



THE
LAW SOCIETY
OF HONG KONG
香港律師會



2016

Annual Report

Driving Professional Excellence





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The Council 2016

Thomas S.T. SO
President
(from June)



Melissa K. PANG
Vice-President



Amirali B. NASIR
Vice-President
(from June)



Peter C.L. LO



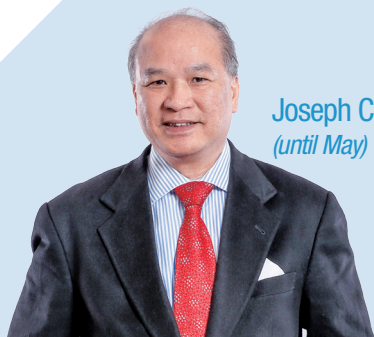
Michael J.
LINTERN-SMITH



Billy W.Y. MA



Joseph C.W. LI
(until May)



Brian W. GILCHRIST



Gavin P. NESBITT
(until May)



Mark DALY



C.M. CHAN
(from February)



Serina K.S. CHAN
(from May)



Stephen W.S. HUNG
President
(until June)



Junius K.Y. HO



Huen WONG



Sylvia W.Y. SIU
(until May)



Cecilia K.W. WONG



Kenneth S.Y. NG
(until May)



Denis G. BROCK



Nick CHAN



Bonita B.Y. CHAN



Warren P. GANESH
(from May)



Simon S.C. LAI
(from May)



Roden M.L. TONG
(from May)



Report of the Council

The Council submit herewith its annual report together with the audited financial statements for the year ended 31 December 2016.

Principal place of business

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

Business review

A review of The Law Society's operation and management, financial position and risks, environmental policies and performances and future direction of The Law Society are set out on pages 6 to 15 and 18 to 43 of the Annual Report.

Financial statements

The deficit of The Law Society for the year ended 31 December 2016 and the state of The Law Society's affairs as at that date are set out in the financial statements on pages 79 to 103.

Membership

As at 31 December 2016, there were 10,345 (2015: 9,869) members of The Law Society. The total number of Practising Certificates issued was 9,076 (2015: 8,647). There were 870 (2015: 854) firms of solicitors.

Bankers

The bankers are The Bank of East Asia Limited, The Hongkong and Shanghai Banking Corporation Limited, Hang Seng Bank Limited, Standard Chartered Bank (Hong Kong) 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 on page 5.

In accordance with article 15(a) of The Law 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 Law Society, any of its subsidiaries or any of its related companies a party to any arrangement to enable the Council Members of The Law Society to acquire benefits by means of the acquisition of an interest in The Law 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 Law Society, any of its subsidiaries or any of its related companies was a party, and in which the Council Members had a material interest, subsisted at the end of the year or at any time during the year.

Indemnity of Council Members

A permitted indemnity provision (as defined in section 469 of the Hong Kong Companies Ordinance) for the benefit of the Council Members of The Law Society is currently in force and was in force throughout this year.

