



THE
LAW SOCIETY
OF HONG KONG
香 港 律 師 會

2013

ANNUAL REPORT

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THE COUNCIL 2013



Cecilia K.W. WONG



Kenneth S.Y. NG



Joseph C.W. LI



Amirali B. NASIR



Melissa K. PANG



Dieter YIH



Thomas S.T. SO



Ambrose S.K. LAM



Stephen W.S. HUNG



Angela W.Y. LEE

Brian W. GILCHRIST



Gavin P.
NESBITT



Denis G.
BROCK



Charles C.C.
CHAU



Junius K.Y. HO

Huen WONG



Billy W.Y. MA



Michael J.
LINTERN-SMITH



Sylvia W.Y.
SIU



Peter C.L. LO

The Council has pleasure in submitting its annual report together with the audited financial statements for the year ended 31 December 2013.

PRINCIPAL PLACE OF BUSINESS

The Law Society of Hong Kong ("the Society") is a company limited by guarantee, and is incorporated and domiciled in Hong Kong and has its registered office and principal place of business at 3/F, Wing On House, 71 Des Voeux Road Central, Hong Kong.

PRINCIPAL ACTIVITIES

The principal activity of the Society is to act as the professional and regulatory body for solicitors in Hong Kong. The principal activities and other particulars of the Society's subsidiaries are set out in note 8 to the financial statements.

FINANCIAL STATEMENTS

The surplus of the Society for the year ended 31 December 2013 and the state of the Society's affairs as at that date are set out in the financial statements on pages 166 to 186.

TRANSFERS TO RESERVES

Surplus for the year of HK\$3,560,712 (2012: HK\$10,410,650) has been transferred to reserves.

MEMBERSHIP

As at 31 December 2013, there were 8,967 (2012: 8,561) members of the Society. The total number of Practising Certificates issued was 7,864 (2012: 7,482). There were 818 (2012: 806) firms of solicitors.

PROPERTY, PLANT AND EQUIPMENT

Movements in property, plant and equipment during the year are set out in note 7 to the financial statements.

DONATIONS

Donations made by the Society during the year amounted to HK\$5,100 (2012: HK\$40,000) which represented donations to World Wild Fund For Nature of HK\$3,000 (2012: HK\$33,000) and Agency for Volunteer Service of HK\$2,100 (2012: HK\$Nil).

BANKERS

The bankers are The Bank of East Asia Limited, The Hongkong and Shanghai Banking Corporation Limited, Hang Seng Bank Limited, Standard Chartered Bank Limited, Wing Lung Bank Limited, Bank of China (Hong Kong) Limited and Bank of Communications Co., Limited.

Council Members

The Council Members during the financial year and up to the date of this report and their attendance at the Council Meetings are shown in the table below:

	Regular Meeting	Unscheduled Meeting	Total	Official Duties
Ambrose Lam, President (from 20 May 2013)	20	2	22	7
Dieter Yih, President (until 20 May 2013)	21	2	23	1
Stephen W. S. Hung, Vice President	26	3	29	4
Thomas S. T. So, Vice President (from 20 May 2013)	29	3	32	1
Junius K. Y. Ho (re-elected on 20 May 2013)	23	3	26	1
Huen Wong	24	3	27	1
Peter C. L. Lo	23	1	24	0
Michael J. Lintern-Smith	24	1	25	1
Billy W. Y. Ma	22	2	24	0
Sylvia W. Y. Siu (re-elected on 20 May 2013)	23	0	23	0
Cecilia K. W. Wong (re-elected on 20 May 2013)	25	2	27	2
Kenneth S. Y. Ng	20	2	22	0
Joseph C. W. Li (re-elected on 20 May 2013)	23	3	26	1
Amirali B. Nasir	28	2	30	0
Melissa K. Pang	23	3	26	2
Angela W. Y. Lee	28	2	30	0
Brian W. Gilchrist	24	3	27	0
Gavin P. Nesbitt (re-elected on 20 May 2013)	20	2	22	0
Denis G. Brock	16	2	18	2
Charles C. C. Chau	27	3	30	1

In accordance with article 15(a) of the Society's articles of association, at the forthcoming annual general meeting the five members longest in office since election or re-election shall retire but shall be eligible for re-election.

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

Except for the related party transactions as disclosed in note 18(a) to the financial statements, no contract of significance to which the Society, any of its subsidiaries or any of its related companies was a party, and in which Council Members had a material interest, subsisted at the end of the year or at any time during the year.

AUDITOR

KPMG retire and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of KPMG as auditors of the Society is to be proposed at the forthcoming Annual General Meeting.

By order of the Council

Ambrose Lam
President

25 March 2014



Ambrose Lam
President

2013 was an eventful year and I am pleased to report on the major work undertaken by The Law Society during the past year.

Explore New Opportunities

Advocate proper recognition of our right to practise as Hong Kong solicitors in Taiwan

Hong Kong is a very open legal service market. Lawyers from other jurisdictions can provide their services to the public in Hong Kong as a qualified legal practitioner of their home jurisdictions if they are registered with The Law Society in accordance with our relevant registration rules and offer such legal services from within a law firm in Hong Kong.

However, for some jurisdictions, the situation is less clear. For example, in Taiwan, the criteria in Taiwan's foreign lawyer registration regime do not apply to Hong Kong, Macau or Mainland lawyers because this group of lawyers is not considered as "foreign". There are, however, no other registration rules that apply to us resulting in an anomaly that there is no means for a Hong Kong lawyer to practise as such and provide Hong Kong legal services to the public in Taiwan because we are considered neither local nor foreign. The lack of reciprocity in permitting Hong Kong lawyers to practise in Taiwan is unsatisfactory and disappointing.

In June, I led a delegation to visit various authorities in Taiwan including the Ministry of Justice, the Judicial Yuan, the Mainland Affairs Council of the Executive Yuan and the Straits Exchange Foundation and raised our concern about the exclusion of Hong Kong lawyers from the registration regime. The relevant authorities have reassured us that they are aware of the anomaly and are actively looking at ways to resolve it. We will continue to lobby for proper recognition of our fellow practitioners' right to practise as Hong Kong solicitors in Taiwan.

Enhance international presence of The Law Society and take part in shaping the global future of the legal profession

It is pertinent that we keep ourselves fully abreast of not only what is happening in our own jurisdiction, but also around the globe. To nurture this awareness in our young lawyers and to help increase their international exposure, it has been our longstanding policy to sponsor their attendance at annual international conferences. This year, The Law Society sponsored young lawyers' attendance at the annual conferences of LawAsia, the Inter-Pacific Bar Association, the International Bar Association, the Union Internationale des Avocats, the Commonwealth Law Conference, the American Bar Association and the All China Lawyers Annual Conference.

Apart from young lawyers, The Law Society also sends delegates to major events overseas. Our participation keeps us updated about global trends and ensures that Hong Kong's legal profession is well represented internationally. As President of The Law Society, I led numerous Law Society delegations to these international events during 2013. Securing an international presence is only the starting point. Our aim is to help shape the global future of the legal profession through our active role in prominent international organisations.

Our current representation spans various international organisations: I am a member of the Policy Committee of the Bar Issues Commission of the International Bar Association; Ms. Melissa Pang, Council Member, is a member of the Executive Committee of LawAsia; Mr. Huen Wong, Past President, is the Vice President of the Inter-Pacific Bar Association; Mr. Fred Kan, member of our Standing Committee on External Affairs, is the Regional Secretary of Union Internationale des Avocats; and Ms. Heidi Chu, Secretary General, is a member of the Executive Committee of the International Institute of Law Association Chief Executives.

Through our diverse representation and network in different international set-ups, we are blessed with valuable opportunities to promote our legal services, learn from each other's experiences and share our aspirations for a better practising environment.

Foster close relationships with overseas professional bodies

Maintaining a close working relationship with our overseas counterparts has always been the policy of The Law Society. It facilitates useful exchanges of information on jurisdictional developments of law and legal practices. In 2013, The Law Society signed two Memoranda of Understanding with the Luxembourg Bar Association and the Kaoshiong Bar Association in March and July respectively.

Safeguard the Rule of Law

2013 has been an exciting year with heated public debates on various constitutionality issues including the introduction of universal suffrage for the election of Chief Executive in 2017. One of the important tasks of The Law Society is to defend the rule of law and the independence of the judiciary. The Law Society reflects the views of our members wherever appropriate; but as an apolitical organisation, The Law Society is careful not to get itself involved in political debates. In 2013, The Law Society issued two press statements, in March and in June respectively, urging the Government not to seek a free standing interpretation of the Basic Law after the Court of Final Appeal ("CFA") judgment of the foreign domestic helper case and to put in place mechanisms to protect people from cyber surveillance and interceptions following the Edward Snowden's case.

Improve Practice Environment

Recommend reforms on prosecution and compensation policies

Back in September 2011, the Hong Kong Academy of Law Limited organised a seminar called "Reflections on the Shanghai Land case". This seminar attracted over 1,500 members — a quarter of Hong Kong's practising solicitors — by far the largest turnout ever. This speaks volume about the level of concern practitioners have on issues raised by *Vivien Fan v HKSAR [2011] HKEC 949* which has come to be known as the "Shanghai Land case". In that case, the CFA quashed all the convictions of the appellants (three of whom are solicitors) with what I perceived to be critical comments on the prosecution and the courts below. In view of the apparent concerns from our members, the Council had set up a working party dedicated to addressing practice issues stemming from cases such as this.

In January, the Council published our report titled "Access to Justice — Review of Recent Court of Final Appeal Judgments Affecting Professional Advisers and Others". We highlighted the areas of concern in relation to how cases were prosecuted, the role of the Judiciary, prosecution and compensation policies of the Department of Justice, as well as phone tapping. We will continue to follow up on these areas with all relevant parties.

Advocate immediate update of the party and party rates

Another area that The Law Society has been working on is to rectify the growing divergence between the normal average chargeable hourly rates of solicitors and the recommended allowable hourly rates for solicitors in party and party taxation. This growing divergence means that a successful litigant is being disadvantaged in that although he succeeds in his court proceedings and we adopt the “loser pays” principle, what he recovers from the losing party under a costs order is substantially insufficient to cover what he actually pays his solicitors. This widening recoverability gap erodes the principle of “loser pays” and effectively diminishes the attractiveness of Hong Kong as an international dispute resolution centre. The Law Society has commissioned external consultants to prepare a report on how the party and party rates should be updated to narrow the recoverability gap for the benefit of successful litigants. In March, we published the consultants’ report with recommendations on the updated rates and have since then been urging the Judiciary to rectify the anomaly as soon as possible.

Push for early implementation of limited liability partnerships

Conditions in the profession are increasingly competitive. Overheads and labour costs are soaring. One way to reduce cost is to take advantage of the economy of scale. However, solicitors’ practices in Hong Kong are still predominantly small. About 45% of law firms are sole proprietorships and 45% are firms with 2 to 5 partners.

The Law Society has been working closely with the Administration to finalise the subsidiary legislation relevant to the introduction of limited liability partnerships (“LLP”) for solicitors during 2013. In December 2013, we submitted the draft subsidiary rules governing the top-up insurance requirement on LLP to the Judiciary for approval in principle. Hopefully, this additional option to operate as LLP will provide an incentive for firms to expand and grow. The Law Society will initiate more business development and practice management training courses for solicitors who are contemplating a change of their practice operation including converting to LLP.

Maintain Standards

Initiate discussion on the proposal of a common entrance examination (“CEE”)

In recent years, views have been expressed by our members that there is a lack of consistency in the standards of entrance to the solicitors’ branch of the profession. Queries have also been raised as to why entrance to the profession is not administered by the profession itself since the Council of The Law Society has been given the statutory power to prescribe the admission requirements including the passing of examinations under the Legal Practitioners Ordinance.

As a result, The Law Society has resolved to undertake a consultation with the stakeholders on the question of a CEE for solicitors. The consultation document sets out the different routes to admission as solicitors, considers the problems to which a CEE might be a solution and whether there might be alternative solutions. If a CEE is appropriate, then there are questions about when it should be taken and at what level; what should be assessed and how the CEE would relate to existing qualifications such as the law degree and the PCLL. The consultation started in December 2013 ending in February 2014. The Council will study the responses very carefully when deciding the way forward.

Provide Effective Support to Members

As in past years, The Law Society continued to provide a variety of services to our members including recreational and sports activities and joint professions' networking functions. In 2013, we also introduced some new initiatives.

Code of Good Practice in the Recruitment of Trainee Solicitors

In March, The Law Society introduced a Code of Good Practice in the Recruitment of Trainee Solicitors to assist those involved in the recruitment of trainees to achieve an effective, open and fair recruitment process.

Young Partners

The Law Society puts in substantial efforts in serving the needs of our diverse membership. In February, the Young Partners Roundtable under the Practice Management Committee was established to take care of the interests and needs of members who have been admitted to partnership or have become sole practitioners for five years or less.

Sole proprietorships and firms with up to five partners

To serve our members better, The Law Society conducted a study to identify the pressing issues of concern facing sole proprietorships and firms with up to five partners in October. We will study the results and address the identified concerns accordingly.

Contribute to Community Work

The Law Society organises many community projects every year and our annual signature events include Law Week, Teen Talk, Mentorship Programme for secondary students and many others. One of our new initiatives in 2013 included the extension of our helpline to different practice areas.

Helpline on matrimonial, personal injury and criminal cases

Since May, The Law Society has provided free telephone advisory service on three practice areas, namely, matrimonial, personal injury and criminal cases. As of the end of December, we received over 1,400 enquiries, out of which, over 1,000 cases had been assigned to solicitors on the helpline panel.

I am deeply grateful to my fellow Council Members, the Secretariat and all those who assisted in the work of The Law Society for their support and contributions without which we would not have been able to achieve what we did.

The year ahead is full of exciting challenges and I look forward to continuing to contribute to the best of my abilities for the benefit of the legal profession and the community.

Ambrose Lam
President

I am pleased to report on our work in 2013, a fulfilling year with efforts dedicated to providing relevant and effective services to our members, as well as ensuring their compliance with relevant professional rules and regulations.

It is common for some industries to have high and low seasons during the year, but for the Secretariat, it was one exciting high season throughout 2013.

Our membership approached the 9,000 mark, reaching 8,967 at the end of the year. To serve the needs of a growing membership, the Secretariat has expanded with six additional headcounts, namely a Member Services Officer, an External Affairs Officer, a Standards and Development Officer, a Monitoring Accountant, an Investigation Counsel, and a Librarian (part-time).

With the support and guidance of the Council and Committee Members, our team of 97 performed a wide range of tasks for our members. To highlight some of the statistically quantifiable ones, in 2013, we:

- (a) organised 512 training courses totaling 17,365 attendances, and accredited 4,712 courses under the Continuing Professional Development ("CPD") Scheme and the Risk Management Education Programme;
- (b) administered the annual Overseas Lawyers Qualification Examination for a total of 239 candidates;
- (c) coordinated the activities of 13 Law Society sports teams and 9 recreational teams;
- (d) organised over 130 social and networking events for our members including Family Fun Day, Summer Party, Sports Night, Christmas Party, Cooking Competition, Annual Cocktail, Spring Reception, luncheon talks, and many others;
- (e) issued over 30 submissions on public consultations and two press statements on issues relevant to the legal profession;
- (f) received over 25 delegations from Greater China and coordinated three overseas official visits by the Council to Beijing, Taiwan, and Korea;
- (g) arranged the signing of five memoranda of understanding / cooperation agreements with overseas professional bodies including the Luxembourg Bar Association, the Kaohsiung Bar Association, the Guangxi Lawyers Association, the All China Lawyers Association and the Shenzhen Lawyers Association;
- (h) organised the selection and sponsorship of 14 young lawyers as well as their participation, together with other Law Society representatives, at seven international conferences hosted by the American Bar Association, International Bar Association, LAWASIA, Commonwealth Law Association, Inter-Pacific Bar Association, AIJA (International Association of Young Lawyers) and the Union Internationale des Avocats;
- (i) coordinated over 50 community talks and public projects including Law Week, Teen Talk, the Legal Pioneer Mentorship Programme and the Helpline on free legal advice;
- (j) processed applications for the subscription of 8,967 members, 898 associate members and 236 student members, registration of 521 trainee solicitor contracts, admission of 627 solicitors, issue of 7,864 practising certificates in English and 3,387 in Chinese, registration of 1,520 foreign lawyers and 11 foreign firms, as well as issue of 507 certificates of standing;
- (k) handled 834 complaints on practitioners and employees of law firms and submitted 9 matters to the Solicitors Disciplinary Tribunal Convenor;
- (l) conducted CPD audit on 485 practitioners;
- (m) visited 35 law firms on 83 occasions to provide assistance on their accounting procedures and to inspect documents to ensure compliance with the *Solicitors' Accounts Rules*; and

(n) administered the intervention into the practice of one law firm and vested the clients' accounts of one law firm in the Council for the protection of public interest.

Much of our work, however, is less quantifiable. Thus, more descriptive details on the work that we did in 2013 are set out in the respective reports of each Standing Committee that follows.

Our financial position remained sound and healthy. The fee rates of membership subscription, application for practising certificate, and registration as a foreign lawyer and a foreign firm were unchanged for the year.

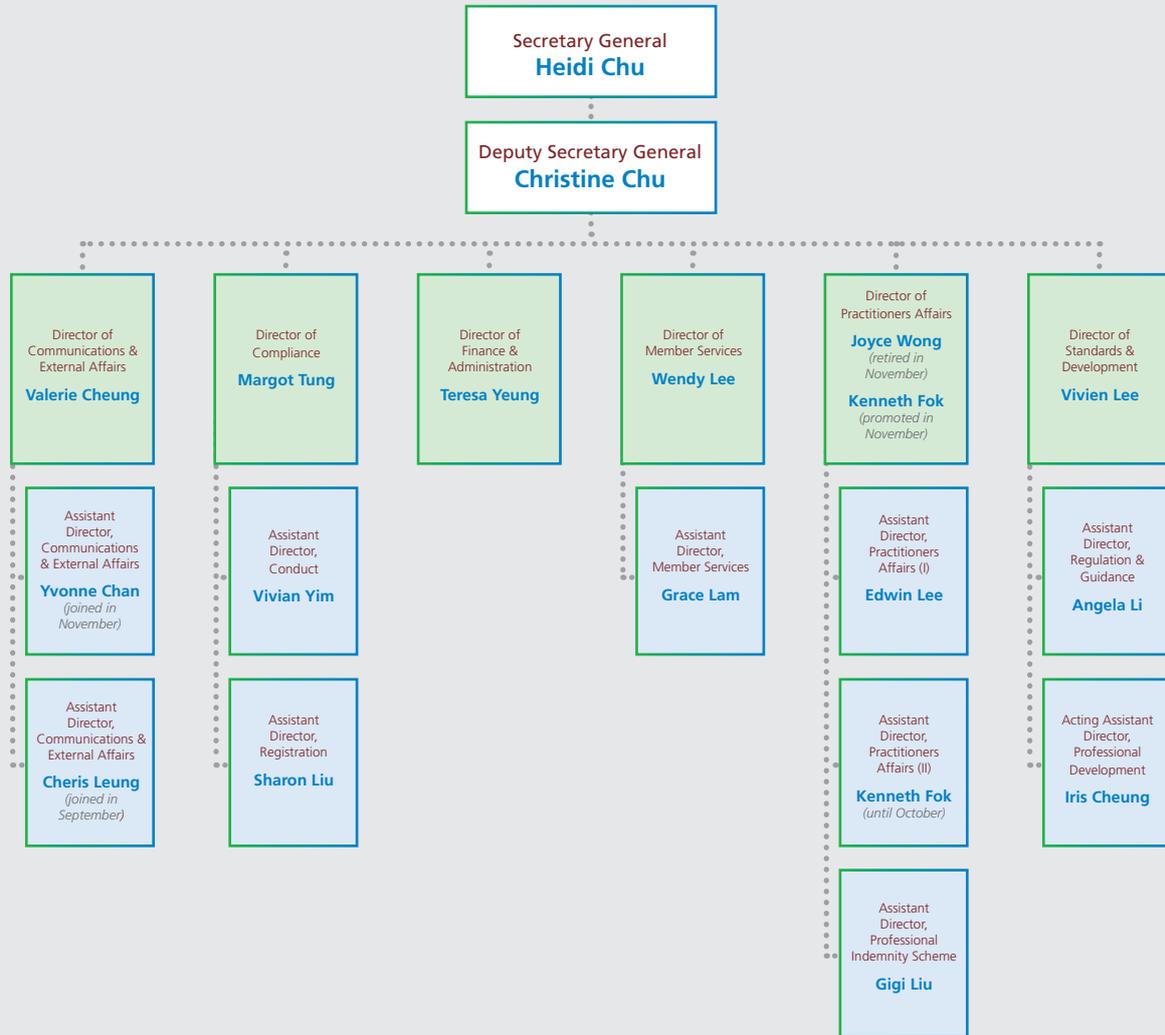
On personnel movement, with the retirement of Joyce Wong after 20 years of service at the Law Society, Kenneth Fok was promoted to Director of Practitioners Affairs in November.

The mission that underlies everything we do for our members is to ensure that our work will make a positive difference to our members' legal practice. As a professional body, our goal of deepening our members' sense of belonging to The Law Society guides how we handle our daily work and interact with our members. Our efforts to build a friendly and approachable team to whom our members will turn as the first port of call for support have started to take shape. It was heartwarming to receive public recognition and appreciation in the media with regards to the professionalism and courtesy with which our colleagues handled enquiries.

As always, the Secretariat continues to adhere to The Law Society's guiding values of excellence, transparency, empathy, and fairness when performing our work. It has been my privilege to serve the profession as the Secretary General of The Law Society, and I look forward to the challenging yet enjoyable work in the year ahead.

Heidi Chu
Secretary General





COMMITTEES AND WORKING PARTIES REPORTING DIRECTLY TO COUNCIL

HONG KONG LAWYER EDITORIAL BOARD (“EDITORIAL BOARD”)

Members of the Editorial Board meet monthly and work closely with the publisher of Hong Kong Lawyer to monitor the overall quality and standard of the publication and to identify topics of interest to the profession. The journal is distributed to members of The Law Society, members of the Hong Kong Bar Association (“Bar Association”), judges, government departments and relevant public organisations. It is also displayed at all airport lounges to reach out to international readers. The soft copy of the journal is available at the Hong Kong Lawyer website: www.hk-lawyer.org.



Members of the Editorial Board:

Huen WONG (*Chair*)
Jenkin S.F. CHAN
Charles C.C. CHAU
Heidi K.P. CHU
Steven Brian GALLAGHER
Julienne JEN
Dave C.K. LAU

Hans MAHNCKE
George Y.C. MOK
Anne SCULLY-HILL
Michelle K.M. TSANG
Adamas K.S. WONG
Cecilia K.W. WONG
Tony Y.H. YEN

Secretary: Assistant Director, Member Services

HONOURS COMMITTEE

The Committee met on one occasion. In accordance with the Nomination Guidelines, the Committee considered candidates for admission to the Law Society’s Roll of Honour and for admission as an Honorary Member of the Law Society.

At the 2013 Annual General Meeting of the Law Society held in May, on recommendation of the Honours Committee, the Council admitted Mr. Ip Sik On, Mr. Donald Yap and Mr. William Tsui Hing Chuen to the Roll of Honour of The Law Society.

Members of the Committee:

Huen WONG (*Chair*)
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

COMMITTEES AND WORKING PARTIES REPORTING DIRECTLY TO COUNCIL

MEDIATION COMMITTEE

The Committee met nine times during the year to discuss, among other things, policies on the development of mediation and standards in Hong Kong. The Committee reviewed the following matters:

Hong Kong Mediation Accreditation Association Limited (“HKMAAL”)

The Law Society is one of the Founding Members of HKMAAL. Under a grand-parenting policy, Accredited Mediators and Accredited Family Supervisors of the Founding Members of HKMAAL could apply for accreditation to the HKMAAL Panel of mediators before 1 April 2014. The Committee liaised with HKMAAL and assisted Law Society’s Accredited Mediators and Accredited Family Supervisors to apply for HKMAAL’s accreditation under the above policy. Since 2 April 2013, more than 70% of Accredited Mediators and all Accredited Family Supervisors of The Law Society have successfully applied to migrate to the HKMAAL Panels of Mediators and Family Supervisors. Assistance for migration would continually be provided to relevant members.

Furthermore, the Committee worked closely with the HKMAAL on transitional arrangements under the grand-parenting policy, and also on accreditation standards and other matters relating to the accreditation of mediators.

Guidance Notes on the Standard Terms of the Joint Mediation Helpline Office and the Financial Dispute Resolution Centre

The Committee has considered the risk exposure of solicitor-mediators under standard mediation agreements for use by the Joint Mediation Helpline Office and the Financial Dispute Resolution Centre. It has assessed the potential risks of those terms of mediation agreements, and issued guidance notes in June 2013, to inform members of these potential risks.

Consultation on the Guidelines for Disclosure of Mediation Communications under s.8 (2)(e) of the Mediation Ordinance

With a view to assisting proper and legitimate disclosure of or use of mediation communications for research, evaluation or educational purposes and also to complying with the *Mediation Ordinance*, the Secretary for Justice’s Steering Committee on Mediation proposed a set of guidelines in July and invited comments from The Law Society. The Committee reviewed the Guidelines and provided recommendations in relation to the applicability of the Guidelines, written consents from the parties and time frame for disclosure.

Submissions to the Panel on Administration of Justice and Legal Services (“AJLS Panel”)

The Committee made two submissions respectively in January and April to the AJLS Panel on the latest developments of mediation in Hong Kong. Among other things, The Law Society supported the Administration’s initiatives to promote the use of mediation and advised on a sustainable development of mediation in Hong Kong. These important aspects would continually be monitored by the Committee.

Promotion of Solicitor-mediators

The Committee continued its efforts on the promotion of solicitors’ practices in mediation by continually:

- reviewing and implementing policies and services in relation to solicitors’ practices in mediation
- organising CPD activities on mediation and other related subjects
- liaising with external parties on matters in relation to mediation
- monitoring and updating solicitors on the latest development of mediation in Hong Kong

Participation in Mediation Events

The Law Society participated in and sponsored the following events as part of the efforts to promote mediation services to the public.

(a) *Community Mediation Forum (11 May)*

The Forum attracted more than 150 participants. It provided a platform for mediation practitioners to exchange views and share experience on the latest development of community mediation and community venues in Hong Kong.

(b) *Mediation One Day Conference — “The Amazing Changes with the New Mediation Ordinance and Latest Development in Hong Kong Mediation” (17 December)*

About 90 participants including mediators, solicitors and other professionals attended the conference. The conference offered updates on the *Mediation Ordinance* and latest development of mediation in Hong Kong.

Mediation Services

The Law Society continued to provide mediation services support to its members. During the year, over 19 cases involving requests for nomination of mediators were received and handled by the Mediation Coordinator. Logistics support was rendered to a Government Pilot Project on mediation venue. This Pilot Project was supported by the DOJ and was administered by The Law Society. Under this Project, venues at Henry G. Leong Yaumatei Community Centre and Leighton Hill Community Hall were provided free of charge for mediations conducted on a pro bono basis.

Members of the Committee:

Cecilia K.W. WONG (*Chair from May*)

Lester G. HUANG (*Chair until April*)

Geoffrey N. BOOTH (*joined in June*)

John R. BUDGE

Patrick M. BURKE

Bryan G. T. LUNG (*joined in June*)

Maureen E. MUELLER

Melissa K. PANG

Catherine K.G. POR

Jody K.Y. SIN

Sylvia W.Y. SIU

Norris H.C. YANG

Helena S.Y. YUEN

Secretary: Director of Practitioners Affairs

Mediation Co-ordinator: Barbarossa Wan

WORKING PARTY ON LIMITED LIABILITY PARTNERSHIPS (“LLPs”)

The Working Party convened meetings on six occasions. Its work focused on the following issues:

- (a) Section 7AD of the *Legal Practitioners (Amendment) Ordinance 2012 (“Amendment Ordinance”)* requires every LLP to have a top-up insurance cover for loss arising from any default that exceeds HK\$10 million up to an amount not less than HK\$10 million in respect of any one claim, with no limit in the aggregate.

Section 8 of the *Amendment Ordinance* amends section 73A(3) of the *LPO* to enable the Council of the Law Society to make provisions for the better carrying out of section 7AD of the Amendment Ordinance.

The Working Party reviewed and evaluated the options available in implementing the top-up requirement and recommended to the Council that LLPs be allowed to obtain their own top-up cover in the open market. The Council accepted the recommendation and the relevant subsidiary rules governing the top-up cover requirement were prepared. The draft subsidiary rules were submitted to the Chief Justice for approval in principle.

COMMITTEES AND WORKING PARTIES REPORTING DIRECTLY TO COUNCIL

- (b) The Working Party reviewed the recommendations on the proposed amendments to Order 81 of the *Rules of the High Court* made by the Working Group on Order 81 and exchanged views with the Administration on the proposed amendments. The Working Party had confirmed to the Administration that it had no further comment on those proposed amendments. The Administration will take the matter forward with a view to put it into effect.
- (c) Section 7AL of the *Amendment Ordinance* requires existing law firms that convert to LLPs to send a written notice to existing clients about the conversion in a form specified by the Council of The Law Society. The Working Party had prepared a draft sample form of the required notice. The sample notice sets out the minimum content and law firms may include additional information as they wish. The draft sample had been approved by the Council.
- (d) Section 7AJ of the *Amendment Ordinance* provides that the name of a LLP must include “Limited Liability Partnership” or the abbreviation “LLP” or “L.L.P.”. If it has a Chinese name, it must include the words “有限法律責任合夥” as part of the Chinese name. The Working Party reviewed the *Foreign Lawyers’ Practice Rules* and the *Solicitors’ Practice Rules*. It took the view that to avoid confusion, these Rules had to be amended to clarify that notwithstanding that the firm name of its parent firm includes “LLP”, a foreign firm shall only include “LLP” in its name if it is a limited liability partnership to which the *Amendment Ordinance* applies. The proposed amendments to these Rules had been approved by the Council and submitted to the Chief Justice for approval in principle.
- (e) To ensure that practitioners are fully informed of the formalities involved in setting up or converting to a LLP, the Working Party had also been working on a draft information package on LLPs for members. The draft is being updated with the further development and will be submitted to the Council for approval in due course.

Members of the Working Party:

Joseph C. W. LI (*Chair*)

Junius K. Y. HO

Allen C. Y. LEUNG

Michael J. LINTERN-SMITH

Amirali B. NASIR

David G. SMYTH

Huen WONG

Secretary: Secretary General

The Standing Committee oversees The Law Society's administrative and regulatory functions, these responsibilities having been delegated to it by the Council.

There are 17 members of the Standing Committee, nine of whom are Council Members. The Standing Committee met nine times during the year and considered 136 agenda items (compared to 170 agenda items in 2012).

The Compliance Department (Conduct and Registration Sections) of the Secretariat supports the work of the Standing Committee.

Members of the Standing Committee and their meeting attendances during the year:

Members:

Angela W.Y. LEE (<i>Chair from July</i>)	8/9
Stephen W.S. HUNG (<i>Chair until July</i>)	6/9
Denis G. BROCK (<i>Vice-Chair from July</i>)	4/9
Alfred K.H. CHAN	6/9
Charles C.C. CHAU	5/9
LAI Kwok Kwong	1/9
Henson LAM	9/9
Andrew Y.B. LEE	8/9
Jason C.K. LI	7/9
Peter C.L. LO	7/9
Billy W.Y. MA	4/9
Catherine L.M. MUN	7/9
Gavin P. NESBITT	7/9
Kenneth S.Y. NG	3/9
Melissa K. PANG (<i>joined in August</i>)	1/3
Hanifa RAMJAHN	6/9
Annie P.Y. WONG	8/9

Secretary: Director of Compliance

Conduct Section

The Conduct Section of the Compliance Department is mainly responsible for investigating allegations of professional misconduct against solicitors, foreign lawyers, trainee solicitors and employees of solicitors and foreign lawyers. In 2013, it handled 834 complaints (976 in 2012), of which 439 complaints (458 in 2012) were lodged or referred by members of the public and government organizations and 67 complaints (68 in 2012) were made by solicitors. 770 files were closed during the year; of the 770 files, 413 were closed without seeking an explanation.

In April, the Conduct Section compiled the 2013 edition of the *Manual on Interventions*. This is a guide on intervention procedures for solicitors' firms appointed on The Law Society's Panel of Intervention Agents.

The Conduct Section also provided extensive comments on the revised draft *Manual on Solicitors' Accounting* for consideration by the Working Party on *Solicitors' Accounts Rules*.

A new Investigation Counsel and a new Monitoring Accountant joined the Conduct Section this year.

STANDING COMMITTEE ON COMPLIANCE

Investigation Committees

Investigation Committees are ad-hoc sub-committees of the Standing Committee. Three members of the Standing Committee are appointed to each Investigation Committee to consider reports prepared by the Conduct Section and to adjudicate on complaints.

Investigation Committees may recommend to the Standing Committee to issue letters of good practice, regret, or disapproval (or any other sanction authorised by the Council from time to time), and to submit matters to the Tribunal Convenor of the Solicitors Disciplinary Tribunal Panel. Reviews of the decisions of the Investigation Committees are conducted by the Standing Committee.

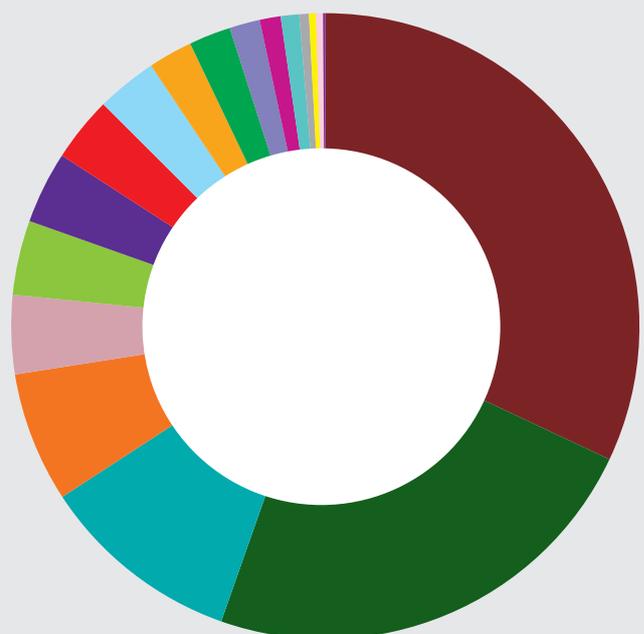
Investigation Committees considered 194 complaints by circulation of 194 agenda. (In 2012, 188 complaints were considered by circulation of 188 agenda.)

The Standing Committee reviewed six decisions of the Investigation Committees and consequently, three decisions were upheld and three were varied. (In 2012, 22 decisions were reviewed, with one new decision resolved, 17 upheld, one varied and three reversed.)

Determination of Complaints in 2013

Figure 1: Subject matters of complaints

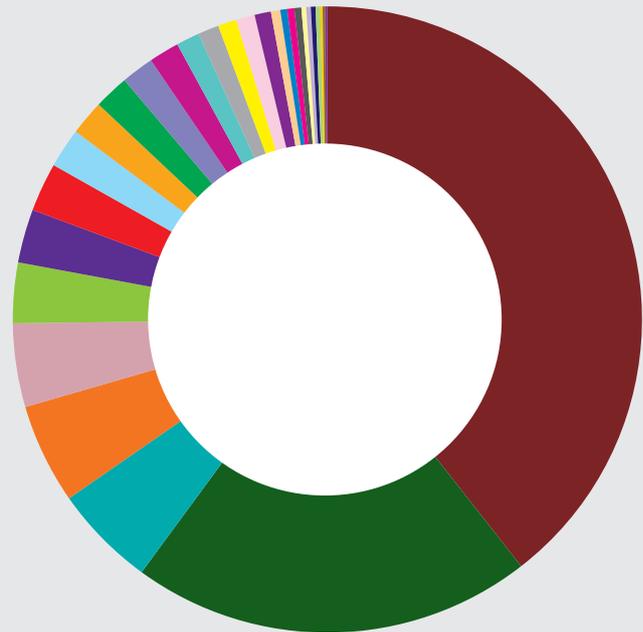
	2013	2012	2011
Administrative/regulatory	32.01%	38.11%	28.91%
Civil litigation	23.38%	18.34%	23.21%
Conveyancing (H.K.)	10.43%	13.52%	14.63%
Matrimonial	6.71%	4.41%	3.32%
Company/commercial	4.08%	1.84%	7.14%
Miscellaneous	3.84%	3.07%	4.25%
Owners'/incorporated owners' disputes	3.72%	2.05%	3.23%
Criminal	3.36%	4.92%	6.46%
Probate	3.12%	2.97%	2.13%
Reports of purported law firms	2.28%	3.59%	2.98%
Court inspections	2.16%	2.46%	1.19%
Bankruptcy	1.56%	0.92%	0.68%
Contract	1.08%	0.82%	0.68%
Landlord & tenant	0.96%	0.92%	0.26%
Media/promotion	0.48%	0.31%	0.09%
Civil Celebrant	0.36%	0.82%	0.17%
Conveyancing (other than H.K.)	0.36%	0.31%	0.17%
Mediation	0.12%	0.10%	—
Inspections	—	0.51%	—
Election	—	—	0.51%



* The percentages have been calculated to the nearest decimal point. Therefore the aggregation of the percentage may not add up to 100%.

