

Quick Compare

Litigation Funding Options

Maintained

Jurisdiction	Source Information	What method of litigation funding do litigating parties use most commonly?	Are conditional or contingency fee agreements considered legally valid?	Can litigation costs and legal expenses be insured?	Is there a legal provision for free legal aid for eligible litigating parties?	Are there any other available methods to fund litigation?
China	Practice Note, Third-Party Litigation Funding: Overview (China) and Litigation Funding: Checklist (China) . Law Stated as at 01-Feb-2023	Combination of funding methods Parties most commonly use a combination of funding methods, for example, a fixed sum and contingency fees based on a percentage of the proceeds recovered in the lawsuit, or hourly rates with a fee cap.	Yes but with restrictions Contingency fee agreements are not allowed in cases concerning payment of alimony, pension, labour remuneration, and compensation for a work-related injury, among others. The maximum rate of contingency fees permissible under the law has been reduced from a blanket rate of 30% to a progressive scale of rates (from 6% to 18% depending on the claim value) of the proceeds of the underlying claim. For more information, see Practice Note, Third-Party Litigation Funding: Overview (China): Funding Agreements .	✔ There are now insurance companies in China providing legal expenses insurance, where an applicant can recover litigation costs if they lose the lawsuit.	✔ Chinese law provides for free legal aid for litigants with economic difficulties, mainly targeted at suspects and defendants in criminal cases. The civil legal aid system is only available for litigants with economic difficulties in certain types of civil cases, such as those concerning payment of alimony, payment of labour remuneration, compensation for tort damages resulting from a work-related injury or traffic accident, and so on.	Third-party litigation funding Recently, courts in Beijing and Shanghai have expressly ruled in favour of the validity of third-party litigation funding agreements in several cases.
India	Practice Note, Third-Party Litigation Funding: Overview (India) and Litigation Funding: Checklist (India) . Law Stated as at 01-Jun-2023	Self-funding There are no commonly used funding methods or models. The Indian market is at a nascent stage and third-party funding is rarely used. Due to the lack of a legislative and regulatory framework, international funders are yet to enter the market effectively.	Contingency fee agreements Contingency fee arrangements between a lawyer and client are not allowed under Indian law. Success fee arrangements with funders (other than lawyers) are valid.	✔ It is however a developing market and insurance products covering advocate fees and litigation expenses are limited. Liability insurance policies for directors, employees, and industries provide coverage for lawyer's fees in litigation. These however are limited to third party loss or damage caused unintentionally by the policyholder.	✔ The Legal Services Authorities Act 1987 was enacted to establish a nationwide uniform network for providing free (or subsidised) and competent legal services to weaker sections of society. This includes out of pocket: court fees, service fees, photocopying, preparation of court documents, and translations, as well as providing lawyers from a Panel constituted by High Court judges.	✔ Litigation in India is largely self-funded by litigants through their own resources or from personal borrowing (from friends and family). In certain situations, a company may cover litigation expenses and costs for its directors, and officers, for which insurance products are available.
Japan		Retainer with contingency fee	✔	✔	✔	Loans, contingency fees

