

Establishment of Indian Multi-Disciplinary Partnership (MDP) firms

Empowering Professionals through Networking





Consultation Paper on MDPs



MCA Consultation Paper on Multi-Disciplinary Partnerships (MDPs)



Objective:

To enable Indian professional firms to compete globally in consultancy and assurance.

MCA Consultation Paper on Multi-Disciplinary Partnerships (MDPs)



Current Scenario:

- India has **world-class professionals** (CA, CS, CMA, Lawyers, etc.).
- Firms remain **fragmented, small, and domestically focused**.
- **Global market (~\$240 bn)** dominated by Big 4 & strategy firms.

MCA Consultation Paper on Multi-Disciplinary Partnerships (MDPs)



Key Issues Identified:

- **Advertising/Branding Restrictions** → Indian firms cannot build global brands.
- **Restrictions on MDPs** → e.g. Audit majority rule limits collaboration.
- **Fragmented Regulation** → Multiple regulators (ICAI, ICSI, ICMAI, Bar Council) with no unified framework.
- **Procurement Barriers** → Tender criteria favour global turnover, exclude Indian firms.
- **Lack of Global Collaboration Platforms** → Indian firms operate in silos, no global visibility.

Views of Expert on MDPs in India



Reasons India hasn't produced its own global consulting giants



Mr. Sanjeev Sanyal, Member of the Economic Advisory Council to the Prime Minister

- **Discriminatory Tendering Systems** – Government & private tenders demand high turnover thresholds and ignore individual professionals' track records, favouring global firms.
- **Restrictive Professional Body Rules** – Professional institutes act like “medieval guilds,” barring multidisciplinary partnerships (e.g., lawyers and CAs cannot partner fully).
- **Branding Restrictions** – Indian firms cannot advertise or build strong brands, while foreign firms already have established reputations.

Resistance & Challenges



Mr. Sanjeev Sanyal, Member of the Economic Advisory Council to the Prime Minister

- The main resistance to change comes from the professional bodies themselves.
- Government supports reform (PM & Commerce Minister have acknowledged the issue), but much depends on professional bodies agreeing to modernize.



