

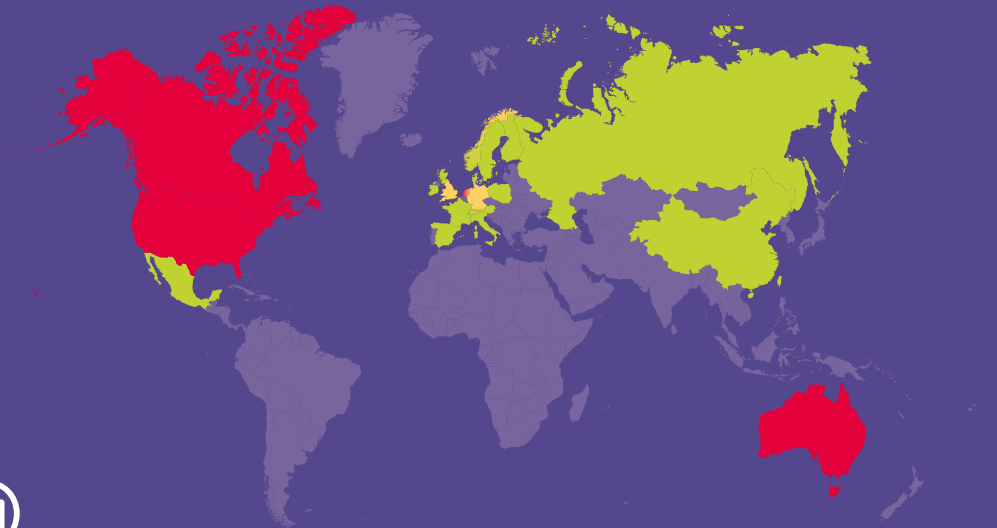
COLLECTIVE ACTIONS AND LITIGATION FUNDING: A GLOBAL SNAPSHOT

Securities group actions are on the rise across the globe. While countries such as the US, Canada and Australia see the highest activity and most developed securities class action mechanisms, overall, such mechanisms are developing and strengthening around the world, with the Netherlands, Germany and England and Wales showing notable development and increased activity in recent years.

- High risk
- Medium/high risk
- Medium risk
- Low/medium risk
- Low risk

The map represents the risk of a company to having a securities group action filed against it in a particular jurisdiction, taking into account the availability and prevalence of third-party litigation funding, which is regarded as a strong factor in the increased group action activity around the globe.

Source: Clyde & Co, AGCS



- **Australia** Consistently high activity, plaintiff-friendly and prevalent use of litigation funding.
- **Austria** Securities group actions are rare and no plans to reform system. Litigation funding market is developing.
- **Canada** Increasingly high activity, exposure to cross border actions from US and increasing use and development of litigation funding.
- **China** Group mechanisms do not extend to securities actions. There are cultural prohibitions to such claims and it is an unattractive market for funders.
- **Denmark** Mechanism available but group actions and litigation funding are not common.
- **Dubai International Financial Centre** Mechanism available but it has not been used since its introduction. Litigation funding market is undeveloped.
- **England and Wales** Increasing group action activity. New opt-out regime currently being tested. Highly developed litigation funding market.
- **Finland** Mechanism available but it has not been used since its introduction. Litigation funding market is undeveloped.
- **France** Mechanisms do not extend to securities claims. Litigation funding is uncommon.
- **Germany** Activity on the increase and new mechanisms recently introduced which could see further claims. Developed litigation funding market.
- **Hong Kong** Representative proceedings mechanism only, which is rarely used. Litigation funding is largely prohibited.
- **Ireland** Representative and test case mechanisms only. Litigation funding is expressly prohibited.
- **Italy** Joint action procedure only for securities claims and it is rarely used. Litigation funding market is undeveloped but contingency fees have been recently introduced.
- **Mexico** Mechanisms available but rarely used. Litigation funding market is undeveloped.
- **The Netherlands** Effective mechanisms with wide-ranging jurisdiction. Further legislative reforms to develop the class action landscape. Litigation funding market is developed and prevalent.
- **Norway** Mechanisms available. Historically, mechanisms are rarely used but claims are on the increase. Litigation funding market is developing.
- **Poland** Currently low activity but there are consultations afoot to introduce an opt-out mechanism which may increase activity in the coming years. Litigation funding market is undeveloped.
- **Russia** Mechanisms available but are rarely used. New law is not expected to increase activity. Litigation funding market is undeveloped.
- **Scotland** Currently low activity but a new law was passed in 2018 which may see increased activity and use of litigation funding (requirements and rules still to be established).
- **Singapore** Representative proceedings mechanism only, which is rarely used. Litigation funding is largely prohibited.
- **Spain** Class action mechanism does not extend to securities claims but large claims have been brought on a joint basis. Litigation funding and contingency fees possible (though rarely used).
- **Sweden** Mechanisms available but they are rarely used. Litigation funding market is undeveloped.
- **Switzerland** Securities actions may proceed as joinder actions only but consultations are afoot to introduce a class action mechanism. Generally low activity. Litigation funding is increasingly common.
- **United States** Developed securities class action mechanisms and consistently high activity. Aggressive plaintiffs' bar and highly developed litigation funding market.