



Future of Professionals

ChatGPT and Generative AI in Legal, Corporate & Tax Markets

Future of professionals: ChatGPT and Generative AI in Legal, Corporate & Tax Markets

Near the end of 2022, the landscape for the future of work in professional services changed. Before, most people assumed that technological advancements would happen linearly, with efficiency gains incrementally achieved and the pace of that change largely continuing on a steady, upwards path.

Then, in November 2022, OpenAI released ChatGPT for public consumption.

Generative artificial intelligence (AI) had been in development for roughly five years previously, but for the first time, ChatGPT allowed the public to experiment with what a generative AI tool could do. While the results were not 100% accurate, the possibilities were staggering. The idea of using technology to not only become more efficient, but to actively *create*, caught people's attention like few technologies before it.

And perhaps nowhere were there wheels turning faster than in professional services industries such as legal and tax. In this area, in which knowledge is the basis underpinning all work product, professionals were now faced with a technology that not only held vast amounts of knowledge but could actively *generate* new content from that knowledge. The prospect led legal and tax professionals to actively seek out potential ways to use this tool — and examine more closely what the potential risks would be for doing so.

Executive summary

As generative AI started taking hold, the Thomson Reuters Institute has begun to catalog and measure generative AI usage and attitudes in the legal and tax industries. The first report examined generative AI within law firms, while the second expanded that use to include corporate legal departments. Following that, we developed a report looking at tax & accounting firms side-by-side with corporate tax departments.

This report combines each of those individual segments into one holistic view, providing insights into not only how professional services industries as a whole are approaching this new technology, but some ways that their approaches and attitudes towards adoption and risk management differ among the professions.

On the whole, professional services view generative AI tools positively, although with an element of uncertainty. The surveys conducted for these reports found that legal and tax professionals alike are not only aware of generative AI technologies and ChatGPT more specifically, but believe

Professional services view generative AI tools positively, although with an element of uncertainty.

these technologies *can* and *should* be actively applied to their daily work. Legal and tax respondents also reported a similar rate of those who are actually using generative AI tools and those who are still considering it, with most still in a *wait and see* pattern of consideration before any wide-scale roll-out.

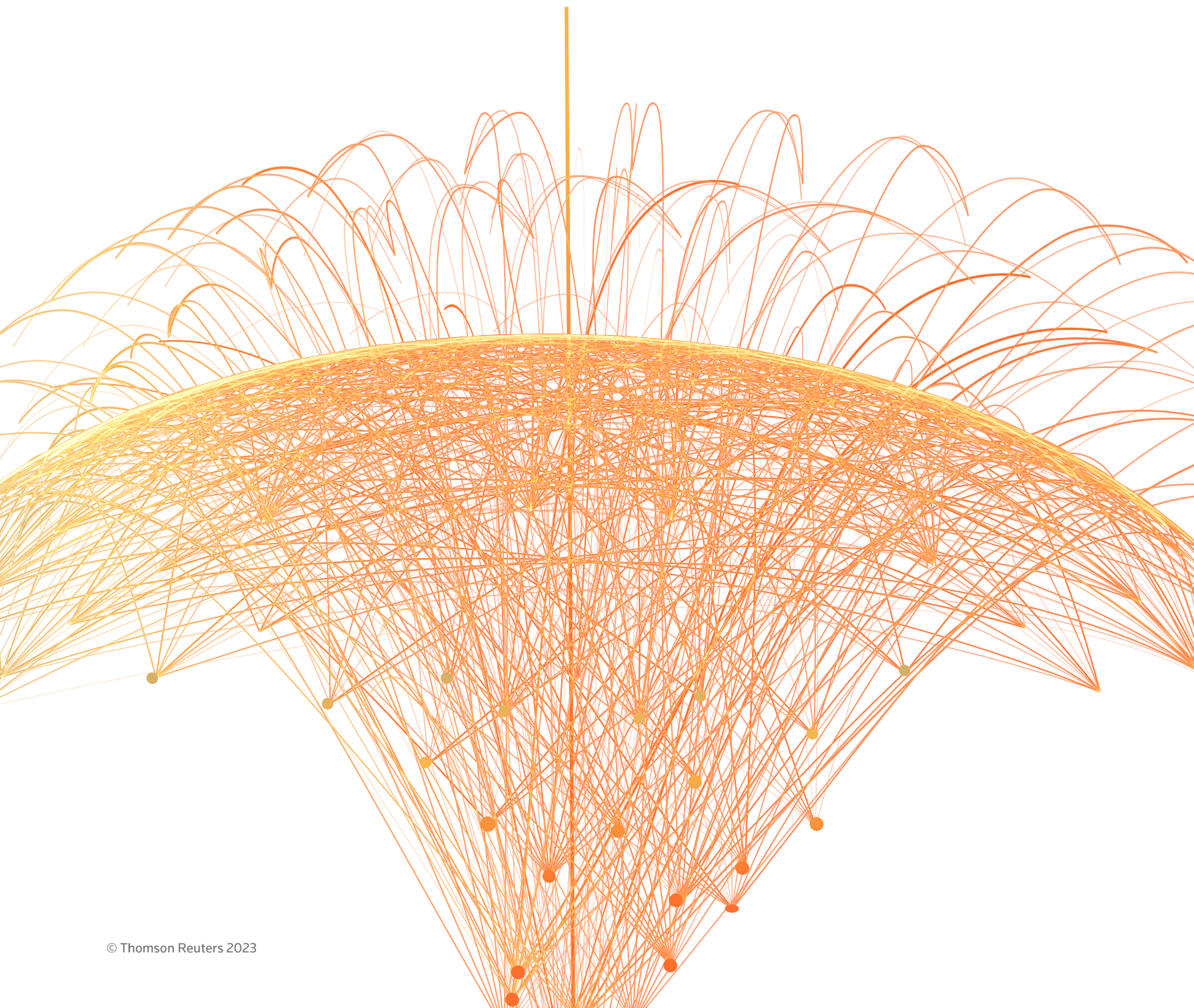
While there are many similarities across these industries, a close look at the data teases out potential differences between how legal and tax, and between how corporate departments and their outside firms, are using the technology. The legal industry, for instance, is more likely to believe that generative AI *can* be applied to legal work than the tax industry is for tax work. Interestingly, however, corporate tax departments felt more positively about their outside tax & accounting firms using generative AI for tax work than corporate legal departments felt about their outside law firms using generative AI for legal work.

And when it comes to risk, the report also found differences between corporates and outside firms: Corporate legal and tax departments, for instance, are more likely to already have policies in place against unauthorized use than their outside firm counterparts.

