the legal community approaches AI tools will generate a strong legal field that addresses new technological tools alongside traditional methods, with positive effects on providers and consumers of legal services. (Gerald, 2024). By developing standards for AI applications in legal services and ensuring cross-border interoperability to facilitate the international delivery of these services, the legal sector can harness the benefits of AI while mitigating its risks in all other areas where legal expertise is indispensable. Concluding, the legal services and their international tradability stand out as a dynamic and rapidly evolving field, with legal firms and professionals demonstrating a great capacity to adapt to trends related to the implementation of revolutionary technologies and innovative business models, while continuing to preserve the fundamental legal principles and values.

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