

Report of the Council

The Council has pleasure in submitting its Annual Report together with the audited statement of accounts for the year ended 31 December.

Principal Activities

The principal activities of The Law Society are to act as the professional and regulatory body for solicitors in Hong Kong. The principal activity and other particulars of the subsidiaries are set out in Note 3 and 8 to the accounts.

Accounts

The results of The Law Society's operations for the year ended 31 December and the state of The Law Society's affairs at that date are set out in the accounts on pages 90 to 104.

Membership

At 31 December there were 6,300 members of The Law Society. The total number of Practising Certificates issued was 5,757. There were 698 firms of solicitors and 48 registered foreign law firms.

Fixed Assets

Movements in fixed assets during the year are set out in Note 7 to the accounts.

Donations

Donations by The Law Society during the year amounted to \$6,146,337 (2005: \$4,558,114) which represent donations to The Law Society of Hong Kong Educational Trust Fund.

Auditor

KPMG was the auditor of The Law Society in 2006. The auditor retired and, being eligible, offer itself for re-appointment. A resolution for the re-appointment of KPMG as auditor is to be proposed at the forthcoming Annual General Meeting.

Bankers

The bankers are The Bank of East Asia Limited, The Hongkong and Shanghai Banking Corporation Limited, Standard Chartered Bank Limited and Wing Lung Bank Limited.

Council Members

No contract of significance to which The Law Society or any of its subsidiaries was a party and in which a member of the Council had a material interest subsisted at the end of the year or at any time during the year.



At no time during the year was The Law Society or its subsidiaries a party to any arrangement to enable a member of the Council to acquire benefits by means of acquisition of an interest in The Law Society or any other body corporate.

The table below shows the Council members during the year and their attendance at the Council meetings. The Council held 29 meetings of which 27 were scheduled and two were called at short notice.

	Regular Meeting	Unscheduled Meeting	Total
Peter C.L. Lo (Re-elected as President on 18 May 2006)	25	2	27
Lester G. Huang (Re-elected as Vice-President on 18 May 2006)	24	2	26
Wong Kwai Huen (Re-elected as Vice-President on 18 May 2006)	25	1	26
Junius K.Y. Ho (Re-elected as Vice-President on 18 May 2006)	21	1	22
Michael J. Lintern-Smith (Re-elected on 18 May 2006)	14	1	15
Ip Shing Hing	25	1	26
Billy W.Y. Ma	22	1	23
Sylvia W.Y. Siu	17	0	17
Cecilia K.W. Wong (Re-elected on 18 May 2006)	24	1	25
Denis G. Brock (Resigned on 31 March 2006)	1	0	1
Alex T.H. Lai	21	1	22
Kenneth S.Y. Ng (Re-elected on 18 May 2006)	13	2	15
Andrew Jeffries (Re-elected on 18 May 2006)	12	1	13
Stephen W.S. Hung (Re-elected on 18 May 2006)	21	1	22
Dieter L.T. Yih	14	0	14
Ambrose S.K. Lam	23	1	24
Joseph C.W. Li	25	2	27
Amirali B. Nasir	21	2	23
Melissa K. Pang	21	2	23
Thomas S.T. So	25	0	25
James E. Jamison (Elected on 18 May 2006)	11	0	11

By order of the Council
Peter C.L. Lo
President



Report of the Council

The following committees and working parties report to the Council.

CENTENARY WORKING PARTY

The Working Party has met on a number of occasions to co-ordinate the planning for the various activities to take place in the Centenary Year which begins on 8 April 2007. Amongst the events scheduled are a series of seminars by distinguished overseas speakers, the running of the Law Society Centenary Cup at the Happy Valley Racecourse on 6 June and the Centenary Dinner on 7 June 2007.

The first distinguished speaker will be the Rt. Hon. Sir Konrad Schiemann a former Law Lord who now sits in the Court of Justice of the European Communities. He will present a talk on 14 April 2007 on the way in which the European Court has managed to incorporate the laws of the individual communities to create one legal system. Other speakers from the United States of America and the People's Republic of China are planned for later in the year.

The June events will also be attended by delegates to the 20th Biennial LawAsia Conference which The Law Society is hosting and the associated meeting of Chief Justices which is hosted by the Judiciary.

The main event of the Centenary planned to date is the dinner on 7 June 2007 in the Grand Hall of the Hong Kong Convention and Exhibition Centre. This will be attended by the Chief Executive of the Hong Kong SAR, the Chief Justice, the Secretary for Justice and other distinguished guests from Hong Kong, the Mainland and overseas. It will be an evening of celebration and enjoyment with singer Francis Yip entertaining guests and dancing to a live band.

The Law Society has prepared and will issue a commemorative stamp sheet in April 2007 to mark the 100th anniversary.