By and large, respondents across legal and tax pushed back against the idea of technology being able to perform all of the functions of a legal or tax professional. "Legal analysis requires nuanced reasoning that I'm unconvinced AI can perform to the same level as humans," said one law firm respondent.

"There are too many *soft* area of tax laws and regulations that would be incredibly difficult to program into AI," added one corporate tax respondent. "Many issues relate to facts and circumstances which simply cannot be analyzed using ones and zeros."

At the same time, however, most respondents also agree that change is coming, and perhaps inevitable, meaning that legal and tax professionals alike would be wise to begin planning for the more widespread use of generative AI now. As Wei Zhao, General Counsel of Segway, said: "I think this technology has the potential to replace a lot of entry-level lawyers and allow far fewer lawyers to get the same amount of work done."



Key takeaways

Our survey research revealed several key findings that shed light on how those in professional services industries are perceiving and using ChatGPT and generative AI even as these technologies continue to evolve and become more widely accepted.

Most respondents said they feel these technologies can and should be used for work —

Although generative AI and the ChatGPT application are relatively recent breakthroughs, legal and tax professionals alike already see enough potential to believe these innovations should be used for work product. More than three-quarters (78%) of respondents believe ChatGPT or generative AI *can* be used for legal or tax work, with the proportion slightly higher for legal (82%) than for tax (73%). Only one segment of the population was a bit more skeptical about the use cases: tax & accounting firms, of which only 68% of respondents said they felt the tool could be used for tax work.

About half of all respondents believe that not only can generative AI be used, but it should be used.

Separately, about half (52%) of all respondents believe that not only *can* generative AI be used for legal and tax work, but it *should* be used. This figure was roughly equal across both legal and tax as well as across the United States, United Kingdom, and Canada. Corporate law and corporate tax departments answered affirmatively at a slightly higher rate — 3 to 4 percentage points higher — than their outside law firm and tax & accounting firm counterparts.

Among those who did not answer that it should be used, however, the answer was not necessarily that it definitely *should not* be used. About one-fifth (19%) of respondents said generative AI or ChatGPT should not be used for legal or tax work, but the remaining respondents (29%) said they did not know one way or another.

Many still considering potential adoption — Despite strong feelings about the tools' potential utility, many within the legal and tax professions are still weighing their options before actually adopting the technology. Just 4% of all respondents said they were already using generative AI or ChatGPT for firm or department operations, and 5% said they were actively making plans to do so. Those numbers were largely consistent across geographies and type of practice, although tax & accounting firms in particular had a higher rate of adoption or planned adoption (15%) than other types of respondents.

That is not to say that those in legal and tax are not interested, however. An additional 29% of respondents said they were still considering whether or not to use generative AI for their operations — a figure that was roughly equal across law firms (34%), corporate legal (30%), and tax & accounting firms (29%), although fewer corporate tax departments (21%) are currently weighing the technology. Slightly more than 60% of all respondents said they had no plans right now to use generative AI in firm or department operations, with corporate tax departments (73%) the least likely group to adopt.

Among those firms or departments that have adopted or are planning to adopt generative AI technologies, research was the primary use case — cited by about two-thirds of those in corporate legal and 80% of those in tax. Knowledge management, back-office functions, and question-answering services were also cited as use cases of interest, while some individual populations saw additional utility — such as contract drafting and review for corporate law departments; compliance for corporate tax departments; and accounting/bookkeeping for tax & accounting firms.

A focus on risk — What may be keeping many in legal and tax from adopting generative AI tools right now is their perception of the tools' risk. More than two-thirds (69%) of respondents said their organization has risk concerns around the use of generative AI or ChatGPT, while just 8% said their organization did not have risk concerns. (Almost one-fourth (23%) said they did not know.)

Legal and tax respondents reported risk concerns at roughly the same rate, though U.S. respondents (particularly those from U.S. corporate law departments) reported risk concerns at a slightly higher rate than U.K. or Canadian respondents.

Those risk concerns largely fell into similar buckets across both legal and tax: Privacy, confidentiality, data security, and accuracy were the most common AI-related risk concerns. Many cited that legal and tax industries in particular deal with information in which confidentiality is paramount, and they did not feel that public-facing generative AI tools like ChatGPT did enough to safeguard private information.

Despite these warnings, however, very few organizations are taking active steps to limit generative AI or ChatGPT usage. Just 20% of respondents said their firm or company has warned employees against unauthorized generative AI or ChatGPT usage. Only 9% of all respondents, in fact, said their organization had banned the unauthorized use of generative AI or ChatGPT. In both cases, more corporate respondents reported having those policies in place compared to their outside firm counterparts — 23% of corporate respondents reported warnings, and 10% reported bans.

Methodology

The Thomson Reuters Institute conducted three separate online surveys for legal and tax professionals located in the United States, the United Kingdom, and Canada. The first, aimed at midsize and large law firms, ran between March 21 and 31, 2023, and received 443 applicable respondents. The second, for corporate law departments, ran between April 11 and 25, 2023, and received 587 applicable respondents. The third, for both tax & accounting firms as well as corporate tax departments, ran between May 3 and 15, 2023, and received 771 total applicable respondents.

The respondents were invited to take the survey via an online invitation, or as part of the Thomson Reuters Influencer Coalition panel. In total, the sample for the report is 1,801 respondents, of which 25% are from law firms, 33% are from corporate law departments, 24% from tax & accounting firms, and 18% from corporate tax departments. The majority of the respondents — 70% in total — were from the U.S., with 20% from the U.K., and 10% from Canada.

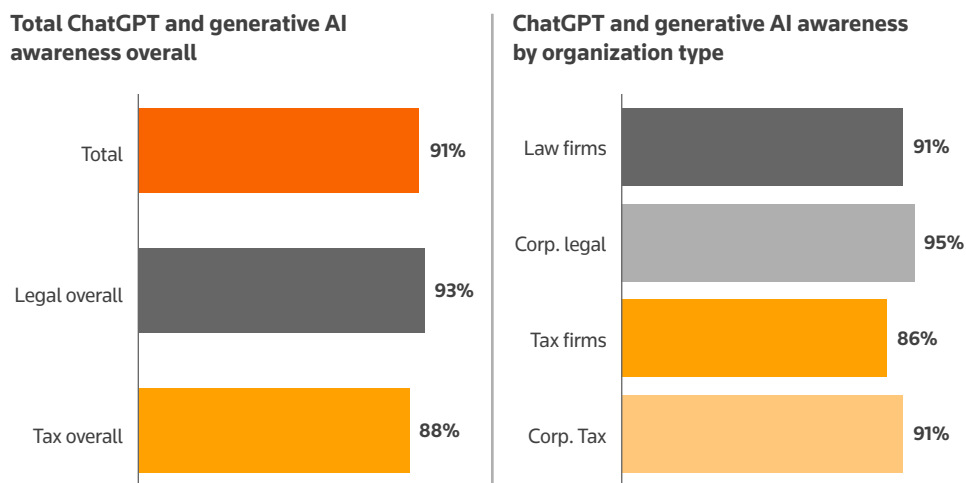
Most respondents from law firms and tax firms were from midsize firms, representing 62% of law firm respondents and 55% of tax firm respondents. For corporate legal and tax, most respondents were from small or midsize departments: 88% of corporate law respondents and 87% of corporate tax respondents were from departments of 50 people or less.

