



## FOCUS ON LITIGATION FUNDING IN INDIA



# WHY INDIA?

1. India, a dynamic country in the globalized world, hosts many companies that have engaged in international investments, trade relationships, and commercial contracts.
2. As with anywhere in the world, Indian Companies may suffer loss arising from contractual breaches in their international business.
3. As such, these contracts often include an arbitration clause which provides a reliable dispute resolution scheme.
4. This in turn requires specific experience and significant financial means. Third party funding provides financial solutions that are easing access to justice.



## The rise of arbitration institutions in South East Asia

As with other jurisdictions in South East Asia, autonomous arbitration institutions have established in India and in particular, the International Chamber of Commerce.

During the past 15 years, a structural evolution towards a more arbitration friendly and reliable environment has taken place in India with the implementation of the Arbitration Act and the creation of institutions operating to international standard and visibility, such as the MCIA and DIAC.

1954	China International Economic and Trade Arbitration Commission
1966	Korean Commercial Arbitration Board
1985	Singapore International Arbitration Centre
1991	Hong Kong International Arbitration Centre
2016	Mumbai Centre for International Arbitration



## Singapore: a key seat for international arbitration with a regulated infrastructure for third party funding

Many arbitrations involving Indian Companies are seated in Singapore. Singapore has emerged as a full-fledged hub for international dispute resolution: this encompasses remarkable infrastructure, a concentration of qualified lawyers from diverse jurisdictions, an independent and arbitration friendly judicial system and a reliable and time efficient administration of the proceedings.





## Singapore: a regulated infrastructure for third party funding

Singapore was the first country to legalise third party funding for international arbitrations in 2017. In doing so, third party funding had to meet legal requirements. This move was shortly followed by Hong Kong and soon after, Dubai.

Third Party Funders are required to comply with regulatory constraints and transparent processes to bring comfort to the tribunals. This completes a very fertile environment fully suited for such TPF entities which had already opened the road of compliance with regulation, traceability and proportionality like Profile Investment, also established in Singapore.



## Litigation Funding – a solution for Companies in India today

India's economy has much to benefit from litigation funding. The coronavirus pandemic crippled economic growth and hit many companies hard in their international businesses, giving rise to more contractual disputes and bankruptcy-related cases.

For companies seeking redress for their contractual claims Litigation Funding can prove the adequate solution to externalise risk and costs towards experienced professionals having comprehensive arbitration background.

International arbitrations involving Indian parties are suitable for litigation funding since these have a faster resolution time than traditional court matters, which can drag on for years in India. The critical “Champerty & Maintenance principles” that forbid TPF in common law countries have never been applied in India.



## How Litigation Funding works for businesses

From the point of receiving enquiries for funding, litigation funders conduct due diligence to assess a dispute's suitability for funding. At Profile Investment, we pride ourselves on our internal process that enable us to act seamlessly, reactively and efficiently. That way, commercial terms can be provided to our case partners quickly, It allows them to compare those with what our competitors can offer early on in the funding decision process. Once we have agreed terms and conditions with our client, we conduct a deep dive due diligence within an exclusivity time period.

We understand that the due diligence process might be time sensitive, especially where the financial equation becomes critical for the claimant seeking funding or because a statute of limitations may arise. We take this seriously and it drives our commitment to keep our case partners and clients informed throughout each stage of the funding decision process and to respect the deadlines.

# Litigation funding can be accessed at all stages of the dispute time line



Dispute Filed



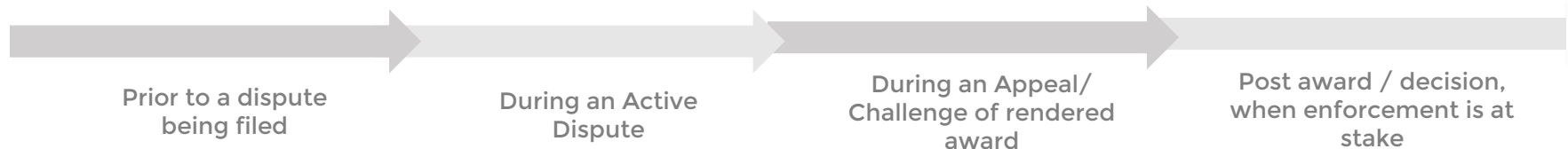
Active Dispute



Award



Enforcement





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