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| RESEARCH ARTICLE

Ethical Issues in Legal Consulting: A Study on Corporate Law in Bangladesh

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| ABSTRACT
Corporate legal consultants are key players in the process of influencing corporate governance, but in poorly regulated settings, their counsel may unconsciously contribute to illegal behavior. The article explores the behavioral and structural motivation of unethical consulting in Bangladesh, combining the doctrinal analysis, behavioral legal ethics and the theory of gatekeepers. It concludes that legal advice serves the client interest instead of the publics by formalist statutory frameworks, the narrow definition of directors and officers, loopholes facilitated by consultants, and symbolic CSR practices. The central behavior dynamics are partisan bias, obedience to authority, ethical fading and strategic legalism. The research has advanced a reform agenda to include the statutory expansion, civil and administrative fines, internal escalation obligations, safe harbor provisions, enhanced professional ethics and cultural interventions to entrench long-term governance integrity. The article suggests that ethical corporate legal consultation be perceived as an issue of governance of a society, and the legal advisor in this context be viewed as an institutional gatekeeper and not a client advocate.

| KEYWORDS

Corporate Legal Ethics; Gatekeeper Theory; Behavioral Legal Ethics; Bangladesh Corporate Governance; Consultant-Enabled Misconduct.

| ARTICLE INFORMATION

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1. Introduction

The corporate economy of Bangladesh has been expanding at a significant rate in the past two decades with the industry occupying a significant portion of the national output and export-based sectors particularly the ready-made garments dominating the development pattern of the nation (Mahmood 2021). Nonetheless, this expansion has occurred in the context of profound and systemic corporate finance and regulation failures. As at 2024, in Bangladesh, the banking sector had increased both non-performing loans to Tk 345,764 crore that comprise 20.2 per cent of total outstanding loans, as well as the lack of adequate transparency and compliance in the banking sector (The Daily Star 2025a). The high-profile scandals such as the Hallmark-Sonali Bank fraud on providing forged documentation and stealing over Tk 3,500 crore, the BASIC Bank scam, and others are examples of manipulation of formal legal structures in cases where gate keeping institutions fail (Hossain 2024; The Daily Star 2012, 2025a).

In this context, corporate legal consultants are playing a relevant but under-examined role. They would guide companies on the formation of companies, board procedures, lending papers, securities disclosures and the regulatory risk in the framework of the Companies Act 1994 and also the corporate governance regime operated by the Bangladesh securities and exchange commission (BSEC) (Bangladesh Securities and Exchange Commission 2018;

The Government of Bangladesh 1995). In spite of the fact that Bangladesh has developed guidelines on corporate governance in 2006 and reinforced them with the help of the further notifications and the Corporate Governance Code 2018, the frequent failure of the board to perform its duties, the integrity of records and disclosures, and the presence of fraudulent activities indicate that the legal compliance is merely formal but not substantive (Islam, Rahman, and Saha 2022; Sani et al. 2025).

The article posits that the ethical nature of legal consultants in the corporate arena of Bangladesh is worth looking closer at since professional advice has the potential to either prevent wrongdoing or even to naturalize it. The current scholarly research on Bangladesh has dealt at length with corruption, banking fraud, and ineffective corporate governance, much less the ethical agency of lawyers as professionals intermediaries (Faruque 2022). This omission is important since studies of behavioral legal ethics have found that client loyalty, optimism bias, ethical fading and institutional pressures can distort the judgment of lawyers in the context of weak enforcement and ambiguous professional consequences (Kvalnes 2019). Simultaneously, the corporate law gatekeeper theory indicates that lawyers may also act as a set of key points to prevent the misconduct of the organization, but this aspect has not developed in Bangladesh regulatory system (Schaefer 2019; Siddiqui 2010).

This issue is intensified by the fact that the Canons of Professional Conduct and Etiquette as established by the Bangladesh Bar Council lack the particularity that is needed to confront recent quandaries in the practice of corporate advice such as conflict of interests, strategic secrecy and complicity in the construction of aggressive transactions (Bangladesh Bar Council 1969; Faruque 2022). In this regard, this article investigates the influence of behavioral and regulatory pressures on unethical legal consulting in Bangladesh, and offers reforms to enhance responsibility of lawyers, professional education, and accountability of gatekeepers in a poor institutional setting.

2. Literature Review and Theoretical Framework

Ethical corporate legal consulting has ceased to be a peripheral topic within the professional responsibility literature and has become the focus of corporate responsibility discussion. Lawyers in the intricate business setting do not necessarily draft documents or read statutes. They design transactions, determine disclosure plans, counsel on board behavior, and determine to what extent a client can go beyond the confines of legality. Such an influence proves particularly binding in setting with weak institutions, in which the legality form can be applied in order to protect behavior, which is substantively damaging (Flood 2007; Wald 2004). It is especially relevant in Bangladesh, where the corporate activity exists in the governance environment that is characterized by lacks of enforcement, disclosure, and frequent scandals in the banking and regulation of listed companies (Khan, Rahman, and Thakur 2025; Sani et al. 2025). There are official governance regulations such as the Companies Act 1994, and the Corporate Governance Code 2018 of the Bangladesh Securities and Exchange Commission, but the reality of the regulations within business significantly relies on intermediaries translating a law into business decisions (Masud, Rahman, and Rashid 2022; The Government of Bangladesh 1995).

2.1 Legal Consulting And Ethics In The Corporation

The traditional perception of corporate attorneys as just legal technicians cannot do well enough anymore. Modern research defines corporate counsel as institutional players that are engaged in institutional governance, risk distribution, and compliance architecture (Duggin 2007; Half 2024). Their position covers a minimum of three overlapping roles, transactional technician, compliance adviser, and strategic counselor. The lawyer will have to balance loyalty to the client with fidelity to law and the legal system in general in every given role. Professional ethics literature is already well aware of that strain, as it denies the simplistic notion of legal advice being morally neutral due to its official legality (Moore 2002; Solanki 2025). The additional evidence of behavioral and governance scholarship is that the judgment of lawyers is influenced by not only the doctrine, but also the organizational pressures, ambiguous facts, dependence on the client, and the incentives of repeat relations (Coffee 2006).

This conflict is reinforced in Bangladesh by the nature of the regulatory environment. The Companies Act 1994 is still the core business law whereas BSEC Corporate Governance Code has the expectations of governance, disclosure, record keeping and compliance on listed companies (The Government of Bangladesh 1995). The Code

specifically connects the quality of governance with appropriate books and records, compliance inspection as well as honest financial reporting. However, ethical legal advice is not simply assured by the presence of rules (Velayutham 2003). The canons of the Bangladesh Bar Council impose broad responsibilities to clients, to the courts and to the profession but do not offer the same detailed organizational-lawyer advice as on dilemmas that include internal escalation, reporting-out or advice, which is formally defensible and foreseeably harmful, included in more developed gatekeeper regimes (Bangladesh Bar Council 1969; Bangladesh Securities and Exchange Commission 2018).

This is an important gap since corporate legal consulting usually takes place in areas of ambiguity but not in cases of clear illegality. Attorneys are questioned on whether a disclosure is adequate, a board process is defensible or whether a lending or ownership structure can get through regulatory scrutiny. Ethics is not put to test in these environments through simple obvious prohibitions, but through the reaction of counsel to uncertainty, client pressure, and predictable harm to a third party.

2.2 The Debate Between The Hired Gun And The Wise Counselor

Literature on morality of role of lawyers is frequently structured around a standardized dichotomy, the lawyer as hired gun and the lawyer as wise counselor. This debate formulated by Bruce Green is widely known, and it reflects one of the main divides in corporate lawyering. The lawyer under the hired-gun model has the duty of promoting the legal goals of the client as violently as they can be. The lawyer, under the wise-counselor model, is supposed to moderate demands by short-term clients with independent judgment, practical wisdom, and interest in legal and institutional integrity (Green 2001).