MDPs not a new thing





C-Commerce (Colla

It is about coming to

MDPs not a new
thing: I am telling
this concept as
“C-Commerce”
since 2003

Public
Relations

Facilities

Library

Financing

WTO & IPR

International
Law

IT & BPO

Manage
Consum

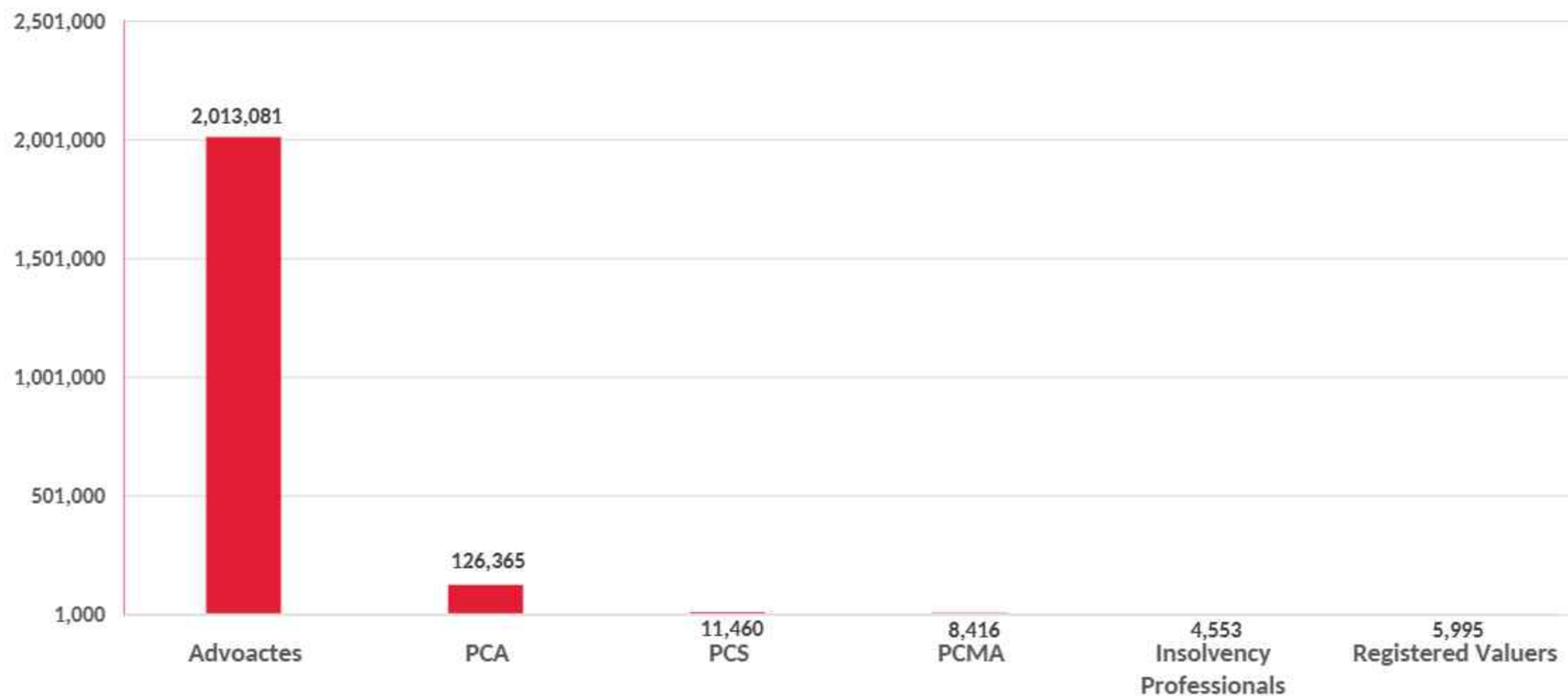
**Collecti
Expertis**

- Active Networking and
- Infrastructure Sharing
- Overhead Sharing
- Close Self Help Group
- Best Practices/ Exper

Facts & Figures on Professional practices in India



Status of Professional Practice in India



Source: Latest Annual Report/ Website of respective Professional Body

Status of Professional Practice in India

Overall:

- 95% individual Practice
- 4% practice done with 2 People
- Less than 1% practice done with more than 2 people

According to ICAI (CA in Practice) – Out of 95,000 firms registered with ICAI:

- 70,000 are Sole Proprietorship Firms (73.68%);
- 24,600 firms have 2 to 10 partners (25.89%)
- 400 firms have more than 10 partners (0.42%)

Source: Consultation Paper issued by MCA

MDPs: Regulatory Framework in India

S. No.	Professions	Governing Body	Governing Statute
1	Advocate	Bar Council of India	Advocates Act, 1961 Bar Council of India Rules
2	CA	Institute of Chartered Accountants of India	Chartered Accountants Act, 1949 The Chartered Accountants Regulations, 1988
3	CS	Institute of Company Secretaries of India	Company Secretaries Act, 1980 Company Secretaries Regulations, 1982
4	CMA	Institute of Cost Accountants of India	The Cost and Works Accountants Act, 1959 The Cost and Works Accountants Regulations, 1959
5	Insolvency Professionals	IBBI	The Insolvency and Bankruptcy Code, 2016 & IBBI (Insolvency Professionals) Regulations, 2016
6	Registered Valuers	IBBI	The Insolvency and Bankruptcy Code, 2016 & the Companies (Registered Valuers and Valuation) Rules, 2017
7	Actuaries	Institute of Actuaries of India	Actuaries Act, 2005

MDPs: Regulatory Framework in India

	Company Secretary	Chartered Accountant	Cost Accountant	Advocates
Relevant Law	Company Secretaries Act, 1980 read with Reg. 165A, 168A and 168B of the Company Secretaries Regulations, 1982	Chartered Accountants Act, 1949 Reg. 53A and 53B of the Chartered Accountant Regulations, 1988	Cost and Works Accountants Act, 1959 Reg. 111B and 111C of the Cost and Works Accountants Regulations, 1959	Advocates Act, 1961
Allowing practicing partnership with members of other professions	Yes (with Chartered Accountant, Cost Accountant, Advocate, Actuaries, Architect)	Yes (with Company Secretary, Cost Accountant, Advocate, Actuaries, Architect)	Yes (with Chartered Accountant, Company Secretary, Advocate, Actuaries, Architect)	No
Sharing of profits or payment of commission or brokerage in the fees	Yes (with Chartered Accountant, Cost Accountant, Actuary, Bachelor of Law, Bachelor in Engineering; Technology; Architecture, MBA)	Yes (with Company Secretary, Cost Accountant, Actuary, Bachelor of Law, Bachelor in Engineering; Technology; Architecture, MBA)	Yes (with Chartered Accountant, Company Secretary, Actuary, Bachelor of Law, Bachelor in Engineering; Technology; Architecture, MBA)	-