Figure 2: Nature of professional misconduct

	2013	2012	2011
Breach of <i>Conduct Guide</i> Principles	39.45%	32.99%	33.33%
Breach of <i>Solicitors' Practice Rules</i>	20.62%	17.42%	23.89%
Miscellaneous	5.28%	3.69%	4.08%
Breach of <i>Solicitors' Accounts Rules</i>	5.16%	15.16%	5.19%
Breach of <i>Continuing Professional Development Rules</i>	4.32%	1.95%	2.55%
Overcharging	3.12%	2.36%	2.98%
Late submission of Accountant's Reports	2.76%	3.07%	5.95%
Unqualified persons acting or pretending to be a solicitor (ss.45-48 of the LPO)	2.52%	3.59%	3.06%
Circular no. 01-142(COM) (Court attendance form)	2.04%	3.59%	2.30%
Breach of undertaking	1.80%	1.95%	2.89%
Negligence	1.80%	1.33%	1.45%
Breach of <i>Foreign Lawyers Registration Rules</i>	1.68%	2.77%	1.79%
Dishonesty	1.56%	1.33%	0.85%
Delay	1.20%	1.64%	1.87%
Breach of <i>Foreign Lawyers Practice Rules</i>	1.08%	1.13%	0.77%
Inadequate service	0.96%	0.61%	0.68%
Commission taking	0.96%	0.10%	—
Misbehaviour	0.84%	0.72%	1.02%
Failure to reply to letters on behalf of a client or to inquiries from The Law Society	0.48%	0.51%	0.26%
Non-payment of barristers' fees	0.36%	1.02%	0.77%
Breach of <i>Practice Directions</i>	0.36%	0.61%	1.53%
Breach of <i>Solicitors (Professional Indemnity) Rules</i> (r.8)	0.36%	0.61%	1.28%
Conflict of interest	0.24%	0.72%	0.60%
Breach of <i>Solicitors' Practice Promotion Code</i>	0.24%	0.61%	0.17%
Practising without a practising certificate	0.24%	—	0.34%
Breach of <i>Trainee Solicitors Rules</i>	0.24%	—	—
Property fraud	0.12%	0.31%	—
Touting	0.12%	0.10%	0.09%
Offences in relation to foreign lawyers, etc. (s.50B of the LPO)	0.12%	—	0.09%
Breach of <i>Risk Management Education Rules</i>	—	0.10%	0.26%



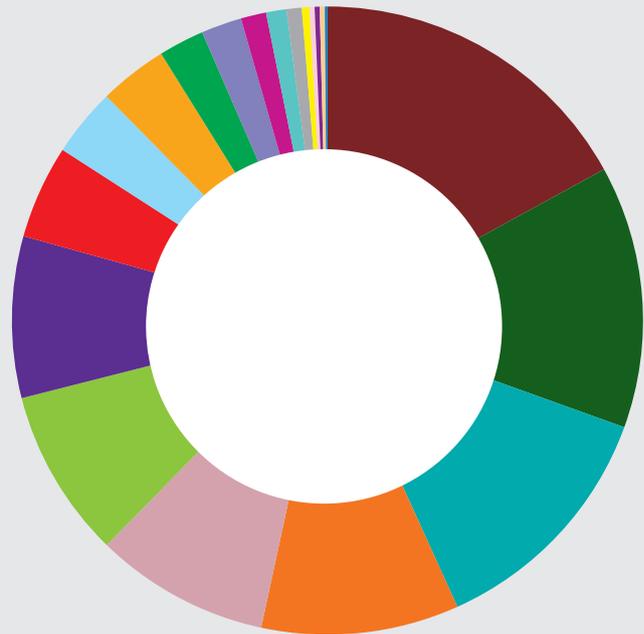
Notes: "Conduct Guide" = Hong Kong Solicitors' Guide to Professional Conduct (Volume 1, 2nd edition)
 "LPO" = Legal Practitioners Ordinance

* The percentages have been calculated to the nearest decimal point. Therefore the aggregation of the percentage may not add up to 100%.

STANDING COMMITTEE ON COMPLIANCE

Figure 3: Analysis of closed files decided by Investigation Committees

	2013	2012	2011
No further action	17.01%	27.98%	16.67%
Referred — Independent legal advice (including District Office)	13.51%	11.06%	9.70%
Letter of regret	12.73%	9.88%	16.14%
Letter of good practice	10.13%	5.19%	6.26%
Unpursuable	8.96%	7.53%	8.99%
Pending	8.70%	6.16%	4.85%
Unsubstantiated/No professional misconduct	8.31%	6.56%	6.17%
Withdrawn	4.81%	4.31%	3.88%
Letter of disapproval	3.51%	8.02%	10.49%
Referred — enforcement agencies	3.51%	3.62%	3.44%
Referred — taxation	2.34%	0.49%	0.88%
Referred — relevant authorities	2.08%	3.72%	4.14%
Strong letter of disapproval	1.30%	—	—
Referred — Tribunal Convenor	1.04%	1.66%	2.65%
Resolved amicably	0.78%	3.13%	4.06%
Circular issued	0.39%	—	—
Referred — other departments of the Society	0.26%	0.39%	1.32%
Referred — Joint Tribunal	0.26%	0.29%	0.09%
Referred — others (including intervention agents)	0.26%	—	0.18%
Summary disposal	0.13%	—	0.09%



* The percentages have been calculated to the nearest decimal point. Therefore the aggregation of the percentage may not add up to 100%.

Applications to the Chief Judge under section 9A(2) of the *Legal Practitioners Ordinance* ("the *LPO*")

Under Section 9A(2) of the *LPO*, where a complaint is made to the Council and the Council does not submit a matter to the Tribunal Convenor of the Solicitors Disciplinary Tribunal Panel ("the Tribunal Convenor") under Section 9A(1) of the *LPO* within 6 months after receiving the complaint, the Chief Judge may, on application by any person or on his own initiative, submit the matter to the Tribunal Convenor if he considers that the Council ought to have done so.

In 2013, The Law Society was notified by the Chief Judge in five matters that upon reviewing the relevant documents, he considered that none of the matters should be submitted to the Tribunal Convenor under Section 9A(2) of the *LPO*.

Inspections and visits

Under Section 8AA of the *LPO*, the Council is empowered to appoint inspectors to verify compliance with the provisions of the *LPO* or any *Practice Direction* issued by The Law Society, and to determine whether the conduct of those against whom an inspection was made should be inquired into or investigated. Section 8AA of the *LPO* stipulates the powers of an inspector in making such inquiries and investigations.

In 2013, the Council made one resolution under Section 8AA of the *LPO* and one solicitor's firm had been inspected for seven times as a result. In addition, five visits were made by Investigation Counsel to three other law firms.

The Conduct Section conducted further inspections and thereafter investigation against one solicitors' firm following a Council's resolution made under Section 8AA of the *LPO* in 2012. The findings of the investigation led an Investigation Committee to resolve to submit the matter to the Tribunal Convenor.

During the year, three court inspections were conducted by inspectors at magistrates' courts. For these court inspections, the Council appointed inspectors to verify compliance with rule 5D of the *Solicitors' Practice Rules* ("*SPR*") and to monitor the proper completion of court attendance forms.

The Monitoring Accountants paid visits to law firms to provide assistance in their accounting procedures/systems and to inspect their books and accounts to ensure compliance with the rules relating to solicitors' accounting. 83 visits were made to 35 solicitors' firms and foreign law firms; some firms required more than one visit (178 visits to 71 firms in 2012).

Interventions

The Council's power of intervention is exercised for the protection of the public and occurs when clients' interests are at risk. The powers vested in the Council for the exercise of an intervention under Sections 26A, 26B or 26C of the *LPO* are set out in Schedule 2 to the *LPO*. Through the intervention agents, The Law Society first takes control of the office and clients' monies of the intervened firms and takes possession of the intervened firms' documents. If necessary, The Law Society may commence court applications to implement the Council's resolution to intervene. The intervention agents return documents to clients who have specifically requested their return or forward clients' documents to other firms of solicitors on the instructions of clients. The process of distributing clients' monies of the intervened firms may involve court proceedings and claimants must produce supporting documents to verify their claims. Subject to any Court order for the payment of costs, any costs incurred by the Council in the intervention shall be paid by the solicitor or the foreign lawyer whose practice had been intervened.

The Council appoints a monitoring committee (usually consisting of three Council members) to oversee the progress of each intervention; the Conduct Section and the intervention agent work closely in each intervention.

In 2013, the Council resolved to intervene in the practice of one sole practitioner on the ground that he has abandoned his practice. The Council also resolved to vest in the Council the clients' monies of the practice of a solicitor who immediately before her death was practising as a sole practitioner, and hold the clients' monies on trust to exercise the powers conferred by Schedule 2 to the *LPO* and for the persons beneficially entitled to them.

During the year, The Law Society commenced taxation proceedings for intervention costs as part of the costs recovery procedure against a solicitor whose firm was intervened. In another set of taxation proceedings for intervention costs, the solicitor whose firm was intervened applied for a review of the taxing master's decision.

Investigation Committee on Disciplinary Matters

The Investigation Committee (Disciplinary Matters) is the only Investigation Committee with a fixed membership drawn from senior members of the Standing Committee on Compliance. The Committee's work includes monitoring the progress of disciplinary proceedings, appeals and court proceedings (including bankruptcy petitions), giving instructions to prosecutors and The Law Society's legal representatives, and authorizing the payments of fees incurred in disciplinary proceedings, appeals and court proceedings.

The Committee considered 133 matters by circulation of 60 agenda. (In 2012, 163 matters were considered by circulation of 63 agenda.)

Disciplinary proceedings, appeals and summary disposals

The Standing Committee resolved to submit five matters to the Tribunal Convenor concerning the conduct of five solicitors under Section 9A(1) of the *LPO*. In addition, one matter concerning the conduct of one solicitor was resolved to be submitted to the Tribunal Convenor for him to dispose of on a summary basis. In 2013, 10 matters had been submitted to the Tribunal Convenor (six in 2012).

A Solicitors Disciplinary Tribunal is a statutory tribunal established by the *LPO*. It is independent of The Law Society which is the prosecuting body. Members of the Solicitors Disciplinary Tribunal Panel are appointed by the Chief Justice. The Chief Justice also appoints the Tribunal Convenor and the Deputy Tribunal Convenors who have the responsibility to appoint a panel of three or four members to sit as a Tribunal to determine applications, and who have the power to dispose of certain classes of complaint on a summary basis.

Seven disciplinary proceedings were determined by the Solicitors Disciplinary Tribunals in 2013 (compared to nine in 2012) which resulted in the following Orders being made:

Respondent	Position	Charge(s)	Penalty	Fine (HK\$)
1	Solicitor	<ul style="list-style-type: none"> 1 count of rule 2(a), (c), (d) & (e) of the <i>SPR</i> and Principle 13.02 of the <i>Conduct Guide</i> 1 count of rule 2(a) & (d) of the <i>SPR</i> and Principle 13.02 of the <i>Conduct Guide</i> 1 count of rule 2(a) & (d) of the <i>SPR</i> 1 count of rule 2(a), (c), (d) & (e) of the <i>SPR</i> and Principle 14.02 of the <i>Conduct Guide</i> 1 count of Principles of 12.04 and 12.05 of the <i>Conduct Guide</i> 1 count of rule 2(d) of the <i>SPR</i> and Principle 12.05 of the <i>Conduct Guide</i> 1 count of rule 2(a) & (d) of the <i>SPR</i> and Principle 13.02 of the <i>Conduct Guide</i> 1 count of Principle 6.04 of the <i>Conduct Guide</i> 1 count of s.8AA of the <i>LPO</i> and rule 2(a) & (d) of the <i>SPR</i> 1 count of common law offence of misconduct 	<ul style="list-style-type: none"> censured in the event the Respondent is issued with a Practising Certificate, the Respondent shall not, for a period of 12 months, practise as a sole-proprietor or partner of a solicitors' firm but can only practise as an employed solicitor under the supervision of a solicitor who has actively practised in Hong Kong for at least 10 years ordered to pay costs 	985,000
1	Solicitor	<ul style="list-style-type: none"> 1 count of s.8AA of the <i>LPO</i> and rule 2(d) & (e) of the <i>SPR</i> 1 count of rule 2(d) & (e) of the <i>SPR</i> 1 count of Principle 6.04 of the <i>Conduct Guide</i> 	<ul style="list-style-type: none"> censured ordered to pay costs 	70,000
1	Solicitor	<ul style="list-style-type: none"> 14 counts of rule 4 of the <i>SPR</i> and Principle 4.15 of the <i>Conduct Guide</i> 	<ul style="list-style-type: none"> censured ordered to pay costs 	20,000
1	Solicitor	<ul style="list-style-type: none"> 4 counts of rule 4 of the <i>SPR</i> and Principles 2.03 and 4.15 of the <i>Conduct Guide</i> 	<ul style="list-style-type: none"> censured ordered to pay 50% of the costs 	10,000
1	Solicitor	<ul style="list-style-type: none"> 4 counts of rule 4 of the <i>SPR</i> and Principles 2.03 and 4.15 of the <i>Conduct Guide</i> 	<ul style="list-style-type: none"> censured ordered to pay 50% of the costs 	10,000
1	Clerk	<ul style="list-style-type: none"> 2 counts of disgraceful, dishonourable or discreditable conduct within the meaning of s.2(2) of the <i>LPO</i> 	<ul style="list-style-type: none"> prohibited from employment with any solicitors' firm in Hong Kong for 8 years ordered to pay fixed costs of HK\$119,000 	
1	Clerk	<ul style="list-style-type: none"> 1 count of disgraceful, dishonourable or discreditable conduct within the meaning of s.2(2) of the <i>LPO</i> 	<ul style="list-style-type: none"> prohibited from employment with any solicitor or solicitors' firm or any foreign lawyer or foreign law firm in Hong Kong for 3 years ordered to pay fixed costs of HK\$30,000 	
1	Clerk	<ul style="list-style-type: none"> 1 count of disgraceful, dishonourable or discreditable conduct 	<ul style="list-style-type: none"> prohibited from employment with any firm of solicitor(s) or foreign lawyer(s) for 2 years ordered to pay fixed costs of HK\$30,000 	

Notes: "LPO" = *Legal Practitioners Ordinance*

"SPR" = *Solicitors' Practice Rules*

"Conduct Guide" = *The Hong Kong Solicitors' Guide to Professional Conduct* (Volume 1, 2nd edition)

Furthermore, the Tribunal Convenor summarily disposed of two matters by making orders requiring each of the two solicitors concerned to pay a total of a fixed fine of HK\$10,000 and fixed costs of HK\$15,000.

In March, the Court of Appeal (“CA”) dismissed a respondent’s application for leave to appeal to the Court of Final Appeal (“CFA”). The respondent then applied to the CFA for leave to appeal against the judgment of the CA. In April, the Acting Registrar issued a Summons requiring the respondent to show cause as to why his application should not be dismissed. In October, the Appeal Committee of the CFA dismissed the respondent’s application for leave to appeal to the CFA on the ground that it disclosed no reasonable grounds for leave to appeal.

Litigation Proceedings

The Law Society was made the respondent in several litigations the subject matters of which related to the functions of the Compliance Department and the Council; particulars were as follows:

In September, a complainant’s judicial review against The Law Society’s complaint handling procedure was dismissed by the High Court with costs awarded to The Law Society. In October, the complainant filed a notice of appeal to the High Court and applied to vary the costs order nisi.

In October, the joint and several trustees in bankruptcy of a solicitor took out an inter-partes summons against The Law Society to seek discovery of documents filed by the solicitor. In December, the trustees withdrew their court application.

In December, a solicitor took out a writ of summons against The Law Society and others claiming negligence.

In December, a solicitor took out an originating summons against The Law Society under Section 6(9) of the *LPO*.

Consents Committee

The Consents Committee is a sub-committee of the Standing Committee. Of the 12 members, four are Council members.

The Consents Committee decides on applications made under the *LPO*, its subsidiary legislation and The Law Society’s *Practice Directions* for (i) registration by solicitors; (ii) registration as a (a) trainee solicitor, (b) foreign lawyer and (c) foreign law firm; and (iii) consent and waiver. Reviews of the decisions of the Consents Committee are conducted by the Standing Committee.

The Committee met 20 times during the year and considered 446 items (in 2012, 20 meetings and 521 items). A further 27 matters were dealt with by circulation of three agenda (in 2012, 54 matters by circulation of five agenda).

Members of the Committee:

Members:

Melissa K. PANG (*Chair from July*)
Ambrose S.K. LAM (*Chair from January until June*)
Kenneth S.Y. NG
Charles C.C. CHAU (*joined in May*)
Junius K.Y. HO
IP Shing Hing
Raymond M.S. KWOK
Henry H.W. LAI
Billy Y.C. LAM
Henson LAM
William C.W. LAM
Billy W.Y. MA (*retired in January*)
Paul K.Y. NG
Kelly Y.H. WONG

Secretary: Director of Compliance

Registration Section

The Registration Section of the Compliance Department processes applications and handles applications considered by the Consents Committee.

In mid-year, the Registration Section audited the forms filed by sole practitioners under Rule 5AA of the *SPR*. The review found that some sole practitioners had failed to advise The Law Society about the particulars of the executors of their wills and/or the particulars of the solicitor-managers whom they appointed to manage their practices after their death pending the disposal or cessation of their practices; some sole practitioners had also failed to provide updates of the information they previously filed with The Law Society. The Law Society wrote individually to the above mentioned sole practitioners to remind them about the importance of complying with the provision, and at the end of the year, the sole practitioners have all responded to The Law Society.

As with previous years, in conjunction with the Conduct Section, the Registration Section reviewed, processed and filed the "employees' returns" submitted by all solicitors' firms and foreign law firms in January of each year, and the Notification of Changes to a Practice on firms' particulars submitted by solicitors' firms and foreign law firms throughout the year.

The Registration Section and the Conduct Section continued to participate in The Law Society's redevelopment and restructuring of its membership database and website.

Two new staff members joined the Registration Section to replace two staff members who left at the end of 2013.

STANDING COMMITTEE ON COMPLIANCE

Nature of applications

Applications considered by the Consents Committee and those processed by the Registration Section during the year included:

	2013	2012	2011
Admissions	627	508	569
Certificates of eligibility for admission	628	557	454
Practising certificates: English	7,864	7,483	7,149
Chinese	3,387	3,440	3,005
Practising certificates — removal of conditions under s.6(6) LPO (solicitors)	170	197	159
Membership	8,967	8,562	8,448
First registration as a foreign law firm	11	11	11
First registration as a foreign lawyer	336	323	415
Renewal of registration as a foreign lawyer	1,184	1,235	1,136
Removal of conditions on certificates of registration (foreign lawyers)	55	69	56
Registration as an Association	8	13	6
Removal of name from the roll of solicitors	4	9	5
Restoration of name to the roll of solicitors	1	1	1
Admission of English barristers	1	1	1
Qualifications for admission s.4(1A) LPO	175	156	157
Employment of staff: s.53(1) LPO	—	1	—
s.53(3) LPO	2	7	2
Practising certificates — removal of conditions under s.6(6A) LPO	51	65	67
Practising certificates — Special Conditions	25	27	18
Registration of first trainee solicitor contracts	458	562	431
Registration of subsequent trainee solicitor contracts	63	122	61
Special leave to employ trainee solicitors	18	14	9
Other trainee solicitor matters	162	165	180
Law costs draftsmen	1	1	1
Accountant's report — solicitors' firms	810	792	747
Accountant's report — foreign law firms	75	83	74
Firm name and letterhead	14	10	8
Waiver applications — general	*5	*17	*6
Waiver applications — PD	2	8	6
Registration as an associate member	5	5	2
Certificates of standing	507	583	1,652
Letters of no objection [#]	818	815	1,000
Authorised solicitors' clerks	13	35	42

"LPO" = *Legal Practitioners Ordinance*

"PD" = *The Law Society's Practice Directions*

* Applications were under the *SPR*; the *Accountant's Report Rules*; *Foreign Lawyers Registration Rules*; and *Foreign Lawyers Practice Rules*.

[#] "No objection" letters are issued to applicants for work visas.

Figure 4: Admission of solicitors 2004–2013

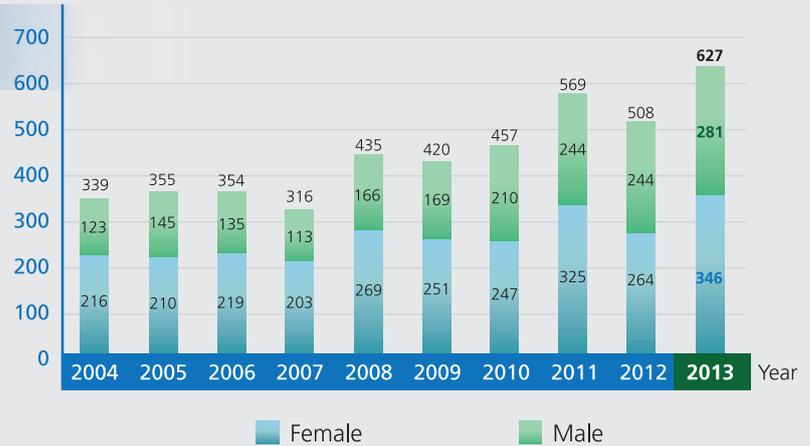


Figure 5: Practising certificates issued 2004–2013

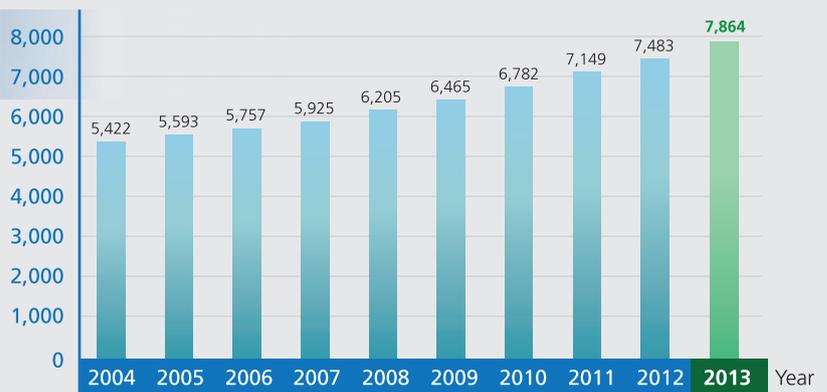
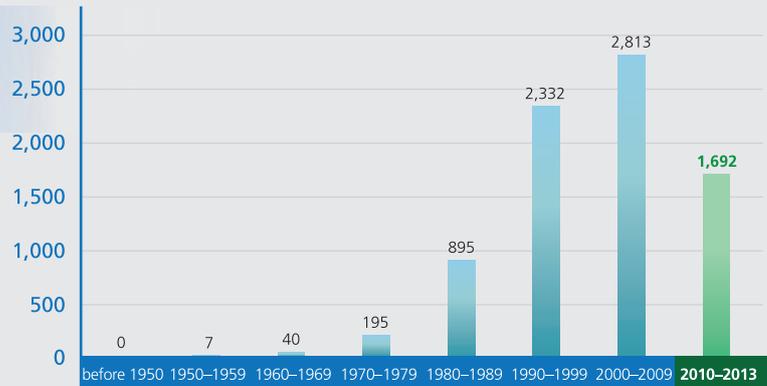


Figure 6: Years of admission of solicitors holding a 2013 practising certificate



STANDING COMMITTEE ON COMPLIANCE

Figure 7a: Gender ratio — Solicitors holding a practising certificate

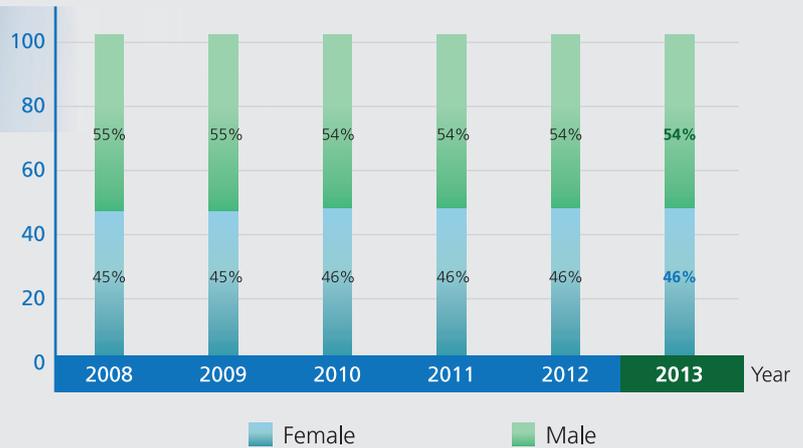


Figure 7b: Gender ratio — Trainee solicitors

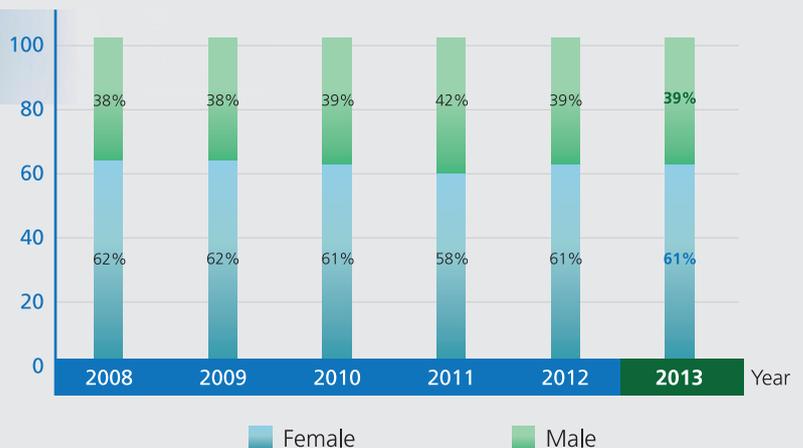


Figure 7c: Gender ratio — Partners



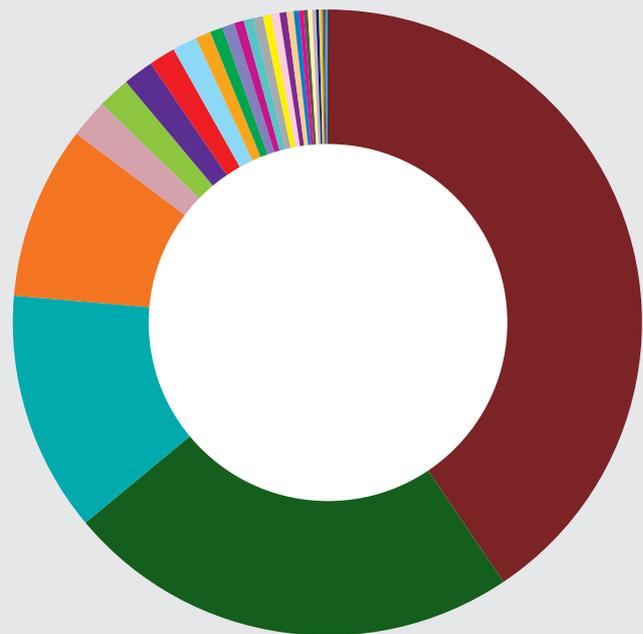
Figure 8: Size of solicitors' firms and number of trainee solicitors in 2013

Size of firm	No. of firms		No. of trainee solicitors	
	2013	2012	2013	2012
Sole practitioners	366	364	59	54
2–5 partners	364	356	272	271
6–10 partners	51	49	200	210
11–20 partners	28	28	226	228
Over 20 partners	9	9	152	159
Total	818	806	909[#]	922[*]

* excluding 15 in government and 3 working "in-house"
[#] excluding 14 in government and 6 working "in-house"

Figure 9: Home jurisdictions of registered foreign lawyers in both foreign law firms and solicitors' firms

	Number	%
USA	568	40.54
England and Wales	328	23.41
Mainland China	174	12.42
Australia	125	8.92
Bermuda	28	2.00
Singapore	23	1.64
New Zealand	22	1.57
British Virgin Islands	19	1.36
Canada	18	1.28
France	11	0.79
Italy	9	0.64
Japan	9	0.64
Cayman Islands	7	0.50
Germany	7	0.50
Luxembourg	7	0.50
Belgium	6	0.43
The Philippines	6	0.43
The Netherlands	5	0.36
Sweden	5	0.36
India	4	0.29
Ireland	3	0.21
Republic of Korea	3	0.21
Scotland	3	0.21
Switzerland	3	0.21
Guernsey	2	0.14
Brazil	1	0.07
Malaysia	1	0.07
Malta	1	0.07
Thailand	1	0.07
The Isle of Man	1	0.07
Vietnam	1	0.07

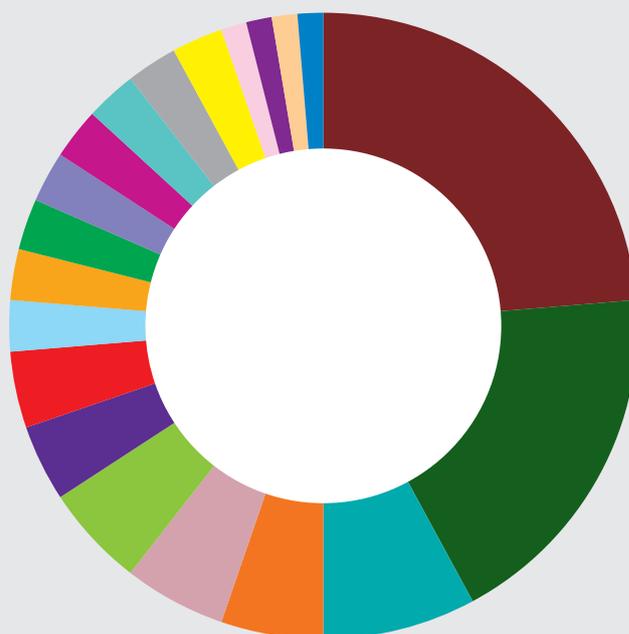


Note: Of the 1,401 registered foreign lawyers, 313 worked in foreign law firms and 934 in solicitors' firms.

* The percentages have been calculated to the nearest decimal point. Therefore the aggregation of the percentage may not add up to 100%.

Figure 10: Home jurisdictions of foreign law firms

	Number	%
USA	18	23.68
Mainland China	14	18.42
England and Wales	6	7.89
British Virgin Islands	4	5.26
Cayman Islands	4	5.26
France	4	5.26
Canada	3	3.95
Sweden	3	3.95
Belgium	2	2.63
Bermuda	2	2.63
Germany	2	2.63
Guernsey	2	2.63
Italy	2	2.63
Luxembourg	2	2.63
The Philippines	2	2.63
Switzerland	2	2.63
Australia	1	1.32
Ireland	1	1.32
Japan	1	1.32
Republic of Korea	1	1.32



Note: There were 72 foreign law firms in Hong Kong, of which one was registered to practise the laws of both Cayman Islands and BVI, one was registered to practise the laws of Cayman Islands and Guernsey, one was registered to practise the laws of Bermuda and BVI, and one was registered to practise the laws of England and Wales and the USA. (In 2012, there were 70 foreign law firms, of which five were registered to practise the law of more than one jurisdiction.)

* The percentages have been calculated to the nearest decimal point. Therefore the aggregation of the percentage may not add up to 100%.

There were 35 Associations registered between foreign law firms and solicitors' firms (32 in 2012). Eight new foreign law firms commenced practice (12 in 2012). Six foreign law firms were closed, three of which established local practices. (In 2012, 14 were closed, nine of which established local practices.)

There were 14,677 unqualified staff members employed by solicitors' firms at the end of the year (14,874 at the end of 2012). In addition, there were 464 unqualified staff members employed by foreign law firms at the end of 2013 (450 in 2012).

The Standing Committee on Compliance oversees the work of the Conduct Section in administering the authorised solicitors' clerks scheme and has delegated its power to the Consents Committee to consider applications. By December, there were 978 authorised solicitors' clerks (965 in 2012).

The Law Society continued to waive subscription fees for student members in 2013. By the end of the year, there were 233 student members registered with The Law Society (260 in 2012).

At the end of December, the number of Law Society Approved Law Costs Draftsmen was 36 (37 in 2012).

STANDING COMMITTEE ON COMPLIANCE



Compliance Department

STANDING COMMITTEE ON EXTERNAL AFFAIRS

2013 remained as busy as ever for the Standing Committee on External Affairs as activities and events it coordinated had increased significantly both in terms of number and complexity. Throughout the year, members of the Standing Committee had been actively involved in supervising these activities and events including those organised by its three Sub-Committees, namely the Greater China Legal Affairs Committee, the International Legal Affairs Committee and the Community Relations Committee.

There were also changes in the membership of the Standing Committee during the year. Ms. Melissa Pang retired as the Chair in June and was succeeded by Mr. Huen Wong as the new Chair from July. Council Member Junius Ho joined as a member from October whereas existing member Mr. Philip Wong was appointed for another term of three years from November.

Members of the Standing Committee and their meeting attendances during the year:

Huen WONG (<i>Chair from July</i>)	(5/5)	Frederick K.C. KAN	(5/12)
Melissa K.PANG (<i>Chair until June</i>)	(7/7)	Michael J. LINTERN-SMITH	(5/12)
Joseph C.W. LI (<i>Vice-Chair</i>)	(9/12)	Kenneth H.S. NG	(7/12)
CHAN Chak Ming	(10/12)	Thomas S.T. SO	(2/12)
Nicholas H.F. CHAN	(5/12)	Philip W.C. WONG	(7/12)
Junius K.Y. HO (<i>joined in October</i>)	(1/3)	Stephen R. YAP	(6/12)
Elaine Y.L. HO (<i>resigned in September</i>)	(2/8)	Ann M.S. YEUNG	(8/12)
Stephen W.S. HUNG	(9/12)	Henry K.W. YIP	(8/12)

Secretary: Director of Communications and External Affairs

Below are highlights of events and activities coordinated by the Standing Committee during the year:

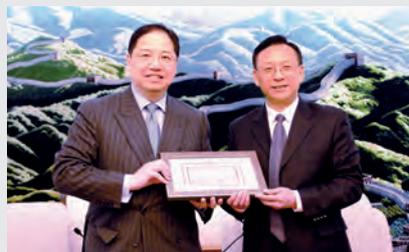
Council Visit to Beijing

Led by the then President Dieter Yih, 15 Council Members and the Secretary General visited the offices of the Supreme People's Court, the Basic Law Committee under the Standing Committee of the Central People's Government, the National Reform and Development Commission, the Ministry of Justice, the Hong Kong and Macau Affairs Office, the All China Lawyers Association and the Beijing Lawyers Association from 7 to 10 April.

The visit provided an opportunity for Council Members to discuss with senior officials of the relevant Mainland authorities on the latest policies promulgated by the Central Government particularly those related to the HKSARG and the legal profession. The visit also facilitated fruitful exchanges with the authorities and lawyers associations on ways to assist Hong Kong lawyers to further develop their business in the Mainland and to encourage partnership between practitioners from Hong Kong and the Mainland.



STANDING COMMITTEE ON EXTERNAL AFFAIRS



STANDING COMMITTEE ON EXTERNAL AFFAIRS

Council Visit to Taiwan

Almost four years after its maiden visit to Taiwan, the Council revisited Taiwan from 29 to 31 May. During the trip, courtesy visits were made to the local authorities and the bar associations. The 19-member Law Society delegation led by President Ambrose Lam comprised several Council Members and senior members of some firms. The delegation was warmly received by senior officials of the Judicial Yuan, the Mainland Affairs Committee of the Legislative Yuan, the Ministry of Justice, the Straits Exchange Foundation, the Taipei City Finance Bureau, the President and members of the Taipei Bar Association, as well as the President and members of the Kaohsiung Bar Association. The exchange with these groups was very useful and as a result The Law Society was able to gather market intelligence and information about Taiwan's policies governing entry by lawyers from other jurisdictions into its legal market, and cross strait business opportunities. The information helped The Law Society explore possible opportunities for Hong Kong lawyers to tap into the Taiwan market, whether for practicing there or for partnering with Taiwan lawyers by way of business referrals.

The Law Society also used the opportunity to organise talks promoting Hong Kong legal services to local lawyers and the business sector. Talks to lawyers based in Taipei and Kaohsiung represented joint initiatives with the Taipei Bar Association and the Kaohsiung Bar Association with whom The Law Society has entered into a Memorandum of Understanding in January 2011 and July 2013 respectively. The presentation for the local business sector was a joint effort between the Hong Kong Trade Development Council ("HKTD") Taipei Office and The Law Society with over 200 representatives from Taiwan companies attended. The response was encouraging.



STANDING COMMITTEE ON EXTERNAL AFFAIRS



Council Visit to Korea

The Council visited the Korean Bar Association ("KBA") in Seoul in early December. This was the first courtesy visit paid by The Law Society to KBA since the two parties have signed a MOU in 2011. The 4-day trip to Korea also included visits to the Court, the Seoul International Dispute Resolution Centre, the Seoul National University, School of Law and a leading law firm in Korea, Kim and Chang. KBA and The Law Society also took the opportunity to discuss the latest development in the legal profession in both Korea and Hong Kong focusing on the opening up of the Korean legal profession drawing reference to Hong Kong's experience.



STANDING COMMITTEE ON EXTERNAL AFFAIRS

Law Week

As a flagship project of The Law Society, Law Week 2013 took the format of short video and radio features promoting various areas of legal practice that are relevant to the livelihood of average folks. These short features were broadcasted in the closing credit of TVB's evening sitcom at around 8:30 pm on weekdays aired on TVB Jade, on Commercial Radio 1 Channel during peak hours in the morning and other hours, and on the TV platform "Roadshow" inside public buses. Producing the features involved research on various legal practice areas, scripting, casting of lawyer talents to appear in the features, and coordination on production schedule and post-production editing, etc. The task could hardly be accomplished without the staunch support of a team of experienced solicitors including members of the Law Week 2013 Organising Committee.

The Opening Ceremony of Law Week 2013 was staged at the Summit Hall of the AsiaWorld Expo on 30 November when another flagship event hosted by the Law Society "Teen Talk" was held. By staging the opening ceremony in front of an audience of more than 1,000 secondary school students and teachers, we have created a greater impact in enriching their legal knowledge. A glittering line-up of guests including The Hon. Chief Justice Geoffrey Ma, Secretary for Justice Rimsky Yuen, SC, legislator representing the legal sector Mr. Dennis Kwok, Director of Legal Aid Thomas Kwong, Chair of the Hong Kong Bar Association ("Bar Association") Paul Shieh, SC and President of the Law Society Ambrose Lam officiated at the opening ceremony. The "Heart-to-Heart" session featuring the Secretary for Justice Rimsky Yuen, SC that followed was another highlight of the opening ceremony.

The Law Society was proud of members' active involvement in making Law Week 2013 a huge success in spreading the legal messages to the mass and above all, in promoting the good image and capabilities of solicitors to the general public. Efforts put in by everyone including the Secretariat staff were much appreciated.