This difference is analytically helpful in the case of Bangladesh. Lawyers who can maintain the veneer of legality without much tension with regulators, lenders or minority stakeholders are often valued by client organizations operating in a weak compliance environment (The Lawyers & Jurists 2026). Hired-gun behavior is of course rewarded that environment. It is not just that there are lawyers out there who are deliberately aiding in the wrongdoing. That it is so that the cultural of the institution of aggressive advocacy may make normal a thin, formalistic form of counseling whereby the question is not: Is this responsible? but: Can this be defended should there be criticism? The incentives of this type of advice may be greater in emerging economies than in mature markets because business networks could be concentrated and the regulatory action could be uneven (Krauss 2001). Literature on governance and corruption in developing economies, such as Bangladesh, characterises over and over using weak institutional settings, low levels of transparency, poor rule-of-law and weaknesses, and incentives to transact in the informal or opaque economy (Masud et al. 2022; Rashid 2011).

An alternative is the wise-counselor model that is more challenging. It presupposes good corporate lawyering involves recommending against actions of a course that pose a threat to the long run organizational legality, market trust or the interests of the stakeholders. Moral corporate counseling, in this respect, is not anti-customer. It is more appropriate to call it entity-protective and system-protective. That is a particularly important approach in the situations where the incentives of managers do not coincide with the ones of the corporation itself.

2.3 Behavioral Legal Ethics

The best primary lens to this study is behavioral legal ethics since it justifies the prevalence of unethical legal advice that lacks bad faith. According to Andrew Perlman, the orthodox traditional law ethics has placed too much faith on an objective-partisan assumption: the view that lawyers can be passionate advocates on behalf of a client, and yet exercise enough objectivity concerning their own actions. As behavioral research has proposed, the issue is that partisanship in itself may be a misleading perception particularly where law and facts are not well defined (A. Perlman 2015). Perlman also demonstrates that lawyers, as any other professionals, are also susceptible to cognitive biases, as well as to situational pressures, which distort allegedly objective judgment (A. Perlman 2015).

This is literature that is pertinent to corporate consulting in Bangladesh. To begin with, lawyers are prone to the self-serving bias and confirmation bias that can make them interpret uncertain law in a manner that serves the

interest of the client who is paying them (Stark and Milyavsky 2018). Second, the optimism bias can result in the overconfidence of the assessment that can underestimate regulatory or reputational risk (Zuraidah et al. 2023). Third, the effect of ethical fading helps advisers to make a decision appear as a technical problem of drafting or structuring as opposed to a moral problem. Robert Prentice underlines that lawyers are prone to ethical fading and other distortions, and such common sense of professional competence does not protect the lawyer against the unethical judgment (A. Perlman 2015; Prentice 2015).

Fourth, authority matters in hierarchical corporations whereby, obedience to authority is of essence. The effective reference points of internal legal advice can be senior executives, controlling shareholders or politically connected actors. Lawyers are not likely to make a premeditated decision to forgo professional independence, but they can comply more and more with the wishes of those who are more influential. Such an issue is supported by behavioral scholarship of wrongful obedience and obedience to authority, especially in the context of dissent being expensive and loyalty to the organization being rewarded (A. M. Perlman 2015).

Fifth, role morality is useful in explaining compartmentalization. Lawyers can get the impression that it is ethically admissible to give aggressive advice because it suits the professional role when the same behavior will be considered differently in the non-official environment. That compartmentalization may get routine in loosely enforced systems. Behavioral legal ethics are not important, then, solely in a descriptive sense. It further postulates that reform ought not to be rule recitation but institutional design, debiasing, protocols of escalation and training in ethics modelled on realistic advising scenarios (Prentice 2015).

2.4 Gatekeeper Theory And Corporate Accountability

The theory of gatekeeper enriches the discussion by narrowing the focus on the personal morality towards the institutional role. The gatekeeper account by John Coffee approaches lawyers, auditors, analysts, and so on as reputational intermediaries whose purpose is to preclude or reveal corporate misconduct before it can damage investors and markets. The importance of gatekeepers is that they are people who are experts, have access to privileges, and are able to block, shape, or legitimize, transactions. Whenever they fail, they do not simply fail quietly but rather increase systemic risk (Coffee 2006).

When applied to Bangladesh, the gatekeeper theory shows that the ethical quality of legal consulting is not a disciplinary issue. Lawyers may become facilitating nodes in the chain of governance where fraud, failure of disclosure, or abusive lending structure will be conditional based on legal documentation, board resolutions, compliance certification, or strategic silence. Even the BSEC Corporate Governance Code in itself assumes that businesses will keep books, disclose honestly and adhere to governance procedures, but this is easily undermined in areas with weak gatekeeping incentives. Without significant liability, disclosure obligations, or high demands of discipline among the organizational lawyers, facilitation may be more attractive in the system than restraint (Bangladesh Securities and Exchange Commission 2018).

The behavioral legal ethics is thus a complement of gatekeeper theory. The latter is why individual lawyers are likely to slip into ethically compromised advice, the former is why institutional arrangements do not serve to rectify the slide. Together, they reveal that it is not only bad lawyers, but also poor organizational and regulatory structures that do not necessitate or defend ethical opposition.

2.5 Emerging Economies, Poor Enforcement, And Advisory Risk

This joint structure is especially convincing in the context of Bangladesh. The issues of poor enforcement, lack of monitoring, lack of transparency, stakeholder asymmetries, and institutional weaknesses have been long known in governance research in Bangladesh. More recent literature still explains weak regulatory capacity, ineffective practice of disclosure, and accountability issue in both corporate and quasi-corporate sector. In this type of setting, legal consulting is associated with increased advisory risk since law can be employed as a form of symbolic compliance, as opposed to substantive restraint (Khan et al. 2025; Masud et al. 2022; Sani et al. 2025).

This does not imply that Bangladesh is the only one. Comparative literature on the developing world also associates exposure to corruption and opaque transactions with poor institutional environments. The case of Bangladesh is however analytically significant since the formal apparatus of governance exists. It exists but is inadequately implemented. That establishes a unique ground upon which corporate lawyers are able to foster institutional trust by responsible counseling or undermine it by vigorous formalism.

