

Lord Chancellor's speech: London International Disputes Week

It's a pleasure to join you for what I hope will be the last London International Dispute Week to take place completely virtually. I expect the hybrid model will become important for all of us.

I know just how important this event is becoming to the sector and I am sure that colleagues have benefitted hugely from the programme this year, including my colleague Lord Wolfson's session with the Chair of the Bar Council and the President of the Law Society.

There is much we can learn from each other and I am very keen that we make the best use of these opportunities. Take, for instance, the Standing International Forum of Commercial Courts where the judiciary shares best practice with like-minded jurisdictions. You may have attended the panel earlier in the week presented by this forum, chaired by Lord Thomas and introduced by Mr Justice Robin Knowles, where the future of dispute resolution globally was discussed.

With the theme of this year's conference in mind, I will talk to you today about the challenges we face, the changes we are all experiencing, and the shared opportunities that exist for all of us.

If the last year has shown us anything, it is that in this era of globalisation, challenges are increasingly shared ones, and opportunities are increasingly shared opportunities. Now more than ever before, a collaborative approach is often necessary and essential to overcome unexpected barriers and take advantage of new ways to achieving our collective ambitions.

This, of course, extends to the international legal services sector, where collective responses to change have more than proven their worth in these unprecedented times.

I am sure that the experience here in the UK in this regard resembles those of many other countries. Whilst we continue to be a strong player, the challenge for us has been developing strategies to ensure that we continue to deliver for our international clients and to grow as a world-leading provider of international legal services. We also must ensure that any such strategies deliver success and good outcomes not just for England and Wales but also for our sister jurisdictions in Scotland and Northern Ireland.

Thanks to the ties that we have maintained with colleagues around the world, I am pleased to say that as things stand four of the largest twenty law firms globally have their main base of operations here in the United Kingdom and there are more than two hundred foreign law firms based here, from more than forty different jurisdictions.

We have therefore experienced first-hand the benefits of connecting with our

counterparts across the world and capitalising on our respective strengths to address issues that continue to affect us all – and I think this is the spirit which underpins London International Disputes Week.

Such an approach has also come to the fore in the UK as we negotiate Free Trade Agreements and build stronger trading relations with our global partners. Not only are legal services an important part of these discussions in their own right but, as we all know, legal services underpin global trade and investment. A flourishing legal services sector therefore supports the growth of global trade and investment for the benefit of all the jurisdictions here in the UK.

However, access to effective commercial dispute resolution is also a cornerstone of global commerce and the availability of cost-effective and reliable services in this field underpins business confidence itself. In the UK, I firmly believe this is one of our strengths. London in particular is a global hub for dispute resolution, with almost eighty per cent of claims in the Commercial Court in 2019 involving at least one party from outside the jurisdiction of England and Wales and 64% of parties surveyed by Queen Mary University in 2018 named London as their preferred seat of arbitration.

This reputation has undeniably benefitted the UK and has made it a popular place to do business internationally. But, maintaining this attractiveness is not without its challenges. As disputes become ever more complex and international in nature we must learn from our colleagues across the globe and through innovation and the sharing of knowledge and experience.

London International Disputes Week has been another great opportunity for us to do this. Professionals from around the globe have been able to come together to discuss all manner of issues affecting global dispute resolution, both here and now, and in the future. A personal highlight was hearing from The Honourable Bart Katureebe, Chief Justice Emeritus of Uganda, who provided us invaluable insight into the ways in which commercial courts can play a key role in driving business growth.

One particularly pertinent part of his speech was his emphasis on the importance of the transfer of expertise and skills between developed and developing countries. As he noted insightfully, each country has its own strengths. My own opinion is that it is in all of our interests to share those strengths in order to achieve our mutual goals – and making the most of diversity of experience in the international context is a core element of this process. That concept of mutuality is something I cannot stress enough.

