

## LEGAL MNCS MAY GET SUMMONS

Govt has made a case for the entry of foreign law firms in phases, but it advocates a trickle rather than rush as it is on the wrong side of frowning domestic legal eagles

NEW DELHI: Foreign law firms may soon get a toehold in India, enabling them to gradually tap the booming market here for legal business. The government plans to open up legal services in phases, slowly overcoming resistance from Indian lawyers.

In the first phase, foreign law firms will be allowed to advise clients on laws in other countries. This could involve consultancy to Indian firms taking up business or sourcing funds from other countries. This window will also allow foreign law firms to advise multinationals working in India on legal implications in various countries on account of developments taking place in India.

In the next stage, overseas law firms will be allowed to forge partnerships with Indian firms. Such joint ventures may provide consultancy services to Indian clients on issues pertaining to Indian law, but foreigners will not be allowed to appear before courts.

Market access for practising Indian law in a full-fledged manner will be considered only after these two stages. As of now, it is only a distant possibility and any progress would depend on feedback from the first two stages. The law ministry plans to set up a regulator to monitor foreign firms. Any foreign law firm found practising Indian law before the market is opened up will be blacklisted.

The law ministry has received recommendations from all the leading law firms and is now consulting the commerce ministry which deals with market access in services. The government is of the view that availability of foreign law firms here would help in minimising Indian business enterprises' costs.

“Indian law firms are competent enough to face foreign competition. The country has to incur huge costs in paying foreign law firms to avail of legal services. The government had to shell out over Rs 100 crore in the Enron case for arbitration,” a senior government official said. The Bar Council of India (BCI) has so far been against the move to allow foreign lawyers to practise in India. “We will hold a meeting on November 17 with all state representatives of BCI and hope to reach a consensus on the issue,” said BCI member, Jagdev.

One of the options is to allow foreign law firms to function here through the limited liability partnership (LLP) structure. The LLP bill is under the consideration of the Parliamentary standing committee on finance.

**Law firm Fox Mandal said if foreign lawyers are allowed to practise only the law of their country, it would not pose a threat to Indian lawyers.**

**“We have suggested that it is only fair and in the interest of reciprocity that foreign firms be allowed to practise in India. Indian law firms are allowed to open offices and practise in many jurisdictions. The entry of foreign firms will go a long way in enhancing the competence of legal professionals in India. Moreover, if enough safeguards like a regulator are put in place, there’s no worry,” said Fox Mandal partner, Som Mandal.**