	Practice Note, Third-Party Litigation Funding: Overview (Japan) and Litigation Funding Options: A Quick Guide (Japan) Law stated as at 01-Dec-2022	The combination of an upfront retainer fee and contingency fee is the most common funding method. Litigating parties also often use their own funds. Using third-party litigation funding or litigation insurance is not common.	The combination of an upfront retainer fee and contingency fee is one of the popular fee arrangements for litigation in Japan.	Insurance covering litigation costs and legal expenses is available in Japan.	There are public legal aid services in Japan, for example the Japan Legal Support Center , under which the government agency advances legal fees to individual litigating parties. The government agency exempts the litigating parties from reimbursing these fees, depending on their financial situation.	Other available funding methods include loans for litigation costs and contingency fee arrangements.
Russian Federation		Retainer fees	✔	Yes but not common	✔	✔
	Practice Note, Third-Party Litigation Funding: Overview (Russian Federation) and Litigation Funding options: A Quick Guide (Russian Federation) Law stated as at 01-Jan-2023	Traditional retainer-fee agreements.	Contingency fee agreements are permissible between licensed Russian-qualified attorney-advocates and their clients in civil and commercial cases. Courts may allow them in other representations.	Yes. However, this insurance is not well-known or widespread in practice.	Legal aid is available for limited categories of Russian citizens, for example, low-income citizens, disabled persons, and other citizens eligible for state subsidies. Suspects and accused persons in criminal proceedings are entitled to legal assistance from attorney-advocates.	Other available funding methods include: • Third-party litigation funding • Assignment of claims • Funding in return for equity in a funded company or special purpose vehicle
Singapore		Self-funding generally	Generally no	As part of liability insurance	✔	In certain circumstances
	Practice Note, Third-Party Litigation Funding: Overview (Singapore) and Litigation Funding Options: A Quick guide (Singapore) Law stated as at 01-Jan-2023	Third-party funding by a “qualifying third-party funder” is also available for specific classes of proceedings in Singapore (regulation 3, Civil Law (Third-Party Funding) Regulations 2017). These broadly include international and domestic arbitration proceedings and related court and mediation proceedings, and proceedings commenced in the Singapore International Commercial Court (SICC) (while they remain in SICC) and related appeal and mediation proceedings.	Conditional fee agreements are legally valid under very specific circumstances and only where certain requirements are met including that: • They are entered into in respect of international and domestic arbitration proceedings and related court and mediation proceedings; and proceedings commenced in the Singapore International Commercial Court (SICC) (while they remain in SICC) and related appeal and mediation proceedings (regulation 3, Legal Profession (Conditional Fee Agreement) Regulations 2022 (Conditional Fee Agreement Regulations 2022)). • The agreement must not provide for the remuneration or costs to be payable as a percentage or proportion of the amount of damages or other amounts awarded to or recovered by the client in any contentious proceedings (see section 115B, Legal Profession Act 1966). For further information regarding conditional fee agreements, see Litigation Funding Options: A Quick Guide (Singapore) .	Insurance may be taken out to cover claims for liability. For example, in the conduct of a policy holder’s business (which generally would cover litigation costs and legal expenses).	The Legal Aid and Advice Act 1995 (2020 Rev Ed) and Legal Aid and Advice Regulations provide for the grant of legal aid to applicants who satisfy the prescribed means criteria (regulation 1, 1995 Rev Ed).	Where there are insolvency proceedings, creditors may fund litigation proceedings involving the insolvent party. This is provided for in the Insolvency, Restructuring and Dissolution Act 2018 .
Spain		Success fee or fixed fee	✔	✔	✔	Third-party litigation funding

	Practice Note, Third-Party Litigation Funding: Overview (Spain) and Litigation Funding Options: A Quick Guide (Spain) Law stated as at 01-Dec-2022	Success fee or fixed fees.	Yes. However, conditional and contingency fee agreements only became valid under 2021 Ethics Code of Legal Practice .	There is no legal limit on this practice. Some types of insurance policies, for example liability insurance and car insurance, include insurance for legal costs.	Spanish legislation provides the public free legal aid if several conditions are met.	Third-party funding is an option but is not as common as in common law systems using the UK or US models.
United Arab Emirates		Third party funding (TPF)	Yes, but with restrictions	✔	✔	✔
	Practice Note, Third-Party Litigation Funding: Overview (UAE) and Funding Options for Civil Litigation: Checklist (UAE) . Law stated as at 01-Apr-2023.	Since the advancement of the innovative free zone systems in the UAE and the introduction of new laws, notably, the UAE Arbitration Law, third party funding (TPF) has become the most commonly used method of litigation funding in the UAE. The Dubai International Arbitration Centre has also now updated its Rules to expressly provide for third-party funding, with a rapid increase in this method of funding. Conditional fee agreements (CFAs), damages-based agreements (DBAs), and legal expenses insurance are also available, although they are not commonly used.	Provided they are not structured to allow lawyers to be rewarded with a share of the proceeds in the event of success rather than by fees incurred. Conditional fee agreements (CFAs) and damages-based agreements (DBAs) whilst no longer prohibited in onshore court proceedings, must be carefully drafted to ensure enforceability. Subject to compliance with applicable regulations, they are also valid in offshore jurisdictions such as in the Dubai International Financial Centre and the Abu Dhabi Global Markets Courts.	Litigation costs and expenses can in principle be insured in the UAE, however this is not common because legal fees are not recoverable in onshore proceedings.	On a federal level, the UAE Ministry of Justice offers free legal services to those in need. Access to this service is subject to narrow eligibility criteria. Locally, the Abu Dhabi Judicial Department through its legal aid division provides legal aid. Access is subject to certain eligibility criteria such as the seriousness of the case and the income of the beneficiary of the service. The Dubai Courts launched a free legal consultation programme labelled "Shoor" . It allows eligible candidates access to authorised law firms that provide free voluntary legal consultations. The Dubai Courts supervise the programme and facilitate introductions to the participating law firms. The Community Development Authority in Dubai runs a legal clinic that provides free consultation services to all Dubai residents, predominantly in relation to child protection and personal status laws.	In addition to third party funding, other litigation funding options include: <ul style="list-style-type: none"> • Conditional fee agreements (CTAs). • Damages-based agreements (DBAs). • After or before the event insurance. The enforceability of these options varies depending on whether they are being enforced onshore or offshore, in the UAE as well as in which Emirate.