

Indian firms 'blocking' free legal market plans

By Max Walters | 9 February 2017



Plans to free up India's legal market are being 'blocked' by law firms unwilling to give up their monopoly despite government efforts to relax restrictions on foreign lawyers, the founder of a City practice has said.

In the face of opposition from a group of law firms and the Bar Council of India, the Indian government, last month, took tentative steps toward freeing up the legal market. The government said it would amend the rules surrounding the country's special economic zones (SEZ) that would allow foreign law firms to operate in them for the first time.

Sarosh Zaiwalla, founder of Zaiwalla & Co, told the *Gazette* it was a 'start but not enough'. Many of the SEZs, originally intended to help exporting goods and services, were not in areas where it would make logistical sense to open a law firm, he said.

'The government wants it and the people want it but there are a few law firms – the ones that have the monopoly in the country – who are blocking it. They do not want the extra competition,' he said. There were 'four or five' firms unwilling to make way for competition, he added.

The Bar Council of India is expected to lodge a formal protest over the government's relaxation of the SEZ rule; the Society of Indian Law Firms has already objected.

Currently, only Indian citizens are allowed to practise in India. Speculation at the potential opening of the legal market has been in the pipeline for around 20 years.

In 2015, the *Gazette* reported that a memorandum of understanding on liberalising India's legal services market was being prepared.

Zaiwalla said: 'It would be a welcome change, it needs to happen sooner rather than later as it would induce competition and provide an opportunity for firms to bring in younger lawyers from abroad to work for them.'

Zaiwalla was speaking at a networking event in Chancery Lane which was designed to give Indian students the opportunity to learn about cross-country partnerships between the Indian and UK legal sectors.

Law Society president Robert Bourns told the *Gazette*: 'We have been working with our counterparts in India to support this process, sharing our experience of regulatory reform and providing insight into how global legal firms operate.'

'We hope liberalisation will also lead to English and Welsh solicitors being able to collaborate more effectively with their Indian colleagues by establishing a permanent presence in India. This will further boost solicitors' contribution to the UK economy and facilitate trade and investment between the two nations.'