

**Brexit****Brussels opposes UK bid to join legal pact, splitting EU states**

European Commission says Britain should not be allowed to rejoin Lugano convention



Britain's legal services industry has warned that without accession, English court judgments about cross-border disputes risk losing their force within the countries covered by the co-operation pact © Chris Ratcliffe/Bloomberg

**Jim Brunsten** in Brussels and **Kate Beioley** in London APRIL 12 2021

Brussels has urged against Britain being allowed to rejoin an international legal co-operation agreement, in a move that has split the bloc's national governments and dealt a blow to the UK legal sector.

The Financial Times [reported](#) earlier on Monday that the European Commission was set to give its blessing for Britain's bid to join the Lugano convention, an accord that determines which countries' courts have jurisdiction over cross-border civil and commercial disputes.

But instead the commission opted to take the opposite course at a closed-door meeting with EU diplomats on Monday, saying it believed that the UK should be left outside on the grounds that post-Brexit Britain is neither a member of the European Economic Area nor the European Free Trade Association.

The EU's position will ultimately be decided by the bloc's national governments, which will further review the issue over the coming weeks.

The commission position was consistent with views it expressed last year, when Britain and the EU were negotiating a trade deal. But an EU diplomat said the position was at odds with recent indications that Brussels was warming to UK membership. Another diplomat said national officials were taken aback by the fundamental nature of the commission's objections.

The EU commission's stance split the bloc's governments, according to diplomats, with Nordic and Baltic countries along with the Netherlands speaking favourably of UK participation, while France strongly endorsed the commission line. Some others, including Germany, said they had yet to decide their position.

Securing renewed membership of the convention has been a priority for Britain's legal services industry, which has warned that without accession, English court judgments about cross-border disputes risk losing their force within the countries covered by the co-operation pact.

The UK applied to join the Lugano convention in April last year. It would need unanimous support from the contracting parties — the EU, Denmark in its own right, Iceland, Norway and Switzerland to succeed in its bid.

Britain will remain outside unless and until the EU backs its application, something that would require support from a weighted majority of governments. The non-EU members of Lugano have already blessed Britain's bid.

Lawyers reacted with disappointment to the news of the commission's stance, saying failure by the UK to secure access to the Lugano convention would likely increase the cost of litigation and make the enforceability of judgments "more uncertain".

Edward Sparrow, chair of the City of London Law Society, said: "This is a great pity . . . Those who will suffer will not be the big companies but small and medium enterprises and individuals in the UK and Europe."

Monday's meeting marked the first time the commission had taken an official stance on the UK's bid, which has been the subject of extensive lobbying by Britain.

Diplomats said that France strongly supported the commission's position, while some other member states also acknowledged the commission's point that all the remaining Lugano countries are strongly integrated into the single market.

The commission argued at the meeting that allowing the UK to rejoin Lugano could hand other so-called "third countries" grounds to demand membership.

London's courts are a favoured global centre for commercial disputes, but lawyers have said the city's standing could be affected if the UK were unable to join the convention and companies chose to litigate elsewhere.

I Stephanie Boyce, president of the Law Society of England and Wales, said: “Lugano means a consumer in Germany let down by goods sent from the UK (and vice versa) will be able to seek redress in their local court rather than having to raise multiple legal cases in different jurisdictions — a move out of the reach of all but deepest pockets.”

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