



Courts and Legal Services Act 1990

1990 CHAPTER 41

PART II

LEGAL SERVICES

Miscellaneous

[^{F1}58AA Damages-based agreements relating to employment matters

- (1) A damages-based agreement which relates to an employment matter and satisfies the conditions in subsection (4) is not unenforceable by reason only of its being a damages-based agreement.
- (2) But a damages-based agreement which relates to an employment matter and does not satisfy those conditions is unenforceable.
- (3) For the purposes of this section—
 - (a) a damages-based agreement is an agreement between a person providing advocacy services, litigation services or claims management services and the recipient of those services which provides that—
 - (i) the recipient is to make a payment to the person providing the services if the recipient obtains a specified financial benefit in connection with the matter in relation to which the services are provided, and
 - (ii) the amount of that payment is to be determined by reference to the amount of the financial benefit obtained;
 - (b) a damages-based agreement relates to an employment matter if the matter in relation to which the services are provided is a matter that is, or could become, the subject of proceedings before an employment tribunal.
- (4) The agreement—
 - (a) must be in writing;
 - (b) must not provide for a payment above a prescribed amount or for a payment above an amount calculated in a prescribed manner;

Status: Point in time view as at 12/11/2009. This version of this provision has been superseded.

Changes to legislation: Courts and Legal Services Act 1990, Section 58AA is up to date with all changes known to be in force on or before 22 June 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

- (c) must comply with such other requirements as to its terms and conditions as are prescribed; and
 - (d) must be made only after the person providing services under the agreement has provided prescribed information.
- (5) Regulations under subsection (4) are to be made by the Lord Chancellor and may make different provision in relation to different descriptions of agreements.
- (6) Before making regulations under subsection (4) the Lord Chancellor must consult—
- (a) the designated judges,
 - (b) the General Council of the Bar,
 - (c) the Law Society, and
 - (d) such other bodies as the Lord Chancellor considers appropriate.
- (7) In this section—
- “payment” includes a transfer of assets and any other transfer of money's worth (and the reference in subsection (4)(b) to a payment above a prescribed amount, or above an amount calculated in a prescribed manner, is to be construed accordingly);
- “claims management services” has the same meaning as in Part 2 of the Compensation Act 2006 (see section 4(2) of that Act).
- (8) Nothing in this section applies to an agreement entered into before the coming into force of the first regulations made under subsection (4).]

Textual Amendments

F1 S. 58AA inserted (12.11.2009) by [Coroners and Justice Act 2009 \(c. 25\)](#), **ss. 154(2)**, 182(1)(e) (with s. 180, Sch. 22)

Status:

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