

'Rule of Law: Powering Business Success, Investment and Innovation'

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The Attorney General Richard Hermer KC delivered a speech in partnership with Plexal to aspiring entrepreneurs, start-ups and scale-ups on the rule of law.

I would like to give my thanks to Plexal for inviting me here today. I'm delighted that my office is partnering with you to bring bright business minds together.

It's great to be here in Stratford.

I would like to begin by highlighting the synergy between business and the rule of law.

Being in this part of East London always makes me think of the Olympics. I first came here in the early 2000's to see what was to be developed ahead of the Olympics.

There were sceptics, and I must admit I shared in some of their scepticism.

Since then, what has developed is a celebration of who we are, of British heritage, with some of the quiriness of Anish Kapoor.

We have created a space for universities, the V&A. Bricks and mortar, fused with ideas.

But we have also created the environment for growth and development, through offering certainty and safety in the law.

That is the British tradition of entrepreneurship.

There was the case of Saloman vs Saloman, which changed British legal landscape forever. Salomon was a bootmaker; and he did what we would consider routine today - he created a limited company.

This was an act, that combined with his subsequent financial difficulties, changed the business and legal landscape forever.

The landmark judgment that resulted distinguished that the individual and the business were different entities; attributing liability to the company not the individual.

This was an enormous step. It gave business owners the confidence to take risk.

This precedent - established through the rule of law - enables investors to invest capital in British business with less risk than ever before, leading to modern capitalisation for a modern Britain.

It means founders can focus on building something useful, not constantly looking over their shoulder.

And it's also why investors from around the world trust the UK's legal system.

English law is widely used, in fact governs around 40% of global cross-border transactions, in international deals and disputes, including at the London Court of International Arbitration, because people know the rules are clear and consistently applied.

For anyone in this room thinking about launching a start-up one day, that matters more than you

might realise.

It's one of the reasons the UK has produced 163 unicorns – more than any other European market – with over 90% remaining headquartered here.

Revolut and ElevenLabs. These are British success stories that have benefited from the conditions the rule of law has provided.

So when the legal foundations are strong, innovation doesn't just survive, it grows.

And that's exactly the kind of environment this government wants to support.

The rule of law makes us one of the finest jurisdictions in the world for everyone – you in this room – to grow your idea, protect your intellectual property, and create world-class businesses.

The government's ambition is to build world-leading innovation corridors across the UK – places where ideas, talent and investment come together and businesses can grow.

Take the Oxford-Cambridge-London arc.

With projects like East West Rail stitching the region together, those cities are starting to feel less like separate places and more connected.

Think Europe's answer to Silicon Valley.

And this isn't a story about the South pulling further ahead.

Across the country we're investing in the infrastructure that lets businesses grow...

From transport that connects talent to opportunity, to institutions that anchor whole financial ecosystems.

The new National Housing Bank will be based in Leeds, alongside organisations like the Bank of England, the Financial Conduct Authority and the National Wealth Fund.

And what that means, in practice, is....

More places where a good idea can turn into a good company.

More connections between the people who build things and the people who fund them.

And more corners of Britain capable of producing businesses that compete on a global stage.

And the Chancellor, Rachel Reeves, has just announced three new steps to strengthen that support even further.

First, the British Business Bank will invest £5 billion to help UK companies scale.

This funding will crowd in private capital and support businesses through the high-risk phase many founders know well, the "Valley of Death".

You'll know that critical period when innovative businesses have proven their ideas but they're not yet profitable, meaning they struggle to access the finance they need to grow.

This investment will help more firms get through that stage - scaling up, hiring talent, and exporting from the UK.

Second, Innovate UK is launching a £130 million Growth Catalyst, providing both funding and hands-on support for science and technology firms.

It builds on a previous programme that turned £156 million of public investment into £1.66 billion of follow-on funding - almost eleven times the original amount.

And third, the government is expanding key investment and talent schemes, including the Enterprise Management Incentive and the Enterprise Investment Scheme.

By widening eligibility and raising investment limits, we're making it easier for founders to attract great people, and easier for investors to back the next generation of UK companies.

So my message to you.

The next global company might not start in a boardroom.

It might start in a student flat.

In a shared workspace.

Or in a conversation after an event like this.

What makes the difference is whether people feel confident enough to take that first step.

The UK's rule of law tradition has been giving entrepreneurs that confidence for centuries.

And the job of government is to make sure that continues.

So if you're sitting here today with an idea, even a small one, don't dismiss it.

You might be the next British success story.

And with our government behind you, with our rule of law heritage, you have every reason to go for gold!

<https://www.gov.uk/government/speeches/rule-of-law-powering-business-success-investment-and-innovation>