

STANDING COMMITTEE ON POLICY AND RESOURCES

The Standing Committee on Policy and Resources is responsible for overseeing the finance and administration of The Law Society, as well as formulating policy strategies for consideration by the Council.

During the year, the Standing Committee convened on 12 occasions. It reviewed and monitored the annual budget, income and expenditure as well as the registration and compliance statistics of The Law Society. It also oversaw the human resources and personnel aspects of The Law Society including staff employment matters and salary review. It considered matters relating to membership fees; applications for funding of projects undertaken by The Law Society, nominations of representatives on external organisations, invitations to sponsor or support events and functions organised by external organisations and the selection of service providers for The Law Society. The Standing Committee also made recommendations on the composition and chairmanship of other Standing Committees for the Council's consideration.

Members of the Standing Committee and their attendances at meetings during the year:

Junius K.Y. HO (<i>Chairman</i>)	(9/12)	Melissa PANG (<i>joined in June</i>)	(7/7)
Dieter YIH	(10/12)	Thomas S.T. SO	(7/12)
Ambrose S.K. LAM	(12/12)	IP Shing Hing (<i>resigned in May</i>)	(4/4)
Huen WONG	(12/12)	Raymond Ho (<i>resigned in February</i>)	(2/2)
Stephen W.S. HUNG	(12/12)	Heidi Chu (<i>joined in March</i>)	(10/10)

Secretary: Director of Finance and Administration

ANNUAL COCKTAIL RECEPTION

Nearly 400 members and guests attended *The Law Society Annual Cocktail Reception* held on 7 November at The Hong Kong Club. The Hon Chief Justice Geoffrey Ma and the Hon Secretary for Justice Wong Yan Lung graced the occasion with their presence as the Guests of Honour.





HONOURS COMMITTEE

The Committee met on one occasion and in accordance with the Nomination Guidelines, made recommendations to the Council on suitable candidates for admission to The Law Society's Roll of Honour and suitable candidates for admission as an Honorary Member of The Law Society.

At the 2011 Annual General Meeting of The Law Society held in May, on recommendation of the Honours Committee, the Council admitted Mr Christopher Chan and Mr Ian McCallum to the Roll of Honour and Mr Andrew Li as the first Honorary Member of The Law Society.

Members of the Committee :

IP Shing Hing (*Chairman*)
Ambrose S. K. LAM
Michael J. LINTERN-SMITH

Mr. Anson K. C. KAN
Mr. Paul C. Y. TAN
Mr. Herbert H. K. TSOI

Secretary : Secretary General

WORKING PARTY ON LIMITED LIABILITY PARTNERSHIPS

The *Legal Practitioners (Amendment) Bill 2010 ("Bill")*, gazetted in June 2010, was intended to amend the *Legal Practitioners Ordinance* to allow solicitors to practise in the form of limited liability partnerships ("LLPs").

The issues in the *Bill* that caused major concern included:

- (a) The exclusion of LLP protection from a partner of an LLP if the partner ought reasonably to have known of a default at the time of its occurrence and failed to exercise reasonable diligence to prevent its occurrence ("constructive knowledge provision");
- (b) The imposition of liability on a partner who receives a distribution of partnership property under specified circumstances to return the distribution to the partnership ("claw back provision").

The Working Party raised strong objection to these provisions. In response, the Administration proposed some Committee Stage Amendments (“CSAs”) to the *Bill* in May. The Administration proposed to delete the constructive knowledge provision and included a limitation period of 6 years as well as a statutory defence to the claw back provision. However, at the same time, the CSAs proposed to introduce a fundamental change to the LLP structure by requiring an LLP to notify the client of each matter the identity of a designated partner who would be automatically excluded from LLP protection irrespective of whether he was in default (“designated partner provision”). Such a “scapegoat” approach was unacceptable. In June, the Working Party made a submission to the Bills Committee stating that The Law Society was not in a position to support the *Bill* as amended by the CSAs unless:

- (a) the designated partner provision was deleted;
- (b) the claw back provision was deleted entirely or if the Bills Committee took the view that it must be retained, the limitation period should be reduced to 2 years from 6 years; and
- (c) the statutory defence to the claw back provision should be clarified to ensure that LLPs were in a position to ensure compliance with it.

In late December, the Administration provided further amendments to the proposed CSAs purporting to address The Law Society’s concerns on the designated partner provision. The Working Party did not consider that the December CSA proposal had addressed the concerns at all. The Working Party continued discussion with the Administration and the Bills Committee on how to improve the *Bill* to ensure that it would serve the purpose for which it was first introduced.

During the year, the Working Party convened three internal meetings and made three submissions to the Bills Committee on LLPs. Members of the Working Party also attended two Bills Committee meetings, had one informal meeting with members of the Bills Committee and held one meeting with the Department of Justice.

Members of the Working Party :

Joseph C. W. LI (*Chairman*)
Junius K. Y. HO
David W. HIRSCH
Allan C. Y. LEUNG

Michael J. LINTERN-SMITH
Amirali B. NASIR
Huen WONG

Secretary : Secretary General

Finance & Administration Department