Members of the Law Week 2013 Organising Committee:

Thomas S.T. SO (*Chair*)

Ann M.S. YEUNG (*Vice-Chair*)

Stanley W.L. CHAN

Charles C.C. CHAU

Stephen W.S. HUNG

Nadine LAI

Arthur Y.Y. LAW

Nancy B.Y. LEUNG

Daphne F.Y. LO

Melissa K. PANG

Albert SO

Daniel K.M. SHUM

Maggie Y.T. TSUI

Cecilia G. WONG

Nathan S.K. WONG

SAUW Yim

Secretary: Assistant Director, Communications and External Affairs





Teen Talk

Teen Talk, which provides a platform for secondary school students from Form 4 to Form 6 to freely express their views on different legal issues, was held again for the fourth consecutive year at the AsiaWorld Expo on 30 November.

As in previous years, Teen Talk received funding support from the Committee on the Promotion of Civic Education to cover part of the expenses incurred. The event was scaled back a little this year to accommodate 1,128 students from 50 schools as the Organising Committee hoped to boost the interactive elements during group discussions and sharings in order to achieve the desired results and this could only be possible with a smaller size of audience. The outcome was very encouraging as students were enthusiastically involved in group discussions and more could share their thoughts on stage too.

Teen Talk provided a superb platform for participating students to actively engage in group discussions focusing on issues relating to polygamy and privacy which young people might come across in their daily lives. An interactive survey using the Law Society Apps was also included in the day's programme asking students to express their thoughts on questions relevant to the subjects under discussion.

Throughout the day, students have demonstrated keen interest in the topics discussed and were more than willing to share their thoughts, whether in group under the guidance of the facilitators or on stage.

It was a demanding task to organise a project of this scale, and it could not be implemented so smoothly without the strong leadership of the Organising Committee and much-appreciated support from 118 solicitors who had volunteered as facilitators on the spot.

STANDING COMMITTEE ON EXTERNAL AFFAIRS

Members of the Teen Talk 2013 Organising Committee:

Kenneth H.S. NG (*Chair*)

Nicholas H.F. CHAN (*Vice-Chair*)

Stephen W.S. HUNG

Nadine LAI

Cammie K.Y. LEUNG

Melissa K. PANG

SHUM Hin Han

SHUM Ka Ming

Cecilia K.W. WONG

Secretary: Assistant Director, Communications and External Affairs



Spring Reception

Spring Reception is an annual event that tops the priority list of tasks that the Standing Committee has to undertake. The festive event represents a gesture of appreciation by The Law Society for the support rendered by government officials, practitioners and other working partners and friends towards the work of The Law Society.

As in previous years, the 2013 Spring Reception was held at the Peking Garden Restaurant with close to 270 guests including government signatories, senior partners of firms, representatives from foreign consulates, Law Society Council and Committee Members as well as members of The Law Society attending.



STANDING COMMITTEE ON EXTERNAL AFFAIRS

Ceremonial Opening of the Legal Year

The Law Society was honoured to have received over 40 overseas and mainland bar leaders coming from Australia, United Kingdom, Denmark, France, Japan, Mainland China, Malaysia, Taiwan and the United States attending the Ceremonial Opening of the Legal Year ("OLY") in Hong Kong on 14 January. Besides attending the OLY ceremony, the visiting guests also attended a luncheon and a dinner jointly hosted by The Law Society and the Bar Association, a Presidents' Roundtable chaired by the then President Dieter Yih as well as other activities organised by The Law Society including visiting the Correctional Services Department and Correctional Services Museum.



The Law Society of Hong Kong & Bloomsbury Books Prizes Presentation Ceremony

The Law Society of Hong Kong and Bloomsbury Books Prizes Presentation Ceremony is an annual event during which law students from The University of Hong Kong, The Chinese University of Hong Kong, and the City University of Hong Kong receive their prizes at the Law Society Clubhouse. This year the ceremony was held on 25 March.

The Law Society and Bloomsbury Books Ltd. were represented by Council Member Joseph Li and General Manager Edmund Lau at the ceremony respectively. Some students came with their parents to celebrate their achievement.



STANDING COMMITTEE ON EXTERNAL AFFAIRS

COMMUNITY RELATIONS COMMITTEE ("CRC")

The CRC is a Sub-Committee under the Standing Committee with mandate to foster relationship with various community groups for the purpose of promoting The Law Society as a caring organisation and solicitors as caring individuals. As in previous years, CRC continued its effort in coordinating regular programmes and ad hoc events for various sectors of the community through a wide range of activities.

The membership of CRC underwent some changes, namely with four members retiring from the Committee, and two existing members being re-appointed for another term of three years.

The operational structure of CRC was also streamlined in December for the purpose of maximising resources to achieve its desired objectives. The six existing working groups were re-grouped into four as follows:

- Sing Tao Legal Mailbox
- Legal Pioneer Mentorship Programme
- Law and New Generation & School Talks
- Community Talks and Services

In December, CRC also hosted a Christmas Gathering for all writers and speakers who have rendered significant support towards the work of CRC and its working groups.



Members of the CRC:

Philip W.C. WONG (*Chair*)
Ann M.S. YEUNG (*Vice-Chair from November*)
Nicholas H. F. CHAN
Isabella W.H. CHAN (*resigned in October*)
Serina K.S. CHAN
Stanley W.L. CHAN
Doreen Y.F. KONG (*resigned in October*)
Nadine LAI
MAK Hon Ming (*resigned October*)

Melissa K. PANG (*resigned October*)
SAUW Yim
Maggie Y.T. TSUI
Patricia WIJAYA
Cecilia G. WONG
James K.T. WONG
Nathan S.K. WONG
Judy W.C. YAM
Victor C.K. YAU

Secretary: Assistant Director, Communications and External Affairs

Working Group on Legal Pioneer Mentorship Programme

The former "Path Builder" Mentorship Programme coordinated by the CRC underwent a facelift this year. Both the title and objectives of the programme were modified at the recommendation of the Working Group overseeing the programme. It was re-named as "Legal Pioneer" Mentorship Programme with a focus on polishing the leadership skill of the mentees through group projects covering a law-related theme rather than having one mentor paired up with one mentee.

The Working Group also recommended to focusing on working with mentees from the Yuen Long and Tin Shui Wai districts. The number of mentees remained at over 100 but the number of mentors was lowered this year given that each mentor only had to look after a group of five to nine mentees.

The launching of the new phase of the Mentorship Programme took place in mid July at the Space Museum featuring The Hon. Chief Judge Patrick Chan and President Ambrose Lam as guest speakers sharing their personal experience in the study of law and at work. Following the launch of the programme, a briefing for all mentors on the production of mini-films was also held to acquaint them with the technical know-how in producing mini-films which was the predominant choice of projects the mentees would work on.



STANDING COMMITTEE ON EXTERNAL AFFAIRS

Members of the Working Group:

Judy W.C. YAM (*Chair*)

Nathan S.K. WONG (*Vice-Chair from November*)

MAK Hon Ming (*Vice-Chair until October*)

Isabella W.H. CHAN (*resigned in October*)

Serina K.S. CHAN

Nadine LAI

Arthur Y.Y. LAW

Melissa K. PANG (*resigned in October*)

SAUW Yim

Victor C.K. YAU

Secretary: Assistant Director, Communications and External Affairs



Working Group on Sing Tao Legal Mailbox

CRC also assumed another important task of coordinating contribution of articles amongst Law Society members for publication in the "Legal Mailbox" weekly column in a local newspaper, Sing Tao Daily every Monday throughout the year. A Working Group formed under CRC was responsible for reviewing all articles submitted to ensure accuracy on factual information cited by the authors and determine if the subject matters were relevant. Efforts of all writers were recognised by way of a certificate of appreciation presented to each writer at the end of the year.

A Smart Book containing articles published in the Sing Tao "Legal Mailbox" Column was produced for distribution to the general public. Given that the first edition of 10,000 copies published in 2011 were almost out of stock, 10,000 copies were re-printed in 2013 for distribution to students, teachers and principals, members of NGOs at talks as souvenirs or as gifts at special events. The Smart Book was also distributed at exhibitions or roadshows organised by the HKTDC and to visitors from the Mainland and Taiwan.

Apart from spreading legal knowledge, the Smart Book was also an effective tool for promoting solicitor's practices and enriching the public's legal knowledge.

Members of the Working Group on Sing Tao Legal Mailbox:

Cecilia G. WONG (*Chair from November*)

Patricia WIJAYA (*Chair until October*)

Stanley W.L. CHAN (*Vice-Chair from November*)

Doreen Y.F. KONG (*resigned in October*)

Nadine LAI

MAK Hon Ming (*resigned in October*)

James K.T. WONG

Nathan S.K. WONG

Secretary: Assistant Director, Communications and External Affairs

Working Group on Law and New Generation Programme and School Talks

A Working Group under the CRC was responsible for the coordination of all invitations for nomination of speakers for talks organised by schools as well as talks targeting at school principals, teachers and administrators. The Working Group also managed a pool of speakers and through Law Society Secretariat staff invites volunteers to give talks. It also reviewed presentation materials prepared by all speakers prior to giving the talks to ensure accuracy on legal content and suggested modifications to the content if and when necessary. All speakers delivering the talks would receive a nominal travel allowance for their support in acting as speakers. At year end, each speaker would receive a certificate of appreciation in recognition of their contribution.

During the year, more than 50 talks were arranged.

Members of the Working Group:

Serina K.S. CHAN (*Chair from December*)
Ann M.S. YEUNG (*Chair until November*)
Nadine LAI (*Vice-Chair from November*)
James K.T. WONG (*Vice-Chair until October*)
Nicholas H. F. CHAN

Stanley W.L. CHAN
Eric C.H. HEUNG
Frederick C.K. HUI (*resigned in October*)
MAK Hon Ming (*resigned in October*)
Cecilia G. WONG

Secretary: Assistant Director, Communications and External Affairs



Working Group on Community Talks and Services

This new Working Group was formed to combine the activities of two previous working groups responsible for organising mental health talks and elderly visits. Its mandate was to explore partnership with local NGOs and promote voluntary service among members of The Law Society in serving underprivileged groups.

Before forming the new working group, the mental health and elderly visits working groups have launched a few initiatives in the year under review, such as talks on mental health issues and elderly visits. The dedicated efforts of members of the two working groups chaired by CRC Members Isabella Chan and Sauw Yim were greatly appreciated.

STANDING COMMITTEE ON EXTERNAL AFFAIRS

Members of the Working Group

Maggie Y.T. TSUI (*Chair from November*)
SAUW Yim (*Vice-Chair from November*)
Alex W.L. CHAN
Doreen Y.F. KONG (*resigned in October*)
Anthony W.M. KWAN

Nadine LAI
James K.T. WONG
Nathan S.K. WONG
Matthew K.W. YIM
Victor C.K. YAU

Secretary: Assistant Director, Communications and External Affairs



GREATER CHINA LEGAL AFFAIRS COMMITTEE (“GCLAC”)

There were changes in the membership of the GCLAC from June following the election of the new Law Society Council. Mr. Ambrose Lam stepped down as chair of GCLAC after his successful election as the President of The Law Society in May. Mr. Thomas So succeeded him as the new chair.

A member Ms. Christine Wong also retired from GCLAC this year, and Mr. Franki Cheung was co-opted to fill the vacancy.

The calendar of the GCLAC remained quite full in 2013 dominated by outbound and inbound visits as well as staging the annual “Cross Strait Four Regions Young Lawyers Forum”. During the year, GCLAC received more than 25 groups of visitors from Mainland China, namely officials and members of lawyers associations from various provinces and cities. Through these visits, relationship between the parties concerned was further enhanced and useful exchange on the latest development on the legal profession in both regions was conducted.

Members of the GCLAC

Ambrose S.K. LAM (*Chair until June*)

Thomas S.T. SO (*Chair from July*)

Emily Y. M. LAM (*Vice-Chair*)

TSUI Kei Ping (*Vice-Chair*)

James K.T. WONG (*Vice-Chair*)

Hugo S.K. CHAN

Kenneth Y.H. CHAN

Rico W.K. CHAN

Charles C. C. CHAU

Neville C.H. CHENG

Franki W.C. CHEUNG (*joined in October*)

Anthony W.K. CHOW

Hannah C.L. HA

Stephen W.S. HUNG

IP Shing Hing

Carmen W. M. KAN

Fred K.C. KAN

William C.W. LAM

Brian C.S. LEUNG

Elsie O.S. LEUNG

Alexandra D.W. LO

Sylvia W.Y. SIU

Henry Y.H. WAI

Christine P.W. WONG (*resigned in September*)

Tony Y.H. YEN

Simon S.M. YEUNG

Secretary: Assistant Director, Communications and External Affairs

Cross Strait Four Regions Young Lawyers Forum

GCLAC co-hosted the 3rd “Cross Strait Four Regions Young Lawyers Forum” with the Young Solicitors’ Group (“YSG”) on 28 and 29 October. This year, an impressive line-up of prominent speakers from the four regions was presented and the programmes were well-planned to make the forum a resounding success.

As in previous years, the forum attracted a sizable audience with the bulk of participants from the Mainland and Hong Kong. Besides attending the one-day forum on 29 October, participants also have the opportunity to visit the Hong Kong Stock Exchange and law firms as well as joining the networking reception on 28 October. PRC participants from Mainland lawyers associations also visited The Law Society.

STANDING COMMITTEE ON EXTERNAL AFFAIRS

Members of “Cross Strait Four Regions Young Lawyers Forum” Organising Committee:

Charles C.C. CHAU (*Chair*)
Ambrose S.K. LAM (*Advisor*)
Neville C.H. CHENG
Chester T.Y. HUI
William C.Y. KONG
Anita Y.Y. KWOK
Edwin W.Y. KWOK
Nadine LAI
Cammie K.Y. LEUNG

Dantes W.C. LEUNG
Daniel K.M. SHUM
Raymond C.P. SIU
Jane L.H. TAN
Christine P.W. WONG
James K.T. WONG
Priscilla T.T. WONG
Victor C.K. YAU



“Smart Hong Kong” Roadshow in Guangzhou

President Ambrose Lam and Chair of the Standing Committee Huen Wong participated in the “Smart HK — Guangzhou” Roadshow organised by the HKTDC and supported by the Guangdong Government, local trade organisations and The Law Society in late August. The Law Society took up a promotional counter to introduce its activities, the Hong Kong legal profession and legal advisory services provided by Hong Kong lawyers to business people based in Guangdong and other major cities in the Pearl River Delta region.



Signing of Cooperation Agreements

During the year, The Law Society signed cooperation agreements with the following parties in the Greater China region:

- The Kaohsiung Bar Association signed a cooperation agreement with The Law Society in July in Hong Kong
- President Wang Junfeng of the All China Lawyers Association was in Hong Kong in late October to sign the cooperation agreement with The Law Society represented by President Ambrose Lam. This was an important milestone in the history of both organisations in that it did not only bring the two parties closer in friendship terms but also paved way for potential collaborations between lawyers from the Mainland and Hong Kong
- The Guangxi Lawyers Association and The Law Society signed a cooperation agreement in November to foster relationship between the two professional bodies
- A Framework Agreement with the Shenzhen Lawyers Association (“SLA”) on the establishment of the Qianhai International Academy of Law was signed in December

STANDING COMMITTEE ON EXTERNAL AFFAIRS



Participation in Mainland Events

Throughout the year, GCLAC organised the following activities in the Mainland:

- A visit by the Criminal Law & Procedure Committee to Shenzhen visiting the local authorities and the SLA in March
- Visits by the President and/or Vice-Presidents to Nanning, Guangxi in June, August and November for establishing network with the Guangxi Lawyers Association, attending the ASEAN Expo and signing a cooperation agreement with the Guangxi Lawyers Association during the HKSARG Business Symposium in Guangxi respectively
- President and Vice-President's official visit to Beijing in early October for the celebration of the National Day of the PRC
- President's participation in the Hong Kong Coalition of Professional Services delegation to Beijing in mid December. Ms. Serina Chan, Vice-Chair of YSG, was also a member of the delegation
- GCLAC Member William Lam's participation in the "China and Hong Kong Services Sector Trade Show" in Beijing in late May. The trade show was organised by the HKTDC in collaboration with the Ministry of Commerce of PRC
- President's participation in the London leg of "Hong Kong-Mainland Joint Investment & Partnership Mission to Europe" organised by HKTDC in late November
- President's visit to Shenzhen for meetings with the SLA during the year and for signing a framework agreement with SLA on the establishment of the Qianhai International Academy of Law in late December
- A talk delivered by Council Member Billy Ma to members of the SLA on Hong Kong legislation concerning conveyancing projects



STANDING COMMITTEE ON EXTERNAL AFFAIRS



Mainland Visitors

During the year under review, GCLAC has received 24 groups of PRC visitors including officials from the Central Government, Ministry of Justice, representatives from various provincial and municipal lawyers associations, senior judges, and students from the Mainland. These meetings were useful in furthering the relationship between The Law Society and the PRC parties concerned.



STANDING COMMITTEE ON EXTERNAL AFFAIRS



STANDING COMMITTEE ON EXTERNAL AFFAIRS



INTERNATIONAL LEGAL AFFAIRS COMMITTEE ("ILAC")

The Law Society was very active in participating in international affairs and reaching out to legal professional bodies around the world in 2013. The ILAC, a Sub-Committee under the Standing Committee, was responsible for coordinating activities in the international arena.

Members of the ILAC:

Joseph C.W. LI (*Chair*)
Gavin P. NESBITT (*Vice-Chair*)
Bonita B.Y. CHAN
CHAN Chak Ming
Simon CHAN (*joined in October*)
Jeckle CHIU (*resigned in December*)
Kenneth Y. CHOY
Geoffrey S. GREEN (*resigned in March*)
GU Jing

Lester G. HUANG (*resigned in December*)
Frederick K.C. KAN
Alan H. LINNING
Melissa K. PANG
Robert C. RHODA (*joined in October*)
Cynthia Y.S. TANG
Jean H.C. WONG
Philip W.C. WONG

Secretary: Director of Communications & External Affairs

“Think Asia, Think Hong Kong” — New York & Los Angeles

The Law Society was a supporting organisation of “Think Asia, Think Hong Kong” in New York and Los Angeles, a major promotional event organised by HKTDC in mid June for promoting Hong Kong services to businesses in the US market. A four-member Law Society delegation participated in the event and delivered speeches to promote Hong Kong legal services.

The Law Society also set up a consultation counter on site with The Law Society delegates attending to enquiries from local participants. Their enquiries were mainly about (1) setting up a company in Hong Kong; (2) arbitration service for American companies doing business in Mainland China; (3) patent and copyright; (4) foreign lawyers qualifying in Hong Kong; and (5) the functions of The Law Society of Hong Kong.

Two delegates later joined the “Hong Kong — Guangdong Joint Investment Partnership Mission” in Toronto which was a tag-on event to the “Think Asia, Think Hong Kong” Roadshow. Their participation helped delegates from Guangdong enterprises understand that using Hong Kong as a platform would be of advantage to PRC companies intending to develop their business in international markets.



“Business Opportunities for Hong Kong Law Firms in Spain”

At the invitation of the Spanish Trade Commission in Hong Kong, The Law Society supported the “Business Opportunities for Hong Kong Law Firms in Spain” that the Commission organised in Hong Kong in late October. Fourteen Spanish law firms introduced their services at the event and also attended on site one-to-one meeting with participating Hong Kong firms.

Participation in International Conferences and Meetings

In 2013, the following visits to and attendance of various international conferences and meetings by Law Society representatives were coordinated under ILAC:

- Attendance by Law Society delegates including young lawyers to conferences hosted by the International Bar Association (“IBA”), Union Internationale des Avocats, Inter-Pacific Bar Association (“IPBA”), LAWASIA, POLA, Commonwealth Lawyers Association, American Bar Association (“ABA”) and the International Association of Young Lawyers. The delegations were either led by the President or Vice-Presidents

In attending the ABA annual meeting in San Francisco, USA, The Law Society also co-hosted a panel discussion with the International Business Law Section of ABA on “Hong Kong — Gateway to Mainland China”. President Ambrose Lam and ILAC Chair Joseph Li together with ILAC Members Kenneth Choy and Jean Wong were panel speakers. Prior to attending the annual meeting, ILAC also coordinated a series of articles for publication in the official journal of the ABA International Business Law Section to promote the capability of Hong Kong lawyers to their counterparts in the United States

- President Ambrose Lam, Secretary General Heidi Chu and the Director of Compliance Margot Tung attended the 2nd International Legal Regulators Conference organised by the Solicitors Regulatory Authority, UK in San Francisco, USA in early August
- President and one of the Vice-Presidents have attended the opening of the legal year ceremony in Malaysia, Singapore, UK and Paris at the invitation of the local bar associations
- Attendance to LAWASIA EXCO meetings by Council Member Melissa Pang who is The Law Society’s official representative in the EXCO
- Attendance to the mid-year meeting of the IPBA by Council Member Huen Wong who represented The Law Society in IPBA as its Vice-President
- At the invitation of the Korean Consulate General Office in Hong Kong, President Ambrose Lam and Hon. Member Elsie Leung gave lectures to officers from the Korean Ministry of Justice and law students at the Seoul National University School of Law when visiting Seoul in September. Their lectures focused on the topics of “Lesson for Korea and ways to strengthen cooperation between Hong Kong and Korea” and “Transnational aspects of legal service” respectively
- Vice-President Stephen Hung attended the 1st International Lawyers Forum hosted by the German Federal Bar in March
- Representing The Law Society, Council Member Sylvia Siu attended the gender session as a speaker at the IBA-JFBA Conference in Tokyo in November

STANDING COMMITTEE ON EXTERNAL AFFAIRS



Overseas Visitors

In 2013, ILAC received some overseas visitors including JUDr. Ing. Miloš Olík, LL.M. and Dr. Ludovit Micinsky V. from the Rowan Legal law firm in Czech Republic in July and Mr. Paul Schabas, Bencher of Law Society of Upper Canada in October.



Communications and External Affairs Department

STANDING COMMITTEE ON MEMBER SERVICES

The Standing Committee formulates and oversees the implementation of strategies and programmes that enhance members' benefits and interests. It is the Standing Committee's mission to provide the best benefits for our members and to unite them with a common goal of developing the legal markets locally and internationally. The Standing Committee also makes recommendations to other Standing Committees on issues pertaining to members' legal practice. The Standing Committee met 12 times in 2013.

Standard Chartered Marathon 2013

For the first time, The Law Society formed a team of about 100 runners consisting of members, their family members and law firm staff to join the Standard Chartered Marathon 2013. The Law Society also reserved a marquee close to the finishing point offering drinks and fruits, and a place for rejuvenation to the team and member runners.



Members' Forum and Dinner Gathering

The Standing Committee organised a large scale Members' Forum and Dinner Gathering on 17 September. More than 100 members attended, each contributed at least one suggestion on how The Law Society could serve members better. At the "Dialogue with the President: What Can We Do for You?" session, members raised questions on the floor with President Ambrose Lam together with Vice-President Stephen Hung, Council Members Ms. Melissa Pang and Mr. Charles Chau, Ms. Bonita Chan, Chair of the Member Benefit Committee giving answers on the spot.

STANDING COMMITTEE ON MEMBER SERVICES



The Law Society received more than 100 suggestions and prizes were presented to the Best Three Suggestions. The Standing Committee will work with other Standing Committees to put the suggestions into action if practicable. The first to introduce was the Member Wellness Programme and a new Working Group was formed in October.

The Standing Committee is making the Forum a regular event and will continue to organise the Forum next year.

STANDING COMMITTEE ON MEMBER SERVICES

New Working Parties/Groups

This year, the Standing Committee established the following Working Parties/Interest Groups to cater for the needs of lawyers and lawyers-to-be:

1. a Foreign Lawyers Interest Group was set up under Member Benefit Committee to look after the needs and interest of registered foreign lawyers;
2. a Law Society Publications Working Party to plan and oversee the preparation, completion and release of Law Society publications;
3. a Working Party on Student Membership to enhance the services and benefits to student members; and
4. a Working Group on Online Recruitment Services to create an online recruitment platform for members.

Members of the Standing Committee and their meeting attendances during the year:

Huen WONG (<i>Chair until July</i>)	(7/7)
Melissa K. PANG (<i>Chair from August</i>)	(11/12)
Eliza L.S. CHANG (<i>Vice-Chair until August</i>)	(11/12)
Charles C.C. CHAU (<i>Vice-Chair from September</i>)	(8/12)
Bonita B.Y. CHAN	(10/12)
Bonnie J.Y. CHAN (<i>joined in January</i>)	(11/12)
CHAN Chak Ming	(11/12)
Anthony W.K. CHOW	(11/12)
IP Shing Hing	(7/12)
Ambrose S.K. LAM (<i>resigned in June</i>)	(4/6)
Andrew S.K. LAW	(10/12)
Angela W.Y. LEE	(12/12)
Daphne F.Y. LO	(4/12)
Elaine Y.M. LO (<i>joined in June</i>)	(5/7)
Amirali B. NASIR (<i>joined in September</i>)	(4/4)
Virginia M.L. TAM (<i>resigned in April</i>)	(2/4)
Cecilia K.W. WONG	(11/12)
WONG Kwok Yan	(7/12)
Rocky P.L. YUNG	(5/12)

Secretary: Director of Member Services

IN-HOUSE LAWYERS COMMITTEE (“IHLC”)

In-house lawyers (“IHLs”) include members who are qualified lawyers not in private practice. The Committee works to provide a forum for sharing of experience and resources, exchange of views and ideas in relation to the role of IHLs. It also creates a platform for the nourishing of relationships between IHLs and private legal practitioners in Hong Kong. The Committee met six times during the year.

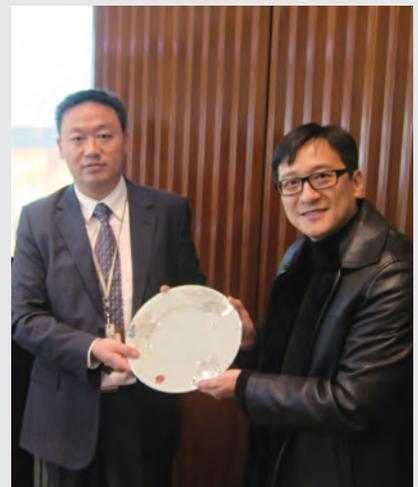
The 2013 Annual Conference of IHLC took place in September and was attended by around 400 members including over 300 IHLs. In the full day event, 14 speakers and panelists were invited to speak on topics which were of particular interests to IHLs including leadership, competition law, financial regulatory reform, employment law and stress management.



STANDING COMMITTEE ON MEMBER SERVICES



In November, the Committee organised a visit to Huawei Technologies Company Limited in Shenzhen. The day trip consisted of an office tour in Huawei, a talk by Huawei's in-house legal department on their structure and operation followed by a discussion and exchange of views and experience. 27 members joined the trip.



Members of the Committee:

CHAN Chak Ming (*Chair*)
Grand H.L. CHAN (*Vice-Chair*)
Ricky M.T. CHAN
CHEUNG Yuen Sang
Eliof S. W. FONG
GU Jing
Jasmine KARIMI
Elen LAU

Jason C.Y. LEE
Kenneth S.Y. NG
Rubya RAMJAHN
Anne SALT
Maggie Y.T. TSUI
Adamas K.S. WONG
Judy YANG
Edwin C.W. YEE

Secretary: Director of Member Services

The Committee had two Working Groups to handle specific projects of the Committee.

WORKING GROUP ON NETWORKING FUNCTIONS AND EVENTS

The Working Group works to provide networking opportunities for IHLs. During the year, the Group organised two panel discussions under the series entitled "In House Counsel: Sweat & Glory" featuring eminent IHLs as speakers. The panel discussions covered experience sharing on the following topics which were very well received:

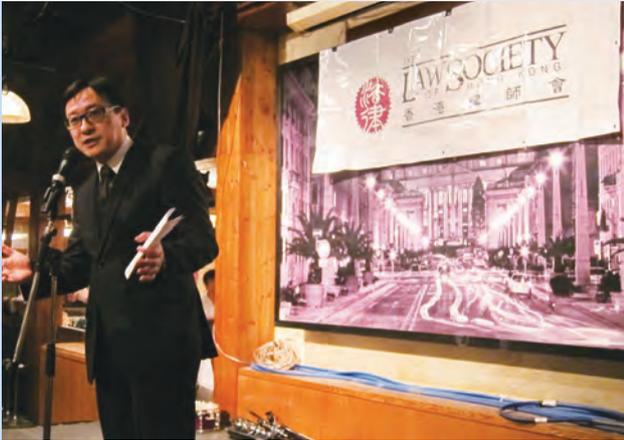
1. "Gathering Momentum — The Media and Entertainment Industry"
2. "From Lawyer to Entrepreneur — An Outlook for a Hybrid"



STANDING COMMITTEE ON MEMBER SERVICES

The Working Group organised the 2013 Annual Conference of IHLC.

In November, the Working Group held the "Sweat and Glory 2013 Finale", a cocktail reception where members had the opportunity to meet in person with distinguished speakers who participated in IHLC events this year, including the Hon Secretary for Justice Rimsky Yuen, SC, in a relaxing atmosphere.



Members of the Working Group:

Grand H.L. CHAN (*Chair*)

CHAN Chak Ming

Jason C.Y. LEE

Kenneth S.Y. NG

Anne SALT

Maggie Y.T. TSUI (*Chair of the Organising Committee of the 2013 Annual Conference*)

Secretary: Member Services Officer

WORKING GROUP ON SURVEY FOR IHLS

The Working Group conducted a Survey on IHLS in late 2012 and worked to analyse the results early this year, which were subsequently published in *Hong Kong Lawyer*. The Working Group then worked on the design of the IHLC webpage in The Law Society's website. After completing its mission in May, the Group was disbanded.

Members of the Working Group:

Grand H.L. CHAN (*Chair*)

CHAN Chak Ming

Jasmine KARIMI

Edwin C.W. YEE

Secretary: Director of Member Services

LAW SOCIETY CLUBHOUSE COMMITTEE

The Clubhouse Committee is constantly looking for ways to enhance the services of The Law Society Clubhouse to members.

The Clubhouse is open for breakfast, lunch and evening functions (alcohol serving). It provides wifi access and a selection of newspapers including South China Morning Post, Ming Pao and Hong Kong Economic Times as well as journals and magazines. The Clubhouse is not only a perfect place to unwind and relax, it is also an ideal venue for meetings and social gatherings.

Equipped with two TVs, professional PA system and adjustable lighting fixtures, the Clubhouse has become a popular venue for seminars and private parties for general members.

In 2013, The Law Society organised 34 events in the Clubhouse and general members used the venue for private functions on 73 occasions.



Members of the Committee:

IP Shing Hing (*Chair*)

Melissa K. PANG (*Vice-Chair from January*)

Bonita B. Y. CHAN (*joined in January*)

CHAN Tze Chin

Heidi K.P. CHU

Jackie T. K. LI

Annie P. Y. WONG

WONG Hang Yee

Peter K. C. YIP

Secretary: Assistant Director, Member Services

STANDING COMMITTEE ON MEMBER SERVICES

MEMBER BENEFIT COMMITTEE

The Member Benefit Committee works towards identifying services and benefits for Law Society members. The Committee's work ranges from improving personal well-being of Law Society members to business promotion and development for the profession. The Committee also makes recommendations on promotion items received by The Law Society from time to time. The Committee organised the following activities and events during the year:

MB's Café

The Committee launched a programme, named "MB's Café" in February 2012. It is a platform where celebrities, socialites and VIP speakers will be invited to chat and share their views with our members in a light-hearted and interactive atmosphere. The Committee organised two MB's Café during the year.



1. Mr. Chiu Tsang Hei, "Chiu Tsang Hei — My music world" on 27 March
2. Ms. Agnes Wu Mang-ching "Life on figures" on 26 November

Luncheon Talks, Evening Seminars and Workshops

The Committee organised the following luncheon talks, evening seminars and workshops on a variety of topics during the year.

1. Luncheon Talk "Health and Beauty" on 6 February
2. Luncheon Talk "Eye Care" on 16 September
3. Seminar and book fair with LexisNexis from 2 to 4 October



STANDING COMMITTEE ON MEMBER SERVICES

Member Benefit Summer Party 8.23 featuring Live Band "TLF"

The Committee organised the live concert with Live Band "TLF" on 23 August. Over 150 participants from The Law Society and other professions attended the concert. Participants enjoyed the evening with great music, delicate canapés and fine wine.



STANDING COMMITTEE ON MEMBER SERVICES

Member Benefit “The Law Society Christmas Party 2013”

The Committee organised the 3rd Christmas Party at Hard Rock Café, Lan Kwai Fong, on 16 December. Over 380 participants attended the party. The Hon Chief Justice Geoffrey Ma and the Hon Secretary for Justice Rimsky Yuen, SC attended as our special Guests of Honour. Participants enjoyed the night with live music, free wine, buffet dinner and Christmas prizes.



Outing activities

The Committee organised three outing activities during the year.

1. *Visit to Andy Warhol Exhibition*

The Committee organised a group visit for members to the art exhibition of Andy Warhol at Hong Kong Museum of Art on 16 February. Members enjoyed the exhibition and positive feedback was received.



2. *Programmes for Members' Children*

The Committee organised a visit to Central Fireboat for members' children on 20 April. The visit was well-attended with members and their children. Certificates of Attendance were presented to all members' children who participated in the event.



STANDING COMMITTEE ON MEMBER SERVICES

3. *Visit to Hong Kong International Airport*

The Committee organised a guided tour for members to Hong Kong International Airport on 16 November. The guided tour was informative and most enjoyable.



Other Benefits/Events Offered by the Committee:

- (1) January — Free lai-see packets
- (2) 12 January — Maserati test drive
- (3) May — Complimentary tickets of Art Basel 2013
- (4) June — Complimentary tickets of ITE & MICE 2013
- (5) 15 to 16 June — Complimentary tickets of King Yin Lei 2013
- (6) October — Complimentary tickets to Fine Art Asia 2013
- (7) 15 December — Infiniti test drive

FOREIGN LAWYERS INTEREST GROUP

The Committee formed the Foreign Lawyers Interest Group this year to cater for the needs of foreign lawyers by providing a forum for networking, sharing of experiences, exchange of views and ideas amongst those who have registered with The Law Society as a foreign lawyer.

Members of the Committee:

Bonita B.Y. CHAN (*Chair*)
CHAN Tze Chin
Angela W.Y. LEE
Daphne F.Y. LO
Melissa K. PANG
Adamas WONG
Annie P.Y. WONG
WONG Kwok Yan
Ada C.M. WU
YU Tat Man

Secretary: Member Services Officer

PRACTICE MANAGEMENT COMMITTEE

The Practice Management Committee is dedicated to serving members in best-practice endeavours. The scope of its work includes guiding members to set up and run a legal practice, increase profitability, implement a good practice system, manage risks in practice, enhance services to clients, motivate staff and manage finance and information. It aims at helping law practices to achieve practice management excellence. It formulates guidelines and practice manuals and organises training programmes, seminars and conferences on practice management. The Committee met five times this year.

Acting on members' demand in the survey conducted on legal process outsourcing in 2012, the Committee organised two seminars on legal process outsourcing in September. The seminars were well received.



In October, the Committee engaged a management consultant to conduct a study to identify pressing issues of concern to sole proprietors and law firms with up to five partners. The consultant visited 17 small to medium sized law firms from November to December. The report, with recommendations regarding options for developing appropriate strategic and remedial responses and programmes for these law firms, will be released in 2014.

During the year, the Committee also considered the issue whether the bundling of The Law Society's membership with the issue of practicing certificate would be anti-competitive; and practice issues involved in running cyber law firms in Hong Kong.

The Committee will continue to work on new interfaces on The Law Society's practice management webpage.

The Committee has set up a new Working Party on Alternative Business Structure and a Young Partners Roundtable during the year.

STANDING COMMITTEE ON MEMBER SERVICES

Members of the Committee:

Virginia M.L. TAM (*Chair until April*)
Elaine Y.M. LO (*Chair from May*)
Eliza L.S. CHANG
Charles C.C. CHAU
David J. FLEMING
IP Shing Hing

Ambrose S.K. LAM (*resigned in June*)
NG Ching Wo
Kenneth S.Y. NG
Melissa K. PANG
YEUNG Man Sing

Secretary: Director of Member Services

ISLAMIC FINANCE WORKING PARTY

The Working Party was formed in 2012 to provide recommendations on the legal development of Islamic financial products and services in Hong Kong. The Working Party aims to equip members with updated knowledge and insights in the rapidly growing Islamic finance market in Hong Kong. The Working Party works closely with financial institutions, government, NGOs, international organisations and universities relating to Islamic finance. The Working Party also meets with lawyers from local firms and overseas lawyers to discuss developments in Islamic finance globally and the foundation that already exist in Hong Kong for Islamic finance, such as the issue of halal certificates.

The Working Party conducted an orientation seminar in January to introduce Islamic finance and its development to members.

In July, a networking reception was held with more than 40 guests from various consulates, government bodies, financial institutions and members attending. On the same day, the Inland Revenue and Stamp Duty Legislation (Alternative Bond Schemes) (Amendment) Ordinance 2013 — Ordinance No. 10 of 2013 incorporating comments of this Working Party was published.

The Working Party co-organised a 3-hour seminar with the Hong Kong Academy of Law Limited (“Academy”) on the legislative proposals in the Ordinance in August.



STANDING COMMITTEE ON MEMBER SERVICES



Members of the Working Party:

Amirali B. NASIR (*Chair*)
Davide BARZILAI
Balbir S. BINDRA
John S. GALE

Gregory P. MAN (*joined in November*)
Kingsley T.W. ONG (*joined in November*)
Benjamin J. SANDSTAD
Edmond M. Y. YEUNG

Secretary: Director of Member Services

STANDING COMMITTEE ON MEMBER SERVICES

WORKING PARTY ON ALTERNATIVE BUSINESS STRUCTURE (“ABS”)

The Working Party was established under the Practice Management Committee to consider the global trend to allow solicitors practicing as ABS and the desirability and feasibility of Hong Kong solicitors practicing as such with a view to making recommendations on whether such new business models could and should be applied in Hong Kong; and to consider the impact of foreign ABS setting up in Hong Kong and make recommendations to Council on policies and matters pertaining thereto.

