

# Speech: Lord Chancellor speech at launch of TheCityUK's legal services report 2017

It's a pleasure to be here today at the launch of TheCityUK's Legal Services report for 2017, and can I add my thanks also James to you and Herbert Smith Freehills for hosting this event.

Every year, your report holds a mirror up to our legal services sector. In doing so, it allows us to reflect upon the strengths and successes of this country's formidable and world-leading legal services.

This year I think the findings of the report should serve as a source of great pride and satisfaction for those who work in our legal services. It is also an important reminder to all of us, of the enormous contribution legal services make – not just to London, but to all the nations and regions of the United Kingdom – and I welcome in particular the focus of the report on the wider contribution the sector makes to the country. It's particularly apposite given that the new Lord Mayor in his speech to the Guildhall last week part of his role should be to promote the City.

We can look at the contribution of the sector in a number of ways:

- to jobs: legal services employ over 300,000 people across the country, two thirds of these outside London. James mentioned Belfast but he could just as readily have mentioned Edinburgh, Bristol, Manchester, Liverpool.
- to the economy: directly contributing around £24 billion last year with a trade surplus of £4 billion, and more broadly, underpinning the wider business and financial sectors.
- but I don't think either we should neglect what I would term the contribution to the UK's soft power, our global reputation: our legal services market is one of the top, most admired and respected anywhere in the world.

## **Legal services and EU exit**

Now for the government, we are committed to protecting and promoting the legal services sector – the benefits that its energy and vibrancy bring to the economy and the country.

The report rightly raises the potential impact of EU exit on our legal services. I understand there is a real appetite from the sector for the government to make more announcements about where we are in the negotiations. I get that from your clients' perspective, one of the biggest deciding factors on whether to use English law to govern their contracts is the enforceability of decisions.

I'll say now what I said when I spoke at TheCityUK Advisory Council earlier this month, the government is committed to securing continuity and certainty for business as part of the exit negotiations. And that includes taking seriously, and giving a high priority to securing, market access for the legal services sector, and ensuring we have ongoing civil judicial co-operation after we leave the European Union – something that I believe is profoundly in the interests of families and individuals in this country but to the corporate sector and tens of thousands of families in the EU too.

I recognise that, as in any negotiation, there is uncertainty about the precise outcome that will be secured, but I want to reiterate the government's commitment to ensuring that we have an outcome that protects and promotes our legal services. In particular, that means seeking an outcome that replicates the existing principles with the European Union, for example by incorporating the Rome I and Rome II regulations into domestic law and by continuing our participation in the Hague and Lugano conventions.

And I am highlighting to my counterparts across the EU27 – and shall do so again at the Justice and Home Affairs Council meeting in early December – how vital this is for individuals, families and businesses across Europe.

## **Legal services are built on firm foundations**

As we go through these negotiations, we should not lose sight of the fact that our legal services in the United Kingdom are built on strong and deep foundations. They are underpinned by a strong commitment to the Rule of Law, by the certainty and clarity of Common Law in England that has evolved over centuries and by an independent, impartial and incorruptible judiciary that is recognised and respected across the world. These strengths make the United Kingdom a hugely attractive destination for litigants and legal service providers alike, now and in the future.

## **'Legal Services are GREAT'**

But in a globally competitive marketplace, where I'm all too conscious that other countries and other jurisdictions are contending for legal business, we must ensure that the United Kingdom's legal heritage, expertise, innovation and prowess in legal services and the benefits of having disputes settled here is plain for potential clients to see.

That is why, in October, we launched our international 'Legal Services are GREAT' campaign. Now the 'GREAT' campaign has an interesting history. It was devised by David Cameron to take advantage of the spotlight on this country as a result of the Olympics and Paralympics being held here. It will showcase the expertise of our legal services, the integrity and experience of our judiciary and the benefits of using English Common Law to a global audience that will help us build stronger links with both established but also emerging markets.

The message of the campaign is simple: the United Kingdom is home to the best legal services in the world. Whether that's London as a global centre for dispute resolution, or Scotland and Northern Ireland as world-leading centres

in their own specific areas of distinct legal expertise.

As the 2017 report makes clear, technology and innovation in legal services will be key to ensuring the United Kingdom stands out. That's why the government, building on the success seen in the Fintech sector, is ensuring that new and innovative legal technologies are embraced and supported. These have the potential to drive down costs, improve quality and fundamentally transform how services are used.

One such example is smart contracts, which are expected to increase trust and certainty, and reduce friction in the performance of business and other contractual agreements. Smart contracts will have a profound impact on the delivery of legal services and the government is exploring how we can use these new technologies to ensure that English law and UK courts remain a competitive choice worldwide.

The data and insights that are included within TheCityUK's legal services reports are vital tools in our promotion of these messages and in determining our global standing and I'd like to thank TheCityUK for all of the work that has gone into this year's report.

## **UK legal services and future trade**

The 'Legal Services are GREAT' campaign is an important part of our global message about the incredible assets and services that the United Kingdom offers. It's a message, too, about our future trading ambitions. It's about ensuring our legal services can both take advantage of and support our future trade arrangements beyond EU exit.

The government is taking a significant step in preparing to leave the European Union by making arrangements for our future independent trade policy, and legislation will be introduced and debated in Parliament in the next 12 months to ensure the necessary statutory underpinning of that trade policy.

Trade is a key driver of growth and prosperity. International trade is linked to many jobs; it leads to higher wages and contributes to a growing economy.

That's why we are committed to ensuring that our world-class legal services serve as catalyst for future trade, and that the crucial role they play in underpinning the growth of wider business is maintained and understood.

## **Conclusion**

So I welcome TheCityUK's work on this with its own vision for a transformed, world-leading legal services industry.

That vision sees the United Kingdom continuing to offer a clear and consistent system of law, with a sector that is highly digitalised and innovative...one where London continues to be an international hub for finance and legal services, but where there are also regional centres that serve as specialist hubs.

I have no doubt that the strong and deep foundations on which our legal services are built, combined with the innovation and vision within the sector to embrace new opportunities and new technologies, mean that we will see our legal services not just lead the world, but continue to be the envy of the world. Thank you very much.