Those respondents completing the survey were also asked selected open-ended questions concerning their opinions around why generative AI should not be used for legal or tax work, as well as the potential risks of generative AI, and if they believed those risks existed. The Thomson Reuters Institute also conducted additional qualitative interviews to further flesh out generative AI beliefs in addition to the survey responses.

Awareness & attitudes

Already, generative AI applications such as ChatGPT have captured the attention of legal and tax professionals. Awareness of these tools is high across the board, with 91% total and at least 85% of respondents across all surveyed segments saying they have heard of or read about these tools.

Figure 1: **ChatGPT and generative AI awareness is significantly higher among legal professionals especially in the corporate segment.**



Source: Thomson Reuters 2023

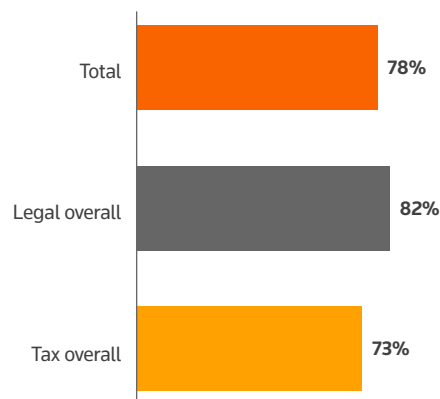
The legal professionals do register slightly higher rates of awareness than do tax, accounting & audit professionals, but the overall high rates still demonstrate that generative AI has entered the collective consciousness quickly. This is also true no matter the jurisdiction, with the U.S. (91%), U.K. (89%), and Canada (96%) all registering similarly high awareness of generative AI tools.

And with that awareness, many professionals are also seeing potential use cases for the technology in their own work — although this is also slightly higher among legal professionals than tax professionals.

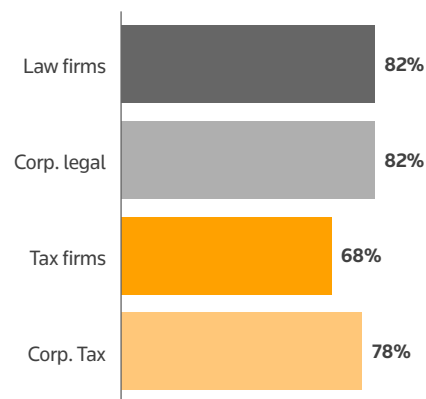
Figure 2: **The majority of professionals agree that ChatGPT can be applied to legal or tax work within their firm or departments. This is significantly higher among legal professionals.**

Can ChatGPT and generative AI be applied to legal or tax work?

Industry overall "Yes"



"Yes" by organization type



Source: Thomson Reuters 2023

In surveys, our researchers asked two distinct questions for how generative AI tools relate to legal and tax work: *Can* generative AI be used for legal/tax work, and *should* generative AI be used for legal/tax work?

Regarding the *can* question, more than three-quarters of total respondents believe there are distinct use cases for generative AI or ChatGPT in their work product. That includes 82% of law firm and corporate legal department respondents answering affirmatively, as well as 78% of corporate tax department respondents. Notably, only 68% of respondents from tax, accounting & audit firms answered yes, significantly below their peers.

These figures were largely consistent across geographies as well, including the discrepancy between outside tax firms and other segments. In the widest gap, only 66% of outside tax firms in Canada believed generative AI can be used for tax work, while 86% of Canadian corporate tax department respondents said it can.

In many cases, respondents felt that generative AI's use cases — such as document and email drafting, question answering and research, and more — were pretty apparent by using the tool. As a result, the quick recognition of potential applications for firms and departments didn't surprise many respondents.

“It definitely caught much more attention than pretty much all the other technology-related breakthroughs that happened in the last 20 years. Like when cloud happened, the lawyers just said, ‘Yeah, we still work the same way.’ But this one, just because the result of the technology directly competes with the result of what lawyers produce, I think it definitely got their attention.”

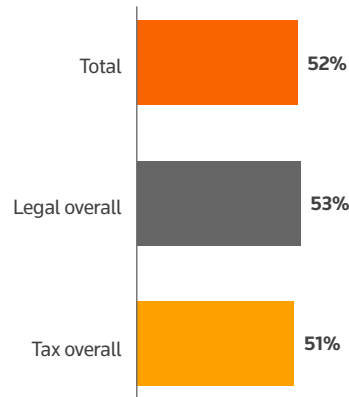
— Arsen Shirokov, National Director, Information Technology, law firm McMillan

As for the second question — whether generative AI *should* be used for legal or tax work — fewer respondents answered affirmatively, although responses remained largely positive.

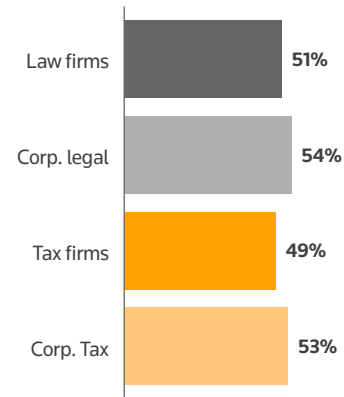
Figure 3: **Just over half of professionals believe that ChatGPT and generative AI should be applied to legal or tax work within their firms or departments.**

Should ChatGPT and generative AI be applied to legal or tax work?

Industry overall “Yes”



“Yes” by organization type



Source: Thomson Reuters 2023

More than half (52%) of total respondents felt that generative AI should be used for legal or tax work, with that proportion remaining roughly equal across all surveyed geographies and industry segments. Notably, among those respondents who did not answer yes, the answer was not necessarily *no* — a large portion (29%) of total respondents answered *don't know*, while the remaining 19% answered *no*.