Members of the Working Party:

Ambrose S.K. LAM (*Chair*)

Denis G. BROCK

Charles C.C. CHAU

Heidi CHU

Stephen W.S. HUNG

Elaine Y.M. LO

Peter C.L. LO

Sylvia W.Y. SIU

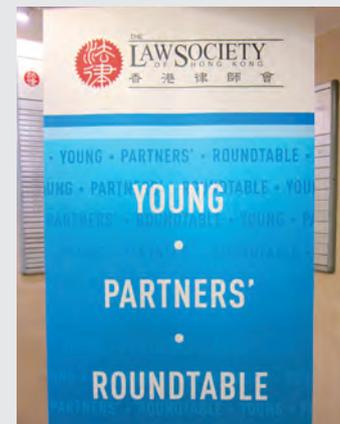
Virginia M.L. TAM

Secretary: Director of Member Services

YOUNG PARTNERS ROUNDTABLE (“YPR”)

YPR was established this year under the Practice Management Committee to serve the needs and interests of members who have been admitted to partnership or have set up their own practice for 5 years or less (“young partners”). Its mission is to facilitate the career development and enhance the business network of young partners; and promote their knowledge of law, managerial skills, leadership ability and practice by offering diversified services and activities to young partners and providing support to them.

In June, YPR held an Inaugural Reception where young partners and other young elites in their respective fields were invited to attend and commemorate the establishment of the YPR. The YPR Facebook Page was also set up to provide a platform for young partners to exchange ideas.



Members of YPR:

Charles C.C. CHAU (*Chair*)
Raymond C.P. SIU (*Vice-Chair*)
Malcolm T.C. CHIN
Heidi H.Y. CHUI

Nelson H.Y. CHUNG
Brian P.C. HO
Rita M.W. KU

Secretary: Member Services Officer

PRO BONO COMMITTEE

The Pro Bono Committee reviews the types of pro bono work undertaken by the profession, promotes public awareness of members' pro bono services and encourages participation by the profession in pro bono work.

During the year, the Committee reviewed various pro bono schemes in which The Law Society has organised and/or coordinated participation by its members. They included the Advisory Service of Property Management Advisory Centre ("PMAC"), the Duty Lawyer Services, Personal Injury Helpline, Free Legal Helpline, Free 45 minutes Legal Consultation, and various English legal education programmes for secondary students.

The Committee conducted a survey of all members by the end of the year on whether they had performed pro bono work and the number of hours involved. Over 2,600 responses were received. 36% of those responding confirmed in the affirmative. The majority of them has performed up to 20 hours of pro bono work in the last 12 months.

On 24 September, the Committee together with the Constitutional Affairs and Human Rights Committee met with representatives of the Equal Opportunities Commission ("EOC") to discuss the issue of sexual minority discrimination. The Committee will discuss with EOC further on how to offer assistance to the sexual minority.

Helplines

Following the success of the three months' trial period starting from mid-May, the Committee established the Free Legal Helpline in late August offering pro bono legal advice to the public on personal injury, matrimonial law and criminal law. Up to end of December, more than 1,400 calls had been handled through the Helpline.

The Committee also manned the Personal Injury Helpline which commenced service in 2009.

Collaboration with Hong Kong Council of Social Service ("HKCSS")

This year, the Committee extended its collaboration with HKCSS and started conducting a series of seminars for these NGOs in the 4th quarter. The first seminar was held on 9 October on the topic of organizing and attending assembly, demonstration and social movement. About 40 participants from NGOs attended the seminar.

Collaboration with the Education Bureau: English Programme for school students at Workplace of Volunteers

The Law Society recruited law firms and lawyers to co-organise visits to law firms by secondary students jointly with the Standing Committee on Language Education and Research ("SCOLAR") of the Education Bureau. In addition to providing an English speaking occasion for students, participating law firms and volunteers also introduced the legal profession to the younger generation. Eight law firms participated, benefiting 150 students from 15 secondary schools.

STANDING COMMITTEE ON MEMBER SERVICES

Members of the Committee:

Melissa K. PANG (*Chair*)
Sylvia W.Y. SIU (*Vice-Chair*)
Peter H.C. BARNES (*resigned in March*)
Patrick M. BURKE
Serina K.S. CHAN
Eric T.M. CHEUNG
John E. DAVISON
Junius K.Y. HO (*joined in July*)
Anthony W.M. KWAN

Alexander H.S. LEUNG
Angelyn A.L. LIM
Daphne F.Y. LO
Urszula MCCORMACK
Rendy K.M. NG
Jelita E.R. PANDJAITAN
Alan G. SCHIFFMAN
Amy Y.T. SUPANGKAT

Secretary: Director of Member Services

The Committee has formed four Working Groups to handle specific projects.

WORKING GROUP ON SEMINARS FOR SOCIAL ENTERPRISES

The Working Group aims at assisting social enterprises on legal issues involved in their operation.

The Working Group reviewed the feedback from the participating social enterprises in the seminars given in 2012 and, together with HKCSS, decided to transform the seminars to workshops focusing on day-to-day legal issues faced by social enterprises in the retail sector.

The workshops are scheduled for 2014 and will cover such areas as consumer protection contract, product liability and intellectual property matters. They will be given in association with HKCSS.

Members of the Working Group:

John E. DAVISON (*Chair*)
Serina K.S. CHAN
K.M. CHI
Teresa C.W. CHU
May M.Y. LUN

Rendy K.M. NG
Cindy SHAMMALL
Kirindi Y.T. TANG
Stephen M. VINE

Secretary: Member Services Officer

WORKING GROUP ON PRO BONO WEBPAGE

The Working Group continued to work on the Pro Bono webpage on the members' zone of The Law Society website to encourage participation by members in pro bono work and promote public awareness. This year, the Working Group has invited more than 120 law firms to provide details of their pro bono initiatives to be posted on the webpage.

Members of the Working Group:

Patrick M. BURKE (*Chair*)
Peter H.C. BARNES (*resigned in March*)
Serina K.S. CHAN (*joined in August*)

May M.Y. LUN
Rendy K.M. NG (*joined in August*)
Jelita E.R. PANDJAITAN

Secretary: Member Services Officer

WORKING GROUP ON PRO BONO PROJECTS ON BUILDING MANAGEMENT WORK

The Working Group oversees the pro bono projects in relation to building management. It met with the relevant authorities including the Home Affairs Bureau and the Housing Society with a view to expanding the scope of legal service in building management work. During the year, the Working Group organised two seminars to update panel members of the PMAC on the new developments and legislations in the building management spectrum.

Members of the Working Group:

Alexander H.S. LEUNG (*Chair*)

Junius K.Y. HO

Anthony W.M. KWAN

Melissa K. PANG

Secretary: Director of Member Services

WORKING GROUP ON INSURANCE FOR PRO BONO WORK

The Working Group reviews the regulatory framework relating to professional indemnity and insurance arrangement and coverage to ensure that members are sufficiently covered when they carry out pro bono services.

The Working Group aims to submit a report to Council in the first half of Year 2014 making recommendations on an insurance scheme which covers members in carrying out pro bono services in NGOs registered with The Law Society.

Members of the Working Group:

Eric T.M. CHEUNG (*Chair*)

Peter H.C. BARNES (*resigned in March*)

Patrick M. BURKE

Secretary: Director of Member Services

PRO BONO AND COMMUNITY WORK RECOGNITION COMMITTEE

The Committee promotes and encourages active participation of Law Society members in pro bono and community work by showing appreciation for and recognition of members, trainee solicitors and registered foreign lawyers in an annual award ceremony.

Since its launch in 2011, the Pro Bono and Community Work Recognition Programme ("the Programme") has established itself as a signature annual programme of The Law Society. The Programme's continuing growth in popularity has reached a record high in 2013, with more than 110 members and 21 law firms registered for the Programme.

Graced with the presence of the Hon Chief Justice Geoffrey Ma and the Hon Secretary for Justice Rimsky Yuen, SC the Award Ceremony of the Programme 2013 was held on 6 December at the High Court. A total of 17 law firms and 102 members received awards including the Distinguished Pro Bono Award, the Distinguished Community Service Award, the Distinguished Law Firm Award, the Individual Award and the Law Firm Award respectively. The Distinguished Awardees were selected by a judging panel comprising former Secretary for Justice Wong Yan Lung; Past Presidents Ambrose Lau and Dieter Yih; Ms Angela Lee, Chair of the Committee; and Mr. Cliff Choi, Business Director of HKCSS.

The list of awardees of the Programme 2013 is available at http://www.hklawsoc.org.hk/pub_e/probono/news.asp

STANDING COMMITTEE ON MEMBER SERVICES



Members of the Committee:

Angela W.Y. LEE (*Chair*)

IP Shing Hing

Daphne F.Y. LO

Melissa K. PANG

WONG Kwok Yan

Secretary: Assistant Director, Member Services

RECREATION AND SPORTS COMMITTEE

The Committee promotes and encourages members to take part in a wide range of recreational and sporting activities.

Throughout the year, the Committee had organised six regular meetings and captains and convenors of various teams met bi-monthly to report on the activities.

Over 430 members participated in the Recreation and Sports Programme 2013 and under which there were regular practice sessions for badminton, basketball, cycling, distance running, dragon boat, football, golf, snooker, swimming, table tennis, tennis, tenpin bowling, volleyball, Chinese calligraphy and painting, cookery, food and wine appreciation, dancing, hiking, live band, singing, Taichi and yoga.

Some of the many activities organised and participated by the Committee included the 37th New Year Winter Swimming Lifesaving Championships, China Coast Marathon & Half Marathon, Vita Green Cycling for Health Marathon Challenge 2013, Green Power Hike 2012, Standard Chartered Hong Kong Marathon 2013, 8th Beat the Banana Run, Michelin Star Cooking at Don Alfonso 1890 in Italy, 3rd Family Fun Day, 5th Guangdong Hong Kong Macau Sports Meet, 4th Legal Professional Cup Dragon Boat Race, Stanley International Dragon Boat Championships, Hong Kong International Dragon Boat Race (Victoria Harbour), Olympic Day Run 2013, Annual Swimming Gala 2013, Summer Party 8.23, Cross Harbour Swim 2013, HKMA Swimming Gala Invitational Race, Cross-Strait Lawyers' Golf Tournament 2013, Cooking Competition 2013, 8th Recreation and Sports Night, Hong Kong ITU Triathlon Asian Cup 2013, HKMA Family Sports Day 4 x 100m Invitational Race, Oxfam Trailwalker 2013, 8th Law and Order Cup, UNICEF Charity Run 2013, Macau Galaxy Entertainment International Marathon, Law Society Annual Golf Tournament 2013, and many others. These activities together with the recreational and sporting classes organised this year attracted attendance of over 800 members.



STANDING COMMITTEE ON MEMBER SERVICES



STANDING COMMITTEE ON MEMBER SERVICES



STANDING COMMITTEE ON MEMBER SERVICES

The Law Society is a member of the Recreation and Sports Club for Hong Kong Professional Bodies under which inter-professional sports and recreational tournaments are regularly held. Members benefit from healthy social exchanges with members from other professional bodies through participating in various inter-professional tournaments.

Members of the Committee:

Eliza Lai Shan CHANG (*Chair*)
Keith CHAN
Eleanor CHENG
Annivia CHIANG
Brian HO
Fred KAN (*resigned in June*)
Melissa PANG (*resigned in June*)
Roden TONG
Joshua WONG
Vivian YU (*resigned in June*)

Nick CHAN (*Vice-Chair*)
Simon CHAN
George CHEUNG
Anthony CHOW (*resigned in June*)
Stephen HUNG (*resigned in June*)
Stephanie LAU
Kenny TAM
Peter YIP (*resigned in June*)
Kinko WONG

TECHNOLOGY COMMITTEE

The Technology Committee provides technology knowhow and services to members. It met six times.

The Committee co-organised the following seminars with the Academy during the year:

- Marketing Law Firm Business on the Internet with Search Engine Optimisation on 19 January
- Ethical Issues in Computing on 24 June
- Electronic Evidence Discovery on 17 July

In April, the Law Society launched "The Law Society's Application" as a means of interactive communication with members. Nearly 1,000 members have since been using the application to communicate with The Law Society and/or sign up for Law Society events. The application is now available to both members and trainee solicitors.

The Committee considered, from technical perspective, the feasibility of running cyber law firms as well as law firms in other settings in Hong Kong with a view to lowering members' overhead by running offices without physical presence. It submitted a report "Alternative Law Firm Premises" in June to the Standing Committee.

In October, the Committee published the Software Directory and Selection Guide 2013 ("2013 Guide"), an update from its 2010 version. The 2013 Guide contains information of 24 software commonly used by law firms in Hong Kong. The purpose of the 2013 Guide is to identify the available practice management software together with their respective features/functionalities and licensing arrangements, providing a good starting point for law firms to make informed purchasing decisions.

Members of the Committee:

Andrew S.K. LAW (*Chair*)
Nicholas H.F. CHAN (*Vice-Chair*)
CHAK Man Lai
Stanley Y.S. HUI (*joined in March*)
KWAN Chiu Yin (*resigned in October*)
Pamela F. KU

William W.S. LAM
Steven K. LEE
NG Katherine (*resigned in October*)
PANG Kam Wing (*joined in March*)
Tony M.H. WONG (*joined in March*)
Dieter YIH

Secretary: Director of Member Services

LAW FIRM TECHNICAL SUPPORT INTEREST GROUP

The Committee formed a Law Firm Technical Support Interest Group for members, trainee members and law firm technical support staff. Its main function is to provide a forum for sharing of experience and resources and exchange of views relating to technological issues in legal practice.

A meeting was held on 17 April where members of the Group addressed different IT issues in their day-to-day practice. The Group also organised a forum on the topic "From IT to the Legal Field" on 12 December, sharing experience on how law firm technical support staff may further their career path by qualifying as a solicitor with practice focus on technology laws.

WORKING GROUP ON LAW SOCIETY APPLICATION

The Working Group was instrumental in the development of The Law Society's new Application for iOS and Android devices, with the objective to providing an easily accessible mobile platform to promote the services of The Law Society; to cultivate and sustain a stronger sense of belonging among members; and to strengthen the valuable bonds between The Law Society and its members as well as amongst the members.

The official Launch Party was held on 24 April spotlighting a three-minute presentation featuring the functions and content of the Application followed by the movie screening of IRON MAN 3. More than 160 passionate members joined the party and celebrated the launch of the Application.

This Law Society Application enables all members of The Law Society and trainee solicitors to access instantly Law Society circulars, *Hong Kong Lawyer*, Law List, Professional Guide, members' benefits, and various Law Society activities. As of 31 December, more than 1,000 members have activated the application to access The Law Society's information and resources.

The Working Group will continue to perfect the Application to address the needs of the profession.

Members of the Working Group:

Nicholas H.F. CHAN (*Chair*)

Grand H.L. CHAN

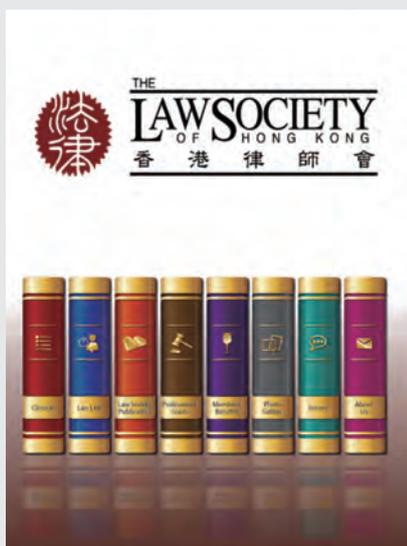
IP Shing Hing

Bonnie J.Y. CHAN

CHAN Tze Chin

KWAN Chiu Yin

Secretary: Assistant Director, Member Services



STANDING COMMITTEE ON MEMBER SERVICES

THE YOUNG SOLICITORS' GROUP ("YSG")

YSG was established to serve the needs and interests of members with less than five years' post-qualification experience and trainee solicitors. Its mission is to provide a platform to its members for sharing of experience and exchange of views and ideas, to enhance the professional and personal development of its members and to instill in our young members the idea of "service to others" by offering diversified services and activities that are of interests to and to the benefit of its members. In addition, YSG also serves as an interactive platform for our junior and senior members as well as students of the local law schools and other members of the profession. It also works with other committees of The Law Society on enhancement of relationship with young lawyers and other young professional of other jurisdictions as well as raising awareness of issues concerning young members.

YSG convened six regular committee meetings and numerous working group meetings to brainstorm, design, research, prepare and organise interesting programmes for members this year.

Enhancing Communications

Friday Lunch Gathering

Held bi-weekly, YSG's Friday Lunch Gathering is a regular event where newly qualified solicitors and trainee solicitors are invited to meet with The Law Society's Council Members, members of the Standing Committee and YSG committee members to understand more about the operation of and the services provided by The Law Society.

Welcome Drinks for Trainee Solicitors

To welcome trainee solicitors to The Law Society and introduce them to senior members of The Law Society, a Welcome Drinks was held on 7 November, with more than 120 young passionate and energetic first year and second year trainee solicitors gathered at The Law Society Clubhouse. Past Presidents, Council Members and senior members were invited to share with new members their insights of the legal profession at the event.



STANDING COMMITTEE ON MEMBER SERVICES

Communication with Law Students

Law students of The University of Hong Kong, The Chinese University of Hong Kong, City University of Hong Kong were invited to meet the committee members of the YSG and the Young Bar Committee of Hong Kong Bar Association on 12 April in a drinks gathering to enhance their understanding of the practice of law and the life of young practitioners.

On 21 January, YSG received a delegate of more than 10 law students from the China University of Political Science of Law. At the meeting, YSG introduced the legal study and framework of Hong Kong to the law students.



STANDING COMMITTEE ON MEMBER SERVICES



Joint Professional Activities

To promote a closer relationship with other young professionals, YSG jointly organised a series of events with other professional groups, such as Hong Kong Dental Association Ltd., The Hong Kong Institute of Architects, Hong Kong Institute of Certified Public Accountants, The Hong Kong Institute of Chartered Secretaries, Hong Kong Bar Association, The Hong Kong Institute of Landscape Architects, Hong Kong Institute of Planners, The Hong Kong Institute of Surveyors, The Hong Kong Medical Association, The Chartered Institute of Arbitrators (East Asia Branch), The Chartered Institution of Building Services Engineers (Hong Kong Branch), and The Institution of Civil Engineers (Hong Kong) Ltd.

Joint professional activities co-organised by YSG included:

- Joint Professional Drinks on 28 June
- “Meet the Professionals” Networking Party on 18 July
- Movie Night & Drinks on 22 November
- Various joint professional activities organised by the “One Day Seminar on Contract Management” working group, details are on page 90
- Youth Forum of the Young Coalition Professional Group (“YCPG”) of the Hong Kong Coalition of Professional Services details are on page 91



STANDING COMMITTEE ON MEMBER SERVICES

Mentorship and Buddy Programme

Since its launch in 2011, "CONNECTED", the mentorship and buddy scheme for YSG's members, has become a flagship event organised by YSG with overwhelming participation of trainee solicitors and junior solicitors. The purpose of the scheme is to provide an opportunity for trainee solicitors to meet both the younger members (their "buddies") and the senior members (their "mentors") of The Law Society and for them to establish a "mentorship to life-long-friendship relationship" through participating and interacting in a series of activities: The 2013 CONNECTED programme attracted a total of 258 mentors, buddies and mentees of different legal career background to connect with each other through the programme.

Activities organised for the CONNECTED 2013 programme included:

- Indoor Snowsports Kick-off Event on 27 April
- Wine Tasting Event on 27 July
- Bakery Class on 19 October
- Sha Tau Kok Tour on 23 November
- Social gatherings amongst mentors, buddies and mentees



STANDING COMMITTEE ON MEMBER SERVICES



STANDING COMMITTEE ON MEMBER SERVICES

Distinguished Speakers' Luncheon



On 4 May and 8 August, YSG invited the Hon. Ronald Arculli and Professor Anselmo Reyes respectively to share with young members their career and personal experiences through intimate luncheons. More than 80 members joined the events.

Seminars and fora for Young Members

One Day Seminar on Contract Management

YSG co-organised the "One Day Seminar on Contract Management" on 20 April with the young members group of The Chartered Institute of Arbitrators (East Asia Branch), The Chartered Institution of Building Services Engineers (Hong Kong Branch), The Hong Kong Institute of Surveyors and The Institution of Civil Engineers (Hong Kong) Ltd. In addition to the One Day Seminar, YSG co-organised other side events with these young groups, including indoor war game on 13 January, visit to the "Dialogue in the Dark" on 6 April and an urban organic farming class on 30 November.

STANDING COMMITTEE ON MEMBER SERVICES



Young Coalition Professional Group ("YCPG") Youth Forum

YSG co-organised the youth forum on "Opportunities and Challenges of the Young Professionals" with other members of the YCPG on 3 August.

The forum started with a dialogue session with The Hon. Chief Executive CY Leung. Other keynote speakers included The Hon. Dr. CH Leong, Honorary Hospital Chief Executive of the HKU-Shenzhen Hospital, Mr. Vincent Lo, Chair of Shui On Group, and Dr. Peter Wong, Deputy Chair and Chief Executive of The Hongkong and Shanghai Banking Corporation Limited.



STANDING COMMITTEE ON MEMBER SERVICES

IHLC X YSG: Career Conference for Young Lawyers

To provide guidance to young practitioners for their future career development, YSG and IHLC co-organised a forum titled “Stay or Change? Career Guidepost for Young Lawyers” on 8 November.

Three veteran in-house lawyers, including Mr. Kenneth Ng, General Counsel Asia Pacific of The Hongkong and Shanghai Banking Corporation Limited, Ms. Jasmine Karimi, Director and Associate General Counsel of Coach Inc and Mr. Wesley Chiu, General Counsel of SCA Asia, were invited as speakers to share their experience with members.

The forum was warmly received by members, who quickly snapped up over 100 seats. In addition to active participation during Q&A, members also seized the opportunity to network with the speakers and other participants at the accompanying drinks reception.



Community Services

Developing a sense of social responsibility and social justice in our young members' minds is at the heart of YSG. YSG promotes and encourages its members to participate in activities that seek to serve and contribute to the society. In 2013, YSG jointly organised a series of story-telling sessions with Tung Wah Group of Hospitals with the aim of strengthening the interest and confidence of kindergarten and primary school students in using English in their daily lives.



STANDING COMMITTEE ON MEMBER SERVICES



Members of the Committee:

Bonnie J.Y. CHAN (*Chair*)
Serina K.S. CHAN (*Vice-Chair*)
Winnie W.S. LO (*Vice-Chair*)
Sebastian Y.F. KO
Anita Y.Y. KWOK
Nadine LAI
Karen S.K. LAM
Stephanie W.Y. LAU

Clara G.Y. LI
Vicky W.K. MAN
Michael T.H. NGAI
Daniel K.M. SHUM
Raymond C.P. SIU
Priscilla T.T. WONG
Dominic L.K. YANG

LAW SOCIETY PUBLICATIONS WORKING PARTY

Law Society Publications Working Party was set up in 2013 to plan and publish various publications for The Law Society. This year, the Working Party has commissioned a group of contributors to compile a booklet about the solicitors' profession in Hong Kong, which is expected to be published in mid-2014.

Members of the Working Party:

Huen WONG (*Chair*)
Amirali B NASIR
Charles C.C. CHAN

Secretary: Assistant Director, Member Services

STUDY GROUP ON OFFICIAL TITLES AND CHINESE NAME OF SOLICITORS

The Study Group was formed this year to consider the official titles (English and Chinese) relating to solicitors. The Group met once in 2013 when the Chinese title of members admitted to The Law Society's Roll of Honour was considered.

Members of the Study Group

Ambrose S.K. LAM (*Chair*)
Bonita B.Y. CHAN
CHAN Chak Ming
Anthony W.K. CHOW
Virginia M.L. TAM
Cecilia K.W. WONG

Secretary: Director of Member Services

STANDING COMMITTEE ON MEMBER SERVICES

WORKING GROUP ON MEMBER WELLNESS PROGRAMME

The Working Group on Member Wellness Programme was set up in October to promote overall wellness of members through creating and implementing short-term and long-term wellness programmes and activities. The Working Group works towards identifying the needs, interest and concerns of members relating to the management of stress, mental and emotional issues as well as setting up services and/or providing other resources for appropriate management of such issues. The Working Group organised the following activities and events in November and December:



Member Wellness Programme: "Laughter Yoga Workshop" Trial Session on 21 November



Member Wellness Programme: "30-min talk plus 30-min yoga" on 2 December

Members of the Working Group:

Melissa K. PANG (*Chair*)

Bonita B.Y. CHAN

Bonnie J.Y. CHAN

Charles C.C CHAU

Angela W.Y. LEE

Daphne F.Y. LO

Secretary: Member Services Officer

WORKING GROUP ON ONLINE RECRUITMENT SERVICES

The Working Group was established by end of 2013 to consider establishing an online recruitment platform for law firm employers and member employees.

Members of the Working Group:

Andrew S.K. LAW (*Chair*)

Bonita B.Y. CHAN

Bonnie J.Y. CHAN

Melissa K. PANG

Secretary: Director of Member Services

WORKING PARTY ON STUDENT MEMBERSHIP

The Working Party was formed this year to provide recommendations to the Standing Committee on matters regarding student membership of The Law Society, including but not limited to recruitment of student members, enhancement of their benefits, and coordination of different committees on provision of better services to student members.

The Working Party is planning its activities which will be launched in 2014.

Members of the Working Party:

Charles C.C. CHAU (*Chair*)

Bonita B.Y. CHAN

Bonnie J.Y. CHAN

Eliza L.S. CHANG

Secretary: Member Services Officer

WORKING PARTY ON HISTORICAL ARCHIVE

The Working Party is tasked with recommending a policy on the establishment and maintenance of an archive for The Law Society so that materials and information of historical value can be preserved and made accessible. The Working Party will facilitate and render appropriate assistance to the establishment and maintenance of the archive; and monitor the implementation and compliance of such policy as approved by The Law Society after the archive has been established.

Members of the Working Party:

Roderick B. WOO (*Chair*)

Jenkin S.F. CHAN

Stanley W.L. CHAN

Frederick K.C. KAN

Melissa K. PANG

Secretary: Assistant Director, Member Services

STANDING COMMITTEE ON MEMBER SERVICES

WORKING GROUP ON LAW LIBRARY

The Working Group has the mission of re-organising the existing law library in The Law Society to suit members' needs. The Working Group worked on a survey which was conducted in December. More than 180 members replied providing the Working Group with useful data on how to improve the law library and its collection.

Members of the Working Group:

Daphne F.Y. LO (*Chair*)

YU Tat Man

Secretary: Member Services Officer



Member Services Department

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 reviewed the fee rates for practising certificates, membership subscription and registration of foreign lawyers and foreign firms. The Standing Committee also considered matters relating to 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 meeting attendances during the year:

Ambrose S.K.LAM (<i>Chair</i>)	(11/12)
Denis BROCK (<i>joined in June</i>)	(3/7)
Charles C.C. CHAU (<i>joined in June</i>)	(6/7)
Heidi K.P. CHU	(12/12)
Brian W. GILCHRIST (<i>joined in June</i>)	(4/7)
Junius K.Y. HO	(6/12)
Stephen W.S. HUNG	(12/12)
Angela W.Y. LEE (<i>joined in June</i>)	(5/7)
Billy W.Y. MA (<i>joined in June</i>)	(4/7)
Amirali B. NASIR	(9/12)
Melissa K. PANG	(11/12)
Thomas S.T. SO	(9/12)
Huen WONG	(10/12)
Dieter YIH	(4/12)

Secretary: Director of Finance and Administration

STANDING COMMITTEE ON POLICY and RESOURCES

ANNUAL COCKTAIL RECEPTION

Nearly 500 members and guests attended The Law Society *Annual Cocktail Reception* held on 18 November at The Hong Kong Club. The Hon Chief Executive Leung Chun Ying, the Hon Chief Justice Geoffrey Ma and the Hon Secretary for Justice Rimsy Yuen, SC graced the occasion with their presence as the Guests of Honour.



Finance and Administration Department

The Standing Committee oversees the work of 21 Committees and 11 Working Parties. It met formally on eight occasions and received reports from various specialist committees on solicitors' practices.

Law Society Circular on Cessation of Practice

The Standing Committee was invited to consider revision of the Guidance Notes on cessation of practice upon death of a sole practitioner. The Standing Committee reviewed the previous circulars on this matter, the relevant sections in the Hong Kong Solicitors' Guide to Professional Conduct (Volume 1, second edition) ("Conduct Guide") as well as Rule 5AA of the *Solicitors' Practice Rules* ("SPR") and noted various views proffered on the matter by different committees and Standing Committees. It anticipated further deliberations and will submit the matter to the Council for consideration.

Consultation on the proposal to enable locally qualified lawyers without valid practising certificates to provide pro bono legal service

The Department of Justice ("DOJ") issued a consultation paper in July on their proposal for locally qualified lawyers not holding valid practising certificates to provide certain pro bono legal services in their private capacities. Relevant legislative amendments to the *Legal Practitioners Ordinance* ("LPO") were suggested. The proposals were reviewed by various committees of The Law Society, including the Standing Committee, which raised queries as to whether these lawyers could possess up-to-date legal knowledge, have any potential conflict and also whether they could procure professional indemnity. The Consultation Paper has not addressed these issues. It has also failed to provide information on the scope of the statutory scheme under the proposal.

These comments, together with comments from other committees, were consolidated and sent to the DOJ in September.

Independent Legal Aid Authority ("ILAA")

The Standing Committee noted that the Legal Aid Services Council ("LASC") has in April received a consultancy report on ILAA. In the said report, the consultant did not recommend the establishment of an ILAA. This recommendation which was accepted by the LASC was contrary to the recommendations made by LASC earlier on the matter.

The Panel on Administration of Justice and Legal Services ("AJLS Panel") discussed this matter on 25 June. At the AJLS Panel meeting, the consultancy report was heavily criticised by the AJLS Panel members and representatives of The Law Society, the Bar Association and other stakeholders. The Government indicated at the AJLS Panel meeting that it would provide more information.

Higher Rights of Audience ("HRA")

The Standing Committee has been monitoring the implementation of the HRA and has discussed issues on possible amendments to the *LPO* on the appointment of Solicitor Advocates as Senior Counsel, the Chinese translation of the title "Solicitor Advocate", the publicity drive for Solicitor Advocates and the training available for applicants.

A Solicitor Advocates Interest Group was set up to foster the interest of those members who intended to apply to become solicitor advocates. The inaugural meeting of this Interest Group took place in April, followed by a networking session in August where Solicitor Advocates shared experience with and provided guidance to candidates seeking accreditation via the exemption route.

Practitioners Affairs — Overlap of Work

The Standing Committee received comments on the review of the overlap of work amongst various committees of The Law Society, and noted the recommendations made to reduce the overlap and to enhance the administrative efficiency and allocation of resources.

Archives Law

The Standing Committee's attention was brought to the press release issued by the Office of the Ombudsman on "Ombudsman Probes Access to Information and Records Management in Hong Kong". It noted that there was no statutory protection of archival records in Hong Kong. The Ombudsman intended to investigate the Government's records management system and its policy on archival of records. The Standing Committee informed general members of the above and invited comments.

The Standing Committee was advised that specific laws have been provided in other jurisdictions but not Hong Kong for the protection of archives. The Standing Committee agreed that provision of open and fair access to public archives was important, and that it was part of the government's public duty to ensure the proper creation, management, protection, preservation and transfer of records. The investigation by the Ombudsman was supported.

Working Party on Party and Party Rates

Members noted that the Working Party on Party and Party Rates has obtained from the consultant the finalised report, which addressed in details the low recoverability of costs by successful litigants and the erosion of the losers pay principle. Copies of the report have been sent to the Judiciary and other related parties; the report has also been circulated to general membership. The Law Society suggested a meeting with the Judiciary for a formal review of the party and party rates.

Legal Aid — Declaration System

The Legal Aid Department ("LAD") wrote to The Law Society to propose a new declaration system with a view to combating the problem of unethical touting by nomination, whereby touts and agents could dupe the successful legal aid applicants into entering retainer agreements and nominate their solicitors. LAD proposed that when an application for legal aid was approved, the successful applicant needed to make a declaration before he could select and nominate his own solicitor.

The Standing Committee noted the views of the Legal Aid Committee, the Personal Injuries Committee and the Civil Litigation Committee on the declaration system and considered that, notwithstanding the nomination sought by an aided person, the discretion of the Director of Legal Aid on assignment of panel lawyers, by virtue of section 13(1) of the *Legal Aid Ordinance*, should be exercised when the nominated solicitor was suspicious of touting. Furthermore, more emphasis should be placed on the contents of the Government's Announcement of Public Interests, in order to reinforce the messages against unethical touting. The above views were conveyed to the LAD. The Standing Committee would continue to keep in view of the issues.

Other Practice Issues

The Standing Committee also received and considered views and comments on various practice issues, including the following:

- the practical problems practitioners faced in relation to *Practice Directions P* on anti-money laundering
- guidance on the practice of storage of old files
- office securities
- use of wifi facilities in court

Members of the Standing Committee and their meeting attendances during the year:

Brian W. GILCHRIST (<i>Chair from July</i>)	3/3	Rebecca V.I. HO	5/8
Thomas S.T. SO (<i>Chair until June</i>)	4/5	IP Shing Hing	4/8
Cecilia K.W. WONG (<i>Vice-Chair since October</i>)	4/8	Kenneth H.S. NG	5/8
Melissa K. PANG (<i>Vice-Chair until June</i>)	4/5	Gavin P. NESBITT	2/8
Simon H. BERRY	6/8	Sylvia W.Y. SIU (<i>joined in August</i>)	0/2
Denis G. BROCK	4/8	Simon W.L. WONG	4/8
E. John DAVISON	5/8	Eric H.Y. WOO	4/8

Secretary: Director of Practitioners Affairs

CIVIL LITIGATION COMMITTEE

The Committee met on five occasions and conducted the rest of its business via emails.

Consultation Papers

The Committee received and reviewed various Consultation Papers from the Administration and the Judiciary, inclusive of the following:

a. *Amendment to the Companies Ordinance ("CO")*

The Administration proposed to include in the new *CO* restriction of access to personal data of directors and company secretaries, on the grounds of protection of personal data and privacy concerns. This proposal attracted much debate and discussion. It also impinged on civil litigation practice, such as service of proceedings and enforcement of judgments against bankrupt employers. The Committee, jointly with the Company Law Committee of The Law Society and the Hong Kong Bar Association, met the Registrar of Companies, the Financial Services and Treasury Bureau representative and the Honourable Member of Legco representing the Legal Functional Constituency in June to discuss the proposal and to exchange views.

After consideration, the Administration decided not to proceed with this more controversial part of the Bill. It agreed to further review the proposal. The new *CO* came into effect in March 2014 putting the rest of the provisions of the Bill into operation.

b. *Equal Opportunities Claims*

The Committee received from the Judiciary a consultation paper in June on proposed legislative amendments to the Equal Opportunity Rules. This was a follow-up on the previous consultation in 2011. In this latest consultation, the Judiciary proposed to improve relevant procedures and practices for Equal Opportunities Claims.

The Committee had a meeting with the Employment Law Committee of The Law Society. The two committees reviewed the proposed regime on requests for discovery, use of specified forms in lieu of formal court applications, requests for further particulars and the checklisting of remedies. A detailed joint submission on these issues was made to the Judiciary.

c. *Trade Description (Unfair Trade Practice) (Amendment) Ordinance 2012*

The Committee was consulted on the draft enforcement guideline issued under the *Trade Description (Unfair Trade Practice) (Amendment) Ordinance 2012*. It considered the civil compliance-based mechanism and the use of undertakings in enforcement procedures. A joint submission with the Criminal Law and Procedure Committee was made.

d. *Civil Jurisdiction*

The Committee noted the current civil monetary jurisdictional limit of the District Court had not been revisited in the past decade. The Committee believed that, with changes in the socio-economic situation of Hong Kong in this period of time, the civil monetary jurisdictional level of the District Court should be increased. At the same time, it also concluded there should be a review of the rule which provides District Court taxation rates of costs should not be more than 2/3 of the High Court scale. A submission on the above was sent to the Chief Judge.

The Committee received an interim response from the Chief Judge in November. The Chief Judge agreed the above merited serious consideration. He said he was looking at the views of the Committee.

e. *Wifi Text-based Communication*

The Committee received from the Judiciary a consultation paper on text-based communication in courtrooms. The Judiciary proposed issuing a Practice Direction to deal with the matter bearing in mind the anticipated introduction of wifi facilities into court buildings. The Committee reviewed the regulation of the use of wifi facilities in various overseas jurisdictions and suggested the Judiciary look at the experience in the UK and New Zealand. In these jurisdictions, any unauthorised transmission of court proceedings from a courtroom is prohibited, subject to a few exceptions (e.g. transmissions by lawyers).