2.6 Who is the corporate client?

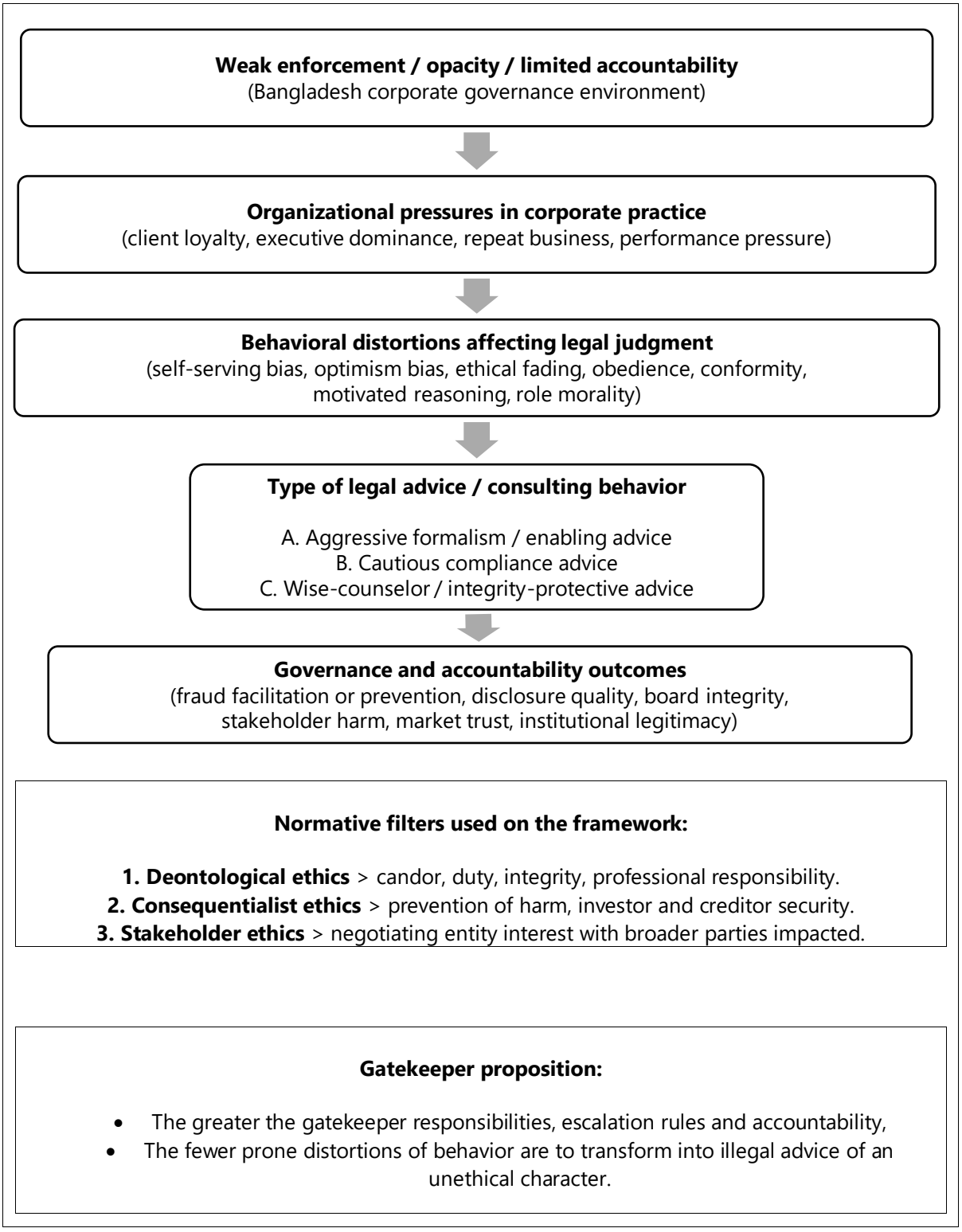
One of the main normative questions is the identity of the client in the corporate representation. The contemporary principles of professional responsibility regard the organization, not the managers, directors, or control shareholders, as the client. This is vividly captured in the ABA Rule 1.13 that says that an attorney who is employed by an organization acts on behalf of the organization through its duly authorized constituents and that, where constituent conduct is likely to cause significant harm to the organization, the lawyer is supposed to act in the best interest of the organization, including the need to escalate the conduct to higher authorities. Even though this is not the law in Bangladesh, it has offered a useful normative comparator in determining the gaps in the Bangladeshi framework (Bangladesh Bar Council 1969; Hasan 2023).

In this research, it is vital to use the entity approach. It helps to avoid the collapse of corporate legal ethics into submission to the powerful managers. It is also closely connected to the reasoning of stakeholders as safeguarding the legality of the corporation frequently safeguards creditors, minority investors, employees and market confidence simultaneously.

2.7 Integrated theoretical framework

The articles under discussion uses behavioral legal ethics as the primary explanatory model with the assistance of the gatekeeper theory and evaluated by the normative prisms of deontological ethics, consequentialist ethics, and stakeholder ethics as normative approaches. The model supposes that the interplay of three levels: individual behavior distortions, organizational forces, and institutional-regulatory frailty is associated with unethical legal advice in Bangladesh.

Figure 1: Integrated theoretical framework for ethical issues in corporate legal consulting in Bangladesh



2.8 Synthesis and literature gap

The literature that was reviewed in this context sets four points. To begin with, corporate legal consultants are not scribes. Second, the hired-gun and wise-counselor models provide opposing perspectives of corporate representation. Third, behavioral legal ethics describes the circumstances under which compromised advice can be produced without any intent to be corrupted. Fourth, the theory of gatekeepers is used to understand why this kind

of advice is socially dangerous in the case when institutional checks are low. The part that has not been developed with regard to the Bangladeshi literature is the incorporation of these points into one narrative of the legal consulting in corporations. The available literature in Bangladesh scholarship is mostly concentrated on the concept of corporate governance failure, corruption and regulatory laxity, but not much is given to the idea of lawyers as ethical actors and gatekeepers to these failures (Rashid 2011). This article fills this gap by not viewing legal consultants as marginal players but as players in the centre of production, interpretation, and normalization of corporate behaviour. The integrated framework created above is thus appropriate in the case study analysis, finding regulatory blind spots, and suggesting the reforms that would bridge professional ethics and institutional accountability within the corporate sector in Bangladesh.

3. Methodology

3.1 Research Approach

This paper uses a qualitative doctrinal and socio-legal research design to discuss the problem of ethical concerns in corporate legal consulting in Bangladesh. This method is suitable as the research issue is at the point of intersection of law, professional ethics, institutional practice, and corporate governance. The research is not only interested in the formal content of legal rules, but how the legal rules work in a weak enforcement environment and the way in which the legal rules influence, constrain or does not constrain advisory behavior. Only a doctrinal approach would embody the legal system in black letters but would not be sufficient to describe the structural ethical dangers of practice. A socio-legal approach is thus a supplement to the doctrinal analysis in that it places legal consulting within the wider institutional setting of the Bangladesh corporate world.

3.2 Doctrinal Legal Analysis

The first aspect of the study is the doctrinal element where the legal framework in relation to corporate consulting ethics is critically analyzed. This encompasses legal provisions, regulatory framework, legal reasoning, and enforcement framework in relation to corporate governance, professional responsibility, compliance advice, and regulatory responsibility. The evaluation is centered on the manner in which it functions within the current legal order, assigning the roles, responsibilities, and dealing with the issues that can be legally legitimate and ethically questionable. It also takes into consideration whether the current framework is sufficient in capturing the advisory role of the legal consultant in influencing corporate decisions touching on disclosure, governance, financial transactions, and risk management.

3.3 Comparative Regulatory Analysis.

Inadequate comparative regulatory analysis is also used in the article. The targeted nature of this comparison is intended to find conceptual and regulatory gaps as opposed to suggestions of direct legal transplantation. Jurisdictions like Australia serve as benchmarks as they have more advanced system of considering corporate accountability, such as wider understandings of director-related responsibility, enhanced civil penalty, and more established systems of gatekeeper liability. Such comparisons can be used to explain why legal structure in Bangladesh has been relatively inadequate in dealing with the responsibility of legal consultants, whose advice could be used to engage in detrimental corporate behavior. The comparative aspect is thus analytical and reformative in nature.

3.4 Normative and Interpretive analysis.

This analysis does not limit itself to explaining the law as it is said. It also uses normative analysis and interpretive analysis to determine the ethical sufficiency of the legal and professional framework. This implies it includes evaluation of the effects of under regulation, the boundaries of aggressive client focused advisory services and the degree to which professional standards safeguard the corporate entity, investors, creditors, minority shareholders and the common good. The interpretive aspect is relevant particularly since a great number of ethical concerns in legal consulting can be found in gray areas where legality may not always equate to professional responsibility and defendability.

3.5 Sources of Data

The article is grounded on a broad scope of documentary materials. These are legislation, case law, regulatory devices, official reports, policy documents, scholarly literature and documented patterns of corporate vice. Collectively, this will enable the research to recreate the legal and regulatory landscape, determine recurring ethical conflict areas, and evaluate how the structural vulnerabilities of the governance system pose risk in corporate legal consulting. The analytical depth of the study is also enhanced by the fact that various classes of materials are used to connect the doctrine and the institutional context.

3.6 Scope and Limitations

The article is limited on the level of legal, normative and structural analysis. It is not based on empirical data that depends on interviews, survey or other field-based research. Rather, it analyses ethical risk by interpreting legal regulations, rules, and reported patterns of misconduct. This weakness is recognized explicitly. The article does not purport to present first-hand evidence of subjective motivations and lived experiences that lawyers have. Instead, it seeks to establish how the existing legal and institutional system leads to circumstances where unethical advisory behavior can develop, go unnoticed, or escape punishment. That being the case, the research provides a publishable and narrow-based approach to a perception of corporate legal ethics in Bangladesh.