Auditors

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

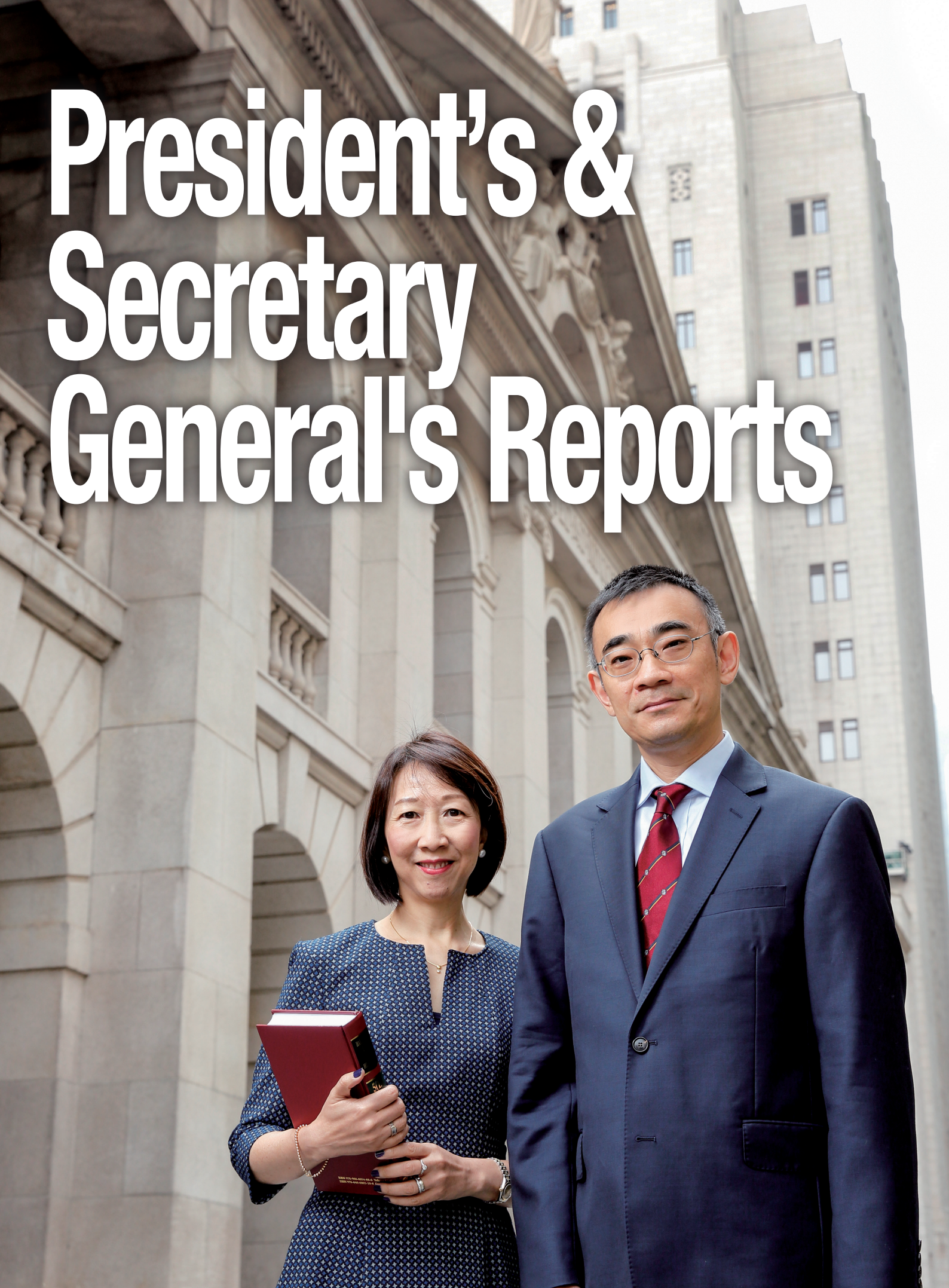
By order of the Council

Thomas S. T. So

President

Hong Kong, 31 March 2017

	Regular Meetings	Unscheduled Meetings	Total	Official Duties
Thomas S. T. So, President (from 7 June 2016)	23	2	25	3
Melissa K. Pang, Vice President	24	1	25	3
Amirali B. Nasir, Vice President (from 7 June 2016)	23	3	26	3
Stephen W. S. Hung, President (until 7 June 2016)	25	3	28	4
Junius K. Y. Ho	23	0	23	0
Huen Wong	23	3	26	1
Peter C. L. Lo	24	1	25	0
Michael J. Lintern-Smith	20	1	21	0
Billy W. Y. Ma	21	1	22	0
Sylvia W. Y. Siu (retired on 26 May 2016)	6	0	6	0
Cecilia K. W. Wong (re-elected on 26 May 2016)	24	2	26	1
Kenneth S. Y. Ng (retired on 26 May 2016)	0	0	0	0
Joseph C. W. Li (retired on 26 May 2016)	8	0	8	0
Brian W. Gilchrist	26	2	28	0
Gavin P. Nesbitt (retired on 26 May 2016)	7	0	7	0
Denis G. Brock	21	1	22	0
Nick Chan	27	2	29	0
Bonita B. Y. Chan	21	3	24	0
Mark Daly	17	0	17	0
C. M. Chan (re-elected on 26 May 2016)	22	2	24	1
Serina K. S. Chan (elected on 26 May 2016)	20	1	21	0
Warren P. Ganesh (elected on 26 May 2016)	20	3	23	0
Simon S. C. Lai (elected on 26 May 2016)	16	3	19	1
Roden M. L. Tong (elected on 26 May 2016)	17	2	19	0



President's & Secretary General's Reports

President's Report

Solicitors play a vital role in defending the fundamental values that ensure the fair administration of justice. There is absolutely no room for any compromise with respect to professional standards as any gap, however narrow, may put the public at risk.

Safeguarding and maintaining the highest professional standards for solicitors in the interest of the public is a core duty of The Law Society as the professional body of solicitors.

Driving Professional Excellence neatly sums up The Law Society efforts in 2016.

Achieving consistency in standards

The Law Society, as a regulator of the solicitors' branch of the profession, has an obligation to ensure consistency in professional standards for entrants to the profession for the protection of public interests. Since as early as 2012, The Law Society has raised the proposal of a Common Entrance Examination ("CEE"). The CEE is aimed at ensuring that solicitors have all been assessed to the same rigorous standard thereby maintaining consistency in the standards of the entrants to the solicitors' profession. In January, The Law Society announced that

by 2021, CEE, an examination set and marked by The Law Society, will be the only examination that a person is required to pass in order to enter into a trainee solicitor contract, pursuant to the existing power given to The Law Society under rule 7 of the Trainee Solicitors Rules. During the year, the relevant committees worked on various aspects relating to the implementation of the CEE including the timeline, syllabus, examination standard and procedures, exemption guidelines and cost and manpower implications. CEE was proposed for the benefit of the future development of the solicitors' profession and The Law Society will continue to engage all relevant stakeholders in planning its implementation.