Those who felt that generative AI should be applied to legal or tax work viewed its use cases as not only a square fit with the daily work that lawyers or tax & accounting professionals perform, but potentially transformative in their attempts to find greater efficiencies.

“ChatGPT is wonderful in my opinion, because it brings up a lot of things you maybe haven’t thought about. We’ve already used it for some tax research, and we used it for some procedures. For example, we asked it what a good checklist for on-boarding a client was, and it came up with some really good thoughts.”

— Rusty Hale, Owner, tax and accounting firm HaleCPA

“I think that’s the story of the last few months in this, that a number of people who maybe would have either not paid attention or have been skeptical are being won over by actually trying things they thought weren’t possible and being pleasantly surprised.”

— Jason Adaska, Innovation Lab Director, law firm Holland & Hart

Respondents who felt that generative AI *should not* be applied to legal or tax work, meanwhile, largely fell into two camps. One side felt that the technology has not progressed to an adequate level quite yet, or that risk concerns are still greater than its utility.

“Speaking purely from a tax perspective, there are too many ‘soft’ area of tax laws and regulations that would be incredibly difficult to program into AI. Many issues relate to facts and circumstances which simply cannot be analyzed using 1s and 0s.”

— Corporate tax survey respondent

In the other camp, there were a tangible number of respondents who opposed generative AI on ethical grounds. While they did not necessarily believe that generative AI was going to replace legal or tax professionals, they did stress the opinion that legal and tax work includes judgment calls that are more difficult to program into a technology tool.

“It is malpractice and practicing law without a license on its face. A lay person cannot perform legal tasks and give legal advice, so a technology/app operated by technology certainly cannot.”

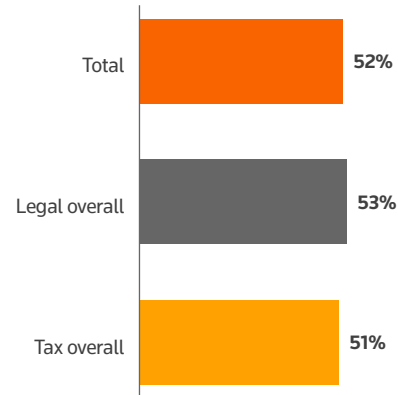
— Law firm survey respondent

Overall, respondents were more positive about generative AI’s potential utility when comparing non-legal or non-tax-specific work.

Figure 4: **Significantly more legal professionals agree that ChatGPT and generative AI should be used for non-legal work within their firms and departments.**

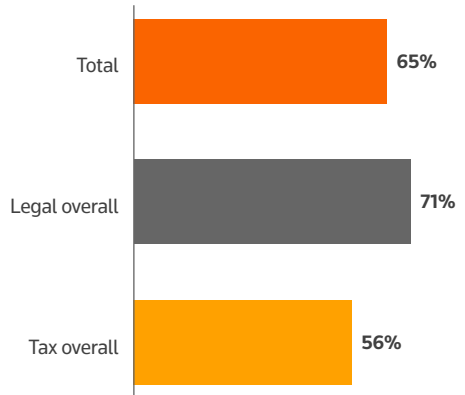
Should ChatGPT and generative AI be applied to legal or tax work?

Industry overall "Yes"



Should ChatGPT and generative AI be applied to non-legal or non-tax work?

Industry overall "Yes"



Source: Thomson Reuters 2023

Overall, 65% of total respondents said generative AI or ChatGPT should be used for non-legal or non-tax-specific tasks, an increase of 13 percentage points over those who said it should be used for legal or tax-specific tasks. The non-legal or non-tax tasks can include administrative tasks, internal time and bookkeeping, email and non-work document generation, and more.

Generally, respondents felt more comfortable using generative AI tools for internal use rather than for work that would be seen by clients or other segments of the business.

"I believe it should be applied in limited circumstances, such as creating draft structures for narrative portions of documents (to be carefully reviewed). But it should not be used to develop analytical legal conclusions, because this requires a higher level of reasoning. ChatGPT could save time for brief drafting, provided it is used in a measured manner."

— Law firm survey respondent

"My area is too specialized, and the rules are too complicated to trust ChatGPT or AI to provide advisory services. I do believe ChatGPT/AI could be used for simple, repetitive, compliance-based tasks, but only after rigorous testing."

— Tax firm survey respondent

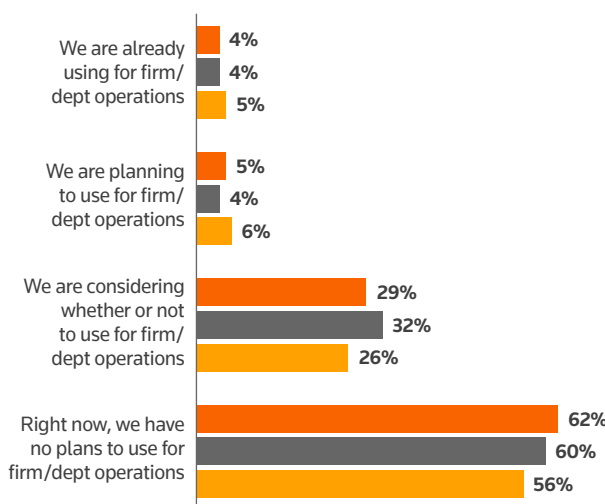
The “consideration phase”

Despite largely positive impressions on generative AI use cases, however, many legal and tax organizations have not yet moved to adopt the technology. Just 4% of total respondents said they are already using generative AI for firm or department operations, with 5% saying they have forthcoming generative AI plans. An additional 29% report their firm or department is considering whether or not to use generative AI for firm operations.

Figure 5: **Tax firms adoption of ChatGPT and generative AI is significantly higher compared to law firms and corporate tax departments.**

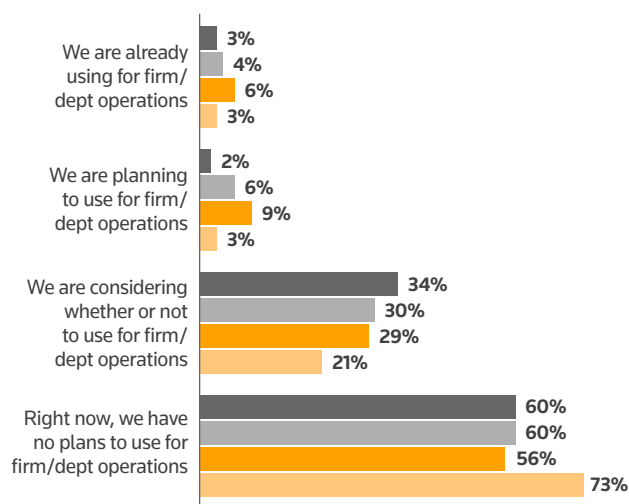
Overall plans to integrate ChatGPT and generative AI into operations

■ Total ■ Legal overall ■ Tax overall



Plans to integrate ChatGPT and generative AI into operations by organization type

■ Law firms ■ Corp. legal ■ Tax firms ■ Corp. tax



Source: Thomson Reuters 2023

Tax professionals are slightly more likely than legal professionals to have either adopted or plan to adopt the technology, at 11% for tax professionals compared to 8% for legal professionals. Legal professionals, however, are more likely to be considering whether or not to use generative AI, at 32% compared to 26% for tax professionals.