Apart from the above issues, the Committee also discussed a wide range of topics relating to civil litigation practice:

- Liens
- Proposed amendment to the *Competition Ordinance* relating to a Competition Tribunal
- Interpleaders
- Removal of the list and index from the *Rules of High Court*
- Removal of designation (HK) in the *Rules of High Court*
- Rights of appeal to the Court of Final Appeal ("CFA") in civil matters
- Beddoe applications
- Recovery of fixed costs under Order 13A *Rules of High Court*

Members of the Committee:

Nicholas D. HUNSWORTH (*Chair*)
A. Clinton D. EVANS
Johnny C.M. FEE
D. Nigel FRANCIS
Warren P. GANESH
Joseph S.M. KWAN
Jeffrey H. LANE

Brenda F. LEE
Mark LIN
Amirali B. NASIR
Simon D. POWELL
Kenneth W.Y. WONG
Sherman C.N. YAN
Denis G. BROCK (*joined in June*)

Secretary: Assistant Director, Practitioners Affairs (II) (*until October*)
Director of Practitioners Affairs (*since November*)

COMPANY LAW COMMITTEE

The Committee reviewed and made submissions on the following:

- Hong Kong Exchanges and Clearing Limited's Consultation on Review of Connected Transaction Rules
- Hong Kong Exchanges and Clearing Limited's Consultation on Proposed Changes to Align the Definitions of Connected Person and Associate in the Listing Rules
- Specified Forms under the new CO
- Provision of Address Proof for Registration of Registered Office Address

Members of the Committee:

Patrick C. K. WONG (*Chair*)
 Elsa S. C. CHAN
 Grace K. W. CHAN
 CHAO Tien Yo
 Julia F. CHARLTON
 Paul K. Y. CHOW
 Stanley CHOW

Vincent P. C. KWAN
 Simon S. C. LAI
 Lewis T. LUK
 Gavin P. NESBITT
 Psyche C. S. TAI
 Frank K. F. YUEN

Secretary: Assistant Director, Practitioners Affairs (I)

COMPETITION LAW COMMITTEE

The *Competition Ordinance*, enacted in June 2012, is being implemented in phases to allow for the establishment of, inter alia, the Competition Commission and the Competition Tribunal before it comes into full operation.

Competition Commission

The chair of the Commission was appointed in April. It is in the process of drafting guidelines on competition to familiarise the public with the statutory requirements. The Committee will review the same as soon as the draft guidelines are ready.

Competition Tribunal

The Judiciary Administration proposed to amend the Competition Ordinance. The proposed amendments, essential to the operation of the Tribunal which is a superior court of record having primary jurisdiction to adjudicate competition-related cases, included conferring certain powers on the Tribunal/Registrar such as levying interest on debts/damages, enforcement of pecuniary penalties, prohibition of debtors from leaving Hong Kong, reimbursement of witnesses' expenses and performing judicial duties. The proposed amendments will be modelled on the relevant provisions in the *High Court Ordinance*.

For the sake of consistency, consequential amendments were also proposed by the Judiciary Administration to various ordinances:

- *LPO*: to grant HRA to Solicitor Advocates in respect of the Tribunal
- *Evidence Ordinance*: to enable the Tribunal to bring up persons in lawful custody to give evidence
- *Shenzhen Bay Port Hong Kong Port Area Ordinance*: to provide for the jurisdiction of the Tribunal in the Hong Kong Port Area in Shenzhen Bay
- *Electronic Transactions Ordinance*: to exempt the Tribunal from accepting electronic submissions.

STANDING COMMITTEE ON PRACTITIONERS AFFAIRS

The Committee reviewed the above proposals and, in principle, agreed with the Judiciary Administration. However, the Committee noted that in the proposal, it was not entirely clear whether the Registrar, senior deputy registrar, deputy registrar and any other officer such as a Bailiff of the High Court, by virtue of that appointment, were the only persons entitled to hold the corresponding office or position in the Tribunal. The Committee submitted that clarifications and/or amendments in these respects should be introduced to remove any doubt.

The Judiciary Administration in reply confirmed its policy intent that only those persons identified in section 156 of the *Competition Ordinance* are entitled to take up equivalent roles with the Tribunal and it will take into account the Committee's suggestion when drafting the legislative amendments. The Amendment Bill will be introduced into Legislative Council ("LegCo") in the 2013–14 session.

Members of the Committee:

Simon H. BERRY (*Chair*)

Nicholas H. F. CHAN

Stephen R. CROSSWELL

Martin DAJANI

Angus H. FORSYTH

Brian W. GILCHRIST (*resigned in July*)

Larry L. K. KWOK

Gavin NESBITT

Simon D. POWELL

Henry J. H. WHEARE

David P. H. WONG

Kevin K. F. YAM

Secretary: Director of Practitioners Affairs (*until September*)

Assistant Director, Practitioners Affairs (I) (*from October*)

CONSTITUTIONAL AFFAIRS & HUMAN RIGHTS COMMITTEE

The Committee met nine times during the year.

Submissions

Submissions on the following subject matters were made this year:

- | | |
|--|---------------------|
| (1) Right of Abode | 25 March and 14 May |
| (2) CAT (Ubamaka) | 23 July |
| (3) District Councils (Amendment) Bill | 28 March |

Right of Abode

The CFA delivered its judgment in *Vallejos Evangeline Banao (also known as Vallejos Evangeline B.), Domingo Daniel L. v. Commissioner of Registration and Registration of Persons Tribunal* (FACV 20/2012) in March. In this CFA case, the applicants, who were Filipino nationals, sought to argue on the unconstitutionality of the Immigration Ordinance in the light of Article 24 of the Basic Law. The CFA rejected the applicants' submission and dismissed their appeals. Before the CFA delivered its judgment, the Government requested the CFA to refer the matter to the National People's Congress Standing Committee ("NPCSC") for clarification on the rights of abode of those children born in Hong Kong to Mainland parents. This request from the Government was rejected by the CFA on a unanimous basis.

In the press statement issued on 25 March, The Law Society reiterated that, on the question of Mainland mothers giving births in Hong Kong, given the established legal principle, a referral to the NPCSC to interpret Article 24(2)(1) of the Basic Law would undermine the independence of the Judiciary and the Rule of Law; and these are the core values of Hong Kong. The Law Society urged the government not to seek a free standing interpretation of the Basic Law on those questions about which the government has originally asked the CFA to seek an interpretation.

The issue of right of abode of children born in Hong Kong to Mainland parents both of whom were not Hong Kong permanent residents was also raised at the AJLS Panel meeting in May. The Law Society submitted that the right of abode issue should be resolved in accordance with the legal principles established in the case of *Director of Immigration v Chong Fung Yuen (2001) 4 HKCFAR 211*.

Refugee Asylum Seekers

The Administration was criticised by the CFA in the judgment *Ubamaka Edward Wilson v Secretary for Security and Director of Immigration (FACV 15/2011)* on its administrative scheme on Convention against Torture ("CAT") Claims. In this regard, The Law Society advocated that the Administration should take a sensible and pragmatic step and adopt a comprehensive and procedurally fair system of assessment for these claims. It was desirable and in the best interest of Hong Kong to have in place a sound and non-porous screening mechanism to deal with all these claims for non-refoulement.

In mid 2013, the Administration announced that it intended to introduce a unified screening mechanism ("USM") to deal with all non-refoulement claims under the CAT, the Cruel Inhuman and Degrading Treatment or Punishment claims and the refugees' claims. The Law Society generally supported the proposal but considered that the implementation of the USM by an administrative scheme would be inappropriate and undesirable. The details of the USM scheme and the guidelines have not been finalised or issued by the Administration. The Committee was keeping a close watch on the details of the USM scheme when released.

District Councils (Amendment) Bill 2013

The Administration introduced the *District Councils (Amendment) Bill 2013* in February to abolish the system of appointed seats in District Councils with effect from 1 January 2016. Submissions were prepared and approved in March, expressing The Law Society's support for the proposal.

Meetings with other bodies

The Committee met with other bodies to discuss issues on constitutional and human rights affairs:

- (a) on 28 May, it represented The Law Society to attend the AJLS Panel meeting to review the issues on right of abode of children born to Hong Kong parents both of whom are not Hong Kong permanent residents;
- (b) on 10 July, it met with Hong Kong 2020 to discuss with them the issue of constitutional development;
- (c) on 24 September, together with the Pro Bono Committee of The Law Society, it had a meeting with representatives from the Equal Opportunities Commission ("EOC") to discuss pro bono services which could be available to EOC;
- (d) on 21 November, a task group of the Committee had a meeting with a task group of the Criminal Law and Procedure Committee to review a consultation paper on community drug testing scheme proposed by the Action Committee Against Narcotics; and
- (e) on 12 December, the Chair had a further meeting with the officers from the Security Bureau on the said consultation paper on community drug testing. Another meeting with representatives from the Administration was being arranged to continue the discussion on the community drug testing scheme.

Constitutional Reform

The Committee noted that a Task Force on Constitutional Development was convened by the Government in October. It was headed by the Chief Secretary for Administration with the Secretary for Justice and the Secretary for Constitutional and Mainland Affairs as members to handle the public consultation on constitutional reforms. In December, the Administration issued the consultation paper on the *Methods for Selecting the Chief Executive in 2017 and for Forming the Legislative Council in 2016*. The Committee was reviewing, from legal perspectives, those issues canvassed in the consultation paper.

Training

The Committee has been advising on the training programme for practitioners on CAT claims and refugee law. It worked closely with the Hong Kong Academy of Law Limited ("Academy") which organised a four day seminar in January. Academics and Queen's Counsel from overseas and local practitioners were invited to speak at the seminar. The seminar was well attended by more than 130 participants.

In anticipation of the launch of the USM scheme by the Administration, the Committee was working with the Academy to prepare another seminar on training for USM, which is to take place next year.

Members of the Committee:

Thomas S.T. SO (*Chair*)
BUT Sun Wai
Charles C.C. CHAU
John J. CLANCEY
Mark D. DALY
Dr. James D. FRY

Eric C. IP
IP Shing Hing
Lester G. HUANG
Raymond C.P. SIU
Kevin K.F. YAM
Dieter L.T. YIH

Secretary: Director of Practitioners Affairs

CRIMINAL LAW & PROCEDURE COMMITTEE

The Committee met on a monthly basis to discuss various issues on criminal law and practice, as well as proposed legislation on criminal law. Task groups were set up to review specific topics.

Administration of Justice (Miscellaneous Provision) Bill

In March, the Judiciary proposed to introduce an amendment bill to enhance various court-related matters: calculating the qualifying experience for the appointment of magistracies, handing down of verdicts, live television links and administration of suitors' funds etc. The Committee reviewed these proposals. While it supported most of the proposals on criminal practice, it raised concern on the proposal to equate the experience of qualified solicitors with those of the court-related officers for the appointment of special magistracies. The Committee pointed out that the nature of work done and the amount of time spent by qualified solicitors, for the purpose of appointment of special magistracies, should be given due consideration. Detailed submissions were made and sent to the Judiciary. The Judiciary was re-considering this part of the Bill.

Trade Descriptions (Unfair Trade Practices) (Amendment) Ordinance 2012

The Administration issued a set of draft enforcement guidelines under the above Amendment Ordinance to propose, among other things, a set of compliance-based enforcement mechanism. The Committee studied the guidelines and commented that, notwithstanding the introduction of a compliance-based enforcement mechanism, appropriate emphasis should be placed in the guidelines on criminal prosecution and the proposed undertaking. It also suggested to make available a database of those offending traders to the in-bound visitors.

Criminal Legal Aid

The Committee noted that the *Legal Aid in Criminal Cases Rules (Amendment Rules) 2013*, which was made by the Criminal Procedure Rules Committee on 4 October, was approved on 29 November. These amendment rules gave effect to the last biennial criminal legal aid review. Under the amendment rules, solicitors assigned to represent legally aided persons were to be remunerated according to the revised table of fees set out in the schedule to the rules. Furthermore, the Director of Legal Aid may re-determine the fees in circumstances in accordance with the rates in these rules.

In preparation for the review in 2014, the Committee issued a circular to members to invite views on criminal practice. It also held meetings to discuss various concerns on criminal legal aid, such as criteria for assignment of criminal legal aid, the rates etc. The Committee has on the other hand written to the Home Affairs Bureau to suggest discussion and meeting.

Rescue Drug Testing Scheme

The Action Committee Against Narcotics (“ACAN”) issued a consultation paper in September on a community drug testing scheme and invited public discussion on whether and, if so, how legislation should be introduced to authorise community drug testing. ACAN sought views from The Law Society.

Two task groups respectively of the Committee and of the Constitutional Affairs and Human Rights Committee were set up to examine the various proposals of the scheme. Meetings with the representatives from ACAN and also the Narcotics Division of the Administration were also held. A draft submission on the consultation paper was being prepared, to be finalised after the task groups had another meeting with ACAN and the Narcotics Division.

Excepted Offences

The Law Society received a proposal from the Law Reform Commission (“LRC”) to abolish “excepted offences”. These excepted offences were currently provided for under section 109A and 109B and Schedule 3 of the *Criminal Procedures Ordinance*. Under these provisions, suspended sentences were not available as an option in sentencing.

The Committee has already sent in submissions advising that the concepts of these excepted offences were outdated and should be repealed. The LRC has taken on board these views. The Committee supported the proposal.

E-Inquiry

The Judiciary provided e-inquiry service for criminal trials on their website. The Committee considered that more information should be made available and wrote to the Judiciary to suggest improvements. After discussion, the Judiciary agreed to enhance their website. Effective from 1 December, the names of the parties and the nature of hearings would be displayed, after they have been captured on the Judiciary’s case management system. The names of the judges hearing the case would also be released three working days before the hearing. Members were advised of these enhancements by circular.

Wifi text-based communication

The Judiciary sought views from practitioners on a draft Practice Direction to regulate text-based communication in court rooms. Since wifi facilities were to be introduced into the court buildings to enable court-users, including the public, to join and to send text-based communications, the Judiciary proposed that reasonable use of text-based communication should be allowed in the court rooms. The Committee deliberated on possible abuses of these communications and expressed concerns over the “tipping off” of witnesses in criminal trials. It suggested the Judiciary to seek reference from comparable legislation in the UK and in the New South Wales. These views, together with other observations from the Civil Litigation Committee and the Technology Committee, were consolidated and sent to the Judiciary in reply.

Criminal Practices and Procedures

The Committee also discussed various issues in criminal law and practice such as:

- The practice of obtaining transcripts for bail application pending appeal
- Interception of Communication and Surveillance Annual Report 2011
- Improvement of prison visit arrangement
- Arrangement of court hearings during gale and black rainstorm warning
- Implementation by the Judiciary on the five-day working week
- Extension of video legal visit to the Tai Lam Centre for Women

Members of the Committee:

Stephen W. S. HUNG (*Chair*)

BUT Sun Wai

Bucky K. H. CHAN

Paul M. W. LI

Fred S. N. MA

Jonathan C. Y. MOK

Kenneth H. S. NG

Andrew POWNER

Kevin STEEL

Anthony UPHAM

Michael J. VIDLER

Ben K. K. WONG

Secretary: Assistant Director, Practitioners Affairs (II) (*until October*)
Director of Practitioners Affairs (*since November*)

EMPLOYMENT LAW COMMITTEE

The Committee formally met twice during the year and conducted the rest of its business by emails.

Administration of Justice (Miscellaneous Provision) Bill

The Committee was consulted on the Bill, which included various proposals to improve the operation of the Labour Tribunal, such as clarification of the jurisdiction of the Labour Tribunal, enhancement of the case management powers of the Labour Tribunal, and also the suggestion of a general statutory duty on restriction on use of documents received in the course of the tribunal proceedings. The Committee supported the majority of the suggestions made.

The above views, together with those from different specialist committees of The Law Society on other parts of the Bill, were consolidated and sent to the Judiciary.

Review of Equal Opportunities Claim Rules in the District Court

The Committee joined the Civil Litigation Committee to review the Judiciary's proposals for legislative amendments to the *District Court Equal Opportunities Rules*, which aimed to streamline adjudication of relevant proceedings in the District Court. This exercise included consideration of:

1. issues relating requests for further particulars of a claimant's case in an equal opportunity claim;
2. new claim forms;
3. a Practice Direction; and
4. timing issues.

Views were proffered on the above, and also on the use of standardised forms in lieu of formal court applications and in relation to choice of remedies available to a claimant. The Committee hoped that the new Practice Directions would help achieve resolution of equal opportunities claims in a speedy and time-and-cost-efficient manner.

Other issues

The Committee also noted discussion by the AJLS Panel on the following:

- “continuous contract” requirement under the *Employment Ordinance*
- protection for participation in trade union activities

Members of the Committee:

Fiona M. LOUGHREY (*Chair*)

Duncan A.W. ABATE

Y.S. CHEUNG

Dennis C.K. HO

IU Ting Kwok

David A. ALLISON (*joined in May*)

Charles H. W. TO (*joined in May*)

Edward M.T. KO

Jeffrey H. LANE

Walter Y.W. LEE

WONG Kwok Yan

Melissa K. PANG

Eric A. SZWEDA (*joined in May*)

Kim BOREHAM (*joined in May*)

Secretary: Assistant Director, Practitioners Affairs (II) (*until October*)

Director of Practitioners Affairs (*since November*)

FAMILY LAW COMMITTEE

The Family Law Committee met nine times this year. In addition, it also met with government bureaux and departments to discuss issues pertinent to matrimonial practices.

LRC's Report on Child Custody and Access

The Committee has been continuing the effort to push for the implementation of the LRC's recommendations to abolish the concept of custody by introducing the new concept of parental responsibility. The Committee met with representatives of Labour and Welfare Bureau (“LWB”) in July to exchange views on the matter and understood that LWB will convene a Working Group with the DOJ to finalise policy. The Committee awaited further consultation on this matter.

CFF v ZWJ CACV 171/2012

The Committee noted this Court of Appeal (“CA”) case which arose from an appeal by the Respondent to set aside a decree absolute where the petition had been served by substituted service. In the judgment, the CA made observations on, inter alia, ex parte applications for substituted service. It stressed the importance for the applicant to give full and frank disclosure of all material facts in support of an ex parte application for substituted service. Where the applicant has improperly obtained an order for substituted service on the basis of wrong or misleading affirmation evidence, the court will set it aside.

A circular was issued to remind members of the salient issues canvassed in this judgment.

Substituted Service on the Mainland China

The Committee's attention was drawn to the difficulties matrimonial practitioners faced in serving divorce petitions in the Mainland China, by way of substituted service by publishing a notice on a Chinese language newspaper. The Committee noted that in order to comply with rule 109 of the *Matrimonial Causes Rules* and Order 11 rule 5(2) of the *Rules of District Court*, the court required evidence to support that the mode of substituted service, as abovementioned, was a valid and acceptable mode of service in the Mainland China. Apparently, there was a lack of such evidence. The Committee was considering the above and has raised this matter with the DOJ.

Article on Family Law

Members of the Committee contributed to feature articles on the South China Morning Post on matrimonial law and practice and has sent in articles on Judicious Encouragement and Hague Convention. These articles were published in June and August.

Judgment Summonses

In January, The Law Society received a letter from the District Court on its proposals to amend Order 90A of the *Rules of District Court* to remove the outdated practice and procedures of the existing judgment summonses system, particularly the Enforcement of the Maintenance Orders in Matrimonial Proceedings.

These proposed amendments to the *Rules of District Court* were supported. The Committee will monitor the further progress of the matter.

Child Abduction Legislation (Miscellaneous Amendments) Bill 2013

The Bill, which was introduced in July, aimed to amend the *Child Abduction and Custody Ordinance* and other enactments to provide for combating child abduction and for better implementation the Convention on the Civil Aspects of International Child Abduction. The amendments in the Bill were based on, inter alia, the recommendations made in the report of the LRC of Hong Kong on International Parental Child Abduction.

The Committee reviewed the Bill and sought clarification and proposed amendments on, among other things, the preamble to the amendment Ordinance, the making of the location order, the powers of the officers of the Immigration Department and the scope of the removal orders to be made under the Ordinance.

Direct Judicial Communication in International Family Disputes Affecting Children

The Judiciary issued the above draft guidance note to cover direct judicial communications between judges of different jurisdictions in cases where there were concurrent proceedings in different jurisdictions with the same parties. This practice was set up under the Hague Convention and was aimed to encourage communication with judges in non-Hague countries.

The Committee provided comments on the draft, and has made submissions to the Judiciary.

Stop Orders

The Committee took note that at the moment, the stop orders to prevent children leaving Hong Kong issued by the family courts were not standardised and from time to time, it caused inconsistency in matrimonial practice and confusion on enforcement. The Committee discussed with the family judges on the possibility of issuing a set of draft standard orders. Meetings with the Immigration Department were held in October and December to exchange views on the subject matter.

Members of the Committee:

Dennis C.K. HO (*Chair*)
Sherman CHEUNG
Winnie W.Y. CHOW
Anthony J. HUNG
Barbara A. HUNG
Jennifer W.C. IP

LAM Tze Yan
LEUNG Shek Lim
Jonathan C.Y. MOK
Catherine K.G. POR
Anne SCULLY-HILL

Secretary: Director of Practitioners Affairs

Working Group on Children's Welfare

Dennis C.K. HO

Family Court Users' Committee

Dennis C.K. HO

Jonathan C.Y. MOK

Working Group on Mediation

Catherine K.G. POR

Working Group on CDR

Dennis C.K. HO

INSOLVENCY LAW COMMITTEE

The Insolvency Law Committee conducted its business by e-mail circulation.

Touting in Bankruptcy Cases

It has been brought to the attention of the Committee that unqualified persons offered assistance and advice to people seeking to file petitions for self-bankruptcy. Such activities could constitute touting. The court documents drafted by these unqualified persons were often saddled with mistakes, thereby disrupting and delaying normal court proceedings.

The Committee met with the Registrar and Masters of High Court in February and the Official Receiver's Office ("ORO") in March to voice its concern. A circular was issued to advise members of the touting activities and invited comments.

Consultation on Legislative Proposals on Corporate Insolvency Law

The Financial Services and Treasury Bureau issued a consultation paper in July to seek the views of the public on proposals to amend and update the legislations governing corporate insolvency. The last major reform of corporate insolvency law in Hong Kong took place in 1984, which was about 30 years ago. The Administration considered it necessary to modernise the corporate insolvency legislations. An Advisory Group was formed in January to provide technical input and expert advice for consideration.

The Advisory Group, after deliberation, put forward 46 legislative proposals. These proposals covered various aspects of the winding-up proceedings and its administration. The Committee in principle supported the proposals and provided the relevant submissions to the Administration.

Reduction on Fees payable in relation to Bankruptcy and Winding-up Proceedings

The Law Society was invited by the LegCo's "*Subcommittee on proposed resolutions under the Bankruptcy Ordinance and the Companies Ordinance*" to comment on various proposed resolutions under the *Bankruptcy Ordinance* and the *CO*. These proposed resolutions aimed at reducing certain fees, deposits and charges payable to the ORO in relation to bankruptcy and winding-up proceedings. Such proposals covered 31 statutory fees, charges and deposits charged by the ORO.

The Committee supported the proposed resolutions. These fees, as revised, came into effect on 1 November.

STANDING COMMITTEE ON PRACTITIONERS AFFAIRS

Attending outside meetings

The Chair of the Committee represented The Law Society to attend various meetings with the Administration, such as the Advisory Group to advise on corporate insolvency law, the Insolvency Advisory Group to advise on the reduction of fees payable in relation to bankruptcy and winding-up proceedings and the ORO Services Advisory Committee to receive reports and to advise on the services provided by the ORO.

Members of the Committee:

Keith M.K. HO (*Chair*)

Victor K.S. CHIU (*Vice-Chair*)

Ian R. De WITT

Camille JOJO

Richard M. TOLLAN

Jimmie K.S. WONG

Secretary: Assistant Director, Practitioners Affairs (II) (*until October*)
Director of Practitioners Affairs (*since November*)

INSURANCE LAW COMMITTEE

The Committee met twice this year to continue to discuss the public consultation from the Administration on the establishment of an Independent Insurance Authority ("IIA").

Establishment of an IIA

The Committee studied the voluminous consultation paper and reviewed the various proposals put forward by the Administration. It supported in principle the establishment of an IIA, but sought clarification from the Administration on its regulatory functions, the definition of various terms, the policy objectives and the intention underlining those terminologies and concepts. It also commented upon:

- the governance structure of the proposed IIA, the licensing regime for insurance intermediaries and the regulatory powers of the IIA
- the introduction of different categories of licenced insurance intermediaries, exemption from licensing, the operation of the licensing system on their proposed regulatory powers
- the conduct requirements, enforcement and disciplinary sanctions proposed

A detailed submission was made to the Administration.

Other matter

The Committee was also consulted on the proposal by the DOJ to remove from the loose leaf edition of the Laws of Hong Kong the list of forms and the index. It supported the proposal and made the relevant submission to the DOJ.

Members of the Committee:

Martin C.V.M. LISTER (*Chair*)

Denis G BROCK

Christine M. KOO

Nicholas J.E. LONGLEY

MAK Hon Ming

Christopher A. POTTS

Gary MEGGITT (*joined in April*)

Mark F. REEVES

Rupert C. SKRINE

TSUI Kwok Sum

Shane F. WEIR

WONG Kwok Yan

Angela S.Y. YIM

Fergus F. C. LU (*joined in April*)

Secretary: Assistant Director of Practitioners Affairs (II) (*until October*)
Director of Practitioners Affairs (*since November*)

INTELLECTUAL PROPERTY COMMITTEE

Consultation on Treatment of Parody under the Copyright Regime

Concerns were raised by netizens on the *Copyright (Amendment) Bill 2011* regarding the issue of parody and their rights to have their freedom of speech protected as recognised by Article 27 of the Basic Law. The Administration introduced the Bill in the LegCo but failed to pass the Bill as filibustering had cut short the available time. In order to formulate a policy with a view to re-introducing a new amendment bill, the Commerce and Economic Development Bureau engaged the public in another consultation and published a Consultation Paper on *Treatment of Parody under the Copyright Regime*. The Consultation Paper provided an overview of the legislation in place in comparable jurisdictions and set out three options for consideration:

- (1) clarifying the existing general provisions for criminal sanction;
- (2) introducing a specific criminal exemption for parody; and
- (3) introducing a fair dealing exception for parody.

The Committee reviewed the options and considered that option (3) would be the most appropriate as this provided a balanced approach to any competing claims made by parodists and copyright owners, which would be determined by the court on a case by case basis. The Committee will monitor developments and make further submissions if necessary.

Business of Intellectual Property (“BIP”) Asia

As it did last year, The Law Society agreed to sponsor the *BIP Asia Forum 2013*. This is an annual flagship intellectual property (“IP”) event, jointly organised by the Hong Kong Trade Development Council, the Hong Kong Design Centre and the Government, to discuss the latest developments and business trends in IP worldwide. The forum took place on 5th and 6th December at the Hong Kong Convention and Exhibition Centre.

Bi-annual Meeting with Intellectual Property Department (“IPD”)

The Committee meets the IPD twice a year to discuss various IP laws, practices and related matters. Matters canvassed at the most recent meetings included, inter alia,

- Consultation on Parody
- Review of Patent System
- The use of e- filing with IPD
- The need for co-ordination between the parties for IP trading
- Review of Form T2
- Time extension applications in inter partes trade mark cases

External Representation

The Committee continued to be represented on the BIP Asia Steering Committee.

Members of the Committee:

A. Clinton D. EVANS (<i>Chair</i>)	Anita P. F. LEUNG
Steven J. BIRT	Rebecca M.C. LO
Ella S. K. CHEONG	Annie S. T. TSOI
Yvonne CHUA	Henry J. H. WHEARE
KWONG Chi Keung	Kenny K. S. WONG
Chloe Y. F. LEE	

Secretary: Director of Practitioners Affairs (*until October*)
 Assistant Director, Practitioners Affairs (I) (*since November*)

INVESTMENT PRODUCTS AND FINANCIAL SERVICES COMMITTEE

The Committee reviewed and made submissions on the following:

- Financial Services and Treasury Branch and Hong Kong Monetary Authority's joint Consultation on Stored Value Facilities and Retail Payment Systems in Hong Kong
- Securities and Futures Commission's Consultation on Professional Investor Regime and the Client Agreement Requirements
- *Securities and Futures (Amendment) Bill 2013*

Members of the Committee:

Simon H. BERRY (*Chair*)
Alan J. EWINS
Stephen M. FLETCHER
Eliof S.W. FONG
Susan J. GORDON
Peter M. LAKE

Jason C. Y. LEE
Alan H. LINNING
Gavin P. NESBITT
Sara S. M. OR
Charlotte J. G. ROBINS
Adamas K.S. WONG

Secretary: Assistant Director, Practitioners Affairs (I)

LAND USE PLANNING AND ENVIRONMENTAL LAW COMMITTEE

The Government introduced the *Air Pollution (Amendment) Bill 2013* into LegCo on 20 March. In order to bring Hong Kong's air quality in line with international standard, the Bill proposed to adopt a set of updated Air Quality Objectives ("AQOs"), subject to a transitional arrangement for designated projects with environmental permits granted under the *Environmental Impact Assessment Ordinance*. The Committee reviewed the said Bill and submitted, inter alia, that exemption from application of the new AQOs should be granted on a case by case basis. It also proposed to include "public interest" as a factor to be considered so as to allow the Government to take into account, for example, the undesirability of extensive delay caused by application of the new AQOs to the delivery of an important infrastructure project.

Members of the Committee:

John DAVISON (*Chair*)
Michael T. M. HUI
IP Shing Hing

MA Ho Fai
Andrew W. Y. NG
Christopher TUNG

Secretary: Assistant Director, Practitioners Affairs (I)

LEGAL AID COMMITTEE

The Committee met once this year, and conducted the rest of the business by e-mails.

ILAA

The LASC submitted to the Chief Executive its recommendations on the feasibility and desirability of establishing an ILAA in Hong Kong in April, together with the report of a consultancy study on the issue. The LASC agreed with the consultant that there was no immediate need to establish the ILAA. It also received recommendations from the consultant on the following: no separation of operation of the Official Solicitor's Office from the LAD; rights to be given to the LASC to nominate candidates eligible for the position of the directors; evaluation of the performance of the directors, and that the LAD should be re-positioned and placed directly accountable to the Chief Secretary for Administration.

The Committee noted with regret the LASC's agreement that there was no immediate need for an ILAA. This stance was the antithesis of the position LASC previously held since 1998, and yet no convincing reasons have been provided on the change of the position of LASC. The Committee reiterated that when a person who wished to initiate action against the government applied unsuccessfully for legal aid, he may have the perception that refusal of his legal aid application was due to the fact that the LAD was a government department and the decision on such application lacked independence.

The Committee repeated that provision of legal aid was an integral part of the administration of justice. An ILAA would ensure that those who required legal aid advice should be able to do so absent undue influence from any source and this premise was fundamental. It invited the Administration to re-consider the establishment of an ILAA.

The Committee was invited to attend a meeting of the AJLS Panel in June. The above comments were repeated to the LASC and the Administration. The Administration, who was present at the meeting, agreed to provide further information on the issue.

Unethical Touting

The Committee has been in correspondence with the LAD on the problem of unethical touting, and noted the proposal by LAD to implement a declaration/nomination system in order to combat the problem. Under this proposal, the LAD was to ask successful legal aid applicants to make a declaration in a nomination form, if they intended to nominate their own solicitors to act in their legally aided proceedings. New conditions of assignment were introduced and incorporated into the certificates of assignment.

The Committee, together with other related specialist committees, have reviewed the above proposal and made recommendations to the LAD on their proposed system. The proposal was implemented in September. The Committee was keeping in view the new declaration system.

Other Legal Aid related matters

The Committee also discussed various legal aid practice issues, such as entitlement to interest on profit costs, payment of interim payment and the amount of such payment, and solicitors' lien.

Members of the Committee:

Junius K. Y. HO (*Chair*)

Alison C. LIU

Patrick M. BURKE

Sherlynn G. CHAN

Dennis C. K. HO

WAN Charn Wing (*joined in May*)

Rebecca V. I. HO

Kenneth H. S. NG

Leslie K. L. YEUNG

Arthur K.H. HONG (*joined in May*)

Virginia W.L. SZETO (*joined in May*)

Secretary: Assistant Director of Practitioners Affairs (II) (*until October*)

Director of Practitioners Affairs (*since November*)

PERSONAL INJURIES COMMITTEE

The Committee met three times this year and discussed various issues on personal injuries practice. It conducted the rest of its business by e-mails.

Fatal Accident Claims

The Committee was advised that there were different practices of commencing a fatal accident claim without the grant of probate. These practices apparently were endorsed by different personal injury courts at different levels. There seemed to be no uniformity on procedures, and there could also be costs consequences. The Committee drew the above to the attention of the Personal Injury Judge of the High Court, and understood that the Judge was currently reviewing the practice and procedures in this regard.

Employees Compensation Assistance Scheme ("ECAS") Claims

The Committee's attention was brought to the Judgement of *Lau Yuk Hung v Tsang Kwong Ming* HCPI 284/2010, whereby the Personal Injury Judge noted that although the plaintiff was successful in his personal injury claim against the ECAS Fund Board, the ECAS Fund Board was not liable to pay interest on those damages that have been awarded, or costs incurred by the plaintiff in proving his case in court in obtaining the judgment. The personal injury Judge suggested in the judgement that steps should be taken to remedy this situation.

The Committee agreed to the above observation and wrote to the ECAS Fund Board to suggest discussion on ways to deal with the situation.

Pre-action Accident Investigation Discovery

The Committee was advised that recently, personal injuries practitioners have been facing difficulties with the law enforcement agencies and government departments in pre-action discovery/investigation. In the past, parties in a personal injuries accident could rely on the case of *Lily Tse Lai Yin and others v the Incorporate owners of Albert House and others* [1999] 1HKC 386 and seek relevant information on witnesses, investigation reports, sketch plans, etc. from the law enforcement agencies and departments. The above requests have been declined recently by the agencies and government departments, apparently on the basis of data privacy. The refusals to supply accident information in the pre-action stage seriously prejudice both the plaintiffs and the defendants in the preparation of their cases. This was also contrary to the Civil Justice Reform objectives and rendered it impossible for the parties to comply with the mandatory requirements under *Practice Directions* 18.1 and 18.2.

In recognition of the above problem, the Committee initiated a meeting with and met with the representative of the Office of the Privacy Commissioner. The Committee relayed to the Office the concern of the practitioners on the above. The Committee has also written to the DOJ and invited a meeting with them to discuss the above issues.

The Case of Chan Pak Ting

The Committee noted with keen interest the case of *Chan Pak Ting v Chan Chi Keung and others*, HCPI 235/2011 in which the Court was invited to review the use of discount rates in personal injury litigation. The discount rate was largely undisturbed since *Chan Pui Kei v Leung On* [1995] 3 HKC 732. In its very detailed judgment, the Court in this case stated that the assumption of the net rate of return of 4.5% per annum was no longer valid in Hong Kong, and observed that it was appropriate to set different discount rates for plaintiffs with different future needs.

Members of the Committee:

Mark F. REEVES (*Chair*)
Patrick M. BURKE
Eliza L.S. CHANG
Anthony L.C. CHIU
Christina W.C. HUNG
Nancy B.Y. LEUNG

Vitus W.H. LEUNG
J.C. Nicholas MILLAR
Amirali B. NASIR
Szwina S.K. PANG
Tommy K.M. WONG

Secretary: Assistant Director, Practitioners Affairs (II) (*until October*)
Director of Practitioners Affairs (*since November*)

PROBATE COMMITTEE

The Probate Committee continued to review issues and attend to members' enquiries relevant to probate practice and procedure. The Committee maintains close contact with the Probate Registry through the Joint Standing Committee on Probate Practice, which comprises the Registrar of High Court, Probate Masters, Chief Probate Officer and members of the Committee. The Committee also assisted in processing applications for publication in the weekly Enquiries from Solicitors on Wills, Codicils and other Testamentary Dispositions. A total of 398 applications were received and processed this year.

Review of the Pigeon Box System

The Committee has been reviewing, with the Probate Registry, the new arrangement for the Pigeon Box System which was introduced by the Probate Registry in October 2012. Among other things, the Request Form was revised to require both the signature of the solicitor authorising retrieval of files and endorsement of the firms' chop. This aims to tighten up security control. Furthermore, the revised Form now makes it clear that only the files where the Grant of Representation has not been issued and the withdrawn files will be kept in the pigeon box. The revised Form has been effective since January and members were informed of the same by circular.

Guide to Non-Contentious Probate Practice

The Judiciary issued the Guide To Non-Contentious Probate Practice in January. The Committee reviewed and discussed the Guide with the Probate Registry. The Probate Registry observed certain common types of non-compliance with the Guide. A Table of Statistics showing the percentage of non-compliance with reference to the relevant parts/paragraphs of the Guide and illustrating the same with examples was compiled by the Probate Registry. The Table was circulated to members to advise them of these common types of non-compliance. To further improve compliance of the registry practice, the Committee has invited the Probate Registry to conduct a seminar on probate practice and will follow up with the Probate Registry.

Fast Track List for Complicated Cases

The Probate Registry introduced a Fast Track for Complicated Cases in April for prompt and efficient handling of more complicated probate applications. The Committee reviewed the Fast Track mechanism with the Probate Registry and, in order to improve the operational efficiency, a new Form was designed for priority to process applications and setting down in the Fast Track List for Complicated Cases. The new Form became effective in October. Members were informed of this Fast Track arrangement and the related Form by circulars.

Chan Mei Ling alias Wong Ah Ho, the deceased HCAG 13429/2012

The Committee reviewed the Registrar's decision in the above case which covered a number of probate practice issues, such as the application to include an alias in the grant. A circular was issued to inform members of the decision.

Will Search Inquiry

The Committee reviewed the operation of the Enquiries from Solicitors on Wills, Codicils and other Testamentary Dispositions. To assist practitioners to identify the deceased named in the weekly Will Search Notice, the Committee revised the contents of the Notice. The deceased's date of death has accordingly been added to the Notice.

Will-writing Service

Will-writing is not a reserved activity in Hong Kong, and it is neither so in the United Kingdom. Following a consultation in the UK, the Legal Services Board in the UK ("LSB") published a final report in February and recommended that will-writing should be made a reserved legal activity, so that will-writing can only be performed by persons regulated by an approved regulator. Any bodies interested to be an approved regulator/licensing authority may apply to LSB. The Committee reviewed the report and noted that the LSB's recommendation could enable a variety of different types of providers to provide will-writing service. The Committee noted that LSB will submit its recommendation to the Lord Chancellor for consideration and will keep this matter under review.

JOINT STANDING COMMITTEE ON PROBATE PRACTICE

The Committee and the Probate Registry meet at a regular 6-month interval to maintain communications with a view to improving the quality of probate services. Matters discussed include review of the new pigeon box system, the Guide to Non-Contentious Probate Practice, common types of non-compliance with the Guide, Fast Track for Complicated Cases and proposed seminar on probate practice by Probate Masters.