Keeping the highest professional standards

Maintaining the highest professional standards not only ensure that clients get the best service possible and that the public is protected, it also strengthens our Hong Kong brand as a world-class legal service provider as well as our profession's competitiveness in the increasingly challenging legal market. We focused our work in 2016 on various fronts – making available relevant and effective training opportunities for our

members, introducing professional legal training to our counterparts in the Mainland and overseas jurisdictions, and promoting the quality services that Hong Kong solicitors can offer to emerging markets.

During the year, we introduced nine new electives under the Risk Management Education ("RME") Programme. An external consultant had also been commissioned to prepare the course materials for a practice management course. Much work had been completed in 2016 and the course is expected to be ready for launch in 2017.

Strengthening international reputation

The Law Society was a pioneer in introducing a mandatory RME Programme. Our RME Programme has successfully raised risk awareness in the profession and equipped practitioners with necessary risk management tools. Having accumulated the RME experience for over 10 years, The Law Society is well positioned to share our expertise with others across the region, particularly with our counterparts in Mainland China.

During the year, introductions of our RME Programme were delivered to practitioners in a seminar

held in Chengdu and during a meeting with the Beijing Lawyers Association in Beijing in June. The feedback was very encouraging and with the receipt of invitations from different provinces, we plan to progress the delivery of the RME courses to a more regular basis in a more in-depth format in the coming year.

Legal practitioners in Hong Kong have many unique capabilities. However, foreign clients in multi-jurisdictional transactions may not be aware of them. It is important to raise the profile of the Hong Kong legal profession in the international community to secure a role for us in the provision of legal services arising from the Belt and Road Initiative. In addition to organising seminars at the regular international conferences including the IPBA (Inter-Pacific Bar Association), IBA (International Bar Association) and UIA (Union Internationale Des Avocats), we also made significant progress in connecting with our counterparts in Russia and Taiwan in 2016.

The Russian business and trade regime has been liberalised considerably. Since 2010, Russia has surpassed Hungary and become the largest export market for Hong Kong in Central Eastern Europe. There is certainly room for more collaboration between Hong Kong and Russian

practitioners. Following the signing of a Memorandum of Understanding (“MOU”) with the Federal Chamber of Lawyers of the Russian Federation in 2015, The Law Society organised a session at the St Petersburg International Legal Forum in May to promote Hong Kong legal services to the Russian lawyers and enterprises.

We also made significant strides in strengthening our Taiwan connection in 2016. The Law Society entered into Memoranda of Understanding with the Taiwan Bar Association in January, the Chang Hua Bar Association and the Nantou Bar Association, both in October. The Law Society website was hyperlinked to the website of Hong Kong Economic, Trade and Cultural Office in May to facilitate the accessibility of information about Hong Kong solicitors to Taiwanese clients.

To align with the Government’s policy to promote Hong Kong as an international dispute resolution centre, we have seized every opportunity to reiterate the advantages of choosing Hong Kong as a dispute resolution venue and Hong Kong law as the governing law in relevant commercial and investment agreements. In 2016, our voice promoting Hong Kong arbitration services was heard in different

jurisdictions, for example, in Guiyang and Xi’an at the “Belt and Road – Hong Kong Legal and Arbitration Seminars” and in Peru at the APEC Workshop, both held in February; in Kuala Lumpur at the IPBA Annual Conference in April; in Chengdu at the SmartHK Conference in May; in Tokyo at the Joint Seminar with the Tokyo Bar Association in July; in Washington DC at the IBA Annual Conference in September as well as in Budapest at the UIA Congress in October.

The Law Society also worked on the establishment of a Law Society Panel of Solicitor-Arbitrators as well as a Panel of Hong Kong Lawyer-Mediators during the year. The latter Panel was formed with the purpose of serving member companies of the Shenzhen Qianhai Hong Kong Chamber of Commerce who look to mediators to resolve commercial and trade disputes in Qianhai.

Maintaining a disciplined legal environment for protection of the public

The practice of law in Hong Kong is a highly regulated profession because lawyers play an important role in society. In addition to knowledge in the black letter



Thomas So
President

law, solicitors must familiarise themselves and ensure compliance with the professional ethical rules and operational requirements on their legal practice. Every office of a law firm must be supervised and managed in accordance with the statutory requirements. The Law Society takes a serious view of any breach of the standards of practice supervision and management. These standards underpin the independence of our profession and must be strictly adhered to.

