
ETHICAL AND PROFESSIONAL RESPONSIBILITY IN AI-ENHANCED LEGAL PRACTICE: NEED FOR A NEW CODE OF CONDUCT

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ABSTRACT

The legal profession is governed by deeply rooted ethical principles such as integrity, confidentiality, accountability, independence, and the duty to act in the best interests of clients. In India, these principles are codified in the Advocates Act, 1961 and the Bar Council of India Rules, which regulate professional conduct, client-lawyer relationships, and disciplinary proceedings. However, the rapid proliferation of Artificial Intelligence (AI) in legal practice—through tools such as predictive analytics, automated contract review, legal chatbots, and AI-assisted adjudication—has introduced unprecedented challenges to these foundational duties.

AI's use raises complex questions about technological competence, client confidentiality, duty of care, unauthorized practice of law, and accountability for algorithmic decisions. The existing regulatory framework under the Advocates Act lacks explicit provisions to address such concerns, leading to legal and ethical ambiguity. For example, lawyers have no formal guidance on whether delegating tasks to AI tools meets the standard of professional diligence under Rule 11 of the BCI Rules, or how to ensure client consent and data protection in AI-assisted services. This paper critically examines the intersection of legal ethics and AI in the Indian context, arguing that the current professional code is inadequate to safeguard the core values of the legal profession in an AI-enhanced environment. Drawing on comparative international frameworks (e.g., ABA Model Rules, EU AI Act), real-world case studies, and doctrinal legal analysis, it proposes the adoption of a new Code of Conduct or a technological ethics supplement to the existing BCI Rules. The proposed reforms focus on embedding principles of transparency, human oversight, fairness, and digital accountability, while preserving the profession's commitment to justice and the rule of law. Ultimately, the paper calls on the Bar Council of India to exercise its rule-making powers under Section 49 of the Advocates Act to formulate binding ethical standards for AI use, ensuring that legal innovation remains ethically grounded and professionally accountable.

Introduction

The legal profession has long been governed by foundational principles of ethical conduct, professional independence, client confidentiality, and fidelity to the rule of law. These principles are codified in national regulatory frameworks such as the Advocates Act, 1961, which governs the practice of law in India by establishing a statutory structure for the enrolment, regulation, and discipline of advocates¹. The Bar Council of India (BCI), constituted under Section 4 of the Act, is empowered under Section 49 to prescribe standards of professional conduct and etiquette for advocates².

The emergence of Artificial Intelligence (AI) in legal practice has introduced transformative capabilities—ranging from AI-driven legal research and contract analysis to document automation and predictive analytics. These tools promise increased efficiency, reduced costs, and improved access to justice. However, they also raise profound questions about legal ethics and professional responsibility. For example, who bears liability when an AI tool offers incorrect legal advice? How is the duty of confidentiality preserved when client data is processed by third-party AI vendors? And to what extent can advocates delegate professional responsibilities to non-human systems without breaching ethical norms?

Despite these significant developments, the existing ethical framework in India does not provide adequate guidance. The Standards of Professional Conduct and Etiquette, codified in Chapter II, Part VI of the BCI Rules, are silent on issues such as technological competence, AI oversight, or client consent in AI-assisted legal services³. Key rules—such as Rule 15 (Duty to Client), Rule 16 (Maintaining Dignity of the Profession), and Rule 18 (Prohibition on Soliciting Work)—predate the digital era and do not account for AI-enabled disruptions⁴. This regulatory vacuum creates ambiguity around the ethical limits of using AI in legal services and poses significant risks to client protection and the integrity of the legal profession.

This paper critically examines the intersection of legal ethics and AI-enhanced legal practice in India, focusing on the limitations of the Advocates Act, 1961 and the BCI Rules in addressing

¹ Advocates Act, 1961, No. 25 of 1961, § 3–4, India Code (1961).

² Advocates Act, 1961, § 49. This section empowers the Bar Council of India to make rules regarding the standards of professional conduct and etiquette to be observed by advocates.

