

# House of Commons: Written Statement (HCWS303)

## Ministry of Justice

Written Statement made by: **The Parliamentary Under-Secretary of State for Justice, Minister for the Courts and Legal Aid (Mr Shailesh Vara)** on 26 Feb 2015.

### **Part 2 of the Legal Aid, Sentencing and Punishment of Offenders Act 2012 and insolvency litigation**

My noble friend the Minister of State for Civil Justice and Legal Policy (Lord Faulks QC) has made the following Written Ministerial Statement.

"The Government has made a priority of addressing the high costs of civil litigation in England and Wales. To that end, Part 2 of the Legal Aid, Sentencing and Punishment of Offenders (LASPO) Act 2012 reforms the operation of no win no fee conditional fee agreements. Those reforms came into effect generally in April 2013, but were delayed until April 2015 in respect of insolvency proceedings (*WMS [24 May 2012: Column 94WS](#)*). This delay was to give insolvency practitioners and other interested parties time to prepare for and adapt to the changes. However, the Government now agrees that more time is needed.

The Government will therefore delay commencing sections 44 and 46 of the LASPO Act 2012 for insolvency proceedings for the time being. Accordingly, no win no fee agreements in insolvency proceedings will continue for the time being to operate on a pre-LASPO Act basis with any conditional fee agreement success fees and after the event insurance premiums remaining recoverable from the losing party.

We will consider the appropriate way forward for insolvency proceedings and will set out further details later in the year."