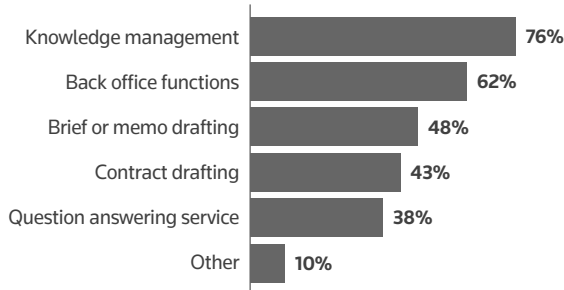
Those who have adopted the technology and spoke with our researchers felt largely positive about their experience, even while acknowledging potential risks. The expectation among many in that group is that the technology will spread quickly throughout their organizations as employees are able to explore with generative AI themselves.

“Within the next six months everybody at the firm will be using it.”

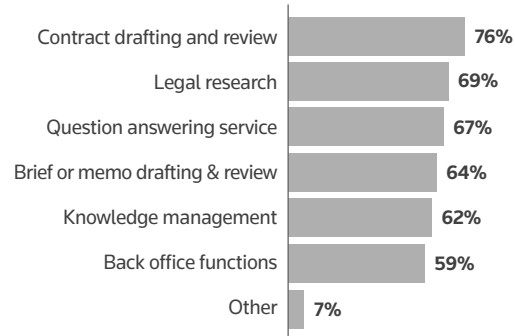
— Charlotte Woolven-Brown, Partner, law firm Sternberg Reed

Figure 6: **Among legal professionals, knowledge management and contract drafting and review are the top interest areas of ChatGPT and generative AI application. Tax research is the top area among tax professionals.**

Use cases of interest (law firms)



Use cases of interest (corporate legal)



Use cases of interest (tax firm professionals)



Use cases of interest (corporate tax dept professionals)



As a note, we adjusted the survey options for generative AI applications for each industry segment as new use cases arose.

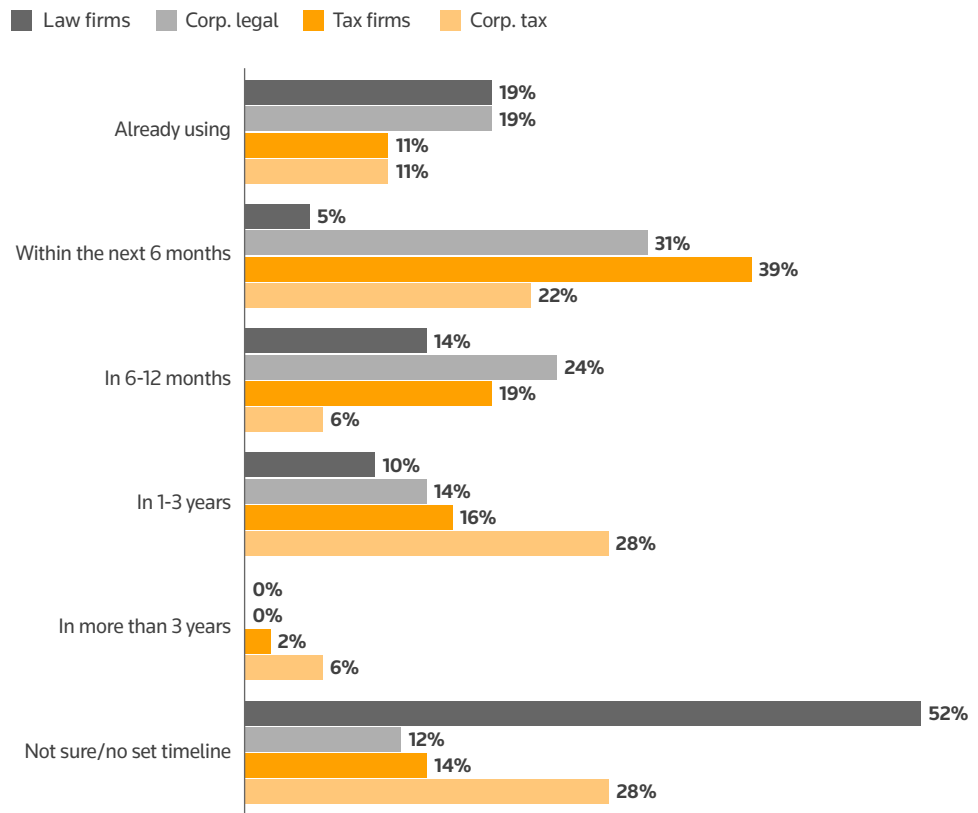
Source: Thomson Reuters 2023

Those respondents who said they have either adopted the technology or are planning to adopt the technology eye a wide variety of use cases. Many of them are internal tasks rather than external work product, including research, knowledge management, and back-office functions. Still, some are exploring the tools' generative capabilities for external work product through contract drafting and review, brief drafting, and tax return preparation. Notably, 67% of corporate tax departments that have explored generative AI are interested in doing so for compliance, demonstrating how generative AI could be used for core functions moving forward.

Those who are already using generative AI or are planning to roll it out within their own organizations are also likely to do quickly. In fact, 39% of tax & accounting firms and 31% of corporate legal departments are planning to do so within the next six months.

Figure 7: Three-in-ten corporate law professionals and four-in-ten tax firm professionals see the possibility of wide-scale roll out of AI usage at their firms or departments within the next 6 months. Over half of law firm professionals do not have a timeframe in mind.

Time frame to roll out AI usage by organization type



Base: Respondents already using or planning to use generative AI.