During the year, The Law Society's Investigation Committees (which are ad hoc committees formed

to adjudicate on complaints) considered 285 complaints and six matters were referred to the Solicitors Disciplinary Tribunal. Further, The Law Society exercised its statutory powers pursuant to the Legal Practitioners Ordinance (Cap 159) ("LPO") to intervene in the practices of four law firms in 2016. Some of the interventions involved active practices of a substantial scale. As the relevant records of the intervened firms appeared incomplete, the intervention work in 2016 required much more of The Law Society's resources than in preceding years. 2016 recorded a deficit of HK\$42

million as a result of the substantial intervention costs. Intervention into the practice of a law firm is a serious matter and the Council will only exercise this statutory power when it is absolutely necessary to do so. Regulatory costs will be incurred in the process, but they are incurred for the protection of the public interests. Going forward, the Council has resolved to set up a dedicated working party to consider ways to control the regulatory costs.

Further, criminals disguising as lawyers and law firms have advanced from creating fake

law firm websites to operating physical offices purporting to be law firms. The ulterior motive was to manipulate the general trust the public had in the legal profession into a false sense of security to ensure that the victims would fall for their fraudulent schemes. The Law Society immediately stepped up its public enquiry service on the status of law firms and solicitors. We encouraged the public to check with The Law Society or review the Law List posted on The Law Society website to ensure that the solicitors or the law firms they were dealing with were properly qualified to carry on practice before engaging them.

On the other hand, we also urged our members to inform The Law Society of the establishment of any new offices as soon as possible notwithstanding the permissible 14-day notification period.

Much work was also done to review the regulatory regime for registered foreign lawyers (“RFLs”) during the year. There was concern about the lack of clarity in the scope of work of RFLs permissible under rule 12 of the Foreign Lawyers Registration Rules (Cap 159, sub leg). Proposals were drawn up to clarify the scope to ensure that those subject to the provisions know how to comply with them.

Further, the number of RFLs practising in Hong Kong has risen by nearly 50% over the last 10 years (from 906 in 2006 to 1,358 in 2016). As at 31 December 2016, 73% of RFLs were employed in Hong Kong law firms. There is thus an increase in potential exposure to claims arising out of errors or omissions by RFLs in Hong Kong firms. Despite the rising number of RFLs practising in Hong Kong law firms, the number of RFLs is not incorporated in the contribution formula and therefore is not reflected in the contributions payable. RFLs are treated no differently to unqualified staff. To remedy this inequity in the Professional Indemnity Scheme (“PIS”) contribution calculation, The Law Society worked during the year to amend the relevant legislation to incorporate the number of RFLs into the formula for calculation of PIS contributions and deductibles.

Promoting generosity in contributing to pro bono and community services

Many of our members are keen to give back to the community. The Law Society is in full support and has always played an active role in providing and organising pro bono initiatives and community projects. In 2016, we have coordinated 74 community projects including

Law Week, Teen Talk, the Legal Pioneer Mentorship Programme, community and school talks, Free Legal Helpline and Free Legal Advice Consultation Service. 117 lawyers and 26 law firms were given awards for the pro bono services they provided through The Law Society's Pro Bono and Community Work Recognition Programme. In addition to coordinating the efforts of individual practitioners, we will continue to engage and collaborate with law firms, the Government, the Judiciary, non-governmental organisations and charitable organisations to promote the culture of “giving back to community” to all members of the profession.

I am greatly honoured to be trusted with the opportunity to serve the profession and deeply grateful for the unfailing support given to me by my fellow Council members and the Secretariat. Challenges lie ahead in the coming year and I look forward to continuing to champion The Law Society initiatives for the benefit of the profession.



Thomas So
President

Secretary General's Report

2016 was a vibrant and challenging year. The summary below sets out major quantifiable tasks that our team performed for our members throughout the year, under the guidance of the Council and the Committees. We:

- (a) organised over 104 social and networking events for our members, including Family Fun Day, Sports Night, Christmas Party, Cooking Competition, Annual Cocktail, Spring Reception, luncheon talks, among many others;
- (b) coordinated 74 community projects, including Law Week, Teen Talk, Community Fun Day, the Legal Pioneer Mentorship Programme, the Helpline to provide free legal advice, elderly visits, as well as community and school talks;
- (c) received 35 delegations from the Greater China region and other overseas jurisdictions;
- (d) coordinated 24 outbound visits to 19 cities in the Greater China region and sent 28 delegations to international conferences and meetings in other overseas jurisdictions;
- (e) arranged the signing of 11 memoranda of understanding / cooperation agreements with overseas professional bodies;
- (f) 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 IBA, LAWASIA, IPBA, AIJA (International Association of Young Lawyers), UIA, the American Bar Association and the Hong Kong Legal Services Forum hosted by the Hong Kong Department of Justice ("DOJ") in Nanjing;
- (g) issued over 15 submissions on public consultations and five press statements on issues relevant to the legal profession;
- (h) organised 388 training courses, attended by 17,356 participants, under the Continuing Professional Development ("CPD") Scheme and the RME Programme;
- (i) administered the annual Overseas Lawyers Qualification Examination ("OLQE") for a total of 216 candidates;
- (j) coordinated the activities of 14 Law Society sports teams and 9 recreational teams;
- (k) processed applications for (i) the subscription of 10,345 members, 18 associate members and 406 student members, (ii) the registration of 646 trainee solicitor contracts, (iii) the admission of 637 solicitors, (iv) the issue of 9,076 practising certificates in English and 4,137 in Chinese, (v) the registration of 1,645 foreign lawyers and 86 foreign firms, as well as (vi) the issue of 1,258 certificates of standing;
- (l) conducted CPD audits on 513 practitioners;
- (m) handled 961 complaints on practitioners and employees of law firms; and
- (n) visited 55 law firms on 84 occasions to provide assistance on their accounting procedures and to inspect documents to ensure compliance with the Solicitors' Accounts Rules.

