

**GOVERNMENT OF INDIA
MINISTRY OF LAW & JUSTICE
DEPARTMENT OF LEGAL AFFAIRS**

LOK SABHA

**UNSTARRED QUESTION NO. 2425
TO BE ANSWERED ON 26.12.2018
Foreign Law Firms**

2425. SHRI B.SENGUTTUVAN

Will the Minister of LAW AND JUSTICE be pleased to state:

- (a) whether the Government has any proposal to allow foreign legal firms to practice in India in a phased manner beginning with their entry in non-litigious and international arbitration matters and if so, the reasons therefor ;
- (b) whether the Bar Council of India the governing body regulating legal practice in India has accorded its permission to allow foreign law firms to practice in India if so, the reasoning of BCI for such initiative;
- (c) whether the Government has taken into consideration the adverse impact of such a move on indigenous law firms if so, the steps taken by the Government in this regard;
- (d) whether the government would stipulate a pre-condition that for setting up and legal practice in India the foreign legal firms should employ at least 3/4th of Indians to do the legal and paralegal work; and
- (e) if so, the status of the proposal at present?

ANSWER

MINISTER OF STATE FOR LAW AND JUSTICE AND CORPORATE AFFAIRS

(SHRI P.P. CHAUDHARY)

(a) & (c) to (e)- The Law Commission of India submitted its 266th report titled "The Advocate Act, 1961 (Regulation of Legal Profession)" on the issue of "Entry of Foreign Law Firms" to Government of India in March 2017.

Hon,ble Supreme Court of India in its judgment dated 13.03.2018 in Civil Appeal Nos.7875-7879 of 2015 titled **Bar Council of India Vs A.K. Balaji and Ors.** held that foreign law firms cannot set up offices in India or practice in Indian Courts, but there is no bar for the foreign law firms or foreign lawyers to visit India for a temporary period for giving legal advice regarding foreign law on diverse international legal issues on a 'fly in and fly out' basis if it does not amount to practice. It was further held that if the matter is governed by particular rules of an arbitral institution or if the matter otherwise falls under section 32 or 33 of Arbitration and Conciliation act, 1996 there is no bar on foreign lawyers to conduct such proceedings in India. Even in such cases, Code of Conduct, if any, applicable to the legal profession in India has to be followed. It is for the Bar Council of India or Central Government to make a specific provision in this regard, if considered appropriate.

Hon,ble Supreme Court's judgment dated 13.03.2018 and 266th report of Law Commission of India are under consideration of Government of India.

(b) Bar Council of India stated that the issue of framing regulation relating to entry of foreign Law Firms/Advocates, if any, will be considered by the Bar Council of India after receipt of opinion of all the State Bar Councils after publication of final result of ongoing elections. The Bar Council of India has said that it can furnish its opinion only after gathering the opinion of the lawyers all over the country.
