

Indian trade deal ignores legal services

Law Society regrets 'missed opportunity' after 15 years of lobbying counterparts. By **Jonathan Ames**

Five years after the UK waved goodbye to the EU amid enthusiastic forecasts of an independent trading future, British ministers are finally cutting deals.

One of the biggest plums being touted by now Labour ministers unavoidably triggers memories of hundreds of years of colonial history: a UK-India pact that is the biggest trade deal since Brexit.

Although details of the agreement struck last week remain scant, it is anticipated that when it comes into effect next year, the deal will lower tariffs on goods that Britain exports to India, such as whisky, cars and aerospace products. British consumers will in turn benefit from cheaper goods from India, including foodstuffs, textiles and jewellery.

But while champagne corks popped across Whitehall, in Chancery Lane there was disappointment that legal services were noticeably absent from the deal. That "failure", said the Law Society, the professional body for the largest branch of lawyers in the UK, was "a missed opportunity for both UK and Indian economies".

The society, which represents 170,000 practising solicitors in England and Wales, including 30,000 in the City, went on to warn that legal services were "an enabling sector, supporting other sectors in their own trade and investment decisions and operations".

Indeed, Richard Atkinson, the society's president, invoked ministers' own policy in his argument, noting that

legal services was one "of the high-growth sectors identified in the government's industrial strategy", before calling on the British government "to renew its support for legal services trade between the two countries."

If anything, the latest broad trade deal between the UK and India is a reminder of just how entrenched protectionism is in the Indian legal profession. Senior officials at the Law Society's Chancery Lane headquarters in London have been lobbying their Indian counterparts for at least the past 15 years for a loosening of the rules that have effectively prevented foreign lawyers from practising in the country.

Supporting those rules were rulings from the Bombay and Madras high courts in 2009 and 2012, which banned foreign lawyers from working in the country other than on a temporary "fly in and fly out" basis to advise clients on foreign law issues.

Progress seemed to be made four years ago, when Boris Johnson, who was then prime minister, agreed an "enhanced trade partnership" with his Indian counterpart, Narendra Modi. At the time, the chairman of the Bar Council said there was a "once-in-a-lifetime opportunity" to get a deal for UK lawyers.

But little actually happened. Fast-forward to 2023, when the Bar Council of India ended decades of deadlock over protectionist rule, saying that the time had come for its legal profession to "rise to the occasion" to meet the



Jonathan Reynolds, the business secretary, and Piyush Goyal, the Indian commerce minister, during talks last month

changes fuelled by the globalisation of legal practice. Again, however, the Indian government has been less keen, as the absence of legal services in the latest deal demonstrates.

Yet despite decades of disappointment, some UK lawyers remain seemingly eternally optimistic.

"Discussions around the liberalisation of India's legal services market are

Rules in India effectively prevent foreign lawyers from practising there

still ongoing," says Kim Lalli, the partner and head of the India desk at Charles Russell Speechlys.

She argues that it is "not out of the question" that the free trade agreement just struck "could influence the likelihood of the legal market one day opening up, but the two things are quite separate and it is therefore rather diffi-

cult to predict what may happen in the future". With a resigned note of realism, Lalli recalls that City lawyers "have said previously that the liberalisation of India's legal market will take years rather than months, and we believe that still to be the case".

Zulon Begum, a partner at CM Murray, agrees with the Law Society chief that "the lack of detailed trade commitments in this area represents a missed opportunity for both nations to deepen their professional collaboration and economic ties". She notes that a present emphasis on the recognition of qualifications between the two nations "does little to facilitate market entry, protect British firms from competitive disadvantages or enable them to serve Indian clients directly". Begum joins others in the City who are urging UK ministers to "press for more tangible commitments on market access within future negotiations".

A deal done in 2023 between the Law Society and the Bar Council of India

permits English and Welsh solicitors to register and practise in India, but under fairly strict conditions. And, Begum says, as with so much bureaucracy in India, those regulatory changes are "still shrouded in ambiguity".

City lawyers are calling on UK ministers to clarify registration procedures and the scope of practice under those rules, as well as details over fee structures. Remaining barriers — such as restrictions on joint ventures or partnerships between Indian and foreign lawyers — must also be addressed, they say.

In addition, lawyers are calling on the UK government to advocate for the inclusion of specific legal services commitments within the broader trade agreement, ensuring they are legally binding and enforceable. "Doing so," Begum says, "would provide the certainty that UK law firms need to establish a presence in India confidently, knowing their rights and market opportunities are protected."