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SALES TAX BAR ASSOCIATION (REGD.)

Office:

2nd Floor, Department of Trade & Taxes,
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New Delhi-110002

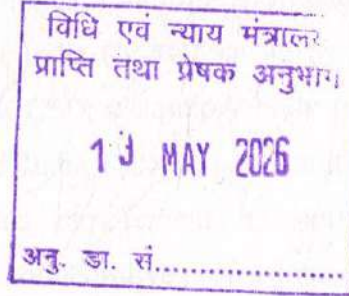
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Ref. No. STBA/2026/06

To

The Hon'ble Minister of Law and Justice
Government of India,
Shastri Bhawan,
New Delhi – 110001

Hon'ble Sir,



Dated 11.05.2026

Subject: Representation for reconsideration and amendment of Rule 2 in Chapter III of Part VI of the Bar Council of India Rules

We, on behalf of the Sales Tax Bar Association, respectfully submit this representation seeking reconsideration of the existing restriction imposed under **Rule 2 in Chapter III of Part VI** of the Bar Council of India Rules, which presently prohibits advocates from entering into partnership or any other arrangement for sharing remuneration with any person or legal practitioner who is not an advocate.

1. About the Sales Tax Bar Association

The Sales Tax Bar Association (Regd.), established in the year 1957, is one of the oldest and largest Associations of Tax Professionals in the country with around 2000 members. The Association has, over the years, contributed meaningfully to the development of tax jurisprudence and has actively engaged in capacity building, stakeholder consultations, and constructive dialogue with the authorities.

The members of STBA regularly handle complex matters involving GST, VAT, Income Tax Act and allied laws, which inherently require a blend of legal, accounting, and compliance expertise.

2. Background and Existing Legal Position

Rule 2 in Chapter III of Part VI of the Bar Council of India Rules prohibits advocates entering into partnerships or any arrangement for sharing remuneration with persons other than advocates. While the underlying objective of maintaining professional independence and ethical standards is well appreciated, it is respectfully submitted that the said restriction, in its present form, requires reconsideration in light of the evolving professional and commercial landscape.

3. Contemporary Professional Requirements

The present-day regulatory and commercial environment, particularly in the domain of taxation, necessitates a multidisciplinary approach. Matters arising under Income Tax, GST and allied laws invariably involve a confluence of:

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To
The Chairman,
Bar Council of India
New Delhi



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3. Contemporary Professional Requirements

The present-day regulatory and commercial environment, particularly in the domain of taxation, necessitates a multidisciplinary approach. Matters arising under Income Tax, GST and allied laws invariably involve a confluence of:

- Legal interpretation and litigation strategy
- Accounting and financial analysis
- Compliance and regulatory reporting

In such circumstances, clients increasingly require **integrated advisory services under a unified framework**, rather than fragmented engagement of multiple professionals.

The Institute of Chartered Accountants of India (ICAI), set up by an Act of Parliament; the Institute of Company Secretaries of India (ICSI), a statutory body under an Act of Parliament; and The Institute of Cost Accountants of India (ICMAI), a statutory body under an Act of Parliament have already recognised this requirement by permitting Multi-Disciplinary Partnerships (MDPs), thereby facilitating a collaborative professional structure. Relevant extracts of their respective Regulations are annexed hereto.

However, owing to the restriction imposed under the Bar Council of India Rules, advocates remain unable to participate in such frameworks, resulting in an asymmetrical and incomplete professional model.

4. Practical Difficulties and Hardships

The current restriction gives rise to several practical challenges:

- **Fragmentation of Services:** Clients are constrained to engage multiple professionals independently, leading to duplication of efforts.
- **Inefficiency and Increased Costs:** Lack of institutional coordination results in delays and higher compliance costs.
- **Absence of Synergy:** Legal and financial considerations, which are often interdependent, cannot be addressed cohesively.
- **Regulatory Ambiguity:** In practice, informal collaborations emerge, which lack transparency and structured oversight.
- **Competitive Disadvantage:** Indian professionals are placed at a disadvantage vis-à-vis global practices where multidisciplinary structures are permitted with appropriate safeguards.

5. Benefits of Permitting Multidisciplinary Partnerships

Allowing advocates to enter into regulated partnerships with other professionals would yield significant benefits:

- **For Clients:** Seamless, efficient, and comprehensive professional services under one roof.
- **For the Legal Profession:** Enhanced scope of practice, improved quality of advisory, and greater competitiveness.

- **For the Professional Ecosystem:** Strengthening of institutional collaboration and improved compliance outcomes.

