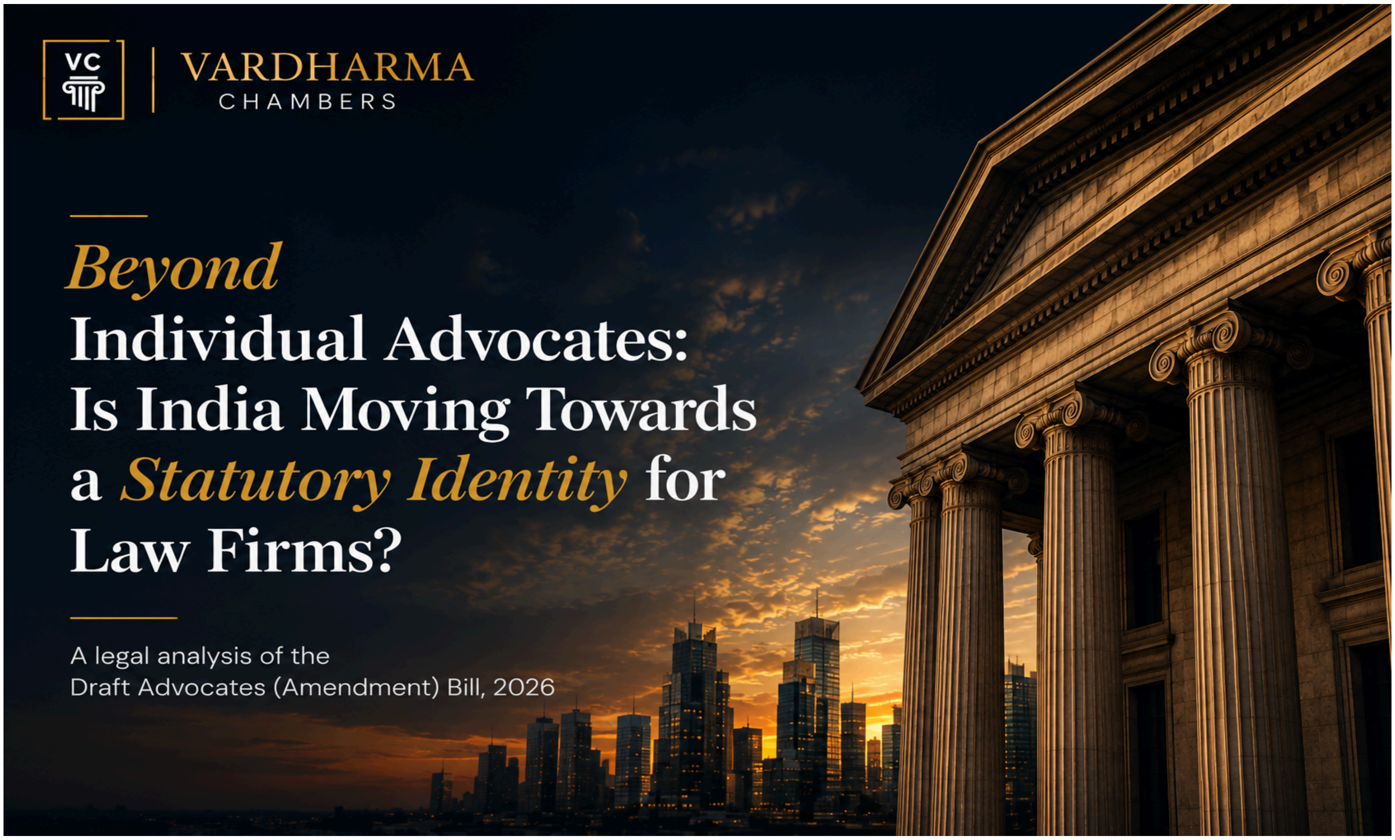

For more than six decades, the Advocates Act, 1961 has approached the legal profession principally through the individual advocate. Enrolment, professional conduct and disciplinary control are all built around the advocate. The firm through which advocates work, however, has generally derived its legal identity from other legislation, the Partnership Act, the LLP Act or, where applicable, the Companies Act.

That distinction may have made sense in 1961. It is harder to overlook now.

Indian legal practice has changed considerably. Firms have multiple offices, specialised teams, internal management structures and, increasingly, cross-border practices. Clients may instruct a firm as an institution and expect the institution to have systems, continuity and accountability, even though the statutory framework continues to focus largely on the individual lawyer.

The Draft Advocates (Amendment) Bill, 2026 seeks to address part of this gap. It proposes a statutory definition of “law firm” and a separate chapter dealing with the registration of law firms under the Advocates Act.