³ Bar Council of India Rules, Part VI, Chapter II, "Standards of Professional Conduct and Etiquette," available at: <http://www.barcouncilofindia.org>

⁴ Sathe, S.P. *Judicial Activism in India: Transgressing Borders and Enforcing Limits*. Oxford University Press, 2002. Also see: Narasappa, Harish. *Rule of Law in India: A Quest for Reason*. Oxford University Press, 2018.

emerging technological realities. It explores how AI challenges traditional notions of professional responsibility, particularly in areas such as informed consent, conflict of interest, and malpractice liability. Drawing on comparative legal frameworks—including the ABA Model Rules of Professional Conduct (United States), the SRA Code of Conduct (United Kingdom), and the proposed EU Artificial Intelligence Act—this paper argues for the urgent development of a technology-specific Code of Conduct or the amendment of existing rules under the BCI⁵.

The objective is to propose a normative and regulatory roadmap that integrates the use of AI within the ethical fabric of the Indian legal profession. By ensuring that innovation is harmonized with professional obligations, such a framework will help preserve public trust in the justice system, protect client rights, and uphold the dignity of the legal profession in the age of artificial intelligence.

Key Ethical and Professional Challenges in AI-Enhanced Legal Practice

The growing incorporation of Artificial Intelligence (AI) in legal services has transformed many aspects of legal work—such as research, drafting, and client communication. However, this evolution introduces a series of serious ethical and professional concerns that directly affect legal practitioners' obligations under prevailing laws and professional codes, particularly in India where AI regulation is still emerging⁶.

One of the most immediate challenges is the phenomenon of AI hallucinations—the generation of fictitious legal content, such as fake case law or misquoted statutes. The international legal community has already seen cases where lawyers were sanctioned for relying on AI-generated citations that proved to be fabricated, such as in *Mata v. Avianca in the U.S.*⁷ Similar incidents in the UK have led to regulatory scrutiny of AI misuse in court submissions. These examples underscore the non-delegable duty of legal professionals to verify and authenticate the material they present, as failing to do so may amount to professional misconduct or negligence. Another pressing concern is accountability and moral outsourcing. Lawyers remain ethically

⁵ See: American Bar Association, Model Rules of Professional Conduct (2020); Solicitors Regulation Authority, UK SRA Standards and Regulations (2019); European Commission, Proposal for a Regulation Laying Down Harmonised Rules on Artificial Intelligence (Artificial Intelligence Act), COM/2021/206 final.

⁶ Advocates Act, 1961, No. 25 of 1961, India Code.

⁷ *Mata v. Avianca*, No. 20-cv-00761 (N.D. Cal. 2023); see also Reuters, “AI hallucinations in legal filings” (2025)

responsible for all legal outputs they present, yet AI-generated work blurs lines of authorship and liability. There is currently no consensus on who is accountable when AI errors cause client harm—the lawyer, the AI tool developer, or the law firm. This ambiguity places lawyers at ethical risk, particularly under Indian regulatory norms where there is no provision for "shared liability" with machines⁸.

Algorithmic bias presents a subtler, but equally critical, issue. AI systems often replicate biases embedded in the data they are trained on. In India, where socio-economic disparities intersect with legal outcomes, unchecked AI could reinforce systemic discrimination—especially in criminal justice, credit risk assessments, or access to welfare litigation. Using AI tools without awareness of these embedded biases could conflict with a lawyer's duty to promote justice and equality⁹.

Closely tied to bias is the issue of transparency and explainability. Many AI tools operate as "black boxes," producing results without offering insight into the logic behind their conclusions. This lack of explainability poses a serious ethical problem, as it undermines a lawyer's obligation to provide well-reasoned, intelligible advice to clients and the court. It also weakens the client's right to informed consent, as clients may not fully understand the basis for legal decisions influenced by opaque algorithms¹⁰.

Another vital area of concern is client confidentiality and data security. AI tools often require inputting large volumes of personal and sensitive data, including client communications, legal documents, and case files. Without strong data protection protocols—particularly under the Digital Personal Data Protection Act, 2023—advocates may inadvertently breach their fiduciary and professional duties. There are no clear guidelines under the Bar Council of India (BCI) Rules regarding data sharing with AI vendors or cloud-based platforms.

The erosion of human judgment is also emerging as a longer-term ethical issue. As lawyers grow increasingly reliant on AI tools for routine tasks, there is a risk of diminishing critical thinking, legal reasoning, and creative problem-solving skills—especially among newer entrants to the profession¹¹. This threatens the intellectual rigor traditionally expected from advocates and may lower overall standards of the profession. In addition, the profession faces

⁸ Legal Service India, "AI and Indian legal system challenges," 2024

⁹ Prime Legal Blog, "The rise of AI in legal practice," 2024.

