

**The following resolution has been adopted in the session of the Paris Bar Council of 21
February 2017:¹**

«The practice of funding proceedings by third parties is favorable to the interests of litigants and lawyers admitted to the Paris Bar, particularly in international arbitrations. No provision of French law prevents a party from having access to the services provided by a third party to fund an international arbitration procedure.

To ensure the development of this practice and regulate its growth, the lawyer representing a party funded by a third party funder is obliged to respect his ethical obligations towards his sole client, the funded party.

Conversely, the lawyer representing a funded party must not advise in any way the third party funder, even on the insisting request of the third party funder or even that of his client. In particular, he must receive his instructions solely from the funded party; he must refrain from communicating to the third party funder any information related to the case he is working on; he must avoid all meeting with the third party funder in the absence of his client.

It may however be useful to specify that the procedure pursuant to Articles 174 and seq. of the 27 November 1991 decree applies to a third party funder who is considered subrogated in the rights and obligations of the lawyer's client.

In the same cases, a lawyer representing a funded party must encourage his client to reveal the existence of funding to the arbitrators and warn his client against the potential consequences that this lack of disclosure may result in, in particular with respect to the annulment of the award and impediments to its enforcement.

The lawyer is also invited to recommend his client to provide that the management of the funding contract, the distribution of costs and fees related to the proceedings and the recovery of potential awards in his favor is made via the CARPA² which could provide in that regard a model contract between the client, the third party funder and the CARPA.»

¹ Free translation from Bird & Bird's Dispute Resolution team.

² Acronym for *Caisse Autonome des Règlements Pécuniaires des Avocats* (Lawyers' Pecuniary Payment Fund - Compulsory system which lawyers in France are required to use for the receipt of client monies).