Source: Thomson Reuters 2023

However, a wide number of respondents said their organizations have not yet explored generative AI use cases and remain in a wait-and-see state. As these surveys were conducted within six months of ChatGPT first becoming public, and legal and tax technology purchasing cycles typically extend for a year-plus — particularly for a new and untested technology — it would be reasonable to expect those in legal and tax to experiment and test the technology before fully adopting it in the coming months and years.

Some respondents noted, however, that this process has already begun in their firms and departments; but overall, many feel that more education and understanding is needed before full adoption.

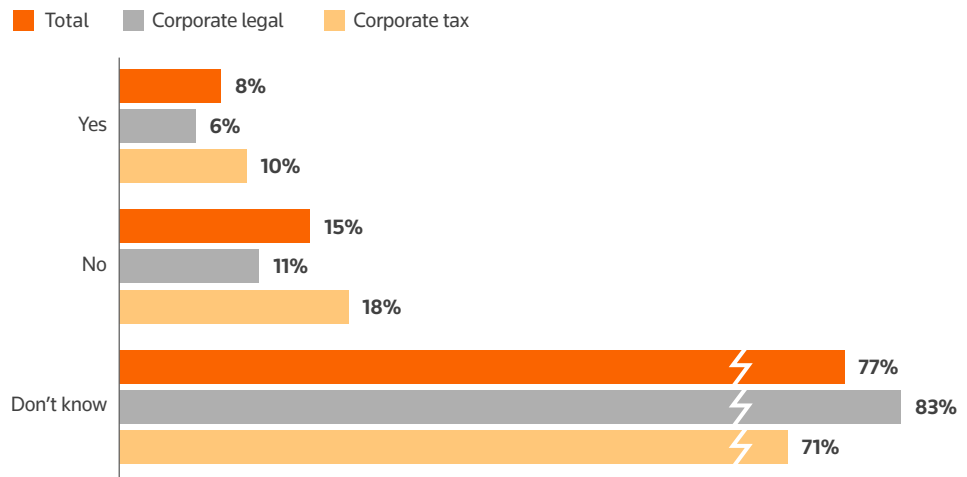
“We’ve messed around with ChatGPT a little bit as a group; but no, I personally will not use it until I have more information and a better understanding of how it works. It won’t become part of my work routine anytime soon.”

— Melissa Inman, Senior Tax Manager, Elevance Health

That need for education and understanding extends to how those in the corporate setting view their partner firms’ and vendors’ use of generative AI.

Figure 8: **The majority of professionals are not aware of vendor firms ChatGPT usage. Legal and tax research are considered to be the main use cases of ChatGPT and generative AI at vendor firms.**

Vendor firms ChatGPT usage



Source: Thomson Reuters 2023

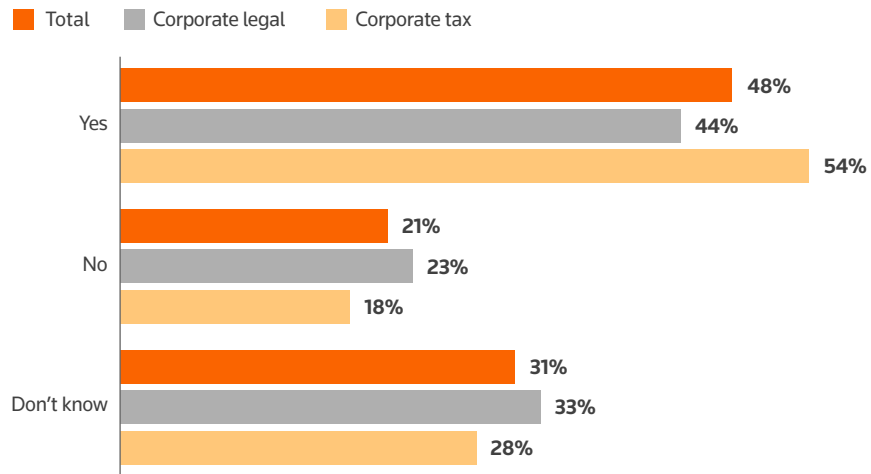
By and large, corporate legal and tax departments have no idea whether or not their vendor firms are using generative AI or ChatGPT, as more than three-quarters (77%) of corporate respondents indicated they do not know their vendor firms’ approach. This uncertainty is even greater among corporate legal respondents, of whom 83% said they do not know whether their outside law firms were using generative AI or ChatGPT. (The portion of corporate tax respondents saying they don’t know if their outside tax & accounting firm is using these technologies is 71%.)

This could represent an opportunity for enterprising law firms and tax & accounting firms, particularly for those that either are planning to adopt generative AI or are considering whether to adopt generative AI. Beginning to talk with clients now about how generative AI would allow all parties to come to an agreement about tolerable use cases and risks and provide an easier avenue to using generative AI for external use cases in addition to common internal use cases.

And those external use cases could be important, because corporate legal and tax departments largely want their outside firms to be using generative AI technology, according to the survey.

Figure 9: **Just under a quarter of corporate professionals believe that ChatGPT and generative AI should not be applied to professional work within vendor firms.**

Should ChatGPT and generative AI be applied to legal or tax work within vendor firms



Source: Thomson Reuters 2023

About half (48%) of all respondents said generative AI or ChatGPT should be used for legal or tax work within their outside vendor firms, while 21% said generative AI *should not* be used by their outside firms, and 31% said they did not know. Corporate tax respondents were slightly more positive about their vendor firms using generative AI, as 54% said yes as compared to just 44% of corporate legal respondents.