The Young Solicitors' Group and the Recreation & Sports Committee all have plans to hold celebratory events during the year.

Members of the Working Party:

Anthony W.K. CHOW (*Chairman*)

IP Shing Hing

Junius K.Y. HO

Lester G. HUANG

Frederick K.C. KAN

Peter C.L. LO

Herbert H.K. TSOI

Roderick B. WOO

WONG Kwai Huen

Secretary: Secretary General

EMPLOYMENT LAW COMMITTEE

The Committee was established by the Council to advise the Council on employment issues and to make submissions to the Administration on any proposed legislation touching upon employment in Hong Kong. Since then the Committee has drafted and made submissions on a number of such issues.

The Committee has met on several occasions to discuss the proposed amendments to the Employment Ordinance and has made submissions to the Administration and the Legislative Council on the *Employment (Amendment) Bill*. The Committee will attend the Legislative Council Bills Committee consultations on the proposed legislation.

Members met with the Equal Opportunities Commissioner ("EOC") and his staff for a full and frank exchange of views expressing concern at the procedures followed by the EOC and how this created a perceived bias in favour of the complainant which it was difficult for employers to reverse at reasonable cost. A dialogue was opened with the Commission as to the future drafting of guidelines in which it is hoped the Committee and The Law Society will have some input.

The Committee has jointly with the Constitutional Affairs Committee discussed the *Race Discrimination Bill* and will make submissions to the Administration on the legislation.

The Committee will continue to monitor the legislation, practices and procedures relating to employment in Hong Kong and make recommendations in respect thereof to the Council.

Members of the Committee:

Duncan ABATE (*Chairman*)

CHEUNG Yuen Sang

Dennis C.K. HO

IU Ting Kwok

Edward M.T. KO

Jeff LANE

Walter Y.W. LEE

Wendy Y.W. LEE

Fiona LOUGHREY

Chris K.Y. WONG

Susan WONG

Secretary: Secretary General

LEGAL AID COMMITTEE

During the year the Legal Aid Committee dealt with a number of issues by way of circulation of papers. Members continued to monitor the assignment of both civil and criminal cases by the Legal Aid Department and the Duty Lawyer Service, raising queries and seeking clarification where appropriate. Members have attended meetings of the Legislative Council Panel on the Administration of Justice and Legal Services ("AJLS") to demonstrate The Law Society's stance on adjustments to the calculation of legal aid applicants' means.

It has supported the work of the joint committee seeking to review the Costs in Criminal Cases Rules and has viewed with concern the reluctance by the Administration to expand either the standard Legal Aid Scheme or the Supplementary Legal Aid Scheme ("SLAS"). Members have repeatedly expressed the view that the expansion of either scheme with suitable increases not only in the means test limits but also in the level of contributions payable could result in a scheme that was both financially viable and encompassing considerably more litigants.

The Committee noted favourably the imposition of limitations on the number of civil cases to be assigned to individual practitioners on an annual quota basis and considered the report by the Legal Aid Services Council on the control of costs and monitoring of case progress by the Legal Aid Department.

The Committee will continue its role of monitoring the activities of the Legal Aid Department and Duty Lawyer Service in so far as they affect members of the Law Society and the effective use of public money and will maintain a dialogue with both organizations to enhance mutual understanding and improvements in the Legal Aid Scheme in Hong Kong.

Members of the Committee:

Junius K.Y. HO (*Chairman*)

Dennis C.K. HO

Ambrose S.K. LAM

Amirali B. NASIR

Kevin STEEL

Christine S.Y. TSANG

Leslie K.L. YEUNG

Secretary: Secretary General

PIS REVIEW WORKING PARTY

The terms of reference of the Working Party are to review the structure and operation of the Professional Indemnity Scheme ("PIS"); to invite and consider the views of members; and to make recommendations to the Council in connection therewith.

The Working Party met twice during the year to discuss the limit of indemnity provided by PIS; the levels of deductibles; the question of risk banding; the contribution formulae in other jurisdictions and loadings on specific types of risks. It will continue to meet and report on progress.