4. Corporate-Regulatory Environment of Bangladesh

4.1 Institutional Transition and Corporate Growth

The corporate economy of Bangladesh has developed in a larger trend of constant structural change. According to the World Bank statistics, the GDP of Bangladesh was approximately US$450.1 billion in 2024 and GDP growth was 4.2 in 2024 following an average of approximately 6.6 in the decade before the pandemic (The World Bank 2024, 2026). The major part of the production was industrial, and ready-made clothes were one of the leading sources of exports with apparel exports to the US amounting to US 38.48 billion in 2024 (BTJ 2025). This trend is relevant to legal ethics in that the increase in economic expansion has been coupled with larger sizes of corporations, increasingly complicated financing models, increased regulatory risk, and increased dependence on legal and compliance counsel.

Table 1: Chosen corporate-economic transition indicators of Bangladesh

Indicator	**Latest figure**	**Relevance to corporate-regulatory context**
GDP (current US$), 2024	450.12 billion	Represents the size of the economy
GDP growth, 2024	4.2%	Indicates sustained growth despite stress
Average annual GDP growth, pre-COVID decade	6.6%	Indicates the growth momentum in the long run
Industry value added (% of GDP), 2024	Large structural share	Large structural share Indicates industrial and corporate growth
RMG exports, 2024	US$38.48 billion	Exports represent corporate concentration

Table 1 shows that, Bangladesh is no longer a low-complexity corporate environment. Expanding growth has heightened the governance, disclosure, lending, and board-level interests. With the growth of the firms in size and financial interdependence, legal consultants shift to the center of transaction structuring, risk advice, and the demarcation between legal strategy and ethical overreaching.

4.2 Financial Irregularities and Governance Stress

This has been a corporal growth coupled with harsh governance pressure. The most apparent symptom is the fact that there is a decline in the quality of assets in the banking industry. Non-performing loans (NPLs) have reached Tk 345,764 crore by the end of December 2024, which is 20.2 percent of the total outstanding loans (Rashid 2025; The Daily Star 2025b). Banking institutions owned by the state suffered the most with nearly 42 percent of loans as non-performing versus 15 percent in the private banks (The Business Standard 2026). The World Bank had also previously cautioned that authorities had underreported NPLs due to recurrent forbearance, inadequate reporting and inadequate regulatory capital (Byron and Jahid 2024; The World Bank 2024).

Such weaknesses do not exist in the abstract. The Hallmark-Sonali Bank scandal was estimated to have had about Tk 3,547 crore in fraudulent lending at one branch, and the BASIC Bank scandal was estimated to have had about Tk 5,000 crore in irregular loans and was the cause of numerous cases in the Anti-Corruption Commission. These instances revealed lapses in internal controls, board controls, loan application, and document verification. They also demonstrated how even after misconduct becomes apparent to the outside world corporate secrecy and reputational protection can continue to exist (Ahmed 2012; The Daily Star 2015, 2017).

Table 2: Signs of governance strain in Bangladesh corporate-financial system

Indicator / event	**Figure**	**Significance**
NPLs, Dec. 2024	Tk 345,764 crore	System-wide financial fragility
NPL ratio, Dec. 2024	20.2%	Extreme worsening of the quality of loans.
State-owned bank NPL ratio	42%	One-third of bad governance in state owned banks.
Private bank NPL ratio	15%	Stress is not limited to the public banks.
Hallmark-Sonali Bank scandal	Tk 3,547 crore	A big documentary and oversight failure.
BASIC Bank scandal	Tk 5,000 crore	Shows long term governance failure.

According to table 2, it is possible to deduce that governance stress in Bangladesh is structural and not episodic. Once large scale anomalies are repeated in institutions, one is left with a corporate environment to which legal documentation, the silence of advisors and the formalism of procedure are applicable in order to cushion risky transactions than to forestall it. It is the exact scenario whereby ethical failure in legal consulting is a systemic issue.

4.3 Limitation on Enforcement and Regulatory Culture

The enforcement environment is used to clarify why these failures have continued. The code of Corporate Governance 2018 as adopted by BSEC imposes responsibility on the company to comply and demands review of records, honest financial statements and governance reporting (Bangladesh Securities and Exchange Commission 2018; Hassan et al. 2024). However, the same structure still remains highly compliance based and relies on management based implementation. The World Bank has reported poor regulatory implementation in the banking industry and comparative research on the financial regulatory in Bangladesh has indicated regulatory and policy capture, governance via political patronage, and the lack of central bank independence (The World Bank 2024). Research done on public-sector organisations in Bangladesh also mentions weak enforcement, inadequate disclosure, and political interference as the most common barriers to governance (Hassan et al. 2024).

4.4. Reason Why Ethical Failure Becomes Natural

In such environment, the culture of unethical consulting may take root since the system around it continually rewards compliance rather than integrity time and again. In the selective enforcement of the same, politically aligned actors are cleared out, disclosure is fragile, and scandal does not necessarily result in accountability, legal counselors are encouraged to adopt defensive formalism: advice that can be argued technically, reputationally insulative, institutionalized (Wald 2004). In the long run, the political patronage, selective enforcement and reputational shielding do not only condone ethical compromise; they standardize it. The reinforcement of ethical failure in Bangladesh can best be viewed not as deviance of an individual character, but as the by-product of a corporate-regulatory culture whereby legal form usually replaces actual accountability (The Daily Star 2015; The World Bank 2024).

5. Bangladesh Legal and Regulatory Gaps

5.1 Corporate Responsibility Formalist and Companies Act 1994

The Companies Act 1994 is still the foundation of company law in Bangladesh, although the accountability structure is still very formalist. It has been defined in terms of formally defined office-holders, including directors, managing directors, managers, secretaries and officers, and is concerned with governance primarily in terms of position as opposed to control (The Government of Bangladesh 1995). As an illustration, the Act establishes the meaning of an officer in traditional terms and also establishes the meaning of a managing directors, whereas a section on the conflicts and holding of office by directors is still subject to the categories of roles which are formally identifiable. It explicitly permits a director to serve as a legal or technical adviser, and this indicates how the statute acknowledges advisers to occupy an insider role in corporations as regards certain purposes without the construction of an extended accountability regime concerning advisory power (Bangladesh Securities and Exchange Commission 2018).

This is important since the contemporary corporate malpractices are not necessarily those that are performed by directors who are appointed in paper. It is also a product of the very people making decisions, making structures, risk screening, as well as creating defensible routes around scrutiny that are legally defensible. The form of the Act is therefore obsolete to a business setting where control can be achieved through influence, instructions, as well as advisory engineering other than only through an office which has been duly documented (The Government of Bangladesh 1995).

5.2 The Shadow and De Facto Corporate Actor Problem.

The other significant deficiency of Bangladeshi corporate law is the poor treatment of shadow and de facto actors. The Companies Act 1994 does not seem to seek a broad functional definition of the meaning of director that would obviously include those who serve as directors without appointment or whose orders the board is used to obey. In contrast, the Australian corporate law has a clear extension of core duty of a director to individuals who either act as a director or whose desire the directors are used to adhere to. The current direction of ASIC is that the obligation to prevent insolvent trading is not only on the formally appointed directors but also on the de facto and shadow directors (Australian Securities and Investments Commission 2024).

That contrast is important. In Bangladesh, real decision making may be wielded by controllers of power, patrons or powerful relatives, politically oriented players or a repeaters of professional advice even when they are not accountable through any formal means of responsibility. The law may keep title stricter than functional, thus shifting the responsibility onto nominal directors and leaving the real controllers unharmed. This undermines deterrence as well as ethical signalling.

Table 3: Director-accountability gap: Australia and Bangladesh

Issue	Bangladesh position	Australia position	Analytical implication
Fundamental principle of director accountability	Mostly related to formally recognized directors/officers as per the Companies Act 1994	Expands to formally identified, in fact and shadow directors	Bangladesh leaves more room for hidden control without direct liability
Actual responsibility of functional decision-makers	Limited and indirect	Categorically identified in director-duty guidance	Less easily evaded by informal control in Bangladesh
Religence to any misconduct made possible by the consultants	Weak	Higher chances of loyalty of the functions that can be influenced to be functionally director-like	Advisory power is less visible to enforcement in Bangladesh

Table 3 reveals that the Bangladesh framework is a more status-based narrower framework. It is easier that way so that real decision-makers can work in the background with no more than formal liability by visible office-holders.

