



Ministry of
JUSTICE

UK
TRADE &
INVESTMENT



Plan for Growth: Promoting the UK's Legal Services Sector

Foreword

by the Lord Chancellor and Secretary of State for Justice,
and the Minister for Trade & Investment

As Britain's economy emerges from a difficult period, it is vitally important that the country builds on its strengths to support the recovery. There are few areas where Britain is stronger than in the law.

Whether it's in the provision of legal services, the use of our courts for the resolution of disputes, or the application of English law for contracting, the UK is truly a global centre of excellence. People turn to us because they know they will find world class, highly specialised practitioners and expert judges in the specialist courts. They understand that a decision from a court in the UK carries a global guarantee of impartiality, integrity and enforceability.

These strengths help to explain why the Legal Services sector generated £23.1 billion or 1.8% of the UK's gross domestic product in 2009 and constituted £3.2 billion in exports – nearly three times more than a decade earlier.

Yet despite this very strong record, there is no room for complacency. Protectionist regulations remain a major obstacle to us exporting our services to some foreign markets. Meanwhile, worldwide competition for legal services is set to intensify over the coming decade. New York, Stockholm, Paris, Geneva, Dubai, Singapore and Hong Kong all stand ready to compete with London and other UK jurisdictions as a hub of legal expertise. While the UK's excellence

and reputation is undoubted, costs and speed may affect where companies choose to resolve their disputes. We intend to do all we can to protect our competitiveness and build on our success.

The Government's Plan for Growth, announced as part of the Budget on 23 March 2011, aims to put the UK on a path to sustainable, long term growth. As the Chancellor made clear then, law is a central part of this vision. In particular, the Ministry of Justice is committed to working closely with UK Trade & Investment and the sector to promote the UK as the global centre of legal arbitration and commercial law services.

This Action Plan sets out what we are doing as part of that UK wide effort and in response to concerns raised by the legal sector. Ultimately of course it is not government or ministers that run businesses. Rather, government's role is to help create the conditions in which firms can flourish. This Plan and our work over the next 12 months describe the measures we will be taking to support their success.

We are delighted to be working with industry experts, including the Law Society of England and Wales, the Bar Council and TheCityUK, to find a joint approach to encouraging growth in the legal services sector. Working in partnership, our hope and belief is that legal services will go from strength to strength.



Kenneth Clarke
Lord Chancellor
Secretary of State
for Justice



Lord Green
Minister for Trade
& Investment

What the UK legal services sector can offer

Legal services covers a wide range of professions and stakeholders, ranging from the judiciary, solicitors and barristers, to mediators and arbitrators. It also includes less obvious roles, including those in accountancy, education and training institutions, all of which contribute to the global reputation of the legal services sector. While London firms account for a substantial proportion of UK law firms' business, there is an increasing presence in other English and Welsh regions, as well as the separate legal jurisdictions in Scotland and Northern Ireland. The majority of this Action Plan refers to legal services in England and Wales but we are discussing with the jurisdictions in Scotland and Northern Ireland how we can work together to promote their legal services to the wider benefit of the UK economy.

Some of the benefits of the UK legal sector include:

- **Few barriers to entering the UK market** – virtually unrestricted access for foreign firms. Over 200 foreign law firms now have offices in London.
- **Global leader in international and commercial arbitrations** – more of these take place in London under English law than in any other city in the world. Ninety per cent of commercial cases handled by London law firms now involve an international party.
- **English judgments are easily enforceable** – both within the EU (Judgments Regulation and European Enforcement Order) but also in most other parts of the world, even where there are no reciprocal enforcement arrangements.
- **The Legal Services Act 2007** – offers a robust and dependable regulatory regime both for English and Welsh lawyers practising at home and abroad. The Legal Services (Scotland) Act 2010 will relax some of the restrictions on entry to the Scottish legal services market.
- **International dispute resolution continues to grow** – the total number of disputes resolved through arbitration and mediation in the UK reached 34,541 in 2009, up from 19,384 in 2007.¹ The Arbitration Act 1996² provides a mechanism for the enforcement of arbitration awards in the UK. Dispute resolution has also been enhanced by last year's new legal framework for arbitration in Scotland, the Arbitration (Scotland) Act 2010 and the establishment of a Scottish Arbitration Centre.
- **Dedicated, high-spec business court under one roof** – the Rolls Building brings together the Chancery Division, Technology and Construction Court and Commercial Court under one roof, offering a streamlined service to businesses and maintaining the UK's reputation as first choice for business law.
- **An essential partner of the financial services sector** – the biggest areas of practice of law firms in the UK include corporate work, banking and capital markets. British law firms are now central to the export of other professional services.

¹ TheCityUK report *Dispute Resolution in London and the UK 2010* statistics exclude those in the Small Claims Mediation Service

² The Arbitration Act 1996 applies to England, Wales and Northern Ireland.

What we've done so far

Working in partnership with the legal profession – since 2003 we have worked together to promote the interests of the legal sector in overseas trade. Ministry of Justice (MoJ), UK Trade & Investment (UKTI), the Foreign and Commonwealth Office (FCO), Department for Business Innovation and Skills (BIS) and HM Treasury have worked with the Law Society of England and Wales (Law Society), the Bar Council and TheCityUK to reduce barriers to trade and promote UK legal services.

Ministerial and official level engagement to open up markets – overseas and inward visits provide opportunities for bilateral ministerial messaging on trade with countries whose markets are currently closed or limited. UKTI, working with FCO and BIS, have developed specific market development programmes and initiatives such as Joint Economic Trade Committees (JETCO), which also provide a senior ministerial bilateral platform in a number of key markets (India, China and Brazil).