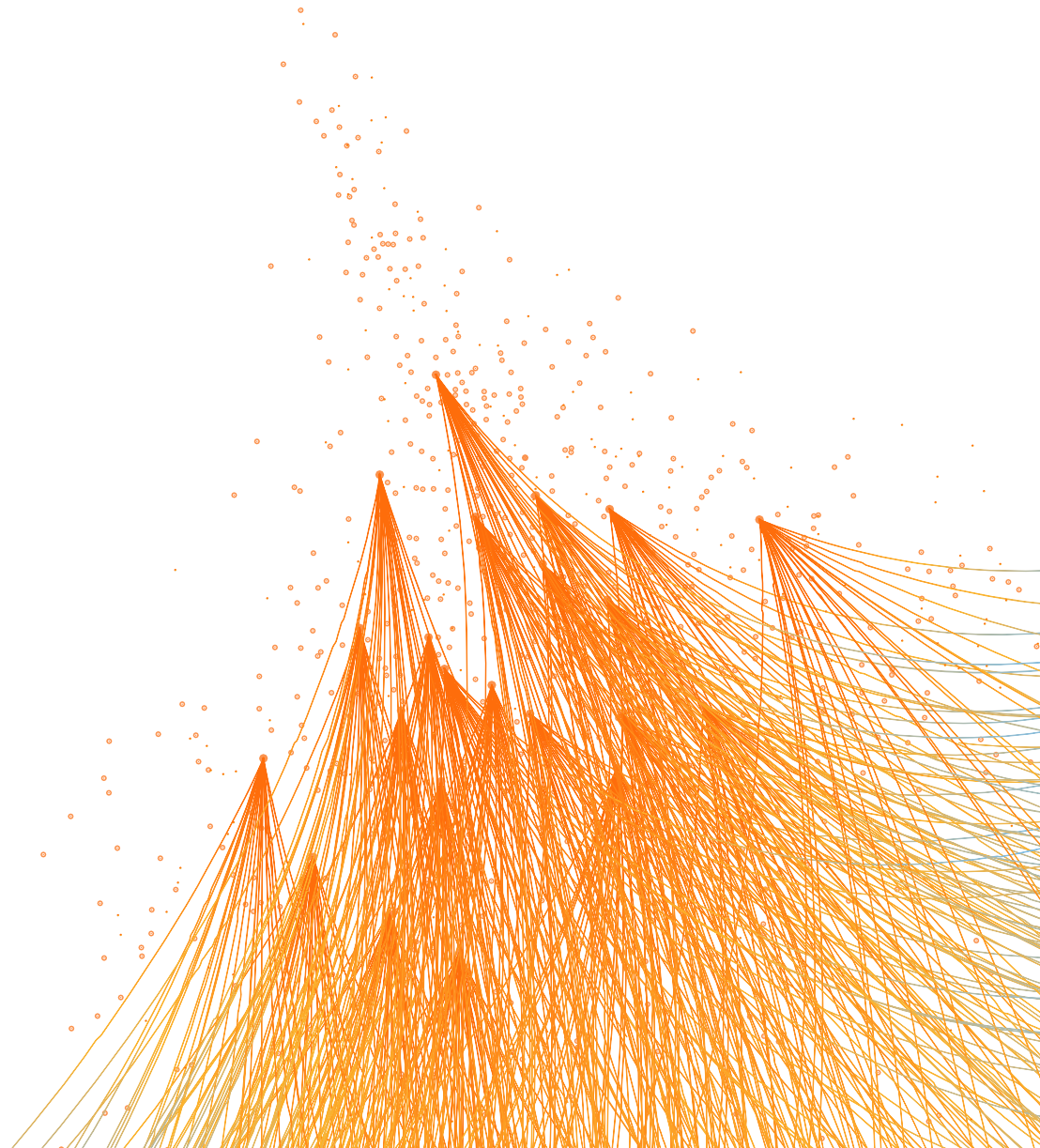
Among those who felt that generative AI should not be used, there were some concerns around accuracy and confidentiality. However, a number of respondents also shared a simple mentality: It's not what corporations pay their outside firms to do.

"When instructing outside law firms, we have a reasonable expectation of the professional competence of the lawyers we have engaged. Both individual lawyers and firms must remain responsible for their work output and advice. Should AI be used for chargeable work, the cost to clients would need to be significantly reduced."

— Corporate legal survey respondent

"We are paying for accounting/tax services from qualified professional accountants. If they are going to use ChatGPT or generative AI, there is no reason for us to engage them in the first place as we could just use ChatGPT or generative AI ourselves."

— Corporate tax survey respondent



Assessing risks

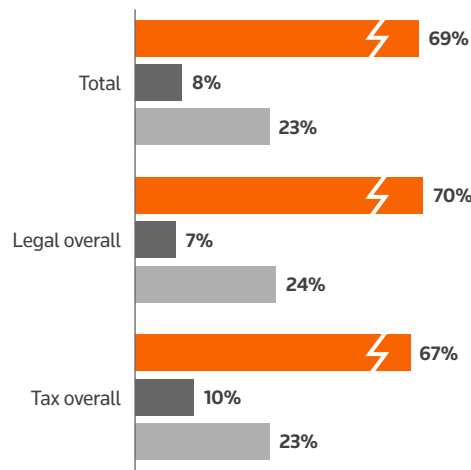
One of the major issues holding back many interested parties from using generative AI or ChatGPT are the tools' perceived risks. About seven-in-ten professionals report their firms or departments have risk concerns surrounding the use of ChatGPT or generative AI, while an additional two-in-ten did not know whether their organization had risk concerns.

Figure 10: **Seven-in-ten professionals report their firms or departments have risk concerns surrounding the use of ChatGPT and generative AI. This is significantly higher among corporate legal professionals.**

Risk concerns surrounding the use of ChatGPT or generative AI

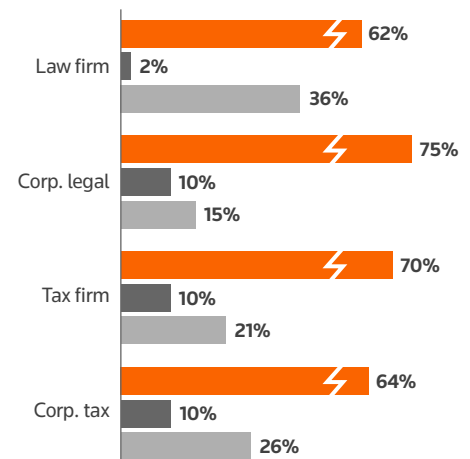
Industry overall

Yes No Don't know



By organization type

Yes No Don't know



Source: Thomson Reuters 2023

Law firm respondents stand out as having almost no respondents say they do not have risk concerns, but also a higher proportion of respondents saying they did not know whether or not their firm had concerns. This was particularly true of the 123 respondents who said they were associates: 54% of associates said they did not know their firm's risk assessment of generative AI, compared to 19% of partners or managing partners who said they did not know.

Risk assessment also represents one of the few areas in which there was a notable difference between geographies surveyed — namely, that a slightly higher number U.S. respondents confirmed risk concerns compared to their U.K. or Canadian counterparts.

Figure 11: **A slightly higher percentage of U.S. respondents confirmed risk concerns compared to U.K. or Canada.**

Risk concerns surrounding the use of ChatGPT or generative AI

“Yes” by country

■ Law firms ■ Corp. legal ■ Tax firms ■ Corp. tax



Source: Thomson Reuters 2023

Respondents’ risk concerns primarily fell into four categories: privacy, confidentiality, data security, and accuracy. For privacy, respondents had particular concerns around public-facing tools such as ChatGPT and how any data loaded into the tool would be handled.