MDPs: Regulatory Framework in India

	Company Secretary	Chartered Accountant	Cost Accountant	Advocates
Steps towards MDPs	Regulation 165A on Multidisciplinary Firms was inserted in the CS Regulations, 1982, vide notification dated 3rd February 2020. However, the guidelines from the Council are still awaited.	Guidelines for Formation of Multi-disciplinary Partnership as per the Chartered Accountants Act, 1949 has been notified by ICAI.	The Draft Guidelines on the formation of Multi-Disciplinary Partnership Firms have been issued by the ICWAI but are yet to be notified.	No Steps taken
Exclusive Services	<ul style="list-style-type: none">• Secretarial Audit;• Annual Secretarial Compliance Report for Listed Companies;• Certification and Signing of Annual Return	<ul style="list-style-type: none">• Statutory Audit under the Companies Act;• Tax Audit under the Income Tax Act.	Cost Audit under the Companies Act, 2013	Representation/ Appearance before Court

Top Legal MDPs



MERITAS®



TERR

LexMundi
World Ready



INTERLAW®



Top Accounting MDPs



pwc



EY

Building a better
working world



KPMG



DELOITTE



**GRANT
THORNTON**

Top MDPs



Why people do personal practice in India



Why people do personal practice in India



- I, me and myself approach
- Fear of losing identity and independence
- Fear of Competition
- Trust Issues in Collaboration
- Generalists not Specialist
- Regional Thrust

Conundrums and fears about MDPs in India



Conundrums and fears about MDPs in India



- Finding the right Partner
- Unrealistic expectation
- Fear to lose own identity
- Threat to Audit Independence
- Fragmented Regulatory Jurisdiction
- Cultural & Operational Integration Issues

Issues with Personal Practice in India



Issues with personal Practice



- Scarcity of Resources
- Limited Investment
- Less fees
- Dependency on a few clients
- Weak internal systems
- Lack of Standardization and Quality
- Limited technology advancement

Benefits of MDPs



Benefits of MDPs



- Integrated Service Delivery (One-Stop Solution)
- Global Competitiveness
- Talent Retention & Growth
- Future-Readiness
- Efficiency and Innovation
- Opportunities for Smaller Firms
- Brand Building & Visibility
- Economic Impact
- Professional Collaboration & Development

Why Big 4 are so successful?



Why Big 4 are so successful?



- First-Mover Advantage & Legacy
- Integrated Service Offerings
- Global Networks
- Brand Power
- Talent Magnet
- Technology & Innovation
- Client Stickiness
- Regulatory Influence
- Ability to Scale

**Issues which need to be
addressed to help grow
Indian firms to
International level**



Issues which need to be addressed



- Advertising and Marketing ban
- Restrictions on MDPs like “majority of partners” referred under section 141 of CA, 2013
- Fragmented licensing
- Public procurement and empanelment processes
- Standalone operations, no global collaboration platforms

Proposed Solutions



- Reform archaic rules of professional bodies.
- Allow branding and advertising (*with safeguards against misleading practices*).
- Permit multidisciplinary partnerships for integrated services.
- Shift mindset from protecting small “ponds” to enabling firms to “sail the high seas.”

Consultation Paper Issued by MCA on MDPs



Suggest specific changes in the Rules/Regulations administering different professionals in India to ensure Indian firms develop into globally competitive players in the field of consultancy

Which regulatory safeguards are required to successfully implement the MDP framework?

What should be the mechanism to settle disputes among professionals in a MDP?

Are you aware of successful MDP models in other countries? If yes, which of the best practices should be adopted in India?

**What measures can the Government/
Professional Bodies take to ensure Indian
firms develop into globally competitive
players?**

What regulations of the governing bodies/associations is preventing Indian firms to provide services in India on the lines of global consultancy firms in India and abroad?

**What is the status of presence of Indian
Consultancy firms in International market?**

How can brand building for Indian firms be encouraged without opening the sector to solicitation/advertising?

Any other suggestions.