Opening up markets through trade negotiations – we have worked hard to conclude Free Trade Agreements (FTA) so that UK legal services can access more overseas markets. The EU-South Korea FTA, for example, will open up the market on 1 July 2011, bringing significant work for UK legal services. Alongside government negotiations, the Law Society promoted links between Korean and UK law firms through legal trade missions, with UKTI and British Embassy support. We intend to replicate this partnership approach in trade negotiations with other countries.

Lord Mayoral visits – have promoted the benefits of open and liberalised markets in destinations such as Malaysia in March 2011, encouraging the opening of the legal market to UK firms to attract inward investment.

Overseas promotion – in September 2010 UKTI and City of London Corporation supported the Law Society and the Bar Council in organising a seminar on dispute resolution and environmental law during the high profile UK/China Financial and Professional Services Week.

Promotion within the UK – Russian Law Week 2010, was co-sponsored by the Law Society, the Bar Council and COMBAR³ with the support of MoJ and UKTI. This helped develop closer ties and greater cooperation between the law making, judicial and commercial branches of the English and Russian legal communities in support of positive trade outcomes for both countries' legal sectors.

Legal services promotional material – in 2010 UKTI, MoJ and the Law Society published a legal handbook to help overseas law firms interested in setting up in the UK: <http://www.ukti.gov.uk/uktihome/item/115439.html>

Industry trade missions to raise the UK legal sector's profile – the Bar Council raised the profession's profile with overseas governments and local legal sectors through trade missions to Qatar, the United Arab Emirates, Oman and Bahrain between 2008–2010, holding seminars to promote the litigation, arbitration and mediation advocacy services.

Future activities

This Action Plan sets out how MoJ and UKTI aim to promote the UK as a centre of legal excellence both at home and abroad. Actions include:

- 1 Working with other Government Departments and partners to identify appropriate ministerial domestic and overseas visits and events which can be used to promote the UK's legal services, including:
 - Alternative Dispute Resolution event in India in May 2011
 - English Law Week in Russia in June 2011
 - International Bar Association Conference in October 2011
 - The official opening of the Rolls Building by February 2012
 - City Week in February 2012
 - The London Olympics and Paralympics in July and August 2012
 - A Pro Bono Legal Advice and Representation Service for the London Olympics 2012, showcasing the high quality range of services the UK legal profession can offer.
- 2 Including representatives from legal professional bodies on ministerial, Lord Mayor and senior official level visits, where appropriate, to maximise the promotional opportunities of UK legal services. We will ensure that the Trade and Investment Ministerial Subcommittee discusses legal services promotion by the end of 2011.
- 3 Working with governments whose restrictive market regulations impact on the potential for the UK legal sector to grow. This is focused on long-term liberalisation and includes raising market access issues during ministerial, Lord Mayor and senior official level visits, where appropriate, as well as progressing negotiations through EU-Free Trade Agreements (FTA) and World Trade Organisation (WTO) commitments in key countries.
- 4 Developing a core script for use in all communications by July 2011, following advice from the TheCityUK's Legal Services Group to ensure consistent messages on:
 - the top legal priorities in key markets
 - the UK as a centre of dispute resolution services
 - the benefits of using the UK's services to solve commercial disputes.

This script will be made available to anyone undertaking an ambassadorial role on behalf of the UK, including the Catalyst Network, and those in its 'soft network', including Business Ambassadors.
- 5 Creating an online promotional tool kit for trade and investment advisors in British Embassies and High Commissions by the end of September 2011, to explain the value of UK legal services and UK law in the countries to which they are posted. This will be completed with the expertise of TheCityUK and professional bodies. It will better enable UK government officials to promote legal events and inform discussions with overseas governments and business about what the UK legal services sector can offer.

6 Providing new content on www.justice.gov.uk by November 2011, showing the benefits of using UK legal services and providing links to legal representative bodies as well as UKTI and TheCityUK.

7 Monitoring by MoJ of the international acceptance of Alternative Business Structures, with an initial review in February 2012.

TheCityUK's Legal and Dispute Resolution Group provides co-ordinated legal sector input in conjunction with the expertise of the Law Society and the Bar Council who are members of the Group.

TheCityUK, Law Society and The Bar Council, will:

8 Produce and deliver a strategy to promote the UK as a centre of excellence for dispute resolution using the expertise of the professional legal bodies. The strategy will bring together market research conducted by member firms and associations to target promotional work, and identify barriers to further expansion in key countries and regions by October 2011. It will aim to both retain business and attract new businesses. TheCityUK's Research Centre will work with UKTI, the Bar Council and Law Society to ensure that this addresses the needs of UK law firms/practices of all sizes, including UK regional firms.

9 TheCityUK will appoint the chairman of the Legal Services and Dispute Resolution Group to its International Strategy Committee – alongside the leaders of other sectoral and regional groups to ensure discussion of legal priorities. This will provide an integrated and strategic approach to the financial and professional overseas promotion agenda by June 2011.

10 TheCityUK will re-launch the Legal Services and Dispute Resolution Group by September 2011, together with MoJ and UKTI. It will initially focus on the strengths of the sector and the challenges it faces.

11 Invite and encourage law firms and sets of chambers to identify junior solicitors or barristers and fund a secondment to UK posts overseas for them to undertake a market research project in high growth markets. They would focus on opportunities for the promotion of legal services and restrictions on practising. The secondment/attachment of this/these individual(s) to the British Embassy/High Commission will also consider how our overseas missions could better promote legal services, by the end of November 2011.

Measuring success

The Action Plan will be a commitment in the revised Ministry of Justice Business Plan 2011–15, when published. Each action will be reviewed in February 2012 against the deadline set and the results of our progress will be made available through MoJ, BIS and UKTI communication channels.