5.3 Weak Treatment of Misconduct Enablement by consultants.

Misconduct, which is caused by a consultant, is also poorly covered in Bangladeshi corporate law. The legal system is more robust as regards to formal responsibilities of companies, directors, and reporting officers than with the facilitating capacity of legal advisers that contribute to crafting or normalizing evasive behavior. The BSEC Corporate Governance Code mandates compliance certification and scrutiny by the management and it is mentioned compliance is the duty of the company. It also asks the top executives to certify that they have not left out any material facts and no fraudulent or illegal transaction took place and they have knowledge and belief about it (Bangladesh Securities and Exchange Commission 2018). This framework is, however, company-centered as opposed to adviser-centered. It does not establish an evolved regime of gatekeepers of corporate lawyers who enable the offending of opaqueness, tactical silence, or formalism (Bangladesh Bar Council 1969).

The canons of the Bangladesh Bar Council lay down generalized professional responsibilities, yet they do not establish any modern system of corporate gatekeeper, along the lines of those that explicitly consider organizational-lawyer escalation, reporting burdens, or the association with advisers to impose civil enforcement. Consequently legal consultants will be able to hold a potent sphere of influence without acquiring the same degree of regulatory publicity (Bangladesh Bar Council 1969; Bangladesh Securities and Exchange Commission 2018).

5.4 The Lack of a Civil Penalty Regime.

The second significant weakness is a lack of a flexible system of civil penalties in Bangladeshi company law. The Companies Act 1994 is dependent on traditional offence-and-fine methods and lacks an extensive, contemporary, set of civil remedies of corporate wrongdoing. Conversely, the system of Corporations Act and ASIC enforcement of Australia contains court-based disqualification, compensation orders, civil penalties and other enforcement mechanisms. According to ASIC, its implementation strategy is able to pursue disqualification orders and compensation orders, and the Corporations Act has particular provisions on court disqualification and compensation in civil penalty cases (Australian Securities and Investments Commission 2021a; Commonwealth of Australia 2025).

The difference between them is immense. The system relying primarily on criminal prosecution is usually too crude, too slow, and too weak in politics. Civil fines, administrative fines, disqualification of directors and compensation mechanisms are enabling the regulators to react at a proportionate and early rate. They are not found in

Bangladesh and the lack of them leaves the enforcement between token obedience and high criminality (Australian Securities and Investments Commission 2021a; The Government of Bangladesh 1995).

5.5 The Regulatory Vacuum of Phoenixing and Creditor Evasion.

The existence of a distinct statutory regime designed to take specific action and address phoenix-like misconduct, such as asset transfers to creditors, recycling of a company and offloading of liabilities by substituting an entity, also seems to be lacking in Bangladesh. Australia, in its turn, directly describes illegal phoenix activity as the one that includes defeating creditors, hiding or eliminating assets, and the violation of the duties that directors are bound to, and severe penalties are associated with it (Australian Securities and Investments Commission 2020, 2021b).

In Bangladesh, the risk is not a mere that such behaviour will take place, but will be organized into transactions of a legal form ready or even sanitised by consultants. Liability avoidance can be repackaged as restructuring, reorganization or asset repositioning where the law does not explicitly focus on phoenixing. That provides a regulatory vacuum whereby the advisers can assist clients to separate liabilities and assets and have formal legal coverage. This is a conclusion based on the comparison of the older company-law regime in Bangladesh and the clear-cut anti-phoenix regime in Australia (Australian Securities and Investments Commission 2020; The Government of Bangladesh 1995).

5.6 CSR, Compliance Symbolism and Legal Ethics.

Another disparity is in the lack of connection between the rhetoric of CSR and substantive accountability. Studies into Bangladesh demonstrate that anti-corruption disclosure, and expenditure on CSR does not have to be at the expense of political or symbolic responsibility, but does not imply deep accountability. Similar work has also pointed at weak or selective CSR disclosure in Bangladesh and the mismatch between what is said publicly by companies and what is actually going on behind the scenes in terms of governance (Belal and Cooper 2011; Saha, Akhter, and Hassan 2021; Masud et al. 2022).

This is important to legal ethics since consultants do not merely recommend hard law. They also assist in the generation of annual-report talk, disclosure framing as well as the compliance narratives. CSR and governance discourse will turn into reputational covering instead of signifying any real responsibility in a weak enforcement setting. There is the legal danger that ethics is turned into a performance: thoroughly formulated, procedurally clean, and substantially empty (Bangladesh Securities and Exchange Commission 2018; Masud et al. 2022).

Table 4: Key legal and regulatory weaknesses on corporate legal ethics in Bangladesh

Gap	**Current Bangladeshi position**	**Why it matters for legal consulting**
Narrow director/officer framework	The accountability of the formal statuses	Office bearers is provided by means of the nominal positions.
Weak treatment of shadow/de facto actors	There is no evident broad functional parallel in core company-law structure	Hidden power is not openly subjected to examination
None has developed adviser/gatekeeper liability	Soft company-centered compliance; feeble adviser-centered sanctions	Lawyers can enable risky conduct without tailored accountability
Lack of any general toolkit of civil penalty	High dependency on the logic of offence /fine	Enforcement is inflexible, slow and unresponsive
There is no explicit anti-phoenix regime	No explicit modern framework comparable to Australia's	Asset shifting and creditor evasion become easier to structure
CSR/compliance symbolism divide	There may be an art of looking good at the expense of doing good	Which may be addressed by legal advice, whilst taking little steps in the right direction

Table 4 represents a trend, not a stack of some isolated defects. The legal system of Bangladesh is weak at controlling the influence, excessively dependent on official position, and has no middle-range instruments of control to correct morally toxic behavior before it becomes a scandal.

6. Ethical and Behavioral Dynamics of Unethical Consulting

6.1 Self-Interest and partisan Bias in Corporate Advice

One of the key behavioral risks in corporate legal consulting is the misleading of judgment due to dependence on clients. Behavioral legal ethics demonstrates that once the lawyers are embedded in a partisan role then they are not a neutral processor of rules of law. Instead, professional alignment to a client may generate self-serving interpretations of uncertain facts and law particularly in cases where advice is provided in high-value, repeat-business relationships. According to Perlman, the traditional ethics of law exert an over-control in the capacity of lawyers to be objective when acting as partisans, in that even the mere association alters the perceptions of risk, ambiguity and justification. In the case of corporate consultants, this would imply that counseling can progressively change to advocacy under the guise of technical interpretation. Schaefer also reports the same observation that self-interest and partisan pressure is a past experience of ethically damaged corporate counsel conduct (A. Perlman 2015; Schaefer 2019).

This is particularly acute in Bangladesh, where the corporations have access to trusted external advisers to structure loans, disclosures, board processes and regulatory positioning. Such an environment even encourages commercial incentives of being solution-oriented to overwhelm the obligation of opposing unsafe or ethically avoidance strategies. The threat is not necessarily open complicity. More frequently it is the gradual flux: advice is increasingly client-protective, increasingly loophole-seeking, and less institution-protective as years go by (A. Perlman 2015; Schaefer 2019).

6.2 Obedience to Authority and Inner Pressure

Hierarchical pressure also contributes to unethical consulting. There is a high level of expectations that lawyers and consultants are supposed to meet as determined by the CEOs, boards, major shareholders, or owners and politically influenced. The literature of obedience and conformity in the legal practice reveals that subordinates may struggle

to oppose the superiors even in cases whereby legal or ethical risk is apparent. The literature by Perlman on unethical obedience of subordinate attorneys is particularly appropriate in the present case: in an organizational setting, legal professionals are likely to be influenced by the reward system that supports obedience to the authority and imposes penalties in case of disobedience (Eldred 2016; A. M. Perlman 2015).