Much of our work, however, is less quantifiable. Thus, more descriptive details on the work that we did in 2016 are set out in the various sections in this Annual Report.

Membership movements and breakdown

Our membership passed the 10,000 mark and increased by 4.8% from 9,869 to 10,345 as of the end of 2016. The growth rate is consistent with the average rate of 4.3% for the five-year period from 2011 to 2015. Out of our 10,345 members, 9,076 held a practising certificate, compared to 8,647 in 2015 representing a 5% increase.

The charts on the right show a snapshot of the distribution of our membership in terms of their practice, seniority and gender as at the end of 2016.

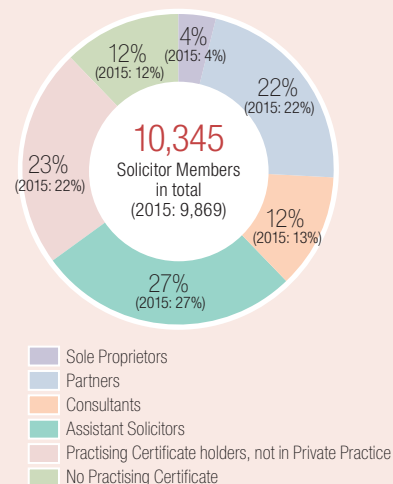
The number of consultants slightly dropped by 1% with a corresponding increase in the number not in private practice. Further, the gap in the numbers of male and female practising certificate holders narrowed from 5% in 2015 to 4% in 2016.

During the year, 41 new Hong Kong law firms and 10 new foreign law firms commenced practice. On the other hand, 23 Hong Kong law firms and six foreign law firms ceased practice. Out of the six foreign firms that were closed, three became Hong Kong law firms.

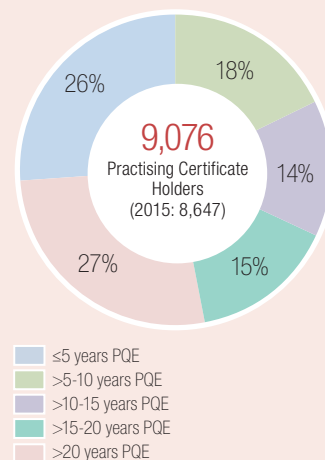
With the implementation of the Legal Practitioners (Amendment) Ordinance 2012 introducing limited liability partnerships (“LLPs”) for law firms in Hong Kong since 1 March, 21 law firms have taken advantage of the provisions and become LLPs during the year. Out of these 21 LLPs, 11 were foreign firms and 10 were local firms. LLPs afford limited liability protection to innocent partners pursuant to the provisions in the Ordinance. It was anticipated that LLPs might be an attractive choice for those who intended to expand their partnerships. Indeed, the profile of law firms had slightly changed during the year with an increase in the number of larger firms (defined by the number of partners per firm). Compared to 2015, the number of firms with 2 to 5 partners dropped by 2%, but those with 6 to 10 partners and over 20 partners both increased by 1%.

The jurisdiction of The Law Society Council extends to the conduct not only of a person who is, or was at the relevant time, a solicitor, a foreign lawyer or a trainee solicitor but also to an employee of a solicitor or foreign lawyer. At the end of 2016, 15,312 unqualified persons were employed by Hong Kong law firms and 469 by foreign law firms, a slight increase of 1.3% and 0.6% respectively compared to 2015.

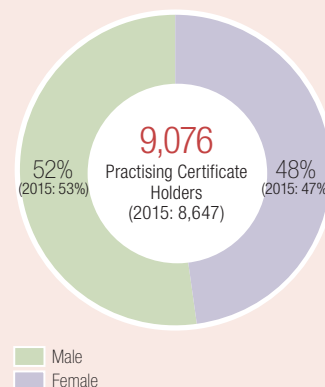
Practice



Seniority



Gender



Financial position

A reduction of income coupled with a substantial increase in regulatory costs resulted in a deficit of about HK\$42 million in 2016, compared to a surplus after tax of about HK\$2.3 million in 2015.

Our major sources of income included fees for membership, solicitors' practising certificates, foreign lawyers' registration and miscellaneous applications like certificates of good standing. The income for the year was about HK\$85.8 million, representing a decrease of about 7.7% from 2015. The decrease in income was largely attributable to the reduction of the annual membership subscription fee from HK\$800 to HK\$300 per member, the waiving of the annual service fee payable by the Hong Kong Academy of Law Limited ("Academy") to The Law Society, the reduction in costs recovery in disciplinary proceedings and interventions as well as from claims for reimbursements under section 25 of the LPO.