The importance of diversity of perspective brings me on to another point: if the UK is to remain a global leader in this space, it must ensure that the sector becomes truly diverse at all levels. This very important issue was spoken about in detail by my colleague Lord Wolfson alongside Stephanie Boyce, President of the Law Society and Derek Sweeting QC, Chair of the Bar Council.

From this discussion, it was clear that the international reputation of the UK legal services sector rests very much on our continued commitment to

improving diversity and inclusion within the profession. This is because in order to deliver real justice, we must be representative of the society we as a profession serve.

I speak of reputation, and there is no doubt that a large portion of the UK's international position rests upon global acknowledgement of the fairness and effectiveness of its legal system.

Our collective response to keeping the system running effectively during the last year – in which the governments of the four nations of the United Kingdom, the judiciary, and the legal sector have worked together to mitigate the effects of the COVID-19 pandemic – has proven once again the extent to which this cooperative manner of addressing challenges yields great benefits.

Throughout, the government has been determined to increase the capacity of the courts wherever possible to tackle the accumulation of cases that inevitably built up as a result of the pandemic. And we have rapidly expanded the use of technology throughout the system to enable a gigantic increase in remote hearings.

This digitisation of the courts is something that we were already engaged with before COVID-19. As we begin to move beyond the pandemic, this work is more important than ever – and this inevitably will have implications for the law more widely.

In a more digitised world, consumers will demand more efficient and less expensive ways to gain access to legal services and resolve disputes – just as they frankly now can access a range of existing services at the push of a button.

The word 'normal', a word to which I usually have an aversion, but we all know what it means in this context, was already beginning to change but it will undoubtedly look a lot different from how it did fifteen months ago. As we look forward, we know that the challenge – in maintaining London and the UK's reputation as one of the premier choices for international dispute resolution – will require us to be at the very forefront of change.

Re-defining the nature of dispute resolution will also form an important component of the government's approach to that change. When it comes to resolving disputes, court is rarely the best option, let's be frank about it. Despite this, parties regularly resort to litigation when simpler and faster alternatives such as mediation and conciliation exist.

For too long, these approaches have been viewed as "alternative" dispute resolution, as an add-on or diversion for people seeking to solve a dispute. I want to change this, and to embrace radical ways to get parties to use processes which achieve resolution without having to go to court. I thoroughly agree with the Master of the Rolls who addressed you on Monday that these processes should no longer be seen as "alternative" but as integral to our justice system. Let me be clear about that – integral. This approach is something I want to be at the heart of our new response to building confidence in our justice system and in how we rebuild after

COVID-19.

My department is currently exploring ways to ensure that parties can access the most appropriate methods for resolving their legal problems – supporting them to resolve disputes more efficiently, so that they can get back to business as quickly as possible. We are looking for input from the sector and warmly welcome ideas on how we could make this work, and I invite you to get in touch with my officials at the Ministry of Justice.

My aim is to deliver a justice system across our three jurisdictions that is more accessible than any other jurisdiction on this planet. Similar initiatives are underway in Scotland and Northern Ireland. I am confident that together we can make the three great jurisdictions of the UK the best place in the world to resolve a dispute.

The adoption of new technologies and innovations is also at the heart of embracing change. The importance of technology has become apparent to us all in recent times. As the legal services sector continues to evolve, Lawtech will provide it with tools to continue supporting clients in ways that are quicker and more effective.

The UK's legal sector is already championing the kind of innovation that will characterise the law in the future by promoting and developing new technology that will accelerate the delivery of global legal services.

The task for us in government is to support you as a flourishing legal services sector and a world leading Lawtech sector, which is why we have funded and developed LawtechUK, an initiative to help transform the legal sector through technology.

LawtechUK has a comprehensive work programme, building on the many initiatives already going on in the sector. Its aim is to support and encourage Lawtech to provide what businesses and society need from legal services and dispute resolution in the modern age.

