

Legal sector heads for more competition

3 min read . Updated: 19 Mar 2023, 11:18 PM IST

Priyanka Gawande, Devina Sengupta



A file photo of lawyers at a law firm in New Delhi. (Mint)

SYNOPSIS

Legal heads said the development will be akin to how Singapore has opened up in the past two decades as a hub for global corporate litigation.

MUMBAI : Competition in corporate law practices will increase following the entry of foreign law firms in India. Several firms, such as Saraf and Partners, Pioneer Law, DLA Piper and Spice Route Legal, among others, said charge out rates will increase, referrals from foreign firms will cease and a large number of Indian professionals will join the local arm of the global law firms.

Legal heads said the development will be akin to how Singapore has opened up in the past two decades as a hub for global corporate litigation.

“We need foreign law firms as they have the bench strength and capability to handle the growth we are staring at for next 10-15 years. Without presence of international law firms in India, it would be challenging for Indian law firms to do justice to the additional workflow in next 10-15 years,” said Mohit Saraf, founder of Saraf and Partners, adding that the charge out rates for Indian law firms will significantly improve due to the entry of global peers. Essentially, charge out rates refer to the amount charged from customers for an hour of legal work by lawyers and law firms. This is likely to see a marked increase when international law firms get involved.

On 15 March, the Bar Council of India’s circular allowed foreign law firms and lawyers to practise foreign law and diverse international law and arbitration matters in India. The rules will help flow of foreign direct investment (FDI) and make India a hub for International Commercial Arbitration. “Salaries will go up, which is a good thing, as young Indian lawyers were paid less than desirable rates. We will see collaborations, partnerships and other “buy out” like transactions (especially among law firms whose growth rates are plateauing), and generally seeing an upgrade in the local market,” Mathew Chacko, partner, Spice Route Legal, said.

Competition in the legal sector will heat up as foreign law firms will soon be able to set up offices in India. They can advise clients on transactional and corporate work such as joint ventures, mergers and acquisitions, intellectual property rights cases, drafting contracts and other related jobs. “Firms will stand to lose referrals from foreign law firms once they set up shop in India. Since the

easiest way to start practice is to take over teams they have previously worked with, there is likely to be a mass movement," said Pritha Jha, partner at Pioneer Legal. Jha expects "consolidation" may be another outcome.

Apart from increasing rivalry for legal cases, compensation is expected to see an uptick with the new entrants. "Foreign firms are expected to bring with them a war chest large enough to shake up the current pay scales. The immediate impact is likely to be high. Whether this will be effective in the long term will depend, like all other firms, on profitability," Jha added.

Concerns are also being raised on the need for clarity on the guidelines applicable for the new entrants. "A big concern for most Indian law firms is whether foreign law firms will indirectly or in a surrogate manner practice Indian laws. This is where stricter oversight will be required," said Nishith Desai, founder of Nishith Desai and Associates.

SIMILAR STORIES



Government sets up centralised facility for voluntary closure...



Govt forms multi-state cooperative export society to push exports



Foreign investors drive negative bets on Nifty to 3-year high



PLI scheme- 57 MoUs signed with 27 companies for specialty steel



Wipro sacks 120 employees in US over 'realignment of business...



Healthca scale its | 15K

Foreign law firms would have to 'normally' abide by the same ethical and practice standards laid down under the Advocates Act, according to the notification. For instance, Indian lawyers cannot accept continent fees nor advertise. Moreover, disciplinary action against such foreign firms can only be taken by the disciplinary authority of the concerned foreign country and not by the Indian Bar Council depriving the council of its legitimate jurisdiction.

ABOUT THE AUTHOR



Priyanka Gawande

Priyanka Gawande is a senior legal correspondent at Mint. She has worked as legal reporter for four years with both television and digital mediums. Based in Mumbai, she reports on disputes across sectors including banking, corporates and finance. This also includes insolvency and bankruptcy cases and intellectual property rights (IPR) litigation. Her focus also comprises tracking capital markets and disputes relating to securities law. Previously, Priyanka worked with Informist Media for 2.5 years covering major insolvency and...

[Read more from this author](#)

Catch all the [Corporate news](#) and Updates on Live Mint. Download The [Mint News App](#) to get Daily [Market Updates](#) & Live [Business News](#).

[More](#)

S&P BSE SENSEX ▼
57,628.95 -360.95 (-0.62%)

NIFTY 50 D ▼
16,988.4 -111.65 (-0.65%)

NIFTY BANK D ▼
39,361.95 -236.15 (-0.6%)

S&P BSE MIDCAP ▼
23,842.05 -269.96 (-1.12%)

S&P BSE SENSEX ▼
57,628.95 -360.95 (-0.62%)

Credit Suisse stock dips 65%, UBS falls 16% as investors digest merger deal



3 min read • 03:47 PM IST



What's worrying investors as Sensex today falls over 800 points, Nifty below 17k

1 min read • 12:47 PM IST



MINT PREMIUM

[View All >](#)

PREMIUM

PREMIUM

PREMIUM

PREMIUM

Funding chill: Startup deals at 9-year low

Mint Explainer: The significance of Xi Jinping's visit to Russia

In five charts: How war fed Indo-Russia trade

Greaves addresses Ampere chassis breakage issue

Gold prices hit record high, cross ₹60,000 mark. Buy, sell or hold?