The other fee rates of application for practising certificate, and registration as a foreign lawyer and a foreign firm remained unchanged for the year. Student membership fee continued to be free to encourage more law students to join The Law Society.

With respect to expenditure, compared to 2015, it increased by 41.4% to approximately HK\$127.7 million. The increase was mainly due to a substantial surge in intervention costs to HK\$37.5 million, compared to HK\$2 million in 2015. The Law Society is empowered under the LPO to intervene in the practice of a law firm for protection of the interests of the clients of the firm and the public. The Law Society exercised its statutory power to intervene in the practices of four law firms in 2016. Through its intervention agents, The Law Society took control of the office and clients' money of the intervened firms, made arrangements for clients of the intervened firms to engage alternative solicitors and took possession of the intervened firms' documents. The number of files involved in some of the interventions was voluminous and the records were incomplete, resulting in substantial work in the intervention process. Subject to any court order for the payment of costs, any intervention costs incurred by The Law Society shall be paid by the solicitors whose practice had been intervened.

Another major increase in expenditure related to the legal costs incurred in two active judicial review cases during 2016. The costs of litigation and court proceedings amounted to HK\$4.4

million, compared to HK\$0.8 million in 2015.

The expenditure on items other than the above regulatory costs was prudently managed to remain below the 2015 level. The office expenses and the members' expenses reduced by 11.6% and 22.2% respectively compared to 2015.

Owing to the deficit for the year, the accumulated surplus was reduced to HK\$192 million. Our cash position decreased by 1.2% from about HK\$168.2 million in 2015 to about HK\$166.2 million at the end of 2016. The Law Society managed its cash reserves prudently and maintained them in fixed deposits spread among seven banks with not more than 22% of the total cash reserves in any one bank. Liquidity is closely monitored to ensure sufficient resources to meet the operating needs of The Law Society and to maximise interest earnings. As of the end of the year, about 60% of the total cash reserves were maintained with banks with maturity within three months. The details of the exposure to financial risks including credit, liquidity and interest rate risks and the policies and practices adopted to manage these risks are set out in Note 15(a) to (c) of the Financial Statements on page 100.

Environmental protection

The Law Society is committed to ensuring that all services offered by The Law Society as well as our own internal operations are conducted in an environmentally responsible manner.

We launched our first e-Journal, *Hong Kong Lawyer*, in March. With this new format, our official monthly journal, *Hong Kong Lawyer*, is instantly available on desktop and across all major mobile platforms. The new e-Journal, which is accessible via the *Hong Kong Lawyer* website homepage is fully searchable and hyperlinked to internal and external references. The e-journal contains the same content as the print journal and can be conveniently shared with others via social media and email. All member solicitors, registered foreign lawyers, associate members and trainee solicitors are entitled to receive a printed copy of *Hong Kong Lawyer*. To save paper for the protection of the environment, we have regularly encouraged and reminded members to opt out from receiving the printed version. The same applies to our Annual Report. The “Opt-Out” icon is prominently placed on The Law Society website. Members

can notify The Law Society of their decision to opt out at any time. For other publications like our weekly Circulars and the Law List, only electronic versions are available.

Internally, measures to protect the environment are stipulated in The Law Society’s staff manual. Staff are reminded to:

- (a) think carefully whether there is a need to copy or print a document and if there is a need, it should be done in the double-sided mode;
- (b) recycle and reuse envelopes and draft paper; and
- (c) switch off all lights, electrical equipment and appliances before leaving the office.

Staff are urged to recycle and reuse wherever possible. There is a system in place to collect plastic and paper materials, toner and ink cartridges for recycling. Used envelopes are centrally stored for the staff to reuse. We are in full support of the energy saving campaign launched by the Environment Bureau and we have signed up for the Energy Saving Charter 2016 and the Energy Saving Charter on “No ILB”.

About the Team

Excellence, transparency, empathy and fairness are the guiding values embraced by our team in the Secretariat in every task we undertake and every service we offer. We implement the policies approved by the Council and provide support to the work of the committees.

In 2016, to cope with the heavy workload in the Compliance Department, three additional headcounts for the positions of Investigation Counsel, Senior Registration Officer and Monitoring Accountant were approved, bringing our total headcount for permanent staff to 98. On personnel movement, the Secretariat had an overall turnover rate of 20% in 2016, compared to 37.5% in 2015. Human capital is the most valuable asset of an organisation and we place heavy importance on the retention of talent. In 2016, six members of our staff received long service awards in appreciation of their loyalty to The Law Society. Their years of service with us ranged from 10 to 25 years.

Staff functions organised during the year included the Spring Dinner in March, Staff Dinner in October and Christmas Party in December. Staff seminars on a wide range of topics including the Mandatory Provident Fund, IT risks, personal health, personal data privacy legislation and telephone manners were organised throughout the year. An annual budget was also set aside to sponsor staff training on work-related knowledge and skills.