Members of the Committee:

Billy W. Y MA (*Chair*)

Helen Y. P. CHAN

Viola HUNG

Patricia LAM (*resigned in February*)

NG Kin Yuen

TAM Sau Hing

TSANG Kam Chuen

Herbert H. K. TSOI

WONG Tak Shing

Secretary: Assistant Director, Practitioners (I)

PROPERTY COMMITTEE

The Committee reviewed issues and legislative proposals relating to conveyancing practice at regular monthly meetings, and also met with representatives of Government departments and other organisations on specific property-related issues. In addition, members of the Committee continued to consider and determine applications for waivers of Deed of Mutual Covenant Guidelines (448 applications) ; and applications for deviations from forms of Agreement for Sale and Purchase approved under Rule 5C of the *SPR* (1 application). Members also served on internal Working Parties, and represented The Law Society on external Committees/Working Parties on property-related issues.

Residential Properties (First-hand Sales) Ordinance

The Ordinance was scheduled to take full effect on 29 April. The Committee was given a very tight schedule to review all draft guidelines, practice notes and FAQs prepared by the Government which aimed to familiarise stakeholders with the new statutory requirements. The Committee arranged to issue circulars on the drafts in January to invite members' comments, and attended three meetings with the Government on the drafts and proposed amendments. The guidelines, practice notes and FAQs were finalised by the Government in or about early April and posted on its website. The Committee suggested workshops to brief conveyancing practitioners and other stakeholders on the new statutory requirements, and recommended the Academy to organise a CPD seminar on the Ordinance. Representatives from the Government were invited to explain the new statutory requirements. The Committee keeps in view the application of the Ordinance and work closely with the Sales of First-hand Residential Properties Authority to seek clarification of any issues arising out of the Ordinance.

Consent Scheme

In view of the changes brought by the Ordinance, the Lands Department had introduced amendments to its agreement for sale and purchase under the Consent Scheme. The Committee had reviewed those amendments and raised comments thereon.

Non-Consent Scheme

The Committee considered and approved the following documents recommended by the Working Party on Review of the Non-Consent Scheme Forms:

- (a) two new agreements designed for the sale and purchase of first-hand residential properties in uncompleted and completed development respectively; and
- (b) amendments to the Statutory Declaration in light of the new requirements under the Ordinance.

Practice Direction A12

The Committee also reviewed various forms of Warning to Purchasers under *PD* A12. Taking into account the requirements in the Ordinance and to reduce complexity and avoid confusion, the Committee consolidated all forms into one. The consolidated form took effect in October and members were informed thereof by circular.

Stamp Duty (Amendment) Bill 2012

Following the Government's announcement on 26 October 2012 to tighten up Special Stamp Duty ("SSD") and introduce Buyer's Stamp Duty ("BSD") for residential properties, the *Stamp Duty (Amendment) Bill 2012* was introduced into LegCo in January. Subject to passage of this amendment Bill, the measures are deemed to have taken effect on 27 October 2012.

The Law Society's Property Committee and Revenue Law Committee jointly reviewed the Bill and prepared submissions to the Bills Committee. In the joint submissions, the Committees expressed their concerns on the Government's failure to conduct analytical review of SSD and BSD in order to ascertain its success; there was also a lack of information from the Government on its policy. The scope of exemption was not only narrow, but also uncertain and confusing and that has made it difficult for practitioners to advise their clients.

The two Committees met the Government's representatives in June to discuss the matter further. The first proposed draft Committee Stage Amendments were introduced in or about October. The Committee reviewed the same and sought from the Government clarification on several issues including, inter alia, the admissibility of instrument not duly stamped with BSD as evidence in civil proceedings. The Committee will monitor the progress of the amendment Bill.

Stamp Duty (Amendment) Bill 2013

The third round of special measures to try to curb unhealthy property price increases — double rates for ad valorem stamp duty ("DVD") for both residential and non-residential properties — were announced by the Government on 23 February. The *Stamp Duty (Amendment) Bill 2013* implementing such measures was introduced into the LegCo on 17 April.

Both The Law Society's Property Committee and Revenue Law Committee attended a briefing session by the Government's representative in March. Two written submissions, prepared jointly by the two Committees, were made on 3 and 30 April. Apart from the narrow scope and uncertainty of the exemptions, there was also concern that the stamp duty regime has become unduly complicated and confusing. There was no sunset clause in the Bill, although DVD was said to be only a temporary measure. A further meeting with the Government was held in December to discuss the Committee's concern including all risks, uncertainties and inconveniences arising out of the delay in processing the amendment Bill. The Committee shall keep in view the progress thereof.

Hong Kong People Hong Kong Land

The Committee met the representatives from the Lands Department in March to discuss the Government's proposed scheme "*Hong Kong People Hong Kong Land*". At the meeting, the Committee raised their concern on the certainty of the scheme and the inconveniences/difficulties to the purchasers which could potentially arise out of the actual operation of the scheme. The Lands Department indicated that it would work closely with stakeholders in fine-tuning the detailed arrangements before its actual implementation.

Fully Profit (Asia) Limited v Secretary for Justice FACV 17/2012

The CFA in the above case adopted a contextual approach to interpret the term "house". This approach appeared to be inconsistent with the guidelines set out in the Lands Department's Practice Note 3/2000. The Committee considered the possible implications of the above case on conveyancing practice and wrote to the Development Bureau, asking for views and policy arising from the case. The Government replied that it has given special attention, and is considering the matter. The Committee is keenly waiting for further replies from the Government.

Consultation on Adverse Possession

The Committee and the Working Party on Land Titles Ordinance reviewed the Consultation Paper issued by the LRC on the law of adverse possession. The Committee and the Working Party considered that whilst there were advantages to retain the law of adverse possession, the law should be uniform for both regimes — unregistered and registered land. Standardisation of the law for both regimes will not only achieve consistency, but also avoid confusion. A written submission was delivered to the LRC in March.

Land Titles Ordinance

The Land Titles Ordinance Steering Committee issued a paper LTOSC No.13 in June setting out its revised proposal on the conversion mechanism and rectification/indemnity arrangement. The Committee reviewed the proposal and approved a submission prepared by the Working Party on Land Titles Ordinance.

Settlement of Rates/Government Rent at the time of Completion

The Committee took note of members' concern on the accuracy and reliability of information provided by the Rating and Valuation Department ("RVD") on arrears of Rates and Government Rent, and discussed the same with RVD. It was pointed out that the above was important in the settlement of apportionment account on completion. RVD in reply agreed to revise the disclaimer in its PIO platform on 21 March by deleting the words "*no warranty or guarantee, express or implied, is given by the RVD as to the accuracy of the information*".

Payment of SSD

Under the existing payment arrangement, payment of DVD and SSD must be made and processed together under one single application. Members expressed concerns over the inconveniences and risks which may arise out of the above payment arrangement. The Committee discussed the above arrangement with the Stamp Office. The Stamp Office agreed to introduce in July additional methods of payment; now a vendor can pay SSD to the Stamp Office separately and directly. A circular was issued in July to inform members of the above.

Valuation Clause in Tenancy Agreement/Lease

The Committee met the representatives from the Royal Institution of Chartered Surveyors ("RICS") in November to discuss the valuation clause in tenancy agreement/leases. The Committee and RICS also discussed the holding of CPD seminars on the skills of drafting valuation clause. Representatives from RICS will be invited to participate as speakers. The Committee will follow up with RICS on the proposed seminar.

Levy on Conveyancing Transactions

The Advisory Committee set up by the Home Affairs Department ("HAD") proposed to set up a mandatory licensing regime for the property management industry and to establish a licensing body to be known as Property Management Services Authority ("PMSA"). Among other things, it was proposed that the PMSA should be partly financed by levies to be imposed on conveyances on sale, as property owners should benefit from the proposed licensing system. The Committee reviewed the proposal and made submissions to HAD; it considered that there is no direct relevance between such levy and property transactions. Owners of some buildings have not appointed any manager and it is unfair for them to bear the costs of the PMSA, when they cannot benefit from the proposed licensing regime. The levy will also increase the burden of purchasers.

The Committee also considered/reviewed other property related matters, such as:

- Legalisation of oversea documents for use in Hong Kong
- Registration of Licences
- Consultation on Long Term Housing Strategy

STANDING COMMITTEE ON PRACTITIONERS AFFAIRS

External Work:

The Committee has representatives on the following group and committee:

- Land Registry Customer Liaison Group
- Land Registry Joint Standing Committee

Members of the Committee:

Emily Y. M. LAM (*Chair*)

Debbie F. CHEUNG

Keith P. K. CHEUNG (*joined in April*)

Lilian S. F. CHIANG

Doreen Y. F. KONG

Vincent W. S. LIANG

Amanda L. Y. LIU

Billy W. Y. MA

MA Ho Fai

Steven M. W. SHUM

Late Wilfred G. K. TONG (*joined in January until March*)

David P. H. WONG

Raymond M. W. WONG

Terry P. L. YEUNG

Secretary: Assistant Director, Practitioners Affairs (I)

WORKING PARTY ON LAND TITLES ORDINANCE

Consultation on Adverse Possession

The LRC issued a Consultation Paper on Adverse Possession with seven recommendations including, inter alia, that the law of adverse possession should be retained but would be recast under the prospective registered land system.

The Working Party and the Property Committee reviewed the recommendations with reference to the models and experiences in other comparable jurisdictions. A submission was made to the LRC suggesting that the law of adverse possession should be retained with uniform application to the unregistered and registered (when in operation) land system to maintain consistency and avoid confusion.

Land Titles Ordinance

After much discussion on the correct form of conversion mechanism and the rectification/indemnity arrangement, the Land Titles Ordinance Steering Committee issued a paper LTOSC No.13 on 3rd June to set out the Government's revised proposals on the 2-stage conversion mechanism and the rectification/indemnity arrangement.

The Working Party reviewed the revised proposals and submitted that, in order to maintain the certainty of registered land title and to avoid abuse of the system, a holder of subsisting interest who had registered a caution against full conversion must commence a legal action within a prescribed period and should be liable for all damages if there is any abuse. Similarly, if an owner is to be given a choice to opt out from full conversion, there must be a timeframe for exercising such option.

As to indemnity, the Government is still considering different options.

The Working Party reserved further comment on the final proposal. The Working Party also noted that the Government will launch a public consultation to be followed by drafting and introducing into the LegCo the amendment legislation.

The Working Party has representatives on the following external committees:

- The Land Titles Ordinance Steering Committee
- The Land Titles Ordinance Review Committee
- Title Registration Education Committee

Members of the Working Party:

John DAVISON (*Chair*)

Judith SIHOMBING (*Vice-chair*)

Peter P. AHERNE

AU Fun Kuen

Dora S. Y. CHAN

Emily Y. M. LAM

Ambrose S. K. LAM (*resigned in May*)

Alexander H. S. LEUNG

Vincent W. S. LIANG

Andy O. T. NGAN

Anthony H. Y. SHIN

Huen WONG

Secretary: Assistant Director, Practitioners Affairs (I)

WORKING PARTY ON REVIEW OF NON-CONSENT SCHEME FORMS

To cope with the full operation of the *Residential Properties (First-hand Sales) Ordinance*, the Working Party reviewed the Non-Consent Scheme documents under a tight schedule and recommended the following:

- two new agreements were proposed for the sale and purchase of first-hand residential properties in uncompleted and completed development respectively
- the Statutory Declaration was revised in light of the new agreements and requirements in the Ordinance

These new agreements and revised Statutory Declaration were approved by the Council and the Chief Justice and were put into effect on 29 April. Members were informed of the same by a circular. The Working Party is now conducting a further review of the Non-Consent Scheme forms.

Members of the Working Party:

Amanda L. Y. LIU (*Chair*)

Doreen Y. F. KONG

LEUNG Siu Hon

Raymond M. W. WONG

Secretary: Assistant Director, Practitioners Affairs (I)

RETIREMENT SCHEMES COMMITTEE

The Committee reviewed the following new/revised Mandatory Provident Fund Guidelines proposed by the Mandatory Provident Fund Schemes Authority and informed members of the changes to the below MPF Guidelines by circulars:

- Continuing Training for Subsidiary Intermediaries (Guidelines VI.4)
- Enrolment and Contribution Arrangements for Relevant Employees other than Casual Employees (Guidelines IV.8)
- Contribution Arrangement of a Self-employed Person (Guidelines IV.17)
- Contribution Arrangement of a Self-employed Person Who Sustains a Loss (Guidelines IV.18)
- Minimum and Maximum Levels of Relevant Income of a Self-employed Person (Guidelines IV.19)
- MPF Exempted ORSO Scheme — Preservation of Benefits (Guidelines V.4)
- MPF Exempted ORSO Scheme — Illustrative Examples (Guidelines V.5)
- Payment of Accrued Benefits — Documents to be Submitted to Approved Trustees (Guidelines IV.4)
- Quarterly Returns of Registered Schemes (Guidelines II.3)
- Election for Transfer of Accrued Benefits (Guidelines IV.3)
- MPF Exempted ORSO Schemes — Withdrawal of Minimum MPF Benefits (Guidelines V.11)
- Annual Returns to be Delivered by Registered Intermediaries (Guidelines VI.3)

Members of the Committee:

David G. ADAMS (*Chair*)
Cynthia W. S. CHUNG
Christine M. KOO
Martin C. V. M. LISTER
Billy W. Y. MA

Sophia W. Y. MAN
TAM Chi Wai
Chung Yin WEI
Judy YANG

Secretary: Director of Practitioners Affairs (*until October*)
Assistant Director of Practitioners Affairs (I) (*from November*)

REVENUE LAW COMMITTEE

Inland Revenue and Stamp Duty Legislation (Alternative Bond Schemes)(Amendment) Bill 2012

After the Consultation on Islamic finance in 2012, the Government introduced the Amendment Bill into LegCo in order to provide a framework to attract Islamic financial products, which is one of the fastest growing areas in the global financial system. The Committee reviewed the Amendment Bill and made a submission to the LegCo Bills Committee in March. In the submission, the Committee expressed, inter alia, their concerns over the payment of security for Stamp Duty which could be a disincentive for such transactions, as there was no indication of the amount of security or the length of time it would be held by the Collector of Stamp Duty.

Inland Revenue (Amendment) Bill 2013

Following the consultation in 2012 on whether Hong Kong should amend the *Inland Revenue Ordinance* to provide a legal framework for Hong Kong to enter into Tax Information Exchange Agreements (“TIEAs”) with other jurisdictions, the Government introduced the *Inland Revenue (Amendment) Bill 2013* into the LegCo to implement the policy in relation to TIEAs.

Financial Services and the Treasury Bureau asserts that there is no difference “*in substance*” between the Model TIEAs and the Model Exchange of Information (“MEoI”) article in the Comprehensive Avoidance of Double Taxation Agreements (“CDTAs”), as both of them provide effective exchange of information. The principle being asserted is that a jurisdiction cannot refuse to enter into MEoI agreements be they CDTAs or TIEAs with relevant partners. A preference for say a CDTA over a TIEA cannot be a reason for refusing to enter into an MEoI agreement.

The Committee reviewed the Bill and considered that whilst there was general support for the policy objectives, the Government had failed to adequately address concerns over privacy. The Inland Revenue Department has also not codified relevant provisions in its Departmental Interpretation and Practice Notes (“DIPN”) which have no binding force of law. However, it is the Committee’s view that any protection the Government can put into a DIPN or into a TIEA can also be included in our domestic legislation.

Stamp Duty (Amendment) Bill 2012

The Financial Secretary made an announcement on 26 October 2012 to launch another round of special measures to stabilise the property market, which include BSD for residential properties. The *Stamp Duty (Amendment) Bill 2012* was introduced into the LegCo in January accordingly.

The Committee reviewed the Bill and made submissions to the LegCo Bills Committee jointly with The Law Society’s Property Committee. In the submission, the Committee expressed concern on the Government’s failure to conduct analytical review of SSD and BSD in order to ascertain its success and a lack of information from the Government on its policy. The scope of exemption was narrow and there was also no clear guidance on the exemptions resulting in uncertainty and confusion. The submission was followed up by a meeting with the Government in June.

The Committee had also reviewed the draft proposed Committee Stage Amendments from the Government. The Committee will continue to monitor the progress of the Bill.

Stamp Duty (Amendment) Bill 2013

On 23 February, the Government introduced the third round of special measures to try to curb unhealthy property price increases — double rates for DVD for both residential and non-residential properties. The *Stamp Duty (Amendment) Bill 2013* implementing DVD was introduced into LegCo on 17 April accordingly.

The Committee and The Law Society’s Property Committee attended a briefing session by the Government in March. It was followed up by two written submissions on 3 and 30 April prepared jointly with The Law Society’s Property Committee. There were views that, inter alia, the stamp duty regime has become unduly complicated and uncertain. Although DVD was said to be only a temporary measure, there is no sunset clause in the Bill. The Committee had a further meeting with the Government in December to discuss the matter and will continue to monitor the progress of the Bill.

Members of the Committee:

Steven R. SIEKER (*Chair from May*)
William A. THOMSON (*Chair until April*)
James J. BERTRAM
CHAN Chak Ming
Brian GILCHRIST (*resigned in July*)
Sally S. W. IP

Vincent P. C. KWAN
Cynthia S. W. LEE
Gavin P. NESBITT
Archie W. PARNELL (*resigned in April*)
Simon J. G. RAE
Jacqueline Y. M. SHEK

Secretary: Director of Practitioners Affairs (*until October*)
Assistant Director, Practitioners (I) (*from November*)

REVERSE MORTGAGE COMMITTEE

The Reverse Mortgage ("RM") Programme was launched officially by the Hong Kong Mortgage Corporation Limited ("HKMC") in July 2011. The Law Society agrees to oversee the RM Programme counselling project.

Further to the enhancements made in November 2012, HKMC proposed to launch another round of enhancements. In these enhancements, potential/existing borrowers are allowed to make use of Enduring Power of Attorney so that their appointed attorneys could apply for reverse mortgage on their behalf and to have ongoing management, in the event they have lost their mental capacities. In view of these enhancements, the Committee met HKMC twice to discuss with them and to review the counselling documentation. To enable stakeholders to be familiar with the new arrangement, HKMC organised a seminar titled "*Reverse Mortgage — Enduring Power of Attorney and Part II Order for Mentally Incapacitated Persons — Role of Legal and Medical Practitioners*" in July. Representatives from The Hong Kong College of Psychiatrists/The Hong Kong College of Family Physicians and Mr. Joseph C. W. Li of the Committee were invited to speak at the seminar. The seminar was attended by over 200 audiences. The enhancements took effect on 22 November and members were informed thereof by circulars on 18 and 25 November.

Members of the Committee:

Billy W. Y. MA (*Chair*)
Heidi K. P. CHU
Junius K. Y. HO

Joseph C. W. LI
Emily Y. M. LAM
Steven M. W. SHUM

Secretary: Assistant Director, Practitioners Affairs (I)

WORKING PARTY ON INTERPRETERS

The Working Party on Interpreters had one internal meeting, two meetings with Multilingual Interpreters and Translators Association of Hong Kong, two meetings with NGOs and one meeting with a private interpretation service provider to discuss the current provision of interpreting service in Hong Kong. It raised with various stakeholders a number of issues on interpreters and interpretation services in Hong Kong: the level of education of interpreters and the work standard, the fluency, the languages requirement for freelance/part-time interpreters and the problems commonly encountered by the interpreters. Useful and helpful remarks were rendered to the Working Party also on the complaint and disciplinary proceedings, the system of training and accreditation of interpreters. The Working Party was collating different views canvassed from the various stakeholders.

Members of the Working Party

Michael J. VIDLER (*Chair*)
Patrick M. BURKE

Anthony M.C. LAI
Anthony R. UPHAM

Secretary: Assistant Director, Practitioners Affairs (II)
Director of Practitioners Affairs (*since November 2013*)

WORKING PARTY ON PARTY AND PARTY RATES

The Law Society commissioned KPMG to review the scale rates of solicitors, which were last revised by the Registrar of High Court in 1997. The consultant in its report (made available in March) pointed out the low recoverability of costs by the successful parties in civil litigation. This was a de facto erosion of the fundamental policy of “cost follow the event” or “loser pays principle” and was detrimental to the successful litigants who should be entitled to be reimbursed of their reasonable cost from the losing party. The consultant recommended that the solicitors’ hourly rates be raised to better reflect the current market conditions and that the scale rates should be adjusted annually according to an inflation-linked index. These recommendations were accepted by and endorsed by Council.

The Law Society sent a copy of the Report to the Judiciary and requested a meeting to discuss the consultancy report. The Chief Justice has appointed a working party and an advisory group to review the matter and make recommendations. The Law Society is represented on the working party and advisory group.

Members of the Working Party:

Denis G. BROCK (*Chair*)
Nicholas D. HUNSWORTH

Amirali B. NASIR
Kenneth W.Y. WONG

Secretary: Director of Practitioners Affairs

WORKING PARTY ON REVIEW OF THE TRUSTEES ORDINANCE

The Government introduced the *Trust Law (Amendment) Bill 2013* into the LegCo in February, which was formulated after two previous consultations with which The Law Society had been engaged.

The Bill aimed at reforming the trust regime in Hong Kong by introducing statutory provisions on, inter alia, duty of care, power to delegate, power to insure, power to employ agents, nominees and custodians, beneficiaries’ power to appoint and remove trustees, remuneration for trustees acting in business/professional capacity, control of exemption clauses and abolishment of the outdated rules against perpetuities for non-charitable trusts.

The Working Party reviewed the Bill and submitted that the Bill was only modest in scope and was only a first step to bring Hong Kong’s trust regime closer to that of other comparable common law jurisdictions. To reinforce the status of Hong Kong as an international financial center, the Government should carry out further reforms without delay on various outstanding issues on trust, including the right of beneficiaries to information and the need for purpose trust. The Bill was passed on 17 July and had come into effect on 1 December.

Members of the Committee:

Billy W. Y. MA (*Chair*)
James J. BERTRAM
CHAN Chak Ming
Lester G. HUANG

Simon J. G. RAE
Herbert H. K. TSOI
David A. WHITE
WONG Tak Shing

Secretary: Assistant Director, Practitioners Affairs (I)

HONG KONG SOLICITORS INDEMNITY FUND LIMITED (“HKSIFL”)

HKSIFL was established by The Law Society and empowered by the *Solicitors (Professional Indemnity) Rules* (“the SPI Rules”), to manage and administer the Professional Indemnity Scheme (“PIS”) and the Hong Kong Solicitors Indemnity Fund (“HKSIF”) subject to direction in certain areas by the Council.

The HKSIFL held a total of seven Board meetings during the year and an Annual General Meeting.

The HKSIFL considered a number of matters including:

- Issues in relation to the conduct of claims
- Contribution reduction
- The performance and appointment of the PIS’s Broker and Manager
- The performance of the PIS investments
- Proposed reforms to the PIS and amendments to the Rules
- Consultation from the DOJ regarding the proposal to enable locally qualified lawyers without a practising certificate to provide certain pro bono services
- Ceased firms which failed to submit the final Gross Fee Income Report and/or Quarterly Return
- The monthly management accounts and the audited accounts of the HKSIF and the HKSIFL
- Renewal of Directors’ and Officers’ liability and Professional Indemnity insurance for the HKSIFL and the Directors
- Renewal of Reinsurance Programme and Insolvency Insurance Programme of the PIS
- Matters arising from the liquidation of HIH Casualty and General Insurance Ltd. and FAI General Insurance Company Ltd. and the provisional liquidation of FAI First Pacific Insurance Co. Ltd.
- The proposal of a levy on conveyancing file payable to the HKSIF
- Enquiries relating to the PIS

A total of 240 notifications of claims were received by the Claims Manager, ESSAR Insurance Services Ltd. (“ESSAR”) during the 2012/2013 indemnity year, i.e. from 1 October 2012 to 30 September 2013 and the grace period from 1 October 2013 to 29 November 2013. As at 30 September 2013, 17 of the notifications resulted in proceedings, 7 were closed without payment, 1 was settled with payment and 223 remained as notifications.

STANDING COMMITTEE ON PRACTITIONERS AFFAIRS

The number of claims for the last 27 indemnity years and the number of members holding practising certificates as at 30 September of each of those years are as follows:

Indemnity Year	Number of Claims	Percentage Increase/ Decrease from previous year	No. of members
1986/1987	64	—	1,384
1987/1988	58	-9%	1,625
1988/1989	126	117%	1,754
1989/1990	178	41%	2,060
1990/1991	72	-60%	2,350
1991/1992	93	29%	2,572
1992/1993	118	27%	2,847
1993/1994	143	21%	3,161
1994/1995	151	6%	3,451
1995/1996	150	-1%	3,784
1996/1997	176	17%	4,197
1997/1998	336	91%	4,494
1998/1999	483	44%	4,612
1999/2000	263	-46%	4,771
2000/2001	230	-13%	4,946
2001/2002	215	-7%	5,086
2002/2003	269	25%	5,191
2003/2004	165	-39%	5,317
2004/2005	159	-4%	5,498
2005/2006	165	4%	5,666
2006/2007	142	-14%	5,831
2007/2008	309	118%	6,092
2008/2009	147	-52%	6,341
2009/2010	139	-5%	6,670
2010/2011	174	25%	7,041
2011/2012	126	-28%	7,381
2012/2013	240	90%	7,717

* Number of Claims includes claims notified within the grace period.

+ Percentage of increase or decrease has been calculated to the nearest decimal point.

STANDING COMMITTEE ON PRACTITIONERS AFFAIRS

Claims notified in the 2012/2013 indemnity year were categorised as follows:

Company/Commercial	20
Conveyancing	114
Landlord & Tenant	6
Litigation	61
Miscellaneous	8
Patents and Trademarks	13
Probate	12
Breach of Confidential Information	5
Data Breach	1
	240

Six fraud claims were received in the 2012/13 indemnity year.

As at 30 September, the total liability of the Scheme for the 2012/2013 indemnity year, calculated on the basis of claims paid and claims reserved, was HK\$22,451,176 of which HK\$3,008,370 consisted of claims paid (including costs) and HK\$19,442,806 consisted of claims reserved.

The total amount of claims paid (including costs) since the inception of the self-insured PIS in 1986 amounted to HK\$1,720,849,120 and the amount reserved was HK\$165,419,872. The total claims paid and reserved was HK\$1,886,268,992.

A detailed account of the operation of the PIS and claims data as well as the audited accounts of the HKSIF as at 30 September will be published in the PIS's Annual Report for the 2012/2013 indemnity year.

Directors of the HKSIFL:

Peter R. GRIFFITHS (*Chair*)

Denis G. BROCK

Albert B.K. DAN

Brian W. GILCHRIST

Christopher G. HOWSE

Peter C.L. LO

Patrick R. MOSS

Amirali B. NASIR

NG Wai Yan

Kevin C.K. SHUM

David G. SMYTH

Norris H.C. YANG

Company Secretary: ESSAR

PIS CLAIMS COMMITTEE

Claims are handled by the Claims Committee pursuant to the *SPI Rules* and with the assistance of the Claims Manager, ESSAR. The Claims Committee held six meetings during the year to discuss both new and ongoing claims.

Members of the Committee:

Brian W. GILCHRIST (*Chair*)

Colin B. COHEN (*Vice-Chair*)

Charles W. ALLEN

Keith M. BRANDT

Tony K.W. CHOW

Simon P. CLARKE

George D. LAMPLOUGH

Jeffrey H. LANE

Ronald W.T. TONG

Secretary: ESSAR

PIS INVESTMENT SUB-COMMITTEE

The PIS Investment Committee received monthly reports from the investment managers and met on a quarterly basis to review the HKSIF's investments and to decide and make recommendations to the Board of Directors of HKSIFL on matters relating to the investments. Matters arising in between the quarterly meetings are dealt with by the Committee through consultations between its members.

At each meeting the Sub-Committee invites the HKSIFL's investment consultant, Mercer Investment Consulting Limited and two of the four investment managers (on a rotating basis) to report on the HKSIF performance and to provide their outlook on market trends.

The current investment managers of the HKSIF are as follows:

- Amundi Hong Kong Limited ("Amundi")
- AllianceBernstein Hong Kong Ltd. ("AllianceBernstein")
- MFS Investment Management ("MFS")
- Grantham Mayo van Otterloo ("GMO")

The HKSIF adopts a conservative investment strategy where the investments are predominantly placed in fixed income securities. The investment objectives are to:

- achieve, in the long term, a rate of return over and above the Hong Kong consumer price inflation;
- preserve capital; and
- achieve, in the long term, a rate of return over the performance benchmark.

The net returns on the portfolios managed by the investment managers for the 12 month period ended 31 December 2012 and 2013 were as follows:

	Type of portfolio	Net Return	
		2012	2013
Amundi	Equity and bonds	9.68%	6.44%
AllianceBernstein	Bonds	3.86%	0.27%
MFS*	Equity	24.13%	29.55%
GMO*	Equity	13.56%	19.95%

* MFS and GMO were appointed in December 2011.

Members of the Sub-Committee:

Peter C.L. LO (*Chair*)
 John S. GALE
 IP Shing Hing
 Elen LAU

Kher Sheng LEE
 Kevin C.K. SHUM
 Norris H.C. YANG

Secretary: Assistant Director, Professional Indemnity Scheme

PROFESSIONAL INDEMNITY ADVISORY COMMITTEE

This Committee is responsible for reviewing and advising on any issue relating to professional indemnity cover referred to it by the Council, the HKSIFL or the Claims Committee.

The Committee held one meeting during the year and considered the operation of claims loading and deductibles under the PIS, as well as the Claims Committee's policy on stale claims after the introduction of the Civil Justice Reforms.

The Working Party of the Committee held two meetings during the year and considered various amendments to the *SPI Rules*.

Members of the Committee:

Robin S. PEARD* (*Chair*)

Kevin R. BOWERS

Lawrence Y.H. LEE (*Aon Holdings Hong Kong Limited*)

Susan P.S.K. LIANG

NG Wai Yan

Peter K.H. NGAI

David G. SMYTH*

Fiona J. STEWART*

Gareth H. THOMAS

Norris H.C. YANG

Secretary: Assistant Director, Professional Indemnity Scheme

* Members of the Working Party of the Committee

PIS PANEL SOLICITORS SELECTION BOARD ("THE SELECTION BOARD")

The Selection Board was established by the Council to resolve all matters relating to the tender for appointment as Panel Solicitors, to consider the tender applications and to make recommendations to the Council on the appropriate firms to be appointed to the Panel.

The retainer of the Panel from 2008 to 2013 expired on 31 January 2013. The Selection Board held one meeting in 2013 to consider the tender applications for the retainer from 2013 to 2018 and to resolve recommendations to the Council.

The firms appointed to the Panel with effect from 1 February 2013 were:

Bird & Bird

Deacons

Fred Kan & Co.

Gall

Howse Williams Bowers

P.C. Woo & Co.

Reed Smith Richards Butler

Smyth & Co.

Members of the Selection Board:

WONG Kwai Huen (*Chair*)

Stephen W.S. HUNG

Kenneth S.Y. NG

Amirali B. NASIR

Secretary: Assistant Director, Professional Indemnity Scheme

WORKING PARTY ON PIS GROSS FEE INCOME REPORTS AND CONTRIBUTIONS

The Working Party is responsible for considering and making recommendations to the Council on the appropriate action to be taken against those firms which failed, in breach of the *SPI Rules*, to submit the application for indemnity and/or the gross fee income report on or before 15 August, or pay their annual contributions on or before 30 September in each year. The Working Party is also responsible for approving the applications for an extension of time to submit the application for indemnity and/or the gross fee income report.

The Working Party held one meeting during the year to consider the defaults and to resolve recommendations to the Council.

Members of the Working Party:

IP Shing Hing (*Chair*)
Albert B.K. DAN

NG Wai Yan
WONG Kwai Huen

Secretary: Assistant Director, Professional Indemnity Scheme

WORKING PARTY ON CONVEYANCING LEVY

The Working Party was established by the Council to consider all issues involved in relation to the proposal of imposing a levy on conveyancing files.

The Working Party held one meeting during the year to consider the various alternatives of imposing the levy and their implications. The Working Party's views, together with comments of the HKSIFL and ESSAR were provided to the Council and it was resolved that the levy idea should not be pursued further.

Members of the Working Party:

Billy W.Y. MA (*Chair*)
Ambrose S.K. LAM

Amirali B. NASIR
Sylvia W.Y. SIU

Secretary: Assistant Director, Professional Indemnity Scheme



The Standing Committee is responsible for establishing standards and rules and formulating policies on the education, training and regulation of solicitors, and on their conduct and practice management.

The Standing Committee convened 10 meetings to oversee the activities of the Department of Standards and Development, and to consider recommendations of the Committees and Working Parties under its umbrella.

Legislative Amendments

The Standing Committee considers amendments to the *Legal Practitioners Ordinance* ("LPO") and its subsidiary legislation, *The Law Society's Practice Directions, Information Packages* and *The Hong Kong Solicitors' Guide to Professional Conduct*, Volume 1, second edition ("*Conduct Guide*").

The following amendments were made during the year:

Information Package for Registration as an Association between a Hong Kong solicitors' firm and a registered foreign firm

This *Information Package* was amended in March to clarify that although the firms in an Association are allowed to share fees, profits, premises, management or employees, they are not allowed to use their respective clients accounts. Their staff are also not allowed to supervise and be in charge of the practice of the other firm in the Association.

Notification of Changes to a Practice

The *Notification* was amended in May to clarify that law firms are required to notify The Law Society if they have expanded their offices by adding a separate additional unit.

Information Package for Registration as a Foreign Law Firm

A new paragraph D was introduced to this *Information Package* in May to clarify that if a registered foreign firm wishes to add another jurisdiction in addition to the jurisdiction previously notified to The Law Society in support of its first registration, it should provide The Law Society with all supporting documents to establish that it complies with all registration requirements for that jurisdiction.

Proposed Legislative Amendments

The following proposals on legislative amendments were considered by the Standing Committee and the Council:

LPO

Forms 1B, 1C, 2-4 of the Admission and Registration Rules ("AR Rules")

Section 4(1A)(a) of the *LPO* and Forms 1B, 1C, 2-4 of the *AR Rules* are proposed to be amended to clarify that the reference point of the 3-month residency requirement prior to admission should be the date of application for a certificate of eligibility for admission, not the admission date.

Section 31A of the *LPO* is proposed to be amended enabling a solicitor advocate who has the requisite experience to be appointed as a Senior Counsel.

Approval in principle of the proposed amendments is being sought from the Chief Justice.

Solicitors (Higher Rights of Audience) (Certificates) Rules

The Law Society proposed to introduce these new Rules providing for a statutory mechanism for the issuance of a Higher Rights of Audience Certificate to a solicitor advocate in accordance with section 39P of the *LPO*. The Chief Justice has granted his approval in principle of these Rules. Upon completion of the drafting exercise in consultation with the Department of Justice ("DOJ"), The Law Society will apply for the Chief Justice's final approval of the new Rules.

Trainee Solicitors Rules ("TSR")

Rule 14 is proposed to be amended to include The Chinese University of Hong Kong whose certificate issued to a candidate in an examination is to be treated as sufficient evidence of whether or not the candidate has passed or failed in the examination.

Approval in principle of the proposed amendments is being sought from the Chief Justice.

Other Matters

Apart from reviewing the proposed legislative amendments and making recommendations to the Council as appropriate, the work of the Standing Committee included the following:

- (a) overseeing the administration of the *Continuing Professional Development ("CPD") Scheme*, the *Risk Management Education ("RME") Programme* and the *Overseas Lawyers Qualification Examination ("OLQE")*;
- (b) approving the documentation and logistics for the *OLQE*;
- (c) appointment of *OLQE* Examiners and reviewing their fees;
- (d) reviewing the results of the *OLQE*;
- (e) considering the proposal for a Code of Good Practice in the Recruitment of Trainee Solicitors;
- (f) co-option of members to the Standing Committee, the Legal Education Committee, and the *OLQE* Committee;
- (g) considering the overlap of work amongst the Committees;
- (h) appointment of part-time RME course tutors;
- (i) reviewing the amendments to the Statement of Compliance with CPD/RME requirements of trainee solicitors;
- (j) considering the appointment of Chief External Examiner and External Examiners to the Postgraduate Certificate in Laws ("PCLL") Programmes of the Chinese University of Hong Kong ("CUHK"), City University of Hong Kong ("CityU"), and the University of Hong Kong ("HKU"), and to the legal executive courses at the Hong Kong Institute of Vocational Education;
- (k) considering the third edition of the *Conduct Guide*;
- (l) considering amendments to the *Information Package for Registration as a Foreign Law Firm*;
- (m) considering the proposal to allow solicitors to practise from home, service centres and virtual offices;
- (n) considering the proposal for a common entrance examination ("CEE");
- (o) considering the representatives to be nominated to the PCLL Academic Board, the Board of the Faculty of Law of HKU, and the PCLL Academic Board of CUHK;
- (p) considering amendments to the *TSR*, Form 1B of the *AR Rules*;
- (q) considering the amendments to the *Summary Disposal of Complaints (Solicitors) Rules*;
- (r) considering amendments to the standard form of *Notification of Changes to a Practice*;

STANDING COMMITTEE ON STANDARDS AND DEVELOPMENT

- (s) considering and approving amendments to the *CPD Information Package* and the *CPDIRME Training Record Form*;
- (t) considering applications submitted by individual attendees for attendance at local conferences to be accredited as a CPD activity;
- (u) considering amendments to the terms of reference of the Legal Education Committee;
- (v) considering S49A(3)(ea) of the *Employment Ordinance*;
- (w) considering the proposal of DOJ on how to enlarge the pool of locally qualified practitioners to provide pro-bono legal services;
- (x) considering rule 5AA of the *Solicitors' Practice Rules ("SPR")*;
- (y) considering the different forms and means of practice promotion and provisions in the *Solicitors' Practice Promotion Code*;
- (z) considering amendments to S8A of the *LPO*;
- (aa) considering changes proposed by DOJ to their *Legal Trainee Scheme*;
- (bb) considering applications under rule 9 of the *Overseas Lawyers (Qualification for Admission) Rules*;
- (cc) considering provisions of the *Competition Ordinance*;
- (dd) considering the double cohorts of law students graduating in the 2016/17 and 2017/18 academic years;
- (ee) considering the minimum wage of trainee solicitors.