I was very pleased to see the UK Jurisdiction Taskforce launch the ground-breaking Digital Disputes Resolution Rules (DDR) last month. These rules will facilitate the fast and efficient resolution of disputes arising from digital assets, smart contracts, blockchain and other new technologies. Sir Geoffrey Vos, who chairs the UK Jurisdiction Taskforce, eloquently set out the importance of this development in his Monday address to you.

I know that LawtechUK worked closely with the sector to draft the rules and will continue to keep a close watch on how they are used and what could be done to improve them in the future.

Just as the Legal Statement on the Status of Cryptoassets and Smart Contracts was welcomed by jurisdictions globally in late 2019, I am confident that the DDR Rules will be as well-received by our international partners as the previous statement was.

Earlier on, I mentioned the importance of working together to overcome challenges. It is equally important to collaborate in order to make the most

of opportunities that have the potential to benefit us all. A pertinent example of this is the ongoing matter of the UK Government's decision over whether the UK should sign and ratify the Singapore Convention on Mediation.

Our current thinking is that doing so could help us to maintain London and the UK as an attractive Disputes Resolution hub, and, more generally, would promote international mediation. This would give parties even greater opportunity to access justice.

With this in mind, we will shortly begin a public consultation on the Singapore Convention, with the aim of understanding from the sector what impact it could have. I welcome your thoughts on these matters.

However, we do face other challenges. As many of you will be aware, last week the European Commission issued a Communication to the European Parliament and the European Council in which their assessment is that the United Kingdom, should not be permitted to accede to the Lugano Convention.

This assessment is in line with the Commission's long-stated view that participation is linked to the internal market and the United Kingdom, as a third country, should have a different arrangement than that of the EU and EFTA.

This position has no legal basis. The Lugano Convention is an international agreement, specifically open to third parties with no requirement for single market membership and the UK meets all criteria for accession.

In talking to my fellow justice ministers across Europe, I have been clear that we shouldn't let ideology get in the way of sensible, pragmatic cooperation on issues of mutual interest which are of genuine benefit not just to us but to EU citizens and businesses. It is not the big multi-national law-firms, with respect to those on the call, that will feel the impact of this. Rather it harms our joint communities, particularly consumers, SMEs and financially vulnerable families.

The European Council will be taking a view on our application and we know that member states are divided on the merits of the UK application, with many thinking pragmatically and voicing their support.

In this climate of challenge and change, we must stand ready to seize every opportunity. The MoJ's Union Strategy will prioritise the promotion of the UK-wide legal sector and legal services in the three jurisdictions – boosting jobs and the economy across England and Wales, Scotland and Northern Ireland. We will work closely with the devolved administrations to ensure the continued success of legal services.

We are acutely aware of the importance of engaging with emerging markets in Africa and the Middle East and, have an extensive programme of work here at the Ministry to do so. A large portion of this is concerned with promoting the value of collaborative international working and developing shared opportunity.

For instance, the events organised by our "Legal Services are GREAT" campaign

have promoted UK firms, but have also encouraged collaboration between us and our partners. These types of partnerships can be a great boost to the innovation that will underpin the delivery of legal services in the future.

Those in the sector who have chosen to partner with us have derived great benefit from doing so. At the recent UK-Africa Spring Conference, for example, feedback from the 246 delegates showed that this cooperative event enabled them to sell their own services, build networks of contacts in new markets, and enter into partnerships that will be of huge mutual benefit.

I invite you to consider the involvement of your own firms in similar future events, such as a Middle East Virtual Trade Mission which will take place this summer.

I would like to close by suggesting that the most pressing challenge at the moment is to ensure a strong recovery from COVID-19 and my priority is to recover, to rebuild and to restore the justice system to its rightful place at the heart of our society and the foundation of our strong economy. This will require change and will depend on our openness to innovation and to cooperation with partners old and partners new.

For my part, I will continue to do everything possible at home and abroad to contribute to our mutual objectives of advancement and prosperity. Thank you.