Implications of EU exit for the justice system

Thank you for your letter of 29 November, and I am pleased that you found my evidence to the Committee helpful.

Civil judicial cooperation

As you note, the Political Declaration includes a commitment for the United Kingdom (UK) and the European Union (EU) to explore options for family judicial cooperation. This goes further than the arrangements the EU has with any external partner. This commitment will enable us to agree clear rules with the EU to reduce the risk of parallel proceedings and ensure the enforceability of judgments in family cases such as divorces, issues of parental responsibility and other related matters. We also remain committed to future cooperation on civil and commercial matters with the EU, recognising that it is in both our interests, and to cooperation with international partners. The UK will continue to prioritise joining the 2007 Hague Maintenance Convention and the 2005 Hague Choice of Court Convention in our own right, and we will also seek to accede to the Lugano Convention. The precise details of the future relationship with the EU are to be determined, and we will work to ensure that it provides as much certainty as possible to legal professionals and to citizens.

I recognise the desire of the legal profession to have as much clarity as possible on when UK courts will have jurisdiction and whether the judgments of UK courts will be enforced. During the implementation period the current arrangements for cooperation on civil judicial matters will remain in place, giving both UK and EU businesses and citizens legal certainty until a future agreement can be reached. In the event of no agreement being reached on the UK-EU future relationship, we have also agreed how existing cases will be resolved. In these circumstances, proceedings started ahead of exit would be concluded under the existing EU rules and subsequent judgments would be enforced.

We recognise the importance of contractual continuity and the risk to market functioning and consumers arising from a potential disruption to cross-border financial services activity at exit. The Government is acting to minimise these risks as far as it can unilaterally. In a 'no deal' scenario, firms in the financial services sector will lose their 'passporting rights,' which means they will lose their automatic permission to perform regulated activities cross-border, including permission to service some contracts.
The Government is taking action to address the risk of disruption to cross-border services into the UK, including by legislating to establish a temporary permissions regime. This will allow EEA firms to continue operating in the UK for a time-limited period after the UK has left the EU, while they apply for full authorisation from UK regulators. The government has also committed to legislate to ensure that contractual obligations (such as under insurance contracts) between EEA firms and UK-based customers that are not covered by the temporary permissions regime can continue to be met.

**Criminal justice cooperation**

During the Implementation Period, the UK will cooperate with the EU through the same tools and measures as we do now. The Political Declaration outlines the terms of a future security partnership between the UK and the EU, with all aspects of current judicial and law enforcement cooperation in the scope of more detailed negotiations which would begin formally after the UK has left the EU on 29 March 2019.

You ask a number of questions about policing and judicial cooperation tools (such as the European Arrest Warrant, ECRIS, SIS II, Europol and Eurojust) for which the Home Office has policy responsibility. We continue to work closely with the Home Office to assess and plan for the potential impacts of EU exit on the courts and tribunals, and you will be aware that on 28 November the Government published a Command Paper, *EU Exit: Assessment of the Security Partnership*, which compares the impacts on criminal justice and law enforcement of both the proposals set out in the Political Declaration and a 'no deal' scenario.

As part of our contingency planning for a 'no deal' exit, my Department is bringing forward secondary legislation which addresses compensation for victims of crime, criminal protection orders, criminal supervision orders, enforcement of financial penalties and the taking account of convictions. A draft of this statutory instrument was sent to the Sifting Committees on 22 November. In respect of victim compensation, victims will still be able to access the UK compensation scheme and the scheme of any EU member state for which they meet the eligibility criteria, with the UK reverting to a Council of Europe Convention to offer help in accessing those non-UK schemes where applicable. While criminal protection and supervision orders would be repealed in a 'no deal' scenario, these measures have been very rarely used (less than 10 cases of each since their introduction) and so we consider the impacts associated with the loss of these tools to be limited.

You also asked about the role of the Court of Justice of the European Union (CJEU) in criminal justice cooperation. The jurisdiction of the CJEU will end once the UK leaves the EU. The Political Declaration makes clear that the scale and scope of future arrangements should strike an appropriate balance between rights and obligations – the closer and deeper the partnership, the stronger the accompanying obligations. This includes the role of the CJEU in the interpretation of Union law.

**Legal Services are GREAT campaign**

Since its launch in October 2017, the Legal Services Are GREAT campaign has been promoted in over 20 overseas markets, including Singapore, Australia, New Zealand, Kazakhstan, South Africa, China, Qatar and, most recently, Chile. It has successfully facilitated four overseas trade events that have already generated business leads for the UK legal sector, and the Lord Chancellor hosted a major domestic event for legal stakeholders at Lancaster House.

The campaign has engaged hundreds of international business executives; worked with Her Majesty's Embassies, Consulates and High Commissions for the campaign to be showcased in numerous overseas markets; and liaised face-to-face with more than 350 domestic stakeholders, including UK legal firms, UK chambers and the judiciary. As a result the campaign has generated numerous business leads from trade
delegations and business-matching opportunities. The Prime Minister and five ministers have delivered campaign messages through speeches and events in eight countries.

Ministry of Justice funding for the Legal Services are GREAT campaign in the 2017/18 financial year was £41,000, and this was supplemented by an additional £5,000 from third party contributions, including legal professional bodies and the GREAT challenge fund. Campaign spend by the department to date for the 2018/19 financial year is £32,000, with an additional £43,000 spend from third party contributions. The remaining budget for 2018/19 is approximately £55,000 and is expected to be funded in full by the GREAT challenge fund. We expect next year’s budget to be broadly the same, and we will keep this under review to ensure investment levels remain appropriate.

As the UK prepares to leave the EU we continue to monitor the effectiveness of the campaign and consider whether its focus or budget requires adjustment.

I hope you find this information helpful.

Yours sincerely,

LUCY FRAZER QC MP