¹⁰ Digital Personal Data Protection Act, 2023, Government of India

¹¹ Reuters, "Excessive use of AI may blunt creative thinking," 2025.

resistance and skill gaps, particularly among small and mid-sized practices. Many lawyers lack formal training in AI technologies or remain hesitant to adopt them due to fears of job displacement or lack of trust in technology. Bridging this gap requires not only technological upskilling but also ethical training to ensure AI is used responsibly.

Moreover, there exists a broad regulatory vacuum. India's Advocates Act, 1961 and the BCI Rules do not currently provide any guidance on the use of AI in legal services. There are no professional standards mandating technological competence, nor are there accountability mechanisms if malpractice occurs due to AI-generated errors¹². This lack of regulation limits legal recourse and disciplinary action, creating a grey area for misconduct¹³.

Finally, while AI promises to enhance access to justice, particularly through legal aid automation and simplified research tools, there remains a paradox. Failing to use AI in some contexts may be seen as unethical if it leads to inefficiency or higher client costs. On the other hand, over-dependence can erode professional standards. Legal professionals must therefore strike a balance—leveraging the benefits of AI without compromising ethical responsibility. Institutions are beginning to respond. Notably, the Kerala High Court recently issued a directive prohibiting interns and staff in district courts from using AI tools for legal work, citing concerns over data privacy, security, and public trust¹⁴. This reflects a growing awareness among the judiciary of the need to regulate AI in both adjudication and advocacy.

Case Studies and Real-World Examples: Legal Issues in AI-Enhanced Legal Practice

The integration of Artificial Intelligence (AI) into legal practice has moved beyond theory and is actively influencing how legal work is conducted across the globe. While AI tools promise enhanced efficiency and improved access to legal resources, practical experiences reveal substantial legal and ethical challenges that highlight the need for clear professional guidelines.

One of the most illustrative examples is the *Mata v. Avianca*¹⁵ case in the United States, where attorneys submitted briefs relying heavily on AI-generated citations. These citations were later found to be fabricated, as the referenced cases did not exist in any legal database. The court sanctioned the lawyers for professional misconduct, underscoring the fundamental ethical duty

¹² Bharatlaw.ai, "How AI is changing legal practice in India," 2024.

¹³ Lawful Legal, "Algorithmic accountability in India," 2023.

¹⁴ Kerala High Court Order, 2024.

¹⁵ *Mata v. Avianca*, No. 20-cv-00761 (N.D. Cal. 2023).

lawyers have to independently verify all information presented to the court. This case underscores two major legal concerns: the dangers of relying on AI hallucinations—false or misleading information generated by AI—and the fact that lawyers retain non-delegable responsibility for the accuracy of their submissions, regardless of AI involvement.

Similar issues surfaced in the United Kingdom, where courts encountered legal briefs citing AI-generated fake precedents. In response, professional regulatory bodies like the Law Society and Solicitors Regulation Authority issued warnings cautioning against the uncritical use of AI tools in legal research. Some lawyers faced disciplinary proceedings for submitting inaccurate information derived from AI. These incidents highlight the risk of misrepresentation before courts and erosion of the justice system's integrity. They also expose the current insufficiency of ethical rules, which largely remain silent on AI's role in legal practice, leaving lawyers uncertain about their obligations when employing AI.

Data privacy and client confidentiality represent another significant area of concern in the use of AI tools. Law firms increasingly use cloud-based AI platforms for tasks such as document review and contract analysis. However, cases have emerged where sensitive client information was inadvertently exposed due to inadequate security protocols on these platforms¹⁶. In one notable example, confidential case files uploaded to an AI-based contract review system were accessed by unauthorized parties because of poor encryption and data governance. Such breaches violate the fiduciary duties owed by lawyers under the Advocates Act, 1961 and the professional conduct rules¹⁷, as well as the Digital Personal Data Protection Act, 2023, which governs data security in India. These cases demonstrate the legal imperative for law firms to implement rigorous cybersecurity measures and negotiate clear contractual protections with AI vendors.