2 min read • 01:23 PM IST



Behind Gopinathan's abrupt exit, simmering tensions

3 min read • 06:49 AM IST



Sensex ends down but off lows, Nifty near 17K; PSU banks, metals slump, FMCG up

16 min read • 03:50 PM IST



Pay arrears to pensioners, gallantry winners; SC gives deadline to Centre

1 min read • 12:47 PM IST



New York Community Bank to buy failed Signature Bank

1 min read • 07:47 AM IST



FROM **The Economist**

[View All >](#)

PREMIUM

The Economist

What does Xi Jinping want from Vladimir Putin?

PREMIUM

The Economist

China's slowdown is hurting the young

The Economist

How deep is the rot in America's banking industry?

The Economist

Pressurised natural caves could offer a home from home

National Pension System: Why you should choose NPS for your retirement planning

2 min read • 09:32 AM IST



Indian rupee, bond yields await Fed policy move for cues

2 min read • 07:46 AM IST



Indiabulls Housing Finance continues to be among stocks under F&O ban on NSE

1 min read • 07:39 AM IST





Microsoft brings artificial intelligence tool Copilot to Word, Teams



The flavours of Nawruz—the first day of spring



World Happiness Day: 5 ways to improve social fitness and be happy



Lounge loves: Art deco buildings, Assamese jewellery and more

How to stay happy during layoffs? Experts share tips on World Happiness Day

3 min read • 04:27 PM IST



Auto drivers in Bengaluru to go on strike today to protest against bike taxis

1 min read • 08:31 AM IST



GMR Airports Infra to merge subsidiary with itself, raise ₹2,900 cr from ADP

1 min read • 09:31 AM IST



Why is International Day of Happiness celebrated? history, theme, significance

1 min read • 10:32 AM IST



SGX Nifty to banking crisis - key global market triggers for Indian equities

1 min read • 08:16 AM IST



Stocks to Watch: Reliance Industries, HDFC, Tata Motors, Adani Enterprises

2 min read • 07:33 AM IST



Police continue search for Amritpal Singh, security tightened in Punjab

1 min read • 06:09 AM IST



Credit Suisse tells staff, 'bonuses will be paid, go to work'

1 min read • 08:18 AM IST



Twitter now charges for two-factor authentication; here's how to get it for free

2 min read • 07:56 AM IST



Delhi braces for heavy rain, hail as IMD issues orange alert

2 min read • 07:00 AM IST



Indian rupee, bond yields await Fed policy move for cues

2 min read • 07:46 AM IST



Indiabulls Housing Finance continues to be among stocks under F&O ban on NSE

1 min read • 07:39 AM IST



How to stay happy during layoffs? Experts share tips on World Happiness Day

3 min read • 04:27 PM IST



Auto drivers in Bengaluru to go on strike today to protest against bike taxis

1 min read • 08:31 AM IST



MINT SNAPVIEW

[View All >](#)

PREMIUM

Top-level changes come at a crucial time for IT firms

Credit Suisse survived two world wars. It can probably

PREMIUM

India needs to reform the way it handles bank failures

PREMIUM

Ignore the bad takes - fractional reserve banking is a

GMR Airports Infra to merge subsidiary with itself, raise ₹2,900 cr from ADP

1 min read • 09:31 AM IST



Why is International Day of Happiness celebrated? history, theme, significance

1 min read • 10:32 AM IST



SGX Nifty to banking crisis - key global market triggers for Indian equities

1 min read • 08:16 AM IST



Stocks to Watch: Reliance Industries, HDFC, Tata Motors, Adani Enterprises

2 min read • 07:33 AM IST



Police continue search for Amritpal Singh, security tightened in Punjab

1 min read • 06:09 AM IST



Credit Suisse tells staff, 'bonuses will be paid, go to work'

1 min read • 08:18 AM IST



Twitter now charges for two-factor authentication; here's how to get it for free

2 min read • 07:56 AM IST



Delhi braces for heavy rain, hail as IMD issues orange alert

2 min read • 07:00 AM IST



CATEGORIES

- Money
- Markets
- Companies
- Mutual Funds
- Industries
- News
- Cryptocurrency
- Auto
- Technology
- Budget 2022

TRENDING NOW

- Stock Market LIVE
- Bihar Board 12th Result
- Udayshivakumar Infra IPO
- Credit Suisse Stock
- SGX Nifty to Banking Crisis
- Delhi Traffic Police
- Gold Prices
- RIL Share
- Indusind Bank Share Price
- Yes Bank Share
- Motherson Sumi Share

LATEST STORIES

- Beware of work-from-home scam! Delhi man loses...
- Delhi court extends Sisodia's judicial custody...
- Rekha Jhunjhunwala joins Board of Trustees at ...
- Quick financial checks before the year ends
- Optimus to make laptops, eyes 1 lakh units of...
- Hyundai announces a special service offer for ...
- Bali likely to end visa-on-arrival for tourist...
- HDFC Bank shares may deliver 23% return, says ...
- Assam govt will erase child marriage by 2026, ...
- SC rejects Centre's sealed envelope in OROP ca...

DOWNLOAD APP

Download the Mint app and read premium stories



[About Us](#)

[Contact Us](#)

[Terms Of Use](#)

[Privacy Policy](#)

[RSS](#)