This issue is exaggerated in the politically involved corporation fields in Bangladesh. Bank governance studies define regulatory capture, political favors, close ties of business proprietors, and a weak central bank independence. The Transparency International Bangladesh equally identifies political influence and related ownership as the key barriers to proper loan supervision and depositor security. Ethical judgment of a consultant in that setting can be affected by the internal corporate hierarchy but also by broader webs of power (Hassan et al. 2020, 2024; Julkarnayeen, Sarkar, and Hassan 2020).

6.3 Ethical Fading and Incremental Normalization

When making unethical decisions, many of them do not feel unethical. That is where fading of ethics lies. Prentice and associated behavioral ethics theory relates that moral problems tend to vanish out of sight whenever decision-makers set up an issue as a business, drafting, or compliance challenge instead of an ethical one. The constant exposure to borderline behavior at that time makes those strategies appear normal (Prentice 2014, 2015).

This has great significance to corporate consulting. An aggressive disclosure decision taken once may be justified as being practical. A feeble due-diligence memo can be rewritten as being commercially realistic. A management form of risky ownership or financing structure can be justified as market standard. In the long run, monotony becomes accustomed. Consultants stop asking whether a strategy is responsible, and only ask whether it is arguable, as a process of normalization in weakly enforced systems (O'Grady 2015; A. Perlman 2015).

Figure 2: Relative paths in which unethical consulting is normalized

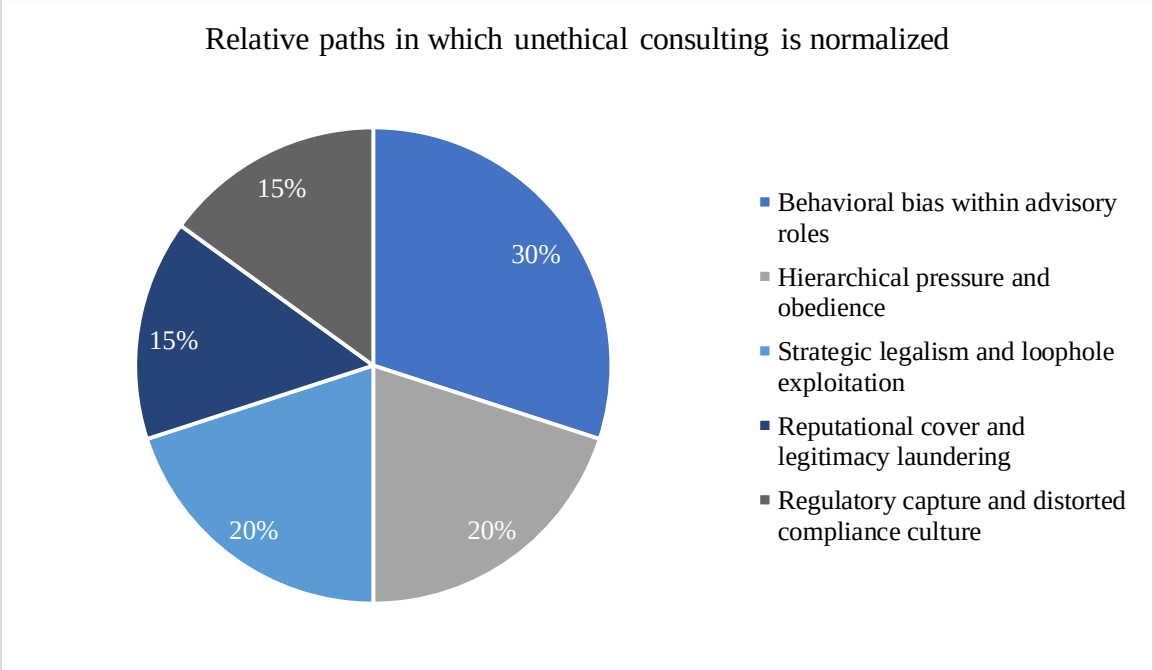


Figure 2 illustrates that behavioral bias in advisory functions leads to the normalization of unethical consulting most emphatically (30%), indicating that unethical behavior may be originated by minor judgment distortions instead of blatant misbehavior. Hierarchical pressure (20%) and strategic legalism (20% also play leading role showing that both organizational force and loophole-based advisory practices are the core of the issue. In the meantime, reputational cover (15%), and regulatory capture (15%) indicate the issue of unethical consulting being maintained

by symbolic adherence and reduced institutional responsibility. In general, this figure indicates that there are individual and structural processes that support unethical consulting as a highly rooted professional and organizational problem.

6.4 The Strategic Legalism and Technically Lawful Defense

The other dynamic process is strategic legalism: invoking legal technique to seek loopholes whilst maintaining a case of formal legality. Ostas cautions that legal interpretation based on loopholes can hamper the ethical intent of regulation despite the absence of the obvious violation of the text. In the corporate practice, this is dangerous when the consultants are making legality a game of pushing the boundaries instead of a framework of responsible behavior (Ostas 2012).

Surprisingly, in Bangladesh where the rule of law is highly unequal and accountability is frequently tardy, technically legal advice can turn into a reputation defence. Consultants can assist clients to design transactions, disclosures or governance procedures that meet low formalities and overcome the spirit of transparency, fiduciary integrity or creditor protection. It is at this point that the wise-counselor type has fallen into the hired-gun formalism (A. Perlman 2015; Schaefer 2019).

6.5 Greenwashing, Legitimacy Laundering and Reputational Cover

Legitimacy laundering may also involve legal consultants. This occurs when it is done through the creation of the appearance of responsibility through the use of law, compliance and CSR language without substantively changing nature of reform. Scholarship in CSR disclosure has revealed that reporting is also politicized and selective as well as legitimacy-driven instead of being accountability-driven in Bangladesh. Studies of banks also indicate that regulation and politics might opportunistically influence CSR practices and not deep commitment to ethics (Khan, Bose, and Johns 2020; Uddin, Siddiqui, and Islam 2018).

The recent news on the garment industry in Bangladesh makes it even more acute. The worker-centered studies of 2025-2026 will claim that the brand packaging of green factories and climate stories have the potential to keep pace with the realities of workers, and that reputational benefits may not always be converted into labor justice and substantive activism. It may not be the case of fraud in all instances, but it demonstrates how the sustainability language could be used to provide excuses to not fully adhere to compliance. Legal consultants are important in this situation since they are likely to write disclosure statements, scrutinize claims, and assist in balancing the text against the regulation with the societal image (Business & Human Rights Resource Centre 2025; Clean Clothes Campaign 2026).

6.6 Regulatory Capture and Distorted Compliance.

The last is regulatory capture compliance that is distorted. In situations where the regulators are politically limited or institutionally reliant, compliance ceases to be an objective legal procedure and becomes a agreed act. A study of the banking sector of Bangladesh has repeatedly found regulatory and policy capture, the patronage system of governance, and institutional weaknesses as the structural characteristics of the banking sector in Bangladesh. Under these conditions, consultants might develop a perception of compliance as not an obligation to the law but rather to power (Hassan et al. 2024, 2024; Julkarnayeen et al. 2020).

This misrepresentation applies much further than the banking sector. In garments, industrial production and export-oriented industries, companies are exposed to both domestic and transnational pressures on disclosure, labour standards, sustainability and finance. In the situation when the political power or market reliance affects enforcement, legal advisors might be motivated to develop documents, which are regulatory, investor-facing, and brand-protective, however, not truly remedial. What has been created is a compliance culture that appears active on paper and weak in substance, in terms of ethics (Climate Rights International 2025; Khan et al. 2020).