Members of the Standing Committee and their meeting attendances during the year:

Amirali B. NASIR (<i>Chair</i>)	9/9	Ambrose S. K. LAM (<i>resigned in July</i>)	2/5
Brian W. GILCHRIST (<i>Vice-Chair until July</i>)	4/5	Ivan C. K. NG	7/9
Peter H. C. BARNES (<i>resigned in April</i>)	3/3	Peter K. P. SIT	5/9
Bonita B. Y. CHAN	8/9	Sylvia W.Y. SIU (<i>resigned in August</i>)	3/6
Warren P. GANESH	9/9	Thomas S.T. SO (<i>joined in July</i>)	3/4
Stephen W.S. HUNG (<i>joined in July</i>)	3/4	Simon S.P. TANG	6/9
Doreen Y.F. KONG (<i>joined in April</i>)	5/6	Adamas K.S. WONG	5/9
IP Shing Hing	6/9	Dieter YIH (<i>joined in July</i>)	1/4

Secretary: Director of Standards & Development

Anti-Money Laundering (“AML”) Committee

The Committee held a meeting with the representatives of the Security Bureau in February exchanging views on the next *Mutual Evaluation* for Hong Kong to be conducted by the *Financial Action Task Force* in 2015 and the role of The Law Society as a self-regulatory organisation in enhancing the AML regime.

The Committee reviewed and approved the relevant AML provisions in the new *Conduct Guide*.

The Committee co-organised a seminar on AML issues with the Government in September. Mr. Michael Lintern-Smith, Chair of the Committee, was a speaker at the seminar. The seminar was well received and was attended by more than 230 participants.

The Committee also held a meeting with the representatives of the *Joint Financial Intelligence Unit* (“JFIU”) in September. In addition to the Committee Members, some Council Members also attended this meeting exchanging views on AML issues with the JFIU representatives. The JFIU representatives explained their policy and procedures in handling the suspicious transaction reports (“STR”). A circular on e-filing of the STR was also issued to practitioners in October.

Members of the Committee:

Michael J. LINTERN-SMITH (*Chair*)
Andrew J. DALE
Serge G. FAFALLEN
Jeffrey H. LANE
Angela W.Y. LEE

Secretary: Assistant Director, Regulation & Guidance

The CPD Scheme

The *CPD Scheme* aims at providing a convenient framework for the legal profession to meet the changing demands of clients and society by updating the practitioners on legal knowledge and skills.

The Law Society and the Hong Kong Academy of Law Ltd. (“Academy”) conducted a total of 512 CPD and RME courses during the year. Of the 512 courses, seven courses were conducted in Putonghua and/or Cantonese and the remainder in English. The courses attracted the attendance of 17,365 participants.

The Law Society and the Academy are grateful to the 124 presenters who contributed by sharing their valuable experiences and expertise.

Some of the highlights of these courses are:

Civil Justice Reform (“CJR”)

CJR has been implemented since April 2009. The Academy organised two series of free specialised training sessions on CJR each consisting of five modules covering topics such as case management, originating process and pleadings, offers to settle, evidence, trials, appeals and costs. About 2,210 participants attended the specialised training sessions.

STANDING COMMITTEE ON STANDARDS AND DEVELOPMENT



Joint courses with Other Professions

To facilitate interaction with other professions and government departments, The Law Society and the Academy jointly organised courses of common interest with other professional bodies including the Hong Kong Bar Association ("Bar Association"), The Hong Kong Institute of Chartered Secretaries ("HKICS"), the Hong Kong Institute of Certified Public Accountants ("HKICPA"), and government departments including the Narcotics Division of the Security Bureau and the Companies Registry. Six such courses were held over the year and over 1,000 attendees attended these courses.



The New Companies Ordinance

The new *Companies Ordinance* came into effect on 3 March 2014. The Academy organised six seminars on the new *Companies Ordinance* from September to December. Over 670 participants attended the seminars. More seminars on the new *Companies Ordinance* will be conducted in 2014.



The Third Edition of the Conduct Guide

The third edition of the *Conduct Guide* came into effect on 1 January 2014. The Academy organised a seminar in October to brief members on the important changes to the *Conduct Guide*. A panel of speakers comprising members of the Conduct Guide Working Party of The Law Society was invited to speak at the seminar. Over 250 participants attended the seminar.

Mediation

With the introduction of *Practice Direction 31*, mediation has increasingly been used as a means of alternative dispute resolution. The Academy offered two general mediation training courses, two family (one basic and one advanced) mediation training courses and a training course on mediation advocacy and representation during the year.

In addition, the Academy and the Mediation Committee of The Law Society conducted nine free sharing sessions on mediation. 11 speakers were invited to share their experiences with the participants on topics including practical tips in handling mediation cases, choosing the best mediation process model for clients' disputes, the roles and functions of the major government and quasi-statutory mediation organisations in Hong Kong and medical experts and expert reports in medical and personal injuries cases. The sharing sessions were attended by a total of 453 participants.



Higher Rights of Audience ("HRA")

The Academy organised training courses on advocacy in October to facilitate solicitors who wish to take the assessments for HRA organised by the Higher Rights Assessment Board. The Academy conducted one course on criminal written advocacy, one course on criminal practical advocacy, two courses on civil written advocacy, and three courses on civil practical advocacy. 31 solicitors attended the courses which were conducted by trainers from the University of Law, London.

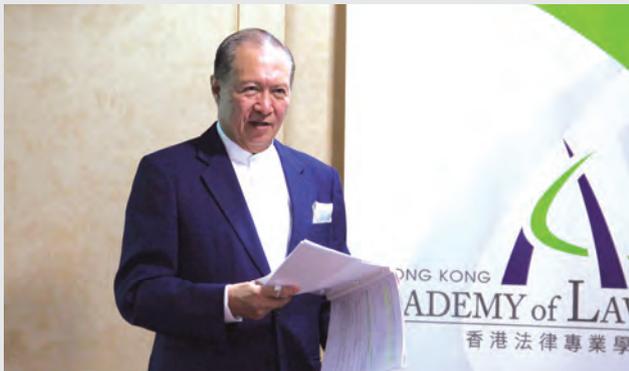


Training Programme on the Convention Against Torture Claims and Refugee Law ("CAT")

The Academy organised its 3rd CAT training programme on 25–26 and 28–29 January to assist practitioners in handling CAT claims made under Article 3 of the *United Nations Convention Against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment*. Over 160 participants attended the programme.



STANDING COMMITTEE ON STANDARDS AND DEVELOPMENT



Personal Data Privacy

The Academy organised two seminars by Mr. Roderick B. Woo, former Privacy Commissioner for Personal Data and Past President of The Law Society, on personal data privacy in October. The topics discussed included data protection principles and their applications to data users, exemptions and offences under the *Personal Data (Privacy) Ordinance*, transfer and use of personal data in due diligence exercises in business transactions, use of personal data for promotion of goods and services, changes introduced by the *Personal Data Privacy (Amendment) Ordinance 2012* and points for solicitors to ponder when advising clients. A total of 223 participants attended the seminars.



Defamation Law and Reforms in the U.K.

The *Defamation Act 2013* was enacted in the U.K. on 25 April. The Academy organised a talk entitled "Free Speech, Reputation and Media Intrusion: British Law Reforms" by Lord Lester of Herne Hill Q.C. of Blackstone Chambers, London in October. Over 170 participants attended the talk.

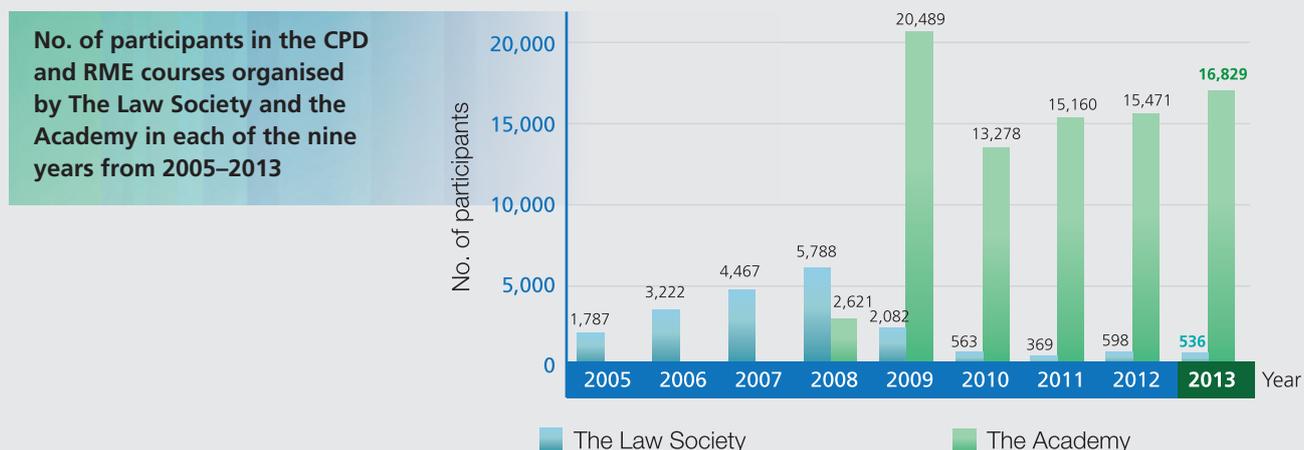


Islamic Finance

Mr. Amirali B. Nasir, Council Member and Chair of The Law Society Islamic Finance Working Party, conducted a seminar entitled "Islamic Finance — the Legislative Proposals to amend the *Inland Revenue Ordinance* and the *Stamp Duty Ordinance*" on 10 August. The seminar provided an overview of the common types of Islamic Bond "*Sukuk*" and the provisions of the Inland Revenue and Stamp Duty Legislation (Alternative Bond Schemes) (Amendment) Bill 2012, which was gazetted on 28 December 2012.

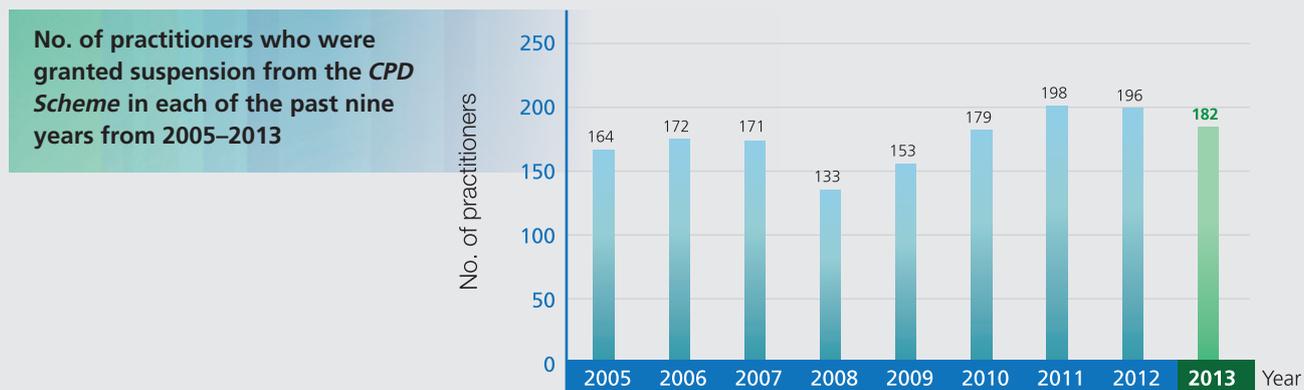
STANDING COMMITTEE ON STANDARDS AND DEVELOPMENT

The attendance rates of the participants in the CPD and RME courses organised by The Law Society and the Academy in each of the nine years from 2005–2013 are as follows:



Pursuant to rule 9 of the *CPD Rules*, 182 practitioners were granted suspension from the *CPD Scheme* during the year.

The number of practitioners who were granted suspension from the *CPD Scheme* in each of the past nine years from 2005–2013 is as follows:



750 Statements of Compliance with CPD/RME requirements were reviewed and CPD audit was conducted on 485 practitioners. Arising from general enquiries and reports made by practitioners on their own initiatives, 14 solicitors and 22 trainee solicitors were found to have failed to comply with the *CPD Rules*. All cases of default were referred to the Compliance Department to be dealt with in accordance with the Council’s sanction policy.

CPD Committee

The Committee met on one occasion to discuss the following issues:

- (a) the application for participation in local conferences by individuals to be accredited as a CPD activity;
- (b) the policy on carrying over CPD points for attendance at the RME Core Courses for Principals;
- (c) amendments to the 2012/13 *CPD Information Package* and the *CPD/RME Training Record Form*;
- (d) membership of *CPD Alliance*.

The Committee granted four full exemptions from participation in the *CPD Scheme* to practitioners on the ground of age, one exemption from complying with the CPD requirement pursuant to rule 8 of the *CPD Rules* and three partial exemptions from participation in the *CPD Scheme* to trainee solicitors whose term of trainee solicitor contracts had been reduced from the standard two-year period.

Members of the Committee:

Sylvia W.Y. SIU (*Chair*)
Douglas ARNER
Ram D. BIALA
Gerard W.H. CHUNG
Iris CHEUNG

Alex K. L. LAU
Alexandra D. W. LO
Michael A. OLESNICKY
Adamas K.S. WONG
Victor C.K. YAU

Secretary: Director of Standards & Development

CPD Accreditation Sub-Committee

The Sub-Committee accredited a total of 4,712 courses, compared with 4,586 courses in 2012. In terms of applications, 1,189 of the 4,712 courses were accredited on a course-by-course basis and 3,011 were accredited under the *Provider Accreditation Scheme*. The remaining 512 courses were conducted by The Law Society and the Academy. In terms of course providers, 29 of the 4,712 courses were provided by The Law Society, 508 were provided by the Academy, of which 385 were provided under the *RME Programme*, 509 were provided by commercial providers, and the remaining 3,666 were provided by in-house providers such as universities, professional bodies and law firms.

Apart from dealing with the applications for accreditation of the courses by paper circulation, the Sub-Committee also met on one occasion to consider, inter alia, the irregularities of course providers, applications for renewal of accredited provider status and accreditation of skills courses.

The Sub-Committee accredited two new providers under the *Provider Accreditation Scheme* during the year. The total number of accredited providers was 53 as at the end of the year. The Sub-Committee approved three postgraduate or other law courses and four legal journals and books, 113 legal researches, and accredited 14 committees and working parties for the purpose of compliance with the CPD requirements during the year.

Members of the Sub-Committee continued to monitor the standard of accredited CPD courses by reviewing course evaluation records and attending selected accredited courses. 47 courses were monitored during the year.

Members of the Sub-Committee:

Sylvia W.Y. SIU (*Chair*)
Douglas ARNER
Ram D. BIALA
Simon M.Y. CHAN
Francis K.W. CHEN
Johnny C.M. FEE
John D.S. HO

Stephen W. K LAU
Albert K.M. LEUNG
Clara G.Y. LI
Christopher H.W. SO
Christie K.S. MOK
WAN Clara Wing
Sandy H.Y. WONG

Secretary: Acting Assistant Director, Professional Development

Foreign Lawyers Committee

There were 239 candidates sitting the 2013 *OLQE*.

The Committee convened seven meetings. It dealt with 60 applications for exemption from sitting all or part of the 2013 *OLQE* in accordance with the guidelines issued by The Law Society. It considered four applications for eligibility to sit the *OLQE* and one application for admission as a solicitor.

The Committee also reviewed the exemption guidelines for sitting the *OLQE*.

Members of the Committee:

Angela W.Y. LEE (*Chair*)
Denis G. BROCK
John C.K. CHAN
Philip M.J. CULHANE

Hannah C.L. HA
LI Huanting
Rupert C. SKRINE

Secretary: Assistant Director, Regulation & Guidance

Guidance Committee

The Committee met once and dealt with 13 enquiries from members and two referrals from other Committees or Departments within the Secretariat on matters relating to professional conduct including the following in the meeting and by paper circulation:

- (a) conflict of interest when acting for a judgment creditor in an interpleader action and for a trustee in bankruptcy at the same time;
- (b) limitation of a solicitor's liability to a third party;
- (c) issues of clients' confidentiality and legal professional privilege when a firm establishes a publicly accessible archive of historical documents containing clients' information and documents;
- (d) payment of administrative fee to a mediation service provider by a solicitor-mediator;
- (e) setting up a limited company by a solicitor to provide arbitration or mediation service;

- (f) a solicitor reneging his contractual obligations with his firm;
- (g) delivery of documents to a branch office of a law firm;
- (h) mandatory requirement to indicate the date on which a document is certified pursuant to *PD L.4*;
- (i) contractual nature of the scope of retainer and legal costs;
- (j) suspicion of proceeds of crime in client account;
- (k) attestation of documents by unqualified persons under *Practice Direction L.2*;
- (l) separate representation under *Practice Direction A.2*;
- (m) conflict of interest when acting for a client and the third party of the client's spouse in divorce proceedings;
- (n) non applicability of legal professional privilege for company secretarial service rendered by a foreign lawyer;
- (o) application of rule 2A(2)(b) of the *SPR* by a foreign firm which is not a branch office of an overseas firm.

Members of the Committee:

Amirali B. NASIR (*Chair*)
James J. BERTRAM
Stephanie S.Y. CHEUNG
Victor K.S. CHIU
Richard CULLEN
Alex K.L. LAU

Joseph C.W. LI
Patrick R. MOSS
Kenneth S.Y. NG
Johnson M.H. TSANG
Benny Y.B. YEUNG

Secretary: Assistant Director, Regulation & Guidance

Legal Education Committee

The Committee convened three meetings. It considered the following:

- (a) establishment of a working party and tender proposals for appointment as consultants to conduct a consultation on the CEE;
- (b) results of the survey on the *PCLL Programmes*;
- (c) membership of the PCLL Academic Boards and sub-committees of the PCLL Academic Board of HKU;
- (d) membership and terms of reference of the Legal Education Committee;
- (e) comments made by the PCLL External Examiners on the PCLL courses and course materials in the monitoring forms;

- (f) applications for appointment as External Examiners for the PCLL courses;
- (g) appointment of Chief External Examiner of the *PCLL Programmes*;
- (h) reports of External Academic Advisors;
- (i) complaints against *PCLL Programmes*;
- (j) Benchmarks for legal executive courses;
- (k) submissions of The Law Society on the comprehensive review of legal education and training to be conducted by the Standing Committee on Legal Education and Training ("SCLET");
- (l) results of *International English Language Testing System*;
- (m) double cohorts of law students graduating in the 2016/17 and 2017/18 academic years.

A sharing session with the interns of law firms was organised in August. Senior legal practitioners in different fields were invited to share their valuable experiences with new entrants to the profession. About 87 participants took part in the sharing session.

Past President and Immediate Past President of The Law Society served as representatives of The Law Society on SCLET, which met on four occasions. The Secretary of the Committee continued to serve as Secretary of SCLET and as Secretary of the Sub-Committee of SCLET on English Language Proficiency.

Members of the Committee:

Stephen W.S. HUNG (*Chair*)

Bonita B.Y. CHAN (*joined in January*)

Nicholas H.F. CHAN (*joined in January*)

Charles C.C. CHAU

John J. CLANCEY

HA Yiu Fai

Nancy B.Y. LEUNG (*joined in January*)

Isaac S. L. TAM (*joined in January*)

Adrian K.M. WONG

Felix K.Y. YAU

Secretary: Director of Standards & Development

Mediator Accreditation Committee

The Committee convened seven meetings.

The Committee considered the following in the meetings and by paper circulation:

- (a) applications for accreditation as general and/or family mediators and/or family mediation supervisors;
- (b) courses on mediation advocacy;
- (c) applications for renewal of membership on the Panels of General and Family Mediators and Family Mediation Supervisors;

- (d) results of mediator assessments;
- (e) applications for reinstatement of membership on the Panel of General Mediators;
- (f) migration of incumbent Members on The Law Society's Panels of Mediations and Supervisors to the Panels of Hong Kong Mediation Accreditation Association Ltd. ("HKMAAL");
- (g) transitional arrangements on accreditation of mediators by Founder Members of HKMAAL;
- (h) accreditation documents issued by HKMAAL;
- (i) appeal against the result of stage 2 mediator assessment;
- (j) mechanism for admitting mediators accredited by HKMAAL onto The Law Society's Panels;
- (k) changes to the *Mediator Accreditation Scheme*.

The Committee accredited 20 general mediators, seven family mediators and one family mediation supervisor for inclusion on The Law Society's Panels of Mediators and Supervisors.

The *Mediator Accreditation Scheme* was formally launched in August 2005. The Law Society joined HKMAAL as a Founder Member and HKMAAL commenced operation on 2 April. HKMAAL resolved that all Founder Members including The Law Society should stop conducting its stage 2 mediator assessments by 15 July and accredit applicants as mediators by 15 September. Thereafter, all accreditation of mediators must be conducted by HKMAAL. All incumbent mediators on the Panels of the Founder Members are allowed to remain on the Panels of the Founder Members and in addition, they can migrate to the HKMAAL's Panels.

As of the end of the year, there were 247 solicitors on the Panel of General Mediators, 48 solicitors on the Panel of Family Mediators and 11 solicitors on the Panel of Family Mediation Supervisors. Further, 33 mediator assessments were conducted.

106 applications for renewal of membership on the Panel of General Mediators, 20 applications for renewal of membership on the Panel of Family Mediators and 5 applications for renewal of membership on the Panel of Family Mediation Supervisors were processed. Audit on 23 cases was conducted and 109 applications for renewal were approved.

96 applications of Panel Members to migrate to the HKMAAL Panel of General Mediators, 21 applications of Panel Members to migrate to the HKMAAL Panel of Family Mediators and 4 applications of Panel Members to migrate to the HKMAAL Panel of Family Mediation Supervisors were reviewed and The Law Society confirmed with HKMAAL the good standing or otherwise of these applicants.

Members of the Committee:

Cecilia K.W. WONG (*Chair*)
Michael H. BECKETT
CHAN Bing Woon
Junius K.Y. HO
Maureen E. MUELLER
Jody K.Y. SIN

Secretary: Director of Standards & Development

OLQE Committee

The Committee met on two occasions including a joint meeting with the Chief Examiner and Examination Panel Convenors and Examiners.

The issues considered by the Committee in the meetings and by paper circulation included:

- (a) results of the 2012 *OLQE*;
- (b) feedback of the candidates on the 2012 *OLQE*;
- (c) the format and the logistical arrangements for the 2013 *OLQE*;
- (d) the 2013 *OLQE* Information Package and related documentation;
- (e) appointment of the Chief Examiner, Examiners and Panel Convenors and their fees;
- (f) the syllabus and reading list of each head of the *OLQE*;
- (g) applications for special arrangements to sit the *OLQE*;
- (h) procedures for formulation and selection of examination questions.

Members of the Committee:

John R. BUDGE (*Chair*)
Eugene C. GREGOR (*joined in July*)
Mark LIN
Arthur McINNIS
Sylvia W.Y. SIU
Donna L. WACKER

Secretary: Director of Standards & Development

STANDING COMMITTEE ON STANDARDS AND DEVELOPMENT

Convenors and Members of the OLQE Panels:

HEAD I : Conveyancing

Myrette J. FOK (*Convenor*)
Alisa W.C. KWAN
Alexander H.S. LEUNG
Michael LOWER
George S.K. NGAI
Simon J. REID-KAY

HEAD II : Civil and Criminal Procedure

James E. JAMISON (*Convenor*)
Amanda WHITFORT (*Convenor*)
Melville T.C. BOASE
William S. CLARKE
Louis K.L. FUNG
Christopher ELLIS (*joined in August*)
Julienne JEN
Nancy B.Y. LEUNG
Martin D. ROGERS
Bernard K.F. SIU

HEAD III : Commercial and Company Law

Mark J. STEVENS (*Convenor*)
Mary W.Y. AU-YUENG
Felix W.H. CHAN
Shirley S.L. CHUA
Dennis H.F. HIE
Alexandra D.W. LO
Thelma TONG
Adrian K.M. WONG

HEAD IV : Accounts and Professional Conduct

Colin B. COHEN (*Convenor*)
Michael WILKINSON (*Convenor*)
Adrian J. HALKES
Ludwig S.W. NG
Peter K.P. SIT

HEAD V : Principles of Common Law

Michael C. JENKINS (*Convenor*)
Adrian K.M. WONG (*Convenor*)
Shirley S.L. CHUA
Julianne P. DOE
Alex K.L. LAU
Anthony F. NEOH, S.C.
Peter F. RHODES

OLQE

The 19th OLQE was held from 7 November to 19 December. A total of 239 candidates sat one or more written heads of the Examination. 239 candidates were from 23 overseas jurisdictions, nine of which were non-common law jurisdictions. Five candidates were Hong Kong barristers.

Of the 239 candidates, 170 candidates (71%) passed the Examination, having passed each of the heads that they were required to sit. 69 candidates (29%) failed the Examination, having failed one or more of the heads that they were required to sit.

Figure 1: Examination results with respect to each head of the Examination

	Head I		Head II		Head III		Head IV		Head V		The Exam	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Pass	172	83	30	71	36	80	31	42	4	100	170	71
Fail	36	17	12	29	9	20	43	58	0	0	69	29
Total	208		42		45		74		4		239	

Written Heads

Head I	Conveyancing
Head II	Civil and Criminal Procedure
Head III	Commercial and Company Law
Head IV	Accounts and Professional Conduct

Oral Head: Head V Principles of Common Law

Figure 2: Jurisdictions of the candidates

Jurisdictions	Number of Candidates	Percentage*
1 Australia	43	18.0
2 Belgium ¹	1	0.4
3 Canada	4	1.7
4 England and Wales	60	25.1
5 France ¹	1	0.4
6 Germany ¹	1	0.4
7 Hong Kong ²	5	2.1
8 India	2	0.8
9 Israel	1	0.4
10 Italy ¹	2	0.8
11 Japan ¹	2	0.8
12 Mainland China ¹	14	5.9
13 Malaysia	4	1.7
14 New Zealand	11	4.6
15 Pakistan	2	0.8
16 Portugal ¹	1	0.4
17 Scotland	2	0.8
18 Singapore	8	3.3
19 Republic of South Africa	1	0.4
20 Sri Lanka	1	0.4
21 Sweden ¹	2	0.8
22 Taiwan ¹	3	1.3
23 U.S.A.	68	28.5
Total	239	

¹ Non-common law jurisdiction

² Barrister

* The percentages have been calculated to the nearest decimal point. Therefore the aggregation of the percentages may not add up to 100%.

RME Committee

The Committee oversees the administration of the *RME Programme* which aims at raising the awareness of risk issues and promoting good risk management of legal practice.

Since its implementation in November 2004, the *RME Programme* has been in operation for over nine years extending its application gradually to all Hong Kong solicitors practising as sole practitioners, partners, associates, consultants, trainee solicitors, and registered foreign lawyers working in Hong Kong law firms.

With the establishment of the Academy, the RME courses are all offered through the Academy.

Eight Module 1A, eight Module 1B, eight Module 2A and eight Module 2B of principals' core courses, seven Module 1 and seven Module 2 of non-principals' core courses, 13 Module 1 and 13 Module 2 of registered foreign lawyers' core courses, 25 Module 1 and 25 Module 2 of trainee solicitors' core courses, 22 compulsory first elective courses for trainee solicitors, and 219 elective courses were held during the year. The Committee monitored closely the evaluation of these courses by the course participants.

RME electives have since 1 November 2008 been offered free of charge to those participants who have to fulfil their RME obligations in the relevant RME practice year and who have not attended any other RME electives during that year. Free core courses have also been offered by the Academy to all trainee solicitors since 1 November 2009.

Since 2010, the Academy has offered RME core courses in Chinese to non-English speaking registered foreign lawyers. The courses are conducted in Putonghua.

The RME Committee convened one meeting during the year. Matters considered by the Committee in the meeting and by paper circulation included:

- (a) the appointment of part-time RME course tutors;
- (b) changes proposed to the *RME Programme*;
- (c) amendments to the Statement of Compliance with CPD/RME requirements;
- (d) amendments to the RME Information Package;
- (e) applications for exemption from complying with the RME requirements;
- (f) co-option of members to the RME Accreditation Sub-Committee;
- (g) free RME courses.

The Committee considered 77 applications for exemption from complying with the RME requirements pursuant to rule 8A of the *Legal Practitioners (RME) Rules*.

Members of the Committee:

Cecilia K.W. WONG (*Chair*)
CHUNG Lai Ming
Warren P. GANESH
Alex K.L. LAU
Joseph C.W. LI

Secretary: Director of Standards & Development

RME Accreditation Sub-Committee

The Sub-Committee is tasked with the responsibility to review applications for accreditation of RME course providers, courses and activities in accordance with the accreditation criteria.

The Sub-Committee considered 78 applications for accreditation and accredited 39 elective courses offered by law firms and other institutions and 20 elective courses offered by commercial providers.

Course provider accreditation for RME elective courses was introduced in 2007. The Sub-Committee considered seven applications for renewal of accredited providers status, and three new applications for accreditation as a provider. 10 law firms accredited as RME elective course providers offered a total of 145 in-house elective courses during the year.

The Sub-Committee also considered one application for writing articles, two applications for conducting legal research, and two applications for participation in committees for accreditation as RME elective activities.

Members of the Sub-Committee:

Joseph C.W. LI (*Chair*)
CHUNG Lai Ming
Heather DOUGLAS
Christopher KNIGHT
Alan M.B. LAM
Helen D. WALKER (*resigned in March*)

Secretary: Director of Standards & Development

Trainee Solicitors Committee

The Committee convened two meetings to consider:

- (i) breach of trainee solicitor contract;
- (ii) the *Minimum Wage Ordinance* and the *Competition Ordinance*;
- (iii) minimum wage for trainee solicitors;
- (iv) S49A(3)(ea) of the *Employment Ordinance*;
- (v) trainee solicitors employed by DOJ and proposed changes to their *Legal Trainee Scheme*;
- (vi) double cohorts of law students graduating in the 2016/17 and 2017/18 academic years;
- (vii) rule 11 of the *Trainee Solicitors Rules*.

Members of the Working Party:

Joseph C.W. LI (*Chair*)

John T. HARTLEY

Junius K.Y. HO

Ivan C.K. NG

Dieter YIH

Secretary: Director of Standards & Development

Working Party on Solicitor Corporation Rules

The Working Party convened one meeting to consider:

- (a) questions raised by DOJ on the consequential amendments to the *LPO* and its subsidiary legislation;
- (b) the *Statute Law (Miscellaneous Provisions) Bill 2012*;
- (c) questions raised by the Judiciary on solicitor corporations and submissions to the *Panel on Administration of Justice and Legal Services* ("AJLS Panel") of the Legislative Council on those questions;
- (d) partnerships of solicitor corporations;
- (e) association between law firms and solicitor corporations.

The Law Society has obtained the approval of the Chief Justice in principle of the draft *Solicitor Corporation Rules* and the consequential amendments to 16 pieces of subsidiary legislation of the *LPO*. The Judiciary would like The Law Society to consult the AJLS Panel on 2 issues, namely, top-up professional indemnity insurance and identification of overall supervising partners in a solicitor corporation. The Law Society is liaising with the AJLS Panel on those issues.

On the drafting of the *Solicitor Corporation Rules*, the Society has finalised the drafting of the following with the Law Drafting Division (“LDD”) of the DOJ:

- (i) *Solicitor Corporation Rules*
- (ii) Consequential amendments to the:
 - (a) *Barristers (Qualification) Rules*
 - (b) *Foreign Lawyers Registration Rules*
 - (c) *Legal Practitioners (RME) Rules*
 - (d) *Solicitors Disciplinary Tribunal Proceedings Rules*
 - (e) *Summary Disposal of Complaints (Solicitors) Rules*

The Law Society is liaising with the LDD on the consequential amendments to the following pieces of subsidiary legislation:

- (i) *Accountant’s Report Rules*
- (ii) *AR Rules*
- (iii) *Foreign Lawyers Practice Rules*
- (iv) *Notaries Public (Practice) Rules*
- (v) *Practising Certificate (Special Conditions) Rules*
- (vi) *Practising Certificate (Solicitors) Rules*
- (vii) *Solicitors’ Accounts Rules*
- (viii) *Solicitors (Professional Indemnity) Amendment No. 2 Rules 2011*
- (ix) *SPR*
- (x) *Solicitors (Group Practice) Rules*
- (xi) *TSR*

Members of the Working Party:

Junius K.Y. HO (*Chair*)
Anthony W.K. CHOW
IP Shing Hing
Frederick K.C. KAN
Christopher E. LAMBERT

Joseph C.W. LI
Ivan C.K. NG
Peter K.P. SIT
Cecilia K.W. WONG

Secretary: Director of Standards & Development

Working Party on SPR

The Working Party was established by the Standing Committee to consider and propose amendments to the *SPR* and to liaise with DOJ on the drafting of any amendments.

The Working Party convened two meetings.

Matters considered by the Working Party in meetings and by paper circulation included:

- (a) membership of the Working Party;
- (b) recommendations of the Guidance Sub-Committee on rule 5AA of the *SPR*;
- (c) over 75 queries raised by DOJ on the amendments to the *SPR*;
- (d) the *Solicitors' Practice Promotion Code*.

Members of the Working Party:

Amirali B. NASIR (*Chair*)

Colin B. COHEN

IP Shing Hing

Elaine Y.M. LO (*resigned in July*)

Alex K.L. LAU

Patrick R. MOSS

NG Ching Wo

Ivan C.K. NG

Michael WILKINSON (*joined in November*)

Secretary: Director of Standards & Development

Working Party on CEE

The Working Party convened three meetings including one video conference with the consultants appointed to conduct a consultation on the CEE.

Matters considered by the Working Party in meetings and by paper circulation included:

- (a) proposal for a CEE;
- (b) terms of reference of the consultation on the feasibility of introducing a CEE;
- (c) research agreement on the appointment of the consultants;
- (d) logistics of the consultation;
- (e) membership of the Working Party;
- (f) draft consultation document.

In addition, two Members of the Working Party, the Immediate Past President and the Vice-President of The Law Society attended a meeting of the AJLS Panel together with representatives from CityU, CUHK, HKU, the Bar Association and the Administration to brief the AJLS Panel on the consultation and to answer questions raised by the stakeholders and Legislative Councillors.

Members of the Working Party:

Stephen W.S. HUNG (*Chair*)

Bonita B.Y. CHAN

Charles C.C. CHAU

Anthony W.K. CHOW

CHUI Pak Ming

HA Yiu Fai

Lester G. HUANG

Nadine LAI

Felix K.Y. YAU

Dieter YIH

Secretary: Director of Standards & Development

Joint Working Group of the CPD and the RME Committees

The Joint Working Group met once to consider the following:

- (a) terms of reference of the Joint Working Group;
- (b) differences between the *CPD Scheme* and the *RME Programme*;
- (c) the *CPD Information Package*;
- (d) the *RME Information Package*;
- (e) terms of reference of the CPD and the RME Committees;
- (f) comparison of different aspects of the *CPD Scheme* and the *RME Programme*.

Members of the Joint Working Group:

Sylvia W.Y. SIU (*Chair*)

Douglas ARNER

CHUNG Lai Ming

Warren P. GANESH

Alex K.L. LAU

Adamas K.S. WONG

Victor C.K. YAU

Secretary: Director of Standards & Development

Guidance Sub-Committee to Review Rule 5AA of the SPR

The Sub-Committee met once and considered the proposed amendments to rule 5AA prepared by DOJ in the meeting and by paper circulation. DOJ raised certain drafting issues and the Sub-Committee will continue to communicate with DOJ on the proposed amendments.

Upon completion of the drafting exercise, The Law Society will apply to the Chief Justice for his final approval of the proposed amendments.

Members of the Sub-Committee:

Amirali B. NASIR (*Chair*)

James J. BERTRAM

Richard CULLEN

Stephen W.K. LAU

Joseph C.W. LI

Billy W.Y. MA

Secretary: Assistant Director, Regulation & Guidance

Conduct Guide Working Party

The Working Party completed its review and updated the *Conduct Guide* which sets out the law and practice in effect as at 1 September 2012. A consultation on the new *Conduct Guide* with the general membership was conducted in March. The Working Party met once to discuss comments made by a firm and a university on the new *Conduct Guide* and submitted their views to the Council. The Council has approved the publication and distribution of the new *Conduct Guide*.

Members of the Working Party:

Amirali B. NASIR (*Chair*)

Stephanie S.Y. CHEUNG

Richard CULLEN

Joseph C.W. LI

Patrick R. MOSS

Michael WILKINSON

Secretary: Assistant Director, Regulation & Guidance

Working Party on Solicitors' Accounts Rules

The Working Party met once to discuss the waiver guidelines under the new *Solicitors' Accounts Rules*, the proposed amendments to the *Manual on Solicitors' Accounting* and the issues raised by the Compliance Department.

