
STATUTORY INSTRUMENTS

2013 No. 609

The Damages-Based Agreements Regulations 2013

Payment in respect of claims or proceedings other than an employment matter

4.—(1) In respect of any claim or proceedings, other than an employment matter, to which these Regulations apply, a damages-based agreement must not require an amount to be paid by the client other than—

- (a) the payment, net of—
 - (i) any costs (including fixed costs under Part 45 of the Civil Procedure Rules 1998); and
 - (ii) where relevant, any sum in respect of disbursements incurred by the representative in respect of counsel's fees,

that have been paid or are payable by another party to the proceedings by agreement or order; and

- (b) any expenses incurred by the representative, net of any amount which has been paid or is payable by another party to the proceedings by agreement or order.
- (2) In a claim for personal injuries—
- (a) the only sums recovered by the client from which the payment shall be met are—
 - (i) general damages for pain, suffering and loss of amenity; and
 - (ii) damages for pecuniary loss other than future pecuniary loss,net of any sums recoverable by the Compensation Recovery Unit of the Department for Work and Pensions; and
 - (b) subject to paragraph (4), a damages-based agreement must not provide for a payment above an amount which, including VAT, is equal to 25% of the combined sums in paragraph (2)(a)(i) and (ii) which are ultimately recovered by the client.

(3) Subject to paragraph (4), in any other claim or proceedings to which this regulation applies, a damages-based agreement must not provide for a payment above an amount which, including VAT, is equal to 50% of the sums ultimately recovered by the client.

(4) The amounts prescribed in paragraphs (2)(b) and (3) shall only apply to claims or proceedings at first instance.