Figure 3: Comparison of important behavioral drivers of unethical consulting

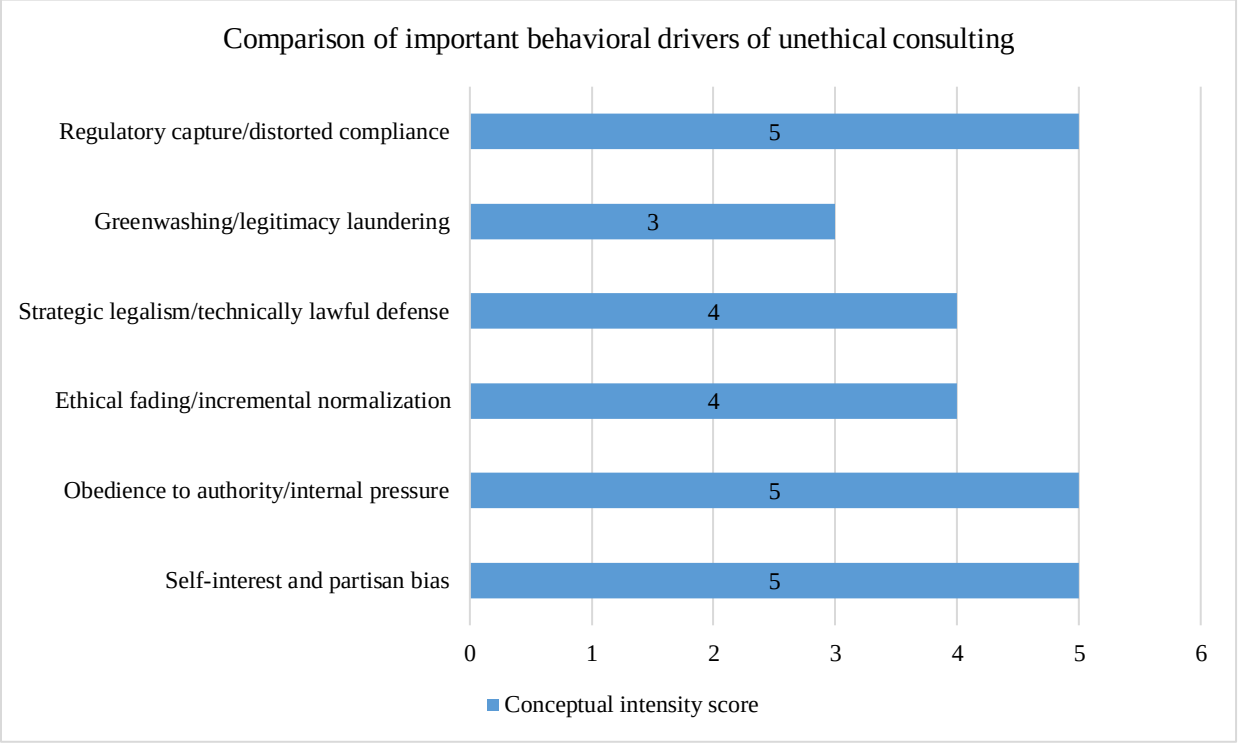


Figure 3 indicates the most important behavioral antecedents of unethical consulting. The highest scores (5) are on self interest and partisan bias, obedience to authority, and regulatory capture indicating that individualized interest, hierarchical pressures and weak institutional controls are very high contributors of unethical behaviors. Ethical fading and strategic legalism are also partially significant (4), which means gradual normalization and exploitation of legal loopholes also have a significant role. Less influential are greenwashing and legitimacy laundering (3), and hence reputational tactics are not central but still pertinent. In general, the diagram indicates that the outcome of unethical consulting is a combination of personal, company, and structural elements.

7. Redefining the Consultant: Gatekeeper or Hired Gun?

7.1 The boundaries of zealous Advocacy in Corporate Advisory Practice

Corporate legal consultants often do their work under the assumption that serving the best interest of the client is enough ethical conduct. Behavioral legal ethics presents this as a very limited concept by showing how counsel may act in ways that do not violate formal rules but are nonetheless systemically damaging. The partisan bias, self-interest, and normative fading may promote the adviser to frame transactions or otherwise interpret law in a way that benefits the clients at the expense of investors, creditors or the populace. These dynamics are intensified in the case of emerging markets such as Bangladesh where regulatory control is weak, selective or politicized. Advocacy zeal alone is not a sufficient condition to integrity since it ignores the institutional implications of legal advice on a wider basis (Schaefer 2019).

7.2 Confidentiality, Fidelity, and Risk of Public Harm

The ethical obligation of lawyers to keep confidential information and their loyalty to the corporate client usually comes into a clash with the public interest of avoiding fraud or systematic harm. The secrecy of the profession can protect the executives against investigation and loyalty can also become an impediment on the advisers to question the dubious behaviors. Behavioral ethics research indicates that the tension is worsened by obedience to authority and fear of reprisal by the clients, resulting in decisions made in a manner that safeguard the internal reputations at the expense of the societal stakeholders. In the banking and garment industries of Bangladesh, there is consistent aversion of selective disclosure and token compliance which strengthens these risks (Prentice 2015).

7.3 Internal Escalation: Reporting up the Ladder

Ethical compromise can be overcome through structured internal escalation. An explicit responsibility to report significant violations of the rules to the senior management or audit committees enables advisers to be gatekeepers without violating confidentiality that is not necessary. Other comparative jurisdiction experience demonstrates that formal strategies of escalation enhance transparency, as well as increases the antecedent of unethical behavior becoming normalized. This situation does not exist in the Bangladeshi context, as consultants without such obligations resort to informal discretion, thus contributing to the strength of formalism as opposed to integrity (Ostas 2012).

7.4 External Disclosure and Regulatory Accountability

External reporting is ethically rational in case the internal channels are not working, and legal or financial damage to third parties is imminent. The theory of gatekeepers is that it is the responsibility of the advisor to avoid causing more harm than the client in a situation where inaction would result in the destruction of markets or the loss of trust by the population. In Bangladesh, however, there may be normative and structural dilemma with regulatory frameworks not having specific provisions of whistle blowing or independent reporting by legal consultants. Ethical discretion has to strike a balance between professional responsibility, confidentiality and institutional efficacy (A. Perlman 2015).

7.5 The Citizen Lawyer Model

The citizen lawyer model promotes a paradigm shift in which the legal consultant acts as an institutional counselor and not as a defender of the client. This model focuses on long term integrity of governance, adherence to the law, and responsibility in society. The citizen lawyer is able to reduce the chances of providing technically legal yet socially damaging advice by introducing behavioral awareness, professional autonomy and institutional ethics into everyday practice. This is a model that is in accordance with the global best practices in gatekeeping and is particularly applicable to the emerging economies that have a poor enforcement like Bangladesh (Schaefer 2019).

7.6 Debiasing and Ethical Protection

Ethical blind spots can be minimized through the use of internal professional mechanisms. Techniques include:

- Independent legal review: Checking advice with independent counsel to determine the existence of conflict of interests.
- Written ethics escalation: To establish accountability and keep records, the concerns would be documented.
- Structured dissent: The promotion of dissent in advisory teams.
- Reflective conflict analysis: Consideration of the incentives, the thinking errors, and role pressures in a systematic way prior to providing advice.

It has been demonstrated that structural protection enhances the quality of decisions and lowers the tendency to normalize unethical behavior in the business practice (Prentice 2015).