“Any data or information communicated with ChatGPT or any generative AI models is stored and typically used to improve future responses. That is a huge security risk especially in an open-source model.”

— Corporate tax survey respondent

Regarding confidentiality, legal and tax professionals alike noted that their work product is typically protected by confidentiality requirements such as attorney-client privilege. Many said they were unsure how use of a generative AI tool would square with those requirements.

“Lawyers may become essentially ‘book reviewers’ rather than authors. Yet they and their firms are personally and corporately liable for errors and omissions. Raises insurance, malpractice, and other issues.”

— Law firm survey respondent

For security, some respondents noted that ChatGPT creator OpenAI is not a trusted name with whom many in legal or tax have worked before. There were concerns about what were to happen if a generative AI developer were to be hacked, especially given the amount of data in the tool.

When asked about their main concerns, one Corporate Tax respondent said:

“Data security (private information) as well as controls around procedures performed and access.”

Finally, concerning accuracy, respondents said that for high-value tasks, a technology tool needs to be nearly perfect. ChatGPT creator OpenAI has noted that its latest version of the tool, GPT-4, has a roughly 86% success rate answering from a bank of English-language multiple choice questions, which itself was an increase from around 70% for GPT-3.5. But particularly for client-facing work product, over-reliance on generative AI tools could lead to poor outcomes.

“These programs search for what they’re told. Unlike a human mind that would realize a mistaken citation that resulted in a case from the wrong state in your brief needs to be corrected, and would know the correction, the software or technology just inserts what is there.”

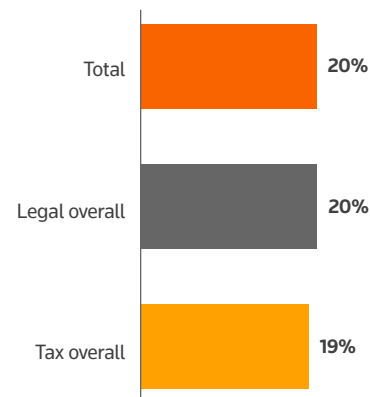
— Law firm survey respondent

Still, despite these numerous issues, many firms and departments do not have policies in place regarding generative AI usage. In fact, only a small number have warned employees against unauthorized generative AI or ChatGPT usage in work product.

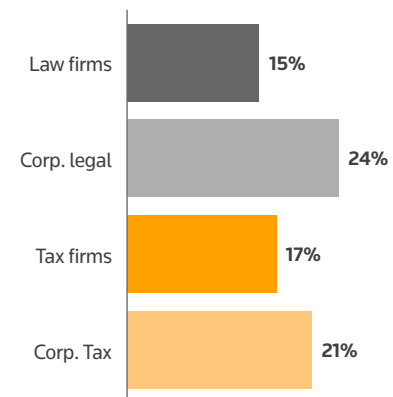
Figure 12: **Corporate professionals are more likely to receive warnings regarding unauthorized use of ChatGPT and generative AI at work.**

Warnings against the unauthorized use of ChatGPT or generative AI

Industry overall “Yes”



“Yes” by organization type



Source: Thomson Reuters 2023

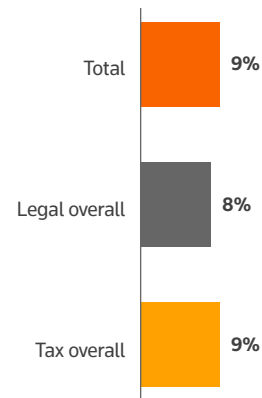
Notably, corporate legal (24%) and tax (21%) departments are more likely to have been issued warnings against unauthorized generative AI use, compared to outside law firms (15%) or tax & accounting (17%) firms. The numbers also varied slightly based on geography: 20% of U.S. legal respondents and 20% of U.S. tax respondents said their organizations have issued warnings. In the U.K. those splits were 22% and 17%, respectively, but in Canada the figures were lower: just 15% of legal and tax professionals said their organizations have issued warnings against unauthorized use.

When measuring the number of organizations that have outright *banned* unauthorized generative AI or ChatGPT use, the numbers are even lower.

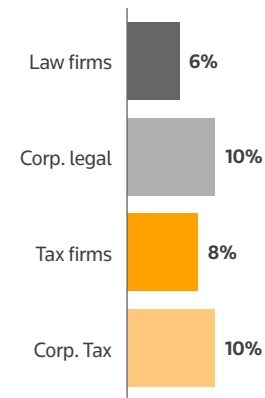
Figure 13: **Only one-in-ten professionals report bans from unauthorized use of ChatGPT or generative AI at work.**

Bans against the unauthorized use of ChatGPT or generative AI

Industry overall "Yes"



"Yes" by organization type



Source: Thomson Reuters 2023

Once again, corporate legal and tax departments are more likely to have banned unauthorized use than their outside law firm and tax & accounting firm counterparts. In this case, however, the U.K. is more risk-adverse than other geographies: 9% of legal and 13% of tax professionals said their organizations had banned unauthorized use. That is higher than either the U.S. (8% for both industries), or Canada (7% for legal, 8% for tax).

Conclusion

Interest in generative AI tools and the plethora of potential use cases in the legal and tax profession alike indicates that generative AI is not likely to be a fad. Just six months after ChatGPT's public release, professionals across both industries already agree that the tool can and should be used for work product, and even corporate professionals believe their outside firms should be exploring the technology.

Awareness of generative AI has already been achieved, which makes *adoption* the next step on the technology lifecycle. This is potentially already occurring, especially considering that nearly one-third of all respondents said their organizations are weighing whether to adopt generative AI tools.

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Many respondents remained concerned with the tools' privacy, confidentiality, security, and accuracy, but these risks will also wane in time as generative AI tools become more powerful and simultaneously more judicious in their use of customer data.

Education will also go a long way towards increasing generative AI use. A number of our survey respondents said they simply did not know how generative AI would be used and what their own organization's approach to it would be. As legal and tax professionals become increasingly hands-on in using the tool and many firms and departments adopt generative AI policies for the first time, those uncertainties will diminish, and more confident adoption is likely to follow.

And soon, ChatGPT will not be the only go-to generative AI tool, as Microsoft's Copilot, Google's Bard, and other generative AI tools begin to enter the marketplace. These tools will provide more options, different levels of privacy and security, and varying features to allow customization for the first time within firms and departments alike.

Generative AI is still a technology on the rise. Still, many within legal and tax feel it is not ready for adoption quite yet — however, they do clearly see the benefits and potential use cases. It may be only a matter of time.

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