

UNITED KINGDOM INTERNAL MARKET BILL [HC]

SECOND READING DEBATE

Briefing from the City of London Corporation

1. The UK Internal Market Bill deals with very specific situations. There are, however, substantial concerns about its broader impact on the reputation of the UK as a jurisdiction with the highest respect for the rule of law and, in consequence, the City of London as a global centre for legal and financial services. As currently drafted, the Bill appears to give a broad discretion to Ministers to override specific international agreements. In advance of the UK securing new trade deals, the UK must respect, and be seen to respect, the rule of law and abide by its international agreements. The health of the financial sector, and the UK economy, depends on maintaining our reputation in this regard.
2. Business leaders see London as a safe place to do business because of its reputation for the rule of law and highly stable and predictable legal system. The UK's legal services sector is the second largest globally, with more than 200 foreign law firms from 40 jurisdictions. 40% of corporate arbitrations internationally use English and Welsh law, more than twice as many as the next governing law.
3. The UK prides itself on adherence to the rule of law and this has preserved the City's competitiveness as a centre for commercial law and a global hub for dispute resolution, both in and out of court. The maintenance of the rule of law is essential in order to preserve the UK's reputation and maintain London as businesses' first choice for dispute resolution.
4. On 10 October 2019, the Court of Common Council, the City of London Corporation's primary decision-making body, overwhelmingly supported a motion expressing its "full and unequivocal support" for the UK's judiciary and its role in upholding the rule of law. Chair of Policy and Resources, Catherine McGuinness, described the motion as an "affirmation of our long-standing commitment to promote the rule of law", a principle which she recognised as "a cornerstone of national prosperity and stability" on which the continued success of the City of London as a world financial and professional services centre depends. This point was reinforced further by the Lord Mayor William Russell who, in his recent address to the judiciary, pointed out that legal services are "one of our most requested exports" and added "our rule of law has helped make this country what it is today."
5. Next month the City Corporation will release a report on the future of London's legal and business services, which constitute a substantial UK export. The flourishing of this sector relies on the continued reputation of London and the UK as a predictable and transparent place to do business, and the continued respect across the world for its independent judiciary.

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