Our team is proud to serve the profession and with our members' trust and support, we will continue to excel in what we do in the coming year.

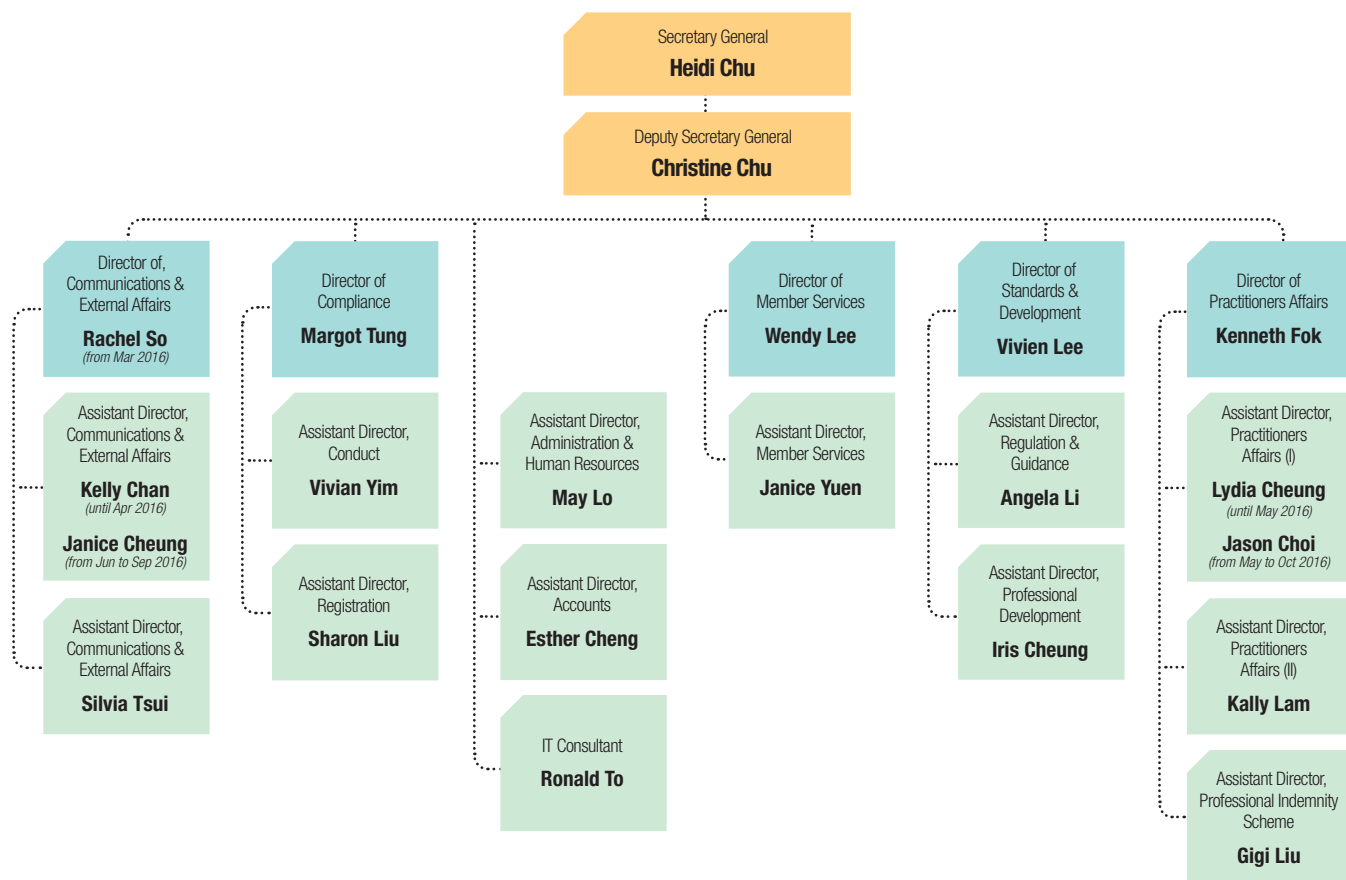


Heidi Chu
Secretary General



Heidi Chu
Secretary General

Law Society Secretariat







Safeguarding the Rule of Law

One of the important roles of The Law Society is to safeguard the Rule of Law and to uphold those principles on which this core value is founded.

One of these fundamental principles is the independence of the Judiciary. The Law Society has full confidence in the proper functioning of our judicial system under “One Country, Two Systems” in accordance with the Basic Law. While The Law Society acknowledges that the power of interpretation of the Basic Law is vested in the Standing Committee

of the National People’s Congress of the People’s Republic of China (“NPCSC”) under Article 158(1) of the Basic Law, The Law Society’s position has always been that NPCSC should exercise restraint in invoking its power under that Article to maintain confidence in “One Country, Two Systems” and the Rule of Law in Hong Kong. In November, following the interpretation of Article 104 of the Basic Law by NPCSC, The Law Society issued a press statement reiterating our position that frequent interpretations of the Basic Law by NPCSC would

give an impression that the independence of the Judiciary had been undermined.