6. Suggested Regulatory Approach

It is respectfully submitted that the concerns relating to professional independence and ethical standards can be adequately addressed through a calibrated regulatory framework, which may include:

- Preservation of the advocate's independence in litigation and court-related matters
- Clear delineation of professional roles and responsibilities
- Safeguards against conflict of interest
- Strict adherence to confidentiality and professional ethics
- Appropriate disclosure norms and regulatory oversight

7. Prayer

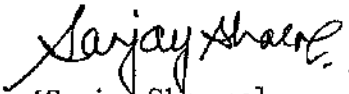
In light of the foregoing, it is most respectfully prayed that the Bar Council of India may be pleased to:

1. Reconsider the scope and applicability of Rule 2 in Chapter III of Part VI of the Bar Council of India Rules;
2. Initiate a consultative process with relevant stakeholders, including professional bodies; and
3. Introduce appropriate amendments or enabling provisions to permit multidisciplinary partnerships in a regulated manner.


We shall be obliged for an opportunity to present our submissions in person, should the Hon'ble Council consider it appropriate.

Thanking you,

Yours faithfully,
For Sales Tax Bar Association


[Sanjay Sharma]
President
(M): 9810071545




[Narendra Kr. Sharma]
Secretary
(M): 9811949733

EXTRACTS OF THE CHARTERED ACCOUNTANTS REGULATIONS, 1988

53B. Membership of professional bodies for partnership

- (1) For the purposes of entering into partnership under Item (4) of Part I of the First Schedule to the Act, a person shall be a member of any of the following professional bodies, namely: -
 - (a) Company Secretary, member, The Institute of Company Secretaries of India, established under the Company Secretaries Act, 1980;
 - (b) Cost Accountant, member, The Institute of Cost and Works Accountants of India established under the Cost and Works Accountants Act, 1959;
 - (c) Advocate, member, Bar Council of India established under the Advocates Act, 1961;
 - (d) Engineer, member, The Institution of Engineers, or Engineering from a University established by law or an institution recognized by law.
 - (e) Architect, member, The Indian Institute of Architects established under the Architects Act, 1972;
 - (f) Actuary, member, The Institute of Actuaries of India, established under the Actuaries Act, 2006.
- (2) Professional bodies or institutions outside India whose qualifications relating to accountancy are recognised by the Council under sub-section (2) of section 29 of the Act.

EXTRACTS OF THE COMPANY SECRETARIES REGULATIONS, 1982

168B. Membership of Professional body for Partnership.-

- (1) For the purposes of entering into partnership under clauses (4) and (5) of Part I of the First Schedule to the Act, a person shall be a member of any of the following professional bodies, namely:-
 - (a) The Institute of Chartered Accountants of India established under the Chartered Accountants Act, 1949 (No. 38 of 1949);
 - (b) The Institute of Cost and Works Accountants of India established under the Cost and Works Accountants Act, 1959 (No.23 of 1959);
 - (c) Bar Council of India established under the Advocates Act, 1961 (No. 25 of 1961);
 - (d) The Institute of Engineers or Engineering from a University established by law or an institution recognized by law;
 - (e) The Indian Institute of Architects established under the Architects Act, 1972 (No. 20 of 1972);
 - (f) The Institute of Actuaries of India established, under the Actuaries Act, 2006 (No. 35 of 2006);
 - (g) Professional bodies or institutions outside India whose qualifications relating to Company Secretary recognized by the Council under Sub-section (2) of Section 38 of the Act.

**EXTRACTS OF THE COST AND WORKS ACCOUNTANTS
REGULATIONS, 1959**

111C. Membership of professional bodies for partnership—

- (1) For the purposes of entering into partnership under clauses (4) and (5) of Part 1 of the First Schedule to the Act, a person shall be a member of any of the following professional bodies namely: —
 - (a) Chartered Accountant, member of the Institute of Chartered Accountants of India established under the Chartered Accountants Act, 1949 (XXXVIII of 1949);
 - (b) Company Secretary, member of the Institute of Company Secretaries of India, established under the Company Secretaries Act, 1980 (No. 56 of 1980);
 - (c) Advocate, member of the Bar Council of India established under the Advocates Act, 1961 (No. 25 of 1961);
 - (d) Engineer, member of the Institution of Engineers, or Engineering from a University established by law or an institution recognized by law;
 - (e) Architect, member of the Indian Institute of Architects established under the Architects Act, 1972 (No. 20 of 1972);
 - (f) Actuary, member of the Institute of Actuaries of India, established under the Actuaries Act, 2006 (No. 35 of 2006);
 - (g) Any other professional body or institution outside India whose qualifications relating to cost accountancy are recognized by the Council under sub-section (2) of Section 38 of the Act

EXTRACT OF BAR COUNCIL OF INDIA RULES, PART VI

CHAPTER - III

(Conditions for right to practice)

(Rules under Section 49 (1) (ah) of the Act)

1. Every advocate shall be under an obligation to see that his name appears on the roll of the State Council within whose jurisdiction he ordinarily practices.

PROVIDED that if an advocate does not apply for transfer of his name to the roll of the State Bar Council within whose jurisdiction he is ordinarily practising within six months of the start of such practice, it shall be deemed that he is guilty of professional misconduct within the meaning of Section 35 of the Advocates Act.

2. *An advocate shall not enter into a partnership or any other arrangement for sharing remuneration with any person or legal practitioner who is not an advocate.*