Members of the Working Party:

Colin B. COHEN (*Chair*)
Constance CARMICHAEL
Billy W.Y. MA
Helen MACKENZIE
Amirali B. NASIR

Secretary: Assistant Director, Regulation & Guidance



Standards and Development Department

LAW SOCIETY REPRESENTATIVES ON STATUTORY OR OFFICIAL COMMITTEES

ADVISORY COMMITTEE ON CODE OF PRACTICE FOR RECOGNISED CERTIFICATION AUTHORITIES

Pamela F. KU

CHIEF JUSTICE — CIVIL JUSTICE REFORM MONITORING COMMITTEE

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Huen WONG

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COMMITTEE ON CONSTRUCTION SITE SAFETY

Cecilia K.W. WONG

COSTS COMMITTEE

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Ambrose S.K. LAM
Dieter YIH

COURT OF FINAL APPEAL RULES COMMITTEE

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Thomas S.T. SO

CRIMINAL COURT USERS' COMMITTEE

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CRIMINAL PROCEDURE RULES COMMITTEE

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Paul M.W. LI
Kenneth H.S. NG
Anthony R. UPHAM

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DUTY LAWYER SERVICE COUNCIL

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Joseph C.W. LI
Cecilia K.W. NG

GREATER PEARL RIVER DELTA BUSINESS COUNCIL

Junius K.Y. HO

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Stephen W.S. HUNG

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HONG KONG INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS — DISCIPLINARY PANEL

Huen WONG

HONG KONG INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS — ETHICS COMMITTEE

Amirali B. NASIR

HONG KONG INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS — INVESTIGATION PANEL

Sylvia W.Y. SIU

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HONG KONG TRADE DEVELOPMENT COUNCIL PROFESSIONAL SERVICES ADVISORY COMMITTEE

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Ambrose S.K. LAM (*from 6/3/2013*)
IP Shing Hing (*until 5/3/2013*)
Huen WONG

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THE HONG KONG INSTITUTE OF SURVEYORS — ADVISORY BOARD

Joseph C.W. LI

HONG KONG LEGISLATION DATABASE USER LIAISON GROUP

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HONG KONG MEDIATION ACCREDITATION ASSOCIATION LIMITED

Cecilia K.W. WONG
Dieter YIH

HONG KONG MEDIATION ACCREDITATION ASSOCIATION LIMITED — MEDIATION ACCREDITATION COMMITTEE

Cecilia K.W. WONG

INTERNATIONAL BAR ASSOCIATION — BAR ISSUES COMMISSION

Heidi K.P. CHU
Ambrose S.K. LAM
Dieter YIH

INTERNATIONAL BAR ASSOCIATION — BAR ISSUES COMMISSION POLICY COMMITTEE

Ambrose S.K. LAM

INTERNATIONAL BAR ASSOCIATION — YOUNG LAWYERS' COMMITTEE NATIONAL REPRESENTATIVE

Nadine LAI

INTERNATIONAL INSTITUTE OF LAW ASSOCIATION CHIEF EXECUTIVES — EXECUTIVE COMMITTEE

Heidi K.P. CHU

JOINT MEDIATION HELPLINE OFFICE LIMITED

Lester G. HUANG (*until 23/5/2013*)
Cecilia K.W. WONG (*from 24/5/2013*)
Huen WONG

JOINT PROFESSIONAL CENTRE LIMITED

Heidi K.P. CHU
Sylvia W.Y. SIU

JUDICIAL OFFICERS RECOMMENDATION COMMISSION

Huen WONG

JUDICIAL STUDIES BOARD

Alex T.H. LAI

JUDICIARY FAMILY COURT USERS' COMMITTEE

Dennis C.K. HO
Jonathan C.Y. MOK

JUDICIARY WORKING PARTY AND ADVISORY GROUP ON REVIEW OF SOLICITORS' HOURLY RATES

Denis G. BROCK (*from 12/2013*)
Amirali B. NASIR (*from 12/2013*)

JUDICIARY'S WORKING GROUP ON CHILDREN AND ANCILLARY RELIEF PROCEDURES IN FAMILY PROCEEDINGS

Dennis C. K. HO

JUDICIARY'S WORKING PARTY ON MEDIATION

Cecilia K.W. WONG

LAND REGISTRY CUSTOMER LIAISON GROUP

AU Kin Man
AU Man Chun
Alson CHAI
LAM Man Yee
Billy W.Y. MA
WONG Yee Mei

LAND REGISTRY JOINT STANDING COMMITTEE

Ambrose S.K. LAM
Emily Y.M. LAM
Vincent W.S. LIANG
Andy O.T. NGAN

LAND SURVEY ORDINANCE (CH.473) DISCIPLINARY BOARD PANEL

Joseph C.W. LI (*up to 26/6/2013*)
Amirali B. NASIR
Cecilia K.W. WONG (*from 27/6/2013*)

LAWASIA EXECUTIVE COUNCIL

Lester G. HUANG
Melissa K. PANG

LAW SOCIETY REPRESENTATIVES ON STATUTORY OR OFFICIAL COMMITTEES

LAWASIA COUNTRY MEMBER

Melissa K. PANG
Huen WONG

THE LAW REFORM COMMISSION OF HONG KONG — SUB-COMMITTEE ON HEARSAY IN CRIMINAL PROCEEDINGS

BUT Sun Wai

LEGAL AID PRACTITIONERS' LIAISON COMMITTEE

Junius K.Y. HO

LEGAL AID REVIEW COMMITTEE

Amirali B. NASIR

LEGAL AID SERVICES COUNCIL

Joseph C.W. LI (*from 1/5/2013*)
Billy W.Y. MA
Cecilia K.W. WONG (*until 30/4/2013*)

LEGAL AID SERVICES COUNCIL — WORKING PARTY ON FUNDAMENTAL ISSUES

Junius K.Y. HO
Ambrose S.K. LAM

LEGAL AID SERVICES COUNCIL — INTEREST GROUPS ON THE SCOPE OF LEGAL AID AND PROCESSING, ASSIGNMENT AND MONITORING OF ASSIGNED-OUT CASES

Patrick M. BURKE
Rebecca HO

MR. JUSTICE PICKERING MEMORIAL FUND

Billy W.Y. MA

OFFICIAL RECEIVER'S OFFICE SERVICES ADVISORY COMMITTEE

Junius K.Y. HO
Keith M.K. HO

ORGANISING COMMITTEE OF THE 2013/2014 FAMILY-FRIENDLY EMPLOYERS AWARD SCHEME

Sylvia W.Y. SIU

PILOT SCHEME TO PROVIDE LEGAL ADVICE FOR LITIGANTS IN PERSON

Stephen W.S. HUNG

POLICE/LAW SOCIETY LIAISON COMMITTEE

BUT Sun Wai
Junius K.Y. HO
Ambrose S.K. LAM
MA Shiu Ngok
Melissa K. PANG
Kevin STEEL
Anthony UPHAM

RESOURCE CENTRE CONSULTATIVE COMMITTEE — SUBCOMMITTEE ON FREE LEGAL ADVICE

Amirali B. NASIR

SECRETARY FOR JUSTICE'S WORKING GROUP ON CLASS ACTION

Huen WONG

SECRETARY FOR JUSTICE'S STEERING COMMITTEE ON MEDIATION

Thomas S.T. SO

SECRETARY FOR JUSTICE'S MEDIATION TASK FORCE

John R. BUDGE

SOCIAL WORKERS REGISTRATION BOARD — ASSESSMENT PANEL

Sylvia W.Y. SIU
Thomas S.T. SO

STANDING COMMITTEE ON LEGAL EDUCATION AND TRAINING

Vivien LEE
Huen WONG
Dieter YIH

SUB-COMMITTEE OF THE STANDING COMMITTEE ON LEGAL EDUCATION AND TRAINING ON ENGLISH LANGUAGE PROFICIENCY

Huen WONG

STEERING COMMITTEE ON THE PILOT SCHEME ON FAMILY MEDIATION

Catherine K.G. POR

THE CADASTRAL SURVEY CONSULTATIVE COMMITTEE

Huen WONG (*until 19/3/2013*)
E. John DAVISON (*from 20/3/2013*)

THE DISCIPLINARY BOARD PANEL UNDER THE LAND SURVEY ORDINANCE

Amirali B. NASIR

LAW SOCIETY REPRESENTATIVES ON STATUTORY OR OFFICIAL COMMITTEES

THE HONG KONG COALITION OF SERVICE INDUSTRIES — EXECUTIVE COMMITTEE

Ambrose S.K. LAM (*from 12/6/2013*)

Dieter YIH (*until 11/6/2013*)

THE HONG KONG FEDERATION OF INSURERS — APPEAL TRIBUNAL

Lester G. HUANG

HONG KONG INTERNET REGISTRATION CORPORATION LIMITED

Andrew S.K. LAW (*until 31/5/2013*)

Steven K. LEE (*from 1/6/2013*)

THE UNIVERSITY OF HONG KONG — PCLL ACADEMIC BOARD

Nicholas H.F. CHAN (*from 1/4/2013*)

HA Yiu Fai

Stephen W.S. HUNG (*from 1/4/2013*)

Susan WONG (*until 31/3/2013*)

Felix K.Y. YAU

Dieter YIH (*until 31/3/2013*)

THE UNIVERSITY OF HONG KONG — BOARD OF FACULTY

Huen WONG

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE LAW SOCIETY OF HONG KONG

(Incorporated in Hong Kong and limited by guarantee)

We have audited the financial statements of The Law Society of Hong Kong ("the Society") set out on pages 166 to 186, which comprise the statement of financial position as at 31 December 2013, the statement of profit or loss and other comprehensive income, statement of changes in equity and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Council Members' responsibility for the financial statements

The Council Members of the Society are responsible for the preparation of financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the Hong Kong Companies Ordinance and for such internal control as the Council Members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. This report is made solely to you, as a body, in accordance with section 141 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Council Members, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the state of the Society's affairs as at 31 December 2013 and of its surplus and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the Hong Kong Companies Ordinance.

Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2013

(Expressed in Hong Kong dollars)

	Note	2013	2012
Income	3	85,931,367	89,175,256
Staff costs	4(a)	(45,580,409)	(40,085,512)
Office expenses	4(b)	(4,981,658)	(4,959,317)
Depreciation	7	(2,459,958)	(2,743,996)
Members' expenses	4(c)	(6,021,247)	(5,920,676)
Other operating expenses	4(d)	(22,919,744)	(23,420,968)
Surplus before taxation	4	3,968,351	12,044,787
Income tax	6(a)	(407,639)	(1,634,137)
Surplus and total comprehensive income for the year		3,560,712	10,410,650

The notes on pages 170 to 186 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION

At 31 December 2013
(Expressed in Hong Kong dollars)

	Note	2013	2012
Non-current assets			
Property, plant and equipment	7	90,481,178	92,544,137
Investments in subsidiaries	8	22	22
Deferred tax assets	13(b)	672,941	657,299
		91,154,141	93,201,458
Current assets			
Deposits, prepayments and other receivables	9	6,790,087	6,086,645
Amounts due from related companies	10	3,475,738	5,401,179
Amounts due from subsidiaries	10	288,700	262,291
Cash and deposits with banks	11	187,188,963	177,679,941
Current tax recoverable	13(a)	1,215,276	—
		198,958,764	189,430,056
Current liabilities			
Membership, practising certificate and other fees received in advance		52,782,239	50,265,003
Creditors and accrued charges	12	9,793,249	7,939,121
Current tax payable	13(a)	—	450,685
		62,575,488	58,654,809
Net current assets		136,383,276	130,775,247
Net assets		227,537,417	223,976,705
Representing: Accumulated surpluses		227,537,417	223,976,705

Approved and authorised for issue by the Council on

AMBROSE S.K. LAM)	
STEPHEN W.S. HUNG)	Council Members
)	
HEIDI CHU)	
)	Secretary General
)	

The notes on pages 170 to 186 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

*For the year ended 31 December 2013
(Expressed in Hong Kong dollars)*

	2013	2012
Balance at 1 January	223,976,705	213,566,055
Surplus and total comprehensive income	3,560,712	10,410,650
Balance at 31 December	227,537,417	223,976,705

The notes on pages 170 to 186 form part of these financial statements.

CASH FLOW STATEMENT

For the year ended 31 December 2013
(Expressed in Hong Kong dollars)

	Note	2013	2012
Operating activities			
Cash generated from operations	11(b)	10,473,348	14,555,006
Hong Kong profits tax paid		(2,089,242)	(2,048,757)
Net cash generated from operating activities		8,384,106	12,506,249
Investing activities			
Decrease/(increase) in deposits with banks with maturity of more than three months at acquisition		63,778,292	(27,123,994)
Interest received		1,521,915	2,156,275
Payment for the purchase of property, plant and equipment		(396,999)	(848,984)
Net cash generated from/(used in) investing activities		64,903,208	(25,816,703)
Net increase/(decrease) in cash and cash equivalents		73,287,314	(13,310,454)
Cash and cash equivalents at 1 January	11(a)	58,975,654	72,286,108
Cash and cash equivalents at 31 December	11(a)	132,262,968	58,975,654

The notes on pages 170 to 186 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars)

1 Status of the Society

The Society is a company limited by guarantee with no share capital. The liability of each member is limited to an amount not exceeding \$50. As at 31 December 2013, the Society had 8,967 members (2012: 8,561).

2 Significant accounting policies

(a) Statement of compliance

The Society has not prepared consolidated financial statements as the Council Members consider that the Society's subsidiaries, which constituted 0.2% and 0.6% of the net assets at the end of the reporting period and surplus for the year of the Society, respectively, are immaterial, and the Council Members consider that such consolidated financial statements would be of no real value to the members of the Society in view of the insignificant amounts involved.

For the purposes of compliance with sections 122 and 123 of the Hong Kong Companies Ordinance, these financial statements have been prepared to present a true and fair view of the state of affairs and income and expenditure of the Society only. Consequently, they have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the requirements of the Hong Kong Companies Ordinance which apply to the preparation of separate unconsolidated financial statements.

A summary of the significant accounting policies adopted by the Society is set out below.

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Society. Note 1(c) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Society for the current and prior accounting periods in these financial statements.

(b) Basis of preparation of the financial statements

The measurement basis used in the preparation of the financial statements is the historical cost basis.

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

2 Significant accounting policies (Continued)

(c) Changes in accounting policies

The HKICPA has issued a number of new HKFRSs and amendments to HKFRSs that are first effective for the current accounting period of the Society. Of these, the following developments are relevant to the Society's financial statements:

- Amendments to HKAS 1, *Presentation of financial statements — Presentation of items of other comprehensive income*
- HKFRS 10, *Consolidated financial statements*
- HKFRS 12, *Disclosure of interests in other entities*
- HKFRS 13, *Fair value measurement*
- Revised HKAS 19, *Employee benefits*

The Society has not applied any new standard or interpretation that is not yet effective for the current accounting period.

The impact of the adoption of these new or amended HKFRSs is discussed below:

Amendments to HKAS 1, *Presentation of financial statements — Presentation of items of other comprehensive income*

The amendments require entities to present separately the items of other comprehensive income that would be reclassified to profit or loss in the future if certain conditions are met from those that would never be reclassified to profit or loss. In addition, the Society has chosen to use the new title "statement of profit or loss and other comprehensive income" as introduced by the amendments in these financial statements.

HKFRS 10, *Consolidated financial statements*

HKFRS 10 replaces the requirements in HKAS 27, *Consolidated and separate financial statements* relating to the preparation of consolidated financial statements and HK-SIC 12 *Consolidation — Special purpose entities*. It introduces a single control model to determine whether an investee should be consolidated, by focusing on whether the entity has power over the investee, exposure or rights to variable returns from its involvement with the investee and the ability to use its power to affect the amount of those returns.

As a result of the adoption of HKFRS 10, the Society has changed its accounting policy with respect to determining whether it has control over an investee. The adoption does not change any of the control conclusions reached by the Society in respect of its involvement with other entities as at 1 January 2013.

HKFRS 12, *Disclosure of interests in other entities*

HKFRS 12 brings together into a single standard all the disclosure requirements relevant to an entity's interests in subsidiaries, joint arrangements, associates and unconsolidated structured entities. The disclosures required by HKFRS 12 are generally more extensive than those previously required by the respective standards. To the extent that the requirements are applicable to the Society, the Society has provided these disclosures in note 8.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars)

2 Significant accounting policies (Continued)

(c) Changes in accounting policies (Continued)

HKFRS 13, Fair value measurement

HKFRS 13 replaces existing guidance in individual HKFRSs with a single source of fair value measurement guidance. HKFRS 13 also contains extensive disclosure requirements about fair value measurements for both financial instruments and non-financial instruments. The adoption of HKFRS 13 does not have any material impact on the fair value measurements of the Society's assets and liabilities.

Revised HKAS 19, Employee benefits

Revised HKAS 19 introduces a number of amendments to the recognition, measurement and disclosures of employee benefits. Among them, revised HKAS 19 revises the definitions of short-term and other long-term employee benefits and the timing of recognition of termination benefits. These amendments do not have a material impact on the Society's financial statements.

(d) Subsidiaries

Subsidiaries are entities controlled by the Society. The Society controls an entity when it is exposed or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether the Society has power, only substantive rights (held by the Society and other parties) are considered.

In the Society's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see note 2(g)).

(e) Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and impairment losses (see note 2(g)).

Depreciation is calculated to write off the cost of items of property, plant and equipment, less their estimated residual value, if any, using the straight-line method over their estimated useful lives as follows:

- Leasehold land classified as being held for own use under finance lease is depreciated over the unexpired terms of lease;
- Buildings situated on leasehold land are depreciated over the shorter of their estimated useful lives, being 25 years from the date of purchase, and the unexpired terms of lease;
- Furniture, fixtures and equipment 3–5 years
- Leasehold improvements 5 years

Both the useful life of an asset and its residual value, if any, are reviewed annually.

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal.

2 Significant accounting policies (Continued)

(f) Leased assets

An arrangement, comprising a transaction or a series of transactions, is or contains a lease if the Society determines that the arrangement conveys a right to use a specific asset or assets for an agreed period of time in return for a payment or a series of payments. Such a determination is made based on an evaluation of the substance of the arrangement and is regardless of whether the arrangement takes the legal form of a lease.

Assets that are held by the Society under leases which transfer to the Society substantially all the risks and rewards of ownership are classified as being held under a finance lease.

Leases which do not transfer substantially all the risks and rewards of ownership to the Society are classified as operating leases.

Where the Society has the use of other assets held under operating leases, payments made under the leases are charged to profit or loss in equal instalments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset. Lease incentives received are recognised in profit or loss as an integral part of the aggregate net lease payments made.

(g) Impairment of assets

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that the following assets may be impaired or an impairment loss previously recognised no longer exists or may have decreased:

- property, plant and equipment; and
- investments in subsidiaries.

If any such indication exists, the asset's recoverable amount is estimated.

(i) Calculation of recoverable amount

The recoverable amount of an asset is the greater of its fair value less cost of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

(ii) Recognition of impairment losses

An impairment loss is recognised in profit or loss if the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses are recognised to reduce the carrying amount of the asset or assets in the cash-generating unit on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs of disposal, or value in use, if determinable.

(iii) Reversal of impairment losses

An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars)

2 Significant accounting policies (Continued)

(h) Disciplinary proceedings and ancillary costs

Disciplinary proceedings and ancillary costs are recognised in profit or loss in the year in which they are incurred. Whilst every effort is made by the Society to secure reimbursement of such amounts, due to the uncertainty as to whether such costs will be recovered by reference to the provisions of section 25(1) of the Legal Practitioners Ordinance, reimbursements of such costs are recognised in profit or loss only to the extent that they have been received. Also included in the financial statements under this heading are the costs incurred in respect of interventions within solicitors' practices. Such costs are only recoverable from the solicitors concerned and, in view of their nature, such costs are unlikely to be recovered in full.

(i) Deposits, prepayments and other receivables

Deposits, prepayments and other receivables are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method, less allowance for impairment of doubtful debts, except where the receivables are interest-free loans made to related parties without any fixed repayment terms or the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less allowance for impairment of doubtful debts.

Impairment losses for bad and doubtful debts are recognised when there is objective evidence of impairment and are measured as the difference between the carrying amount of the financial asset and the estimated future cash flows, discounted at the asset's original effective interest rate where the effect of discounting is material. Objective evidence of impairment includes observable data that comes to the attention of the Society about events that have an impact on the asset's estimated future cash flows such as significant financial difficulty of the debtor.

Impairment losses for receivables whose recovery is considered doubtful but not remote are recorded using an allowance account. When the Society is satisfied that recovery is remote, the amount considered irrecoverable is written off against receivables directly and any amounts held in the allowance account relating to that debt are reversed. Subsequent recoveries of amounts previously charged to the allowance account are reversed against the allowance account. Other changes in the allowance account and subsequent recoveries of amounts previously written off directly are recognised in profit or loss.

(j) Creditors and accrued charges

Creditors and accrued charges are initially recognised at fair value and subsequently stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

(k) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition.

(l) Employee benefits

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

2 Significant accounting policies (Continued)

(m) Income tax

Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in profit or loss except to the extent that they relate to items recognised in profit or loss or directly in equity, in which case the relevant amounts of tax are recognised in other comprehensive income or directly in equity, respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits. Apart from differences which arise on initial recognition of assets and liabilities, all deferred tax liabilities and all deferred tax assets, to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

(n) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Society has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(o) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Provided it is probable that the economic benefits will flow to the Society and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in the profit or loss as follows:

- (i) Annual membership subscriptions, practising certificate fees, registration fees and other fees are recognised on a time-apportioned basis over the period to which they relate.
- (ii) Tuition fees for continuing professional development are recognised over the period of instruction.
- (iii) Interest income from bank deposits is recognised as it accrues using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars)

2 Significant accounting policies (Continued)

(p) Related parties

- (a) A person, or a close member of that person's family, is related to the Society if that person:
 - (i) has control or joint control over the Society;
 - (ii) has significant influence over the Society; or
 - (iii) is a member of the key management personnel of the Society or the Society's parent.
- (b) An entity is related to the Society if any of the following conditions applies:
 - (i) The entity and the Society are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Society or an entity related to the Society.
 - (vi) The entity is controlled or jointly-controlled by a person identified in (a).
 - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars)

3 Income

The principal activity of the Society is to act as the professional and regulatory body for solicitors in Hong Kong.

Income consists of:

	Note	2013	2012
Annual membership fees		7,008,000	6,694,400
Practising certificate fees		38,965,000	37,222,500
Foreign lawyer registration fees		13,950,000	13,851,000
Foreign law firm registration fees		1,249,000	1,354,000
Other fees	3(a)	8,015,173	8,345,004
Disciplinary proceedings and ancillary costs reimbursed	2(h)	6,387,906	10,865,822
Continuing professional development		1,959,808	1,825,819
Miscellaneous income	3(b)	6,874,565	6,860,436
Bank interest income	11(b)	1,521,915	2,156,275
		85,931,367	89,175,256

- (a) Other fees include fees received for applications for waivers from compliance with guidelines on drafting Deeds of Mutual Covenant, applications and registration for examinations and applications for certificates of standing.
- (b) Miscellaneous income comprises principally income from advertisements in the Society's circulars, recharges to the Professional Indemnity Scheme for the Society's salaries and overheads incurred during the year in administering the Scheme and to the Hong Kong Academy of Law Limited for services provided by the Society during the year.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars)

4 Surplus before taxation

Surplus before taxation is arrived at after charging/(crediting):

	Note	2013	2012
(a) Staff costs			
Salaries and allowances		41,209,011	35,898,777
Contributions to defined contribution retirement plan		4,868,648	4,273,783
Provident fund contribution forfeitures		(694,721)	(518,983)
Recruitment and training		197,471	431,935
		45,580,409	40,085,512
(b) Office expenses			
Operating lease charges: minimum lease payments in respect of property rentals		1,203,516	1,158,000
Rates and service charges		1,047,450	1,007,949
Electricity and telephone		527,427	490,787
Postage		184,544	325,794
Printing and stationery		1,706,858	1,768,482
Repairs and maintenance		311,863	208,305
		4,981,658	4,959,317
(c) Members' expenses			
Issue of membership cards		97,870	154,132
Functions		4,866,433	4,849,139
Meetings		1,056,944	917,405
		6,021,247	5,920,676
(d) Other operating expenses			
Conferences and overseas visits		623,419	578,360
Disciplinary proceedings and ancillary costs*	2(h)	4,950,728	9,400,609
Professional education		222,480	484,749
Professional and consultancy fees		3,938,498	531,744
Professional development		8,294,598	7,868,050
Auditor's remuneration		136,000	136,000
Annual subscriptions		41,096	95,115
Donations		5,100	40,000
Insurance and medical		1,446,938	1,256,238
Sundry		3,260,887	3,030,103
		22,919,744	23,420,968

* \$2,009,606 (2012: \$4,830,978) was incurred in respect of interventions within solicitors' practices.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars)

5 Remuneration of Council Members

Remuneration of Council Members disclosed pursuant to section 161 of the Hong Kong Companies Ordinance is as follows:

	2013	2012
Council Members' fees	—	—
Salaries, allowances and benefits in kind	—	—
Discretionary bonuses	—	—
Retirement scheme contributions	—	—
	—	—

6 Income tax in the statement of profit or loss and other comprehensive income

(a) Taxation charged/(credited) to profit or loss:

	2013	2012
Current tax — Hong Kong Profits Tax		
Provision for the year	426,423	1,634,841
Over-provision in respect of prior years	(3,142)	(15,631)
	423,281	1,619,210
Deferred tax		
Origination and reversal of temporary differences	(15,642)	14,927
	407,639	1,634,137

The provision for Hong Kong Profits Tax for 2013 is calculated at 16.5% (2012: 16.5%) of the estimated assessable profits for the year, taking into account a one-off reduction of 75% of the tax payable for the year of assessment 2012–13 subject to a ceiling of \$10,000 allowed by the Hong Kong SAR Government.

(b) Reconciliation between tax expense charged to profit or loss and accounting surplus at the applicable tax rate:

	2013	2012
Surplus before taxation	3,968,351	12,044,787
Notional tax on surplus before taxation, calculated at the Hong Kong Profits Tax rate 16.5% (2012: 16.5%)	654,777	1,987,390
Tax effect of non-deductible expenses	13,978	13,978
Tax effect of non-taxable income	(251,116)	(355,785)
One-off tax reduction	(10,000)	—
Under/(over)-provision in prior years	6,858	(15,631)
Tax effect of unrecognised temporary differences	(6,858)	4,185
Actual tax expense charged to profit or loss	407,639	1,634,137

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars)

7 Property, plant and equipment

	Interest in leasehold land held for own use under a finance lease	Building held for own use	Leasehold improvements	Furniture, fixtures and equipment	Total
Cost:					
At 1 January 2013	76,666,667	38,333,333	12,454,197	6,644,741	134,098,938
Additions	—	—	159,800	237,199	396,999
Disposals	—	—	—	(4,180)	(4,180)
At 31 December 2013	76,666,667	38,333,333	12,613,997	6,877,760	134,491,757
Accumulated depreciation:					
At 1 January 2013	1,270,725	22,999,996	11,589,837	5,694,243	41,554,801
Charge for the year	84,715	1,533,333	269,928	571,982	2,459,958
Written back on disposals	—	—	—	(4,180)	(4,180)
At 31 December 2013	1,355,440	24,533,329	11,859,765	6,262,045	44,010,579
Net book value:					
At 31 December 2013	75,311,227	13,800,004	754,232	615,715	90,481,178
Cost:					
At 1 January 2012	76,666,667	38,333,333	12,263,227	6,352,313	133,615,540
Additions	—	—	190,970	658,014	848,984
Disposals	—	—	—	(365,586)	(365,586)
At 31 December 2012	76,666,667	38,333,333	12,454,197	6,644,741	134,098,938
Accumulated depreciation:					
At 1 January 2012	1,186,010	21,466,663	11,322,612	5,201,106	39,176,391
Charge for the year	84,715	1,533,333	267,225	858,723	2,743,996
Written back on disposals	—	—	—	(365,586)	(365,586)
At 31 December 2012	1,270,725	22,999,996	11,589,837	5,694,243	41,554,801
Net book value:					
At 31 December 2012	75,395,942	15,333,337	864,360	950,498	92,544,137

The leasehold land and building are held in Hong Kong under a long term lease.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars)

8 Investments in subsidiaries

	2013	2012
Unlisted shares, at cost	22	22

Details of the subsidiaries are as follows:

Name of company	Place of incorporation and operation	Proportion of ownership interest held by the company	Principal activity
The Law Society of Hong Kong Publications Limited	Hong Kong	50%	Publishing the journal of the Society
The Law Society Clubhouse Limited*	Hong Kong	50%	Club services for members of the Society

* Not audited by KPMG.

The profit of the subsidiaries for the year ended 31 December 2013 amounting to \$19,618 (2012: loss of \$95,522) and the subsidiaries' accumulated losses of \$224,787 (2012: \$244,405) have not been dealt with in the financial statements of the Society.

9 Deposits, prepayments and other receivables

	2013	2012
Deposits and prepayments	6,335,136	5,053,251
Other receivables	454,951	1,033,394
	6,790,087	6,086,645

Deposits, prepayments and other receivables are expected to be recovered or recognised as expense within one year.

10 Amounts due from subsidiaries and related companies

The amounts due from subsidiaries and related companies are unsecured, interest-free and have no fixed terms of repayment.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars)

11 Cash and deposits with banks

(a) Cash and deposits with banks comprise:

	2013	2012
Deposits with banks with maturity within three months at acquisition	114,675,952	55,417,673
Cash at bank and in hand	17,587,016	3,557,981
Cash and cash equivalents in the cash flow statement	132,262,968	58,975,654
Deposits with banks with maturity of more than three months at acquisition	54,925,995	118,704,287
Cash and deposits with banks in the statement of financial position	187,188,963	177,679,941

(b) Reconciliation of surplus before taxation to cash generated from operations:

	Note	2013	2012
Surplus before taxation		3,968,351	12,044,787
Adjustments for:			
Bank interest income	3	(1,521,915)	(2,156,275)
Depreciation	7	2,459,958	2,743,996
Changes in working capital:			
Increase in deposits, prepayments and other receivables		(703,442)	(965,456)
Decrease/(increase) in amounts due from related companies		1,925,441	(103,381)
Increase in amounts due from subsidiaries		(26,409)	(82,503)
Increase in creditors and accrued charges		1,854,128	1,121,454
Increase in membership, practising certificate and other fees received in advance		2,517,236	1,952,384
Cash generated from operations		10,473,348	14,555,006

As at 31 December 2013, the Society had \$16,568,028 (2012: \$16,236,980) cash and deposits with banks which were held on behalf of law firms in respect of their unclaimed clients' monies or law firms under intervention. The Council Members are of the opinion that these monies were deposited in specific bank accounts set up solely for these purposes and the Society is not entitled to use these monies. Therefore, the amounts have not been recognised in the statement of financial position of the Society.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars)

12 Creditors and accrued charges

Creditors and accrued charges are expected to be settled within one year or are repayable on demand.

13 Income tax in the statement of financial position

(a) Current taxation in the statement of financial position represents:

	2013	2012
Provision for Hong Kong Profits Tax for the year	426,423	1,634,841
Provisional Profits Tax paid	(1,641,699)	(1,184,156)
Current tax (recoverable)/payable	(1,215,276)	450,685

(b) Deferred tax assets and liabilities recognised:

The components of deferred tax assets recognised in the statement of financial position and the movements during the year are as follows:

	Depreciation in excess of the related depreciation allowances
Deferred tax arising from:	
At 1 January 2012	672,226
Charged to profit or loss	(14,927)
At 31 December 2012	657,299
At 1 January 2013	657,299
Credited to profit or loss	15,642
At 31 December 2013	672,941

The Society has no significant unrecognised deferred tax assets and liabilities at 31 December 2012 and 2013.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars)

14 Capital management

The Society is a company limited by guarantee and has no share capital. The Society considers its capital to be the accumulated surplus. The Society's primary objectives when managing its accumulated surplus is to safeguard the Society's ability to continue as a going concern, so that it can continue to provide support and protect the interest of its members.

Adjustments are made to the capital structure in light of changes in economic conditions affecting the Society to the extent that these do not conflict with the Council Members' fiduciary duties towards the Society or the requirements of the Hong Kong Companies Ordinance.

There has been no change in the Society's capital management practices as compared to prior year and the Society is not subject to any externally imposed capital requirements in both current and prior years.

15 Financial risk management and fair values of financial instruments

Exposure to credit, liquidity and interest rate risks arises in the normal course of the Society's operation. The Society's exposure to these risks and the financial risk management policies and practices used by the Society to manage these risks are described below.

(a) Credit risk

The Society does not have any significant credit risk with respect to other receivables as they relate to a wide range of entities with no recent history of default.

The major exposure to credit risk is represented by deposits with banks. The Society's policy is to place its deposits with banks with major financial institutions with good credit rating.

(b) Liquidity risk

The Society's policy is to regularly monitor its liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term.

(c) Interest rate risk

The Society's interest rate risk arises primarily from deposits with bank at fixed rates that expose the Society to fair value interest rate risk. The Society's bank deposits have an effective interest rate of 0.99% (2012: 1.41%).

At 31 December 2013, it is estimated that a general increase/decrease of 100 basis points (2012: 100 basis points) in interest rates, with all other variables held constant, would have increased/decreased the Society's surplus and equity by approximately \$1,416,176 (2012: \$1,453,918).

The sensitivity analysis above has been determined assuming the change in interest rates had occurred at the end of the reporting period and had been applied to the exposure to interest rate risk for financial instruments in existence at that date. The analysis has been performed on the same basis as for 2012.

(d) Fair value measurement

All financial instruments are carried at amounts not materially different from their fair values as at 31 December 2013 and 2012.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars)

16 Operating lease commitments

At 31 December 2013, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

	2013	2012
Within one year	1,284,000	1,050,152
After one year but within five years	925,147	99,871
	2,209,147	1,150,023

The Society is the lessee in respect of a number of properties held under short-term operating leases. The leases typically run for an initial period of two years, at the end of which period all terms are renegotiated. None of the leases includes contingent rentals.

17 Professional Indemnity Insurance Scheme

It is the opinion of the Council that the assets and liabilities of the Professional Indemnity Insurance Scheme are not those of the Society and, accordingly, these assets and liabilities have not been included in these financial statements.

18 Material related party transactions

In addition to the transactions and balances disclosed elsewhere in the financial statements, the Society entered into the following material related party transactions.

- (a) Charges for legal services in relation to intervention and disciplinary proceedings rendered to the Society by the firms of solicitors in which Council Members are interested totalled \$0.8 million (2012: \$1.9 million) for the year ended 31 December 2013.

Amounts due to these firms of solicitors as at 31 December 2013 amounted to \$0.3 million (2012: \$0.2 million) which are included in creditors and accrued charges.

- (b)

	2013	2012
Expenses borne on behalf of a subsidiary	415,974	338,750
Recharge of office expenses to related entities	4,972,902	4,804,891

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars)

19 Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 December 2013

Up to the date of issue of these financial statements, the HKICPA has issued a number of amendments and new standards which are not yet effective for the year ended 31 December 2013 and which have not been adopted in these financial statements.

The Society is in the process of making an assessment of what the impact of these amendments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the Society's results of operations and financial position.

ABBREVIATED TERMS USED IN THIS REPORT

2013 Guide	Software Directory and Selection Guide 2013
ABA	American Bar Association
ABS	Alternate Business Structure
Academy	Hong Kong Academy of Law Limited
ACAN	Action Committee Against Narcotics
AJLS Panel	Panel on Administration of Justice and Legal Services
AML	Anti-Money Laundering
AQOs	Air Quality Objectives
AR Rules	Admission and Registration Rules
Bar Association	Hong Kong Bar Association
BIP	Business of Intellectual Property
BSD	Buyer's Stamp Duty
CA	Court of Appeal
CAT	Convention Against Torture and Refugee Law
CDTAs	Comprehensive Avoidance of Double Taxation Agreements
CEE	Common Entrance Examination
CFA	Court of Final Appeal
CityU	City University of Hong Kong
CJR	Civil Justice Reform
CO	Companies Ordinance
Conduct Guide	The Hong Kong Solicitors' Guide to Professional Conduct (Volume 1, second edition)
CPD	Continuing Professional Development
CRC	Community Relations Committee
CUHK	The Chinese University of Hong Kong
DIPN	Departmental Interpretation and Practice Notes
DOJ	Department of Justice
DVD	Double Rates for Ad Valorem Stamp Duty
ECAS	Employees Compensation Assistance Scheme
Editorial Board	Hong Kong Lawyer Editorial Board
EOC	Equal Opportunities Commission
Eol	Exchange of Information
GCLAC	Greater China Legal Affairs Committee
HAD	Home Affairs Department
HC	High Court
HKCSS	The Hong Kong Council of Social Services
HKICPA	Hong Kong Institute of Certified Public Accountants
HKICS	The Hong Kong Institute of Chartered Secretaries
HKMAAL	Hong Kong Mediation Accreditation Association Limited
HKMC	Hong Kong Mortgage Corporation Limited
HKSIF	Hong Kong Solicitors' Indemnity Fund
HKSIFL	Hong Kong Solicitors' Indemnity Fund Limited
HKTDC	Hong Kong Trade Development Council
HKU	The University of Hong Kong
HRA	Higher Rights of Audience
IBA	International Bar Association
IHLC	In-House Lawyers Committee
IIA	Independent Insurance Authority
ILAA	Independent Legal Aid Authority
ILAC	International Legal Affairs Committee

ABBREVIATED TERMS USED IN THIS REPORT

IP	Intellectual Property
IPD	Intellectual Property Department
JFIU	Joint Financial Intelligence Unit
LAD	Legal Aid Department
LASC	Legal Aid Services Council
LDD	Law Drafting Division
LegCo	Legislative Council
LLP	Limited Liability Partnerships
LPO	Legal Practitioners Ordinance
LRC	Law Reform Commission
LSB	Legal Services Board
LWB	Labour and Welfare Bureau
NPCSC	National People's Congress Standing Committee
OLQE	Overseas Lawyers Qualification Examination
OLY	Opening of Legal Year
ORO	Official Receiver's Office
PCLL	Postgraduate Certificate in Laws
PI	Personal Injuries
PIS	Professional Indemnity Scheme
PMAC	Property Management Advisory Centre
PMSA	Property Management Services Authority
RM	Reverse Mortgage
RME	Risk Management Education
RVD	Rating & Valuation Department
SCLET	Standing Committee on Legal Education and Training
SCOLAR	Standing Committee on Language Education and Research
Selection Board	PIS Panel Solicitors Selection Board
SLA	Shenzhen Lawyers Association
SPI Rules	Solicitors (Professional Indemnity) Rules
SPR	Solicitors' Practice Rules
SSD	Special Stamp Duty
STR	Suspicious Transaction Report
*The Law Society	The Law Society of Hong Kong
TIEAs	Tax Information Exchange Agreements
The Tribunal Convenor	The Tribunal Convenor of Solicitors Disciplinary Tribunal Panel
TSR	Trainee Solicitors Rules
USM	Unified Screening Mechanism
YCPG	Young Coalition Professional Group
YPR	Young Partners Roundtable
YSG	Young Solicitors' Group

* Except for the Council's Report and the Independent Auditor's Report when The Law Society of Hong Kong was referred to as "The Society" from page 4 to 5 and from page 165 to 186.

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