Algorithmic bias presents a more subtle but no less serious legal challenge. AI systems trained on historical data often replicate and amplify existing social biases. Jurisdictions that have deployed AI-driven predictive tools in criminal justice or credit risk assessment have documented disproportionate adverse effects on marginalized groups¹⁸. Although this phenomenon is not yet widespread in Indian courts, the risk is palpable given India's complex social fabric marked by caste, class, and economic disparities. If AI tools reinforce such

¹⁶ Reuters, "Data breach at legal AI firm exposes client info," 2024.

¹⁷ Advocates Act, 1961, Section 35; Bar Council of India Rules, Part VI, Chapter II

¹⁸ Angwin, Julia et al., "Machine Bias," ProPublica, 2016 (discussing AI bias in criminal justice).

inequalities, they may contravene constitutional guarantees of equality before the law and conflict with lawyers' professional duties to promote justice and fairness¹⁹. Legal practitioners must therefore critically assess AI outputs to avoid endorsing discriminatory outcomes, whether intentionally or unintentionally.

In recognition of these risks, some judicial institutions have taken precautionary steps. The Kerala High Court recently issued directives prohibiting interns, clerks, and staff in district courts from using AI tools for any judicial or legal work, citing concerns related to privacy, data security, and the potential erosion of public confidence in the judiciary²⁰. This proactive stance exemplifies the cautious approach Indian courts are beginning to adopt in balancing technological innovation with the protection of fundamental legal values. It also signals an urgent need for comprehensive ethical frameworks and regulatory standards tailored specifically to AI's use in legal settings.

From these cases and institutional responses, several legal issues become clear. Lawyers must maintain strict due diligence by verifying all AI-generated legal content to avoid presenting fabricated or inaccurate information. Despite reliance on AI, professional accountability for legal work remains solely with the lawyer. The use of AI tools necessitates robust safeguards to ensure client confidentiality and compliance with data protection laws. Awareness and mitigation of algorithmic bias are essential to uphold constitutional and ethical principles of equality and non-discrimination. The current regulatory environment offers little guidance on AI's ethical use, creating a grey area that requires urgent reform. Finally, the judiciary itself is recognizing its role in regulating AI use within its institutions to preserve judicial integrity.

These real-world examples collectively illustrate that while AI has the potential to revolutionize legal practice, it also presents tangible legal risks that must be addressed through new professional standards, enhanced technological competence, and clearer regulatory frameworks. Only through such measures can the legal profession harness AI's benefits without compromising core ethical responsibilities and the rule of law.

Rethinking Legal Ethics: Proposal for a New Code of Conduct in AI-Enhanced Legal Practice

¹⁹ Constitution of India, Article 14; Bar Council of India Rules on professional ethics.

²⁰ Kerala High Court Order, 2024, restricting AI use by judicial staff

The rapid integration of Artificial Intelligence (AI) into legal practice has exposed critical deficiencies in the existing ethical frameworks governing advocates and legal practitioners. The Advocates Act, 1961, along with the Bar Council of India Rules on Standards of Professional Conduct and Etiquette (BSA), provides the foundational legal framework that governs the responsibilities and duties of lawyers in India. However, these laws were framed without foresight into the technological complexities introduced by AI, thus failing to adequately address the ethical challenges posed by the integration of AI tools in legal workflows²¹. This lacuna has generated uncertainty among practitioners about their obligations, particularly concerning competence, confidentiality, accountability, and fairness in an AI-augmented practice environment.

Foremost, the duty of competence enshrined under Section 35 of the Advocates Act, 1961, and reiterated in the Bar Council Rules, mandates that advocates must perform their duties with due diligence and to the best of their ability. The reliance on AI-generated legal research or documents that may contain erroneous or fabricated information—commonly known as “hallucinations” in AI parlance—poses a direct threat to this duty. Accountability in the context of AI-assisted legal work also remains nebulous under current laws. While the Advocates Act holds lawyers personally responsible for all professional misconduct, it does not contemplate scenarios involving third-party AI vendors or software failures²². This creates a legal grey area around liability when AI errors cause client harm or procedural prejudice. A new code of conduct must clarify that lawyers bear ultimate responsibility for AI-driven outputs, while encouraging clear contractual delineation of responsibilities with AI service providers to mitigate risks.

