

SECRETARY GENERAL'S REPORT

Excellence, transparency, empathy and fairness are the guiding values embraced by The Law Society Secretariat in every task we undertake and every service we offer.

The main role of the Secretariat is to ensure that the policies decided by the Council and the initiatives engineered by the Standing Committees and committees are effectively and efficiently implemented. I hold the highest respect for our Council members and all members assisting in different ways in the work of The Law Society. They selflessly volunteer their precious time, readily offer their invaluable expertise and generously share their wealth of experience contributing to the benefit of the profession. The Secretariat is tasked with the important responsibility of providing members with the comfort that their commendable work at The Law Society will enjoy the necessary support and will be properly followed up.

In mapping out the future strategy for the profession, it is crucial that all relevant statistics are available for analysis. As we stepped into 2011, the number of solicitor members passed the 8,000 mark. During the year, there was an increase of 561 new solicitor members, which represents a sharp increase of 23% from 457 new entrants in 2010. There are mainly two sources of new entrants to the profession, one from trainee solicitors who have completed the requisite training in a Hong Kong law firm and one from overseas lawyers who have passed the *Overseas Lawyers Qualification Examination ("OLQE")* administered by The Law Society. Based on the statistics, the number of overseas lawyers sitting the *OLQE* is clearly on the rise and has become an expanding source of Hong Kong solicitors. The number of solicitors admitted through the *OLQE* route has increased from as low as 41 in 2007 to 150 in 2010. It further increased to 162 which is 29% of the total number of newly admitted solicitors in 2011. Based on the *OLQE* pass rate of 64% in 2011, it is estimated that there will be about 160 new solicitors gaining admission through the *OLQE* route in the coming year.

On the other hand, the magnetic attraction of foreign talent to Hong Kong remained strong. There were 1,371 foreign lawyers and 73 foreign firms in Hong Kong. Compared to 2010, the number of foreign lawyers has increased by 8.3%. For those foreign firms which have already established a presence in Hong Kong, more and more are taking the advantage of converting to a local firm for better integration into the Hong Kong legal service industry. We processed the conversion of eight foreign firms (all of which of US origin) to Hong Kong firms during 2011. This is the highest number of conversion since the foreign lawyer registration regime came into operation in 1995.

Establishing a foothold in the Mainland has been a prominent expansion strategy of our legal practices. The number of representative offices of Hong Kong law firms increased from 67 in 2010 to 72 in 2011 with the addition of two in Beijing and three in Shanghai. The market driven trend of increasing collaboration with Mainland lawyers has also led to a steady increase in the number of Mainland law firms and Mainland lawyers in Hong Kong. There were 12 Mainland law firms (second largest number just after the US) and 139 Mainland lawyers (third largest number after the US and England and Wales) representing an increase of 20% and 15% respectively from 2010.

The administration of the formal registration or application procedure that supports the above statistical scene is undertaken by the Secretariat which ensures that the entire process is professionally and efficiently completed. In 2011, we processed the subscription of 8,448 members, 785 associate members and 306 student members, the registration of 777 trainee solicitors, the admission of 561 solicitors, the registration of 1,371 foreign lawyers and 73 foreign law firms, the notifications filed by 784 Hong Kong firms, the issue of necessary certificates of standing to 72 representative offices in the Mainland, 976 Civil Celebrants of Marriages, 339 China Appointed Attesting Officers and 203 Reverse Mortgage Counsellors in support of their applications.

Prevention is better than cure and the Secretariat is dedicated to providing the necessary support and assistance to members in ensuring compliance with the administrative requirements connected with the operation of their legal practices. In addition to dealing with written and oral enquiries from members, we have, during the year, compiled a set of comprehensive answers to the most frequently asked questions and posted them on the Law Society website, together with hyperlinks to the relevant legislation and Circulars. Members can access these commonly sought answers in their own good time.

However, it is inevitable that sometimes, the preventive stage is passed and "cure" has to come into play. During the year, The Law Society received 1,176 complaints on professional misconduct against practitioners and employees of law firms. The top three categories of misconduct alleged in these complaints involve breaches of the principles in the *Hong Kong Solicitors' Guide to Professional Conduct Volume 1* (33%), the *Solicitors' Practice Rules* (Cap 159, Laws of Hong Kong sub leg) (24%) and the late submission of accountant's reports (6%).

For the past five years from 2006 to 2010, on average, the Conduct Section handled 1,026 complaints annually. The number looks daunting. However, many of these complaints either did not identify any issue of professional misconduct or fail to provide specific information to enable any investigation to proceed. In 2011, about 44% of the complaint files were closed on the basis that no issue of professional misconduct was identified.

In 2011, 16 cases have been referred to the Convenor of the Solicitors Disciplinary Tribunal. By way of comparison, during the five years from 2006 to 2010, a total of 46 cases had been referred to the Tribunal Convenor, out of which 10 cases were submitted for disposal on a summary basis under the *Summary Disposal of Complaints (Solicitors) Rules*. Further, for the protection of public interest, the Council has exercised its power of intervention into one law firm during 2011.

Apart from the regulatory work, The Law Society has been very active in reaching out to its members as well as to the public promoting the interest of the profession within the local community and in the international arena. We maintain regular communication on matters of common interest with the Government, the Legislative Council, the Judiciary, local and overseas professional bodies and many other organisations. In 2011, we organised over 75 sports and recreation events and social functions for our members. We made over 50 submissions to relevant authorities on public consultations and matters of concern to the legal profession. Projects to foster public relations including the hospitality programme for guests attending the Opening Ceremony of the Legal Year 2011, the UIA Competition Law Seminar, Cross Strait Three Regions Young Lawyers Forum, Path Builder Mentorship Programme, Mental Health Forum, Law and New Generation Programme Law Week, Teen Talk and Radio Programmes took place one after the other and have all been well received. Further, The Law Society has actively participated in international conferences throughout the year including the Commonwealth Law Conference, the IPBA Annual Meeting, the Law Asia Conference, the UIA Congress, the ABA Annual Conference, the POLA Conference and the All China Lawyers Forum. The Secretariat took over the responsibility of organising all the logistics and we are thankful to all volunteers who assisted in making these projects and events a success.

The Law Society has been in operation for 104 years. Each anniversary brings with it new challenges and 2011 was no exception. I have been very fortunate to be blessed with the strong guidance of the Council and the generous support of our members and to be equipped with a team of dedicated and hardworking staff at the Secretariat. I am deeply grateful to them for putting in collective efforts to turn the difficult challenges storming at us like destructive waves in an angry ocean into delightful ripples in peaceful waters.

Heidi Chu
Secretary General