Report of the Council

Members of the Working Party:

Peter C.L. LO (*Chairman*)
Peter R. GRIFFITHS
Christopher G. HOWSE
Nicholas D. HUNSWORTH
Sundaramoorthy KRISHNAN
Patrick R. MOSS
Kenneth S.Y. NG
Benny Y.B. YEUNG

Secretary: Assistant Director, Professional Indemnity Scheme

WORKING PARTY ON CEPA

The Working Party considered and studied the emerging issues affecting the legal profession and the provision of legal services in Hong Kong or elsewhere by solicitors and by foreign lawyers under the WTO, CEPA and other regional free trade agreements or arrangements. On the further liberalisation measures under CEPA, the Working Party's proposals were approved by the Council. Under CEPA IV, new measures affecting solicitors' practices will be introduced with effect from 1 January 2007. These measures included:

- (a) the removal of the minimum residency requirement for representatives stationed in representative offices of Hong Kong firms in the Mainland;
- (b) the removal of the minimum number of full-time lawyers employed by Mainland firms that operate in association with Hong Kong firms;
- (c) permitting Hong Kong residents who qualified as Mainland lawyers to act as agents in matrimonial and succession cases relating to Hong Kong in the capacity as Mainland lawyers; and
- (d) permitting Hong Kong residents who are qualified to become Mainland lawyers to complete the prescribed one-year internship in the Hong Kong branch office of a Mainland law firm.

On the WTO negotiations on trade in legal services, the Working Party stressed that the regulatory regime under the *Legal Practitioners Ordinance* (Cap. 159) had certainly made the legal services market in Hong Kong one of the

most accessible in the world. The Council maintained its stance that no specific commitments on legal services under GATS ought to be volunteered by the Hong Kong Government.

Members of the Working Party:

IP Shing Hing (*Chairman*)
Anthony W.K. CHOW
Junius K.Y. HO
Lester G. HUANG
WONG Kwai Huen
ZHU Xuanfeng

Secretary: Deputy Secretary General

WORKING GROUP ON DIGITAL CERTIFICATE APPLICATIONS

One meeting of the Working Group was held during the year. Following the decision of issuing digital certificates to members of the Law Society last year, the Working Group resolved to send a letter to the Hon. Mr. Justice Ribeiro informing the Judiciary of the progress on the matter and providing feedback about the Judiciary's e-Filing of Draft Order System. A reply was subsequently received from the Judiciary informing the Law Society that there would be a delay in implementing the e-Filing of Draft Order System as there was a need to secure necessary statutory amendments in order to proceed with the implementation of electronic document exchange.

Member of the Working Group:

Amirali B. NASIR (*Chairman*)
Edward A. ALDER (resigned in March)
Barry C.Y. CHIN
Pamela F. KU
William W.S. LAM
Andrew S.K. LAW
David A. MCKELLAR
Kenneth W.Y. WONG

Secretary: Assistant Director, Administration

WORKING GROUP TO REVIEW DIGITAL CERTIFICATES

One meeting of the Working Group was held during the year. Following the Judiciary's decision to delay the implementation of the e-Filing of Draft Order System, the Working Group recommended to stop issuing digital certificates to members due to low usage among members. The recommendation was approved by the Council in October. Members and the Judiciary were informed of the decision.

Members of the Working Group:

Amirali B. NASIR (*Chairman*)

Junius K.Y. HO

Stephen W.S. HUNG

Ambrose S.K. LAM

Andrew S.K. LAW

Dieter L.T. YIH

Secretary: Assistant Director, Administration

WORKING PARTY ON CONDITIONAL FEES

The terms of reference of the Working Party were to assist the Council to formulate a response to the Consultation Paper on Conditional Fees ("the Consultation Paper") published by the Conditional Fees Sub-committee of the Law Reform Commission ("LRC"); to consider the expansion of the SLAS as an alternative means of increasing access to justice; to consider the problem of unrepresented litigants in Hong Kong; the availability of after the event insurance; the progress of the civil justice reforms and the ethical issues in relation to conditional fees.

The Working Party held two meetings during the year, including one with the Civil Justice Council of England and Wales to discuss SLAS.

The Council adopted the Working Party's response to the Consultation Paper in February, which was sent to the LRC. A summary of the response was published in the April edition of *Hong Kong Lawyer*.

Members of the Working Party:

Michael J. LINTERN-SMITH (*Chairman*)

Patrick M. BURKE

Joseph W.K. CHAN

Barbara A. HUNG

Mark LIN

Ludwig S.W. NG

Szwina S.K. PANG

Richard K.C. TSUN

Michael K. TURNBULL

Tommy K.M. WONG

Felix K.Y. YAU

Secretary: Assistant Director, Professional Indemnity Scheme

WORKING PARTY ON OFFICE PREMISES

The Working Party was established to review and consider the office space requirements of The Law Society and to make recommendations to the Council. It met three times; and considered the projected space requirements identified for various facilities of The Law Society, such as assembly hall, lecture rooms, venues for arbitration and ADR hearings, additional rooms for conferences and meetings; and also the existing Clubhouse and secretariat facilities. The Working Party called for a detailed office space requirements and financial analysis before making its recommendation to the Council.

