

# Litigation Funding Agreements (Enforceability) Bill [HL]

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## EXPLANATORY NOTES

Explanatory notes to the Bill, prepared by the Ministry of Justice, have been ordered to be published as HL Bill 56—EN.

## EUROPEAN CONVENTION ON HUMAN RIGHTS

Lord Stewart of Dirleton has made the following statement under section 19(1)(a) of the Human Rights Act 1998:

In my view the provisions of the Litigation Funding Agreements (Enforceability) Bill [HL] are compatible with the Convention rights.



# Litigation Funding Agreements (Enforceability) Bill [HL]

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[AS INTRODUCED]

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- 1 Enforceability of litigation funding agreements
- 2 Extent, commencement and short title



[AS INTRODUCED]

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# B I L L

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To amend section 58AA of the Courts and Legal Services Act 1990 to make provision about the enforceability of litigation funding agreements.

**B**E IT ENACTED by the King’s most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

## 1 Enforceability of litigation funding agreements

(1) Section 58AA of the Courts and Legal Services Act 1990 (enforceability of damages-based agreements) is amended as follows.

(2) In subsection (3), after paragraph (a) insert “, but

(aa) an agreement is not a damages-based agreement if or to the extent that it is a litigation funding agreement.” 5

(3) After subsection (3) insert—

“(3A) For the purposes of this section a litigation funding agreement is an agreement which provides that—

(a) a person providing claims management services (“the funder”) is to fund (in whole or in part)— 10

(i) the provision of advocacy or litigation services (by someone other than the funder) to the recipient of the claims management services (“the litigant”), or

(ii) the payment of costs that the litigant may be required to pay to another person by virtue of a costs order, and 15

(b) the litigant is to make a payment to the funder in circumstances specified in the agreement.”

(4) The amendments made by this section are treated as always having had effect.

## 2 Extent, commencement and short title

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(1) This Act extends to England and Wales only.

(2) This Act comes into force on the day on which it is passed.

- (3) This Act may be cited as the Litigation Funding Agreements (Enforceability) Act 2024.



# Litigation Funding Agreements (Enforceability) Bill

## [HL]

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To amend section 58AA of the Courts and Legal Services Act 1990 to make provision about the enforceability of litigation funding agreements.

*Lord Stewart of Dirleton*

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Ordered to be Printed, 19th March 2024.

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