



Business | Big law in India

India loosens restrictions on foreign lawyers

For real this time?



Mar 23rd 2023 | MUMBAI

Save Share Give

PROTRACTED LEGAL battles are common in India. One of the longest-running of all concerns who is allowed to practise law in the country. On March 10th the Bar Council of India quietly released an announcement that, though armed with inevitable caveats, removed some of the restrictions that have for decades kept most foreign lawyers from plying their trade on Indian soil. “With this, the legal practice of India enters a new era,” says Vyapak Desai of Nishith Desai Associates, a rare Indian law firm with offices abroad.

Listen to this story. Enjoy more audio and podcasts on [iOS](#) or [Android](#).

Since independence in 1947 India has, in the name of self-sufficiency, created barriers to entry for outsiders in many industries. As elsewhere in the world, the legal profession was deemed particularly sensitive. So sensitive that, in 1961, the Advocates Act required all lawyers to be Indian citizens. At the urging of the central bank, the Foreign Exchange Regulation Act of 1973 created an exemption. Foreigners were still barred from representing clients in courtrooms but they could advise them on things like contracts and mergers. By the 1990s a handful of foreign firms had set up shop in India, including giants like White & Case, a big New York firm.

Then, in 2009, the Supreme Court ended the exemption. Foreign lawyers keen to maintain a toehold in India's growing economy resigned themselves to establishing "best friend" relationships with local law firms. This enabled non-Indian lawyers to pay Indian clients brief visits. Still, to avoid the attendant hassle, many preferred to meet instead in London, Singapore or, more recently, Dubai.

Under the new rules, which have received the government's imprimatur, foreign lawyers can stay in India for 60 days a year—or permanently, if they register with the authorities. They may advise foreign firms in India on matters of international law. They still may not appear before any tribunal, regulatory authority or other forum with "trappings of a court". With one exception: foreigners will be able to represent clients before Indian panels in cases of international commercial arbitration.

This carve-out hints at the reasons behind the Bar Council's reform, notes Burzin Somandy of Somandy & Associates, a law firm in Mumbai. As the council itself explains in its decision, "experience and facts show" that multinational companies prefer going to foreign arbitration panels to have their Indian claims heard. The hope seems to be that foreign businesses would keep such proceedings in India if they can be represented by their foreign counsel. And that, in turn, would boost confidence in the Indian legal system—and, by extension, India's economy. Robust legal logic? The jury is out. ■

To stay on top of the biggest stories in business and technology, sign up to the Bottom

Line, our weekly subscriber-only newsletter.

This article appeared in the Business section of the print edition under the headline "The cost of legal admission"

Business

March 25th 2023

-
- How TikTok broke social media

 - **India loosens restrictions on foreign lawyers**

 - Can Adidas ever catch up with Nike?

 - Every setback is an opportunity for Ryanair

 - The real next big thing in business automation

 - How to get flexible working right

 - What Barbie tells you about near-shoring
-



From the March 25th 2023 edition

Discover stories from this section and more in the list of contents

[→ Explore the edition](#)

[Save](#)

[Share](#)

[Give](#)

[Reuse this content](#)



SUBSCRIBER ONLY | THE BOTTOM LINE

Need to track the megatrends shaping business and technology?

From supply chains to semiconductors, The Bottom Line newsletter has you covered

Sign up

More from Business



Can Adidas ever catch up with Nike?

The German firm's new boss has his work cut out

How to get flexible working right

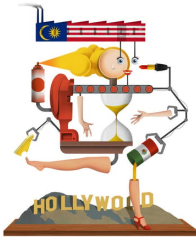
It is about schedules as well as locations





What Barbie tells you about near-shoring

Supply chains are neither global nor local. They are both



Subscribe

[Group subscriptions](#)

[Reuse our content](#)

The Trust Project

[Help and contact us](#)

Keep updated



Published since September 1843 to take part in “*a severe contest between intelligence, which presses forward, and an unworthy, timid ignorance obstructing our progress.*”

The Economist

[About](#)

[Advertise](#)

[Press centre](#)

The Economist Group

[The Economist Group](#)

[Economist Intelligence](#)

[Economist Impact](#)

[Economist Events](#)

[Working Here](#)

[Economist Education Courses](#)

[Which MBA?](#)

[Executive Jobs](#)

[Executive Education Navigator](#)

[Terms of Use](#) [Privacy](#) [Cookie Policy](#) [Manage Cookies](#) [Accessibility](#) [Modern Slavery Statement](#) [Sitemap](#)

[California: Do Not Sell My Personal Information](#)

Copyright © The Economist Newspaper Limited 2023. All rights reserved.