Figure 4: Theoretical allocation of ways into unethical corporate advice

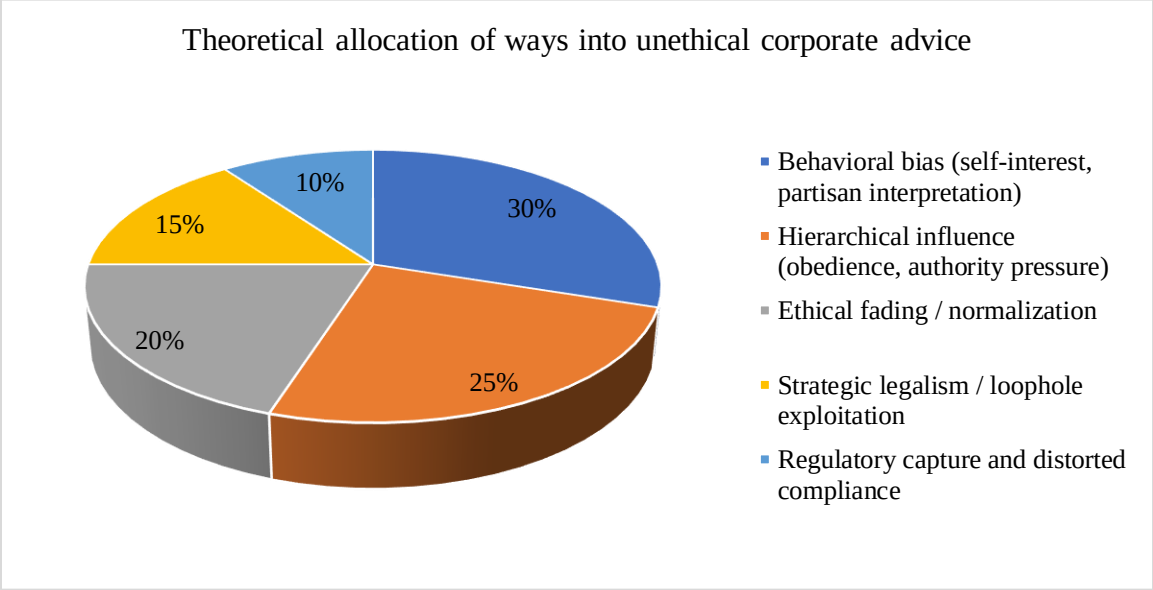


Figure 4 indicates that behavioral bias (30) and hierarchical influence (25) represent the primary channels of unethical corporate advice and emphasize the position of self-motives and pressure on authority. Ethical fading (20%), strategic legalism (15%), and regulatory capture (10%), have a moderating role. Altogether, the issue of unethical advising derives out of the joined forces of personal, organizational, and structural elements.

8. The Policy and Regulatory Reform Agenda

8.1 Reforming Directors, Officers, and Corporate Controllers Definitions

One of the first stages toward enhancing corporate accountability is to extend statutory definitions to include shadow directors, de facto controllers and influential advisers. It is only formal office-holders who currently fall within the scope of legislation, and the decision-making ability of the office remains unregulated to a large extent. Broader definitions would mean that those who wield power behind the scenes are included under the aspect of legal accountability and fewer people will be able to wield power in the background thereby making the accountability aspect of corporate choices more transparent. This would also adjust the scope of the fiduciary responsibility and thereby would make it harder to avoid responsibility among the influential actors as they manipulate the corporate results.

8.2 The Introducing of a Civil and Administrative Penalty Regime

Criminal sanctions have been found to be inadequate to enforce in a prompt and proportional manner. A modern civil and administrative penalties regime would give regulators with flexible instruments including disqualification orders, administrative fines, compensatory orders and performance based sanctions. These tools would enable intervention sooner, greater deterrence, and more proportional reactions to misbehaviour without subjecting the criminal process, which is sluggish and consumes considerable resources, to be engaged. A framework like this would also help to persuade firms and counselors to focus on preventive compliance rather than adherence of a very low level of formalism.

8.3 Regulation of Consultant-Facilitated Misconduct

The behavior of corporations can be greatly influenced by legal advisers, although the present frameworks do not often cover the enabling role of the latter. Advisory facilitation must be explicitly recognized by law in order to make it clear why unethical advice takes place. There should be specified mechanisms of accountability on consultants who willingly draft, counsel or promote activities that bypass governance or otherwise disadvantage the stakeholders. This would create a reasonable code of ethics, motivation to work hard, and lessen the tendency to encourage ethically dubious but risk-averse advice.

8.4 Mandatory Up-the-Ladder Reporting

Organized internal reporting functions play a very important role in the early detection and prevention of legal and ethical infractions. Matters of concern should be formally required to be reported to higher management, audit committees or compliance officers by legal professionals. Reporting systems, schedules and documentation of the same would make escalation less subjective and more systematic and as such, the serious misconducts would get the necessary attention in the organization as well as the need to rely on the individual judgment would be minimized.

8.5 Safe Harbor Protection of Good-Faith Disclosure

Consultants ought to be provided with protection of the law against good-faith internal and in cases it is needed, external disclosures to make ethical decision making without any fear of punishment. Safe harbor measures would ensure the participants are not liable to be professionally, civilly, or contractually liable to report the violations in a responsible manner. This safeguard is essential in situations of weak enforcement where advisers might otherwise be silent because of a fear of client retaliation or reputational risk making it a viable and safe course of action to blow the whistle.

8.6 Enforcement of Professional Ethics

Professional standards should be improved along with legal and regulatory reform. Professional bodies and bar councils ought to revise codes of conduct to deal with modern-day corporate advisory risks, provide ethical advice that is specific to the sector and require employees to undergo regular training on ethics. The behavioral safeguards would be reinforced through structured continuing legal education, practical scenario based workshops and evaluation of ethical decision-making. Such actions would enhance the capacity of lawyers to be aware of cognitive biases, predict institutional pressures and offer guidance that is consistent with the law and long-term integrity of governance.

8.7 Developing an Ethical Corporate Governance Culture

It cannot be ensured that legal reforms can bring about ethical consulting. The institutions need to foster a culture of accountability, transparency and integrity. This entails integrating ethical priorities in business leadership, board standards, and decision-making customs and rewarding ethical conduct and strengthening the punishment of wrongdoing. Legal, compliance, audit, and executive teams should work cross-functionally to make sure that the reform measures are transferred into the day-to-day practice. A strong ethical culture promotes regulatory goals as well as the wider social trust that corporate governance has to rely on.

9. Conclusion

As revealed in this paper, corporate legal consulting in Bangladesh exists in the complicated nexus of official law, professional ethics, and institutional frailty. One of the main findings include that the current statutes and regulatory framework are highly formalist and do not address shadow directors, de facto controllers, and influence through consultants. Partisan bias, complying with authority, the deterioration of ethicality and strategic legalism as a behavioral dynamic interacts with structural deficiencies to justify advice that could be technically legal but unethical. The disconnection between adherence to the law, cosmetic CSR and accountability also contributes to the fact that the misconduct can be provided without any concern about the law, as long as the reputational veil protects the legal counsel.

Theoretically, this research demonstrates the significance of the combination of two behavior-oriented legal ethics and gatekeeper theory in the examination of corporate counsel. Legal advisors are not neutral facilitators they are institutional players whose judgment may support or weaken corporate governance integrity. This dual nature role should be identified by regulators and professional bodies in the formulation of statutes, codes, and mechanisms of enforcing them. In the case of emerging economies including Bangladesh, the results highlight that governance reform should not be based on formal rules or symbolic compliance. An adequate regulation creates a mix of broadened statutory definitions, civil and administrative sanctions, hierarchical escalation responsibilities, safe harbor extensions, and greater standards of professional ethics. These actions taken together would put legal

advice on par with the greater societal responsibility of addressing the systemic risk through poor enforcement policy and political interference.

The main normative statement of this paper is that so-called ethical corporate legal consulting practices should be re-defined as the issue of the public, as opposed to the private, governance. The duties of legal advisers do not just end with the immediate benefit of the client, but also with institutional integrity, protection of the stakeholders and market confidence. The consultants role is the most important in poorly regulated regulation environments, the ethical advice may act as a critical gate-keeping tool, inculcating corporate conduct in manner which avoids both illegality and loss of trust. Identifying and putting this duty into practice is critical to enhancing corporate governance, preventing malpractice, and making legal knowledge add value to the societal and economic welfare.

Exiting this reframing requires a multi-faceted strategy that incorporates law, ethics, professional culture, and institutional design to develop a sustainable system whereby corporate legal advice is based on the long-term common good but not on short-term client profit.

Declarations

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Conflict of Interest: The researcher does not report any conflicts of interest in this study.

Data Availability Statement: To collect all the information in this study, all the data are based on the publicly available legal texts, regulatory codes, official reports and scholarly literature. There was no new empirical information gathered.

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