That may look like a relatively limited amendment. It is not difficult to see why it could have wider implications for how legal practice is organised and regulated in India.

A regulatory framework built around the individual advocate

The proposed definition is fairly broad. It covers partnerships under the Indian Partnership Act, 1932, LLPs under the LLP Act, 2008, companies incorporated under the Companies Act, 2013 and other bodies consisting of advocates engaged in the practice of law.

The Bill also proposes a separate registration framework. Reporting on the draft indicates that firms operating across more than one State would be required to register with the Bar Council of India as well as the relevant State Bar Councils.

The important point is not simply that firms would have to register. The more significant change is that the firm itself would have a direct statutory relationship with the bodies regulating the legal profession.

There is a practical reason for recognising that distinction. Questions of governance, continuity, succession, professional responsibility and firm-level compliance do not always fit neatly within an individual-advocate framework. A firm may have policies, systems and responsibilities that exist independently of any one partner. Clients may also expect the institution, rather than only the individual lawyer, to stand behind those systems.

Registration could therefore give formal recognition to something the market has already treated as a reality for some time: the law firm is itself an important unit of modern legal practice.

One of the more interesting questions is what this could mean for smaller and regional firms.

At present, a firm's institutional standing is largely built through reputation, the lawyers associated with it, its client base and the work it has handled. Registration would introduce another, more objective marker of institutional status.

It would not, of course, put firms on an equal footing. Size, experience and reputation will continue to matter. But a common regulatory status could give a well-run regional or smaller firm another way of demonstrating institutional credibility.

There is also a cross-border dimension to this. As Indian firms become more involved in cross-border transactions and international referral relationships, foreign regulators and professional bodies need a clear understanding of the corresponding legal institution on the Indian side. A statutory category of law firm could provide a clearer basis for that engagement, including future discussions around reciprocity and international legal practice.

This is particularly relevant as India seeks to strengthen its position in international legal and professional services.

Recognition also means regulation

The proposal should not, however, be viewed only as a question of recognition. Registration also means regulation.

For firms with operations in more than one State, the possibility of registration at both the BCI and State Bar Council levels could introduce an additional compliance layer. More importantly, the draft contemplates rules specifically applicable to registered law firms, while many of the practical details are yet to be worked out through the regulatory framework that would follow.

Much will therefore depend on how the framework is implemented. What will a firm actually have to do to remain compliant? Who within the firm will bear responsibility for firm-level obligations? How will succession and changes in constitution be dealt with? How will multi-office firms be supervised? And how will the new requirements interact with the corporate and professional compliance obligations that firms already carry?

None of these questions necessarily argues against registration. They do, however, become important once the firm is treated as a regulated institution in its own right.

Where does in-house practice fit?

There is another issue that the consultation has brought into sharper focus: in-house legal practice.

Modern legal work does not happen only in external law firms. General Counsels and in-house teams routinely handle contracts, regulatory matters, investigations, compliance, disputes, governance and other substantive legal work for their organisations.

During the consultation, both the Federation of Indian Corporate Lawyers and the General Counsels' Association of India raised concerns about the proposed treatment of in-house counsel and called for greater statutory recognition of General Counsels and in-house lawyers.

That concern is worth considering alongside the proposed recognition of law firms. If the law is being updated to reflect how legal services are actually delivered today, it becomes difficult to ignore the work performed by in-house legal teams simply because they sit within an organisation rather than an external firm.

Recognition of law firms and recognition of in-house legal practice need not be competing propositions. Both raise the same underlying question: does the regulatory framework adequately reflect the way legal work is actually carried out today?

A shift in the way legal practice is regulated

The consultation on the Draft Bill closed on 31 July 2026. The final form of the legislation, and the rules that may follow it, will determine how significant these changes ultimately become.

For law firms, the immediate point is not that a registration requirement will transform practice overnight. It is that the regulatory conversation is moving beyond the individual advocate and towards the institution through which legal practice is increasingly conducted.

For smaller firms, that could mean a new route to formal institutional recognition. For larger firms, it could mean another layer of regulatory responsibility. For the profession as a whole, it raises a more fundamental question about whether the Advocates Act should reflect the structure of legal practice as it exists today, rather than the structure it inherited from 1961.

The details will matter. So will the balance between BCI and State Bar Council oversight, the obligations ultimately imposed on firms and the treatment of in-house counsel. The direction of the reform is therefore worth watching, not only for what it changes for law firms, but for what it says about the future structure of legal practice in India.