Client confidentiality, a cornerstone of legal ethics mandated under the Bar Council of India Rules on Standards of Professional Conduct and Etiquette, acquires heightened significance when AI tools process sensitive client data. The Digital Personal Data Protection Act, 2023 imposes statutory obligations for data privacy and security, yet existing professional rules lack detailed standards for safeguarding client information in cloud-based AI environments²³. Breaches of confidentiality due to inadequate cybersecurity measures expose lawyers to disciplinary action and civil liability. The proposed code must therefore mandate stringent data

²¹ Advocates Act, 1961; Bar Council of India Rules on Standards of Professional Conduct and Etiquette (BSA), 1975

²² Advocates Act, 1961, Section 35 (professional misconduct).

²³ Digital Personal Data Protection Act, 2023 (India).

protection protocols, including encryption, access control, and compliance with relevant privacy statutes, to uphold advocates' fiduciary duties.

Further, AI's inherent risk of perpetuating algorithmic bias presents a profound ethical and constitutional challenge. The Indian Constitution guarantees equality before the law under Article 14, requiring the legal profession to actively guard against discriminatory practices. AI systems trained on biased historical data risk embedding systemic discrimination in legal outcomes, thereby contravening both constitutional mandates and professional ethical norms that prohibit unfair prejudice. The new code should impose a duty on advocates to critically assess AI tools for bias and to take reasonable steps to prevent discriminatory consequences in their use of such technologies.

Transparency and disclosure obligations also require augmentation in the AI context. The Bar Council Rules impose a duty of candour and full disclosure to clients, which extends to the disclosure of material facts affecting the quality or reliability of legal advice²⁴. Given AI's "black box" nature, where decision-making processes are often non-transparent, lawyers must disclose the extent of AI assistance and its limitations to ensure informed client consent and to preserve professional integrity.

Finally, the evolving technological landscape necessitates an expansion of the competence requirement to explicitly include technological proficiency. Comment 8 to ABA Model Rule 1.1 articulates this modern understanding of competence, which Indian regulatory bodies would do well to adopt. The proposed code should require ongoing education and training in AI tools, thereby equipping advocates to responsibly integrate technology without compromising ethical standards.

In light of these legal imperatives, the formulation of a comprehensive, AI-specific code of conduct is essential. Such a code should mandate rigorous verification of AI outputs to uphold the duty of competence, reaffirm lawyers' ultimate accountability while clarifying vendor roles, impose stringent data security measures to protect client confidentiality, require proactive bias mitigation to ensure constitutional compliance, enforce transparency and disclosure obligations, and mandate continuous technological competence. Adoption of this new code will not only safeguard client interests and uphold the rule of law but will also fortify the legal

²⁴ Bar Council of India Rules, Rule 36, Duties of an Advocate to the Client.

profession's legitimacy and public trust amid the growing use of AI technologies. As judicial institutions and regulatory authorities increasingly grapple with AI's impact, a clearly articulated code will provide necessary legal clarity and ethical guidance to advocates navigating this transformative era.

Conclusion

The advent of Artificial Intelligence in legal practice presents transformative opportunities alongside unprecedented ethical and professional challenges. The existing regulatory framework, primarily governed by the Advocates Act, 1961, and the Bar Council of India Rules on Standards of Professional Conduct and Etiquette, does not sufficiently address the nuanced complexities introduced by AI technologies. As this chapter has demonstrated, gaps relating to competence, confidentiality, accountability, bias, and transparency underscore the urgent need for an updated and dedicated code of conduct tailored to AI-enhanced legal practice.

Lawyers, as officers of the court and fiduciaries to their clients, bear the ultimate responsibility for all professional actions, including those assisted by AI tools. Reliance on AI without rigorous verification risks undermining legal accuracy and client interests, exposing practitioners to disciplinary and legal consequences. Additionally, the use of AI necessitates a heightened focus on data privacy and protection to safeguard confidential client information against new vulnerabilities inherent in digital environments. The persistent risk of algorithmic bias further demands proactive measures to ensure that AI does not perpetuate discrimination, thereby upholding the constitutional mandate of equality before the law. Transparency with clients regarding the role and limitations of AI, along with ongoing technological competence, must become integral components of professional ethics to preserve trust and maintain the integrity of legal services. The establishment of a comprehensive AI-specific code of conduct, incorporating clear principles and enforceable standards, will provide essential guidance to practitioners navigating these challenges. Such a code will not only reinforce adherence to foundational ethical duties but will also promote responsible innovation within the profession.