Members of the Working Party:

Junius K.Y. HO (*Chairman*)

Lester G. HUANG

Ambrose S.K. LAM

Joseph C.W. LI

Patrick R. MOSS

Secretary: Deputy Secretary General

WORKING PARTY ON RECOVERY AGENTS

The Working Party has played a monitoring role during the year and has been awaiting the outcome of a number of complaints made to the Department of Justice ("DOJ") by solicitors and members of the public. The Department had

Report of the Council

not reached any conclusions as to whether the complaints disclosed any criminal offences and in particular those of maintenance and champerty but a decision has been promised early in 2007. A response to enquiries of the Commissioner for Insurance is likewise awaited.

A meeting was held with the Hong Kong Federation of Insurers which had indicated its members' concerns at the activities of recovery agents and in particular, the belief that a number of claims were being settled with inadequate compensation paid to the victims. A programme of public education is planned with emphasis directed towards those attending Casualty Departments of hospitals, the Labour and Social Welfare Departments and other venues where victims are solicited by recovery agents.

The Working Party has continued to keep the AJLS informed of its concerns.

The Working Party will take steps to educate the public who may be misled by offers made to them by recovery agents and will continue to monitor the situation particularly once the various complaints that have been made are adjudicated.

Members of the Working Party:

Ludwig S.W. NG (*Chairman*)
Patrick BURKE
Szwina S.K. PANG
Tommy K.M. WONG

Secretary: Secretary General

WORKING PARTY ON THE CELEBRATION OF MARRIAGES

With the passing of the Marriage (*Introduction of Civil Celebrants of Marriages and General Amendments*) Bill in March the duties of the Working Party ceased. More than 1,125 solicitors have applied for certificates of standing to enable them to become civil celebrants and it is clear from the enquiries that have been received, particularly on-line, that the concept of Civil Celebrants and the freedom

of choice they offer as to time and place for a wedding has been well received by the public. Acting as Civil Celebrants has not only created a new scope of work for the profession but also enabled solicitors to establish an early and closer contact with the younger generation of Hong Kong. The Working Party was also instrumental in obtaining the award of CPD points to those attending the mandatory qualifying course run by the Immigration Department for Civil Celebrants.

Members of the Working Party:

Herbert H.K. TSOI (*Chairman*)
Sylvia W.Y. SIU
WONG Kwai Huen

Secretary: Secretary General

WORKING PARTY ON THE CENTENARY BOOK ("the BOOK")

The Working Party was set up to plan and oversee the work in preparation of the publication of a Book to celebrate and commemorate the 100th anniversary of The Law Society. It met five times and settled the draft coverage and format of the Book which would trace the development of the solicitors' branch of the profession and the collective contributions made by members of The Law Society towards the rule of law in Hong Kong in the past ten decades. A number of proposals from publishers offering editorial and production services for the Book were considered by the Working Party for recommendation to the Council.

Members of the Working Party:

Roderick B. WOO (*Chairman*)
Robin M. BRIDGE
Albert H.Y. CHEN
Franki W.C. CHEUNG (Phillip McDONALD as alternate)
Maggie K.K. CHEUNG
Anna S.H. CHOW
Colin B. COHEN
James M. FONG
Carmelo K.S. LEE

Maurice W.M. LEE
 Elsie O.S. LEUNG
 Vincent W.S. LIANG
 Patrick R. MOSS
 Melissa K. PANG
 Thomas S.T. SO
 Andrew W.H. WANG

Secretary: Deputy Secretary General

WORKING PARTY ON THE LAWASIA CONFERENCE

The Working Party has continued to meet on a number of occasions to make plans for the 20th Biennial LawAsia Conference to be held in Hong Kong between 5 and 8 June 2007. At the time of this report the Committee, in conjunction with the conference consultants ICC, is engaged in preparation of the conference registration brochure and the quest for speakers. A Papers Committee was formed to identify and liaise with suitable speakers the topics having been broadly agreed by that committee. As the date of the conference approaches the Working Party and the Sponsorship Working Party will be redoubling their efforts to make the conference a success.

Members of the Working Party:

Lester G. HUANG (*Chairman*)
 Serina K.S. CHAN
 Charles C.C. CHAU
 Anthony W.K. CHOW
 Stephen W.S. Hung
 Ambrose S.K. LAM
 Howard K.H. LAM
 Lynn LEE
 Melissa K. PANG
 Dieter L.T. YIH

Members of the Papers Committee:

Lester G. HUANG (*Chairman*)
 Colin B. COHEN
 Johannes CHAN

Members of the Sponsorship Working Party:

Anthony W.K. CHOW (*Chairman*)
 Frederick K.C. KAN
 Ambrose S.K. LAM
 Joseph C.W. LI
 Herbert H.K. TSOI
 A. Donald YAP
 Lester G. HUANG
 Maybo FOK (ICC)

Secretary: Secretary General