The independence of the Judiciary requires judges of the highest quality and standing to serve the administration of justice. It is important to maintain the enviable and respected reputation that our Courts have enjoyed internationally. However, the demands on judges and judicial officers are significant. The current system imposes heavy duties on many office holders who have to spend their days in court, attend to administrative

duties, sit on internal and external working parties and to write judgments. During the year, the Judiciary had made proposals to the Government as a result of its review on the conditions of service of judges and judicial officers and The Law Society was in full support of the efforts to strengthen the establishment.

The existence of the Rule of Law is of critical importance to the enjoyment of fundamental human rights. The Law Society has been keeping a close watch over the implementation of the Unified Screening Mechanism for non-refoulement claims since its launch in March 2014. In September,

the Security Bureau clarified that “all applicable grounds” to be considered in the screening of non-refoulement claims included right to life under Article 2 of the Hong Kong Bill of Rights and proposed to introduce a pilot scheme to provide publicly-funded legal assistance to non-refoulement claimants. The Law Society acknowledged the policy objectives for introducing the pilot scheme, but expressed concerns about the practicalities of the implementation arrangements (e.g. the availabilities of suitably competent interpreters for the pilot scheme) and about the lack of proper training for practitioners for the pilot scheme. In November,

The Law Society, through the Academy, immediately organised a training course for practitioners on the applicable grounds including Article 2 of the Bill of Rights for non-refoulement claims by Professor James Hathaway, a leading authority on international refugee law from the US.

The Law Society will continue its tireless efforts to defend the Rule of Law, the key to the social stability, economic success and overall well-being of Hong Kong.



“Training Course on All Applicable Grounds for Non-Refoulement Protection in the Unified Screening Mechanism Including BOR 2 In Light of the Immigration Department’s Clarifications” on 24 November.

Improving Practice Environment

The shifting competitive landscape in the legal service industry continues to pose fierce challenges to solicitors in practice. A key role of The Law Society is to facilitate the development of a practice environment in which a strong, effective and independent legal profession can thrive.

Reduction of overheads

One of the substantial overhead costs for operating a law firm is the mandatory contributions payable by the firm to the Hong Kong Solicitors Indemnity Fund. The

amount of contribution is calculated in accordance with a statutory formula stipulated in the Solicitors (Professional Indemnity) Rules (Cap. 159, sub leg) ("PIS Rules"). The Council had no discretion to deviate from the statutory formula until 2010 when the PIS Rules were amended to enable the Council to reduce the total amount of contributions due for the next indemnity year. Since then, with the assistance of professional actuarial projections, the Council annually considers the projected Fund surplus for the following five years under different economic scenarios in conjunction with the Fund's loss history and investment

returns and decides if an adjustment to the contribution can be made. The PIS contributions payable by law firms were reduced by one-third in the indemnity years 2010/11, 2011/12, 2013/14, 2014/15 and 2015/16. The amount of reduction provided to the profession over these five indemnity years totaled HK\$604 million. In 2016, on the basis of the projections, the Council decided to exercise its power to reduce the contributions for the indemnity year 2016/17 by 50%.

The Working Party on Practice in Service Centres, At Home, In Domestic Premises or by Virtual

Offices continued its work during the year to review the feasibility of conducting legal practice in each of these scenarios with a view to reducing overheads related to operating a physical office in the traditional way. Regulatory hurdles in relation to potential sharing of premises, staff and facilities in the less conventional modes of operation were considered.

Modernisation of legal infrastructure

Limited liability partnership (“LLPs”)

Since the introduction of LLPs for law firms in Hong Kong on 1 March, there were 21 law firms practising as LLPs pursuant to the LPO as of the end of 2016. Ten were Hong Kong law firms and 11 were registered foreign law firms, representing respectively 1.1% and 13.5% of the total number of Hong Kong firms and foreign firms. The uptake was modest but progressing steadily with five “conversions” to LLPs in the first month of implementation and then one to two new notifications nearly every subsequent month. The implementation has been smooth and current enquiries mostly relate to administrative steps to become an LLP, such as how to complete relevant forms, how to apply for a business registration certificate and where to obtain the necessary top-up insurance.

We hope that the protection afforded to innocent partners of LLPs will enable those who wish to expand their practice to collaborate more readily with diversified talents.

Solicitor Corporation

Another additional mode of operation in the pipeline is the Solicitor Corporation. The Working Party on Solicitor Corporations continued to work, in consultation with the DOJ, on the drafting and translation of the relevant subsidiary legislation.

Improvements to existing practice

The Law Society is grateful for our members’ input in identifying areas that they encounter in their daily practice which require improvement. The Law Society will share these issues with relevant authorities and engage them in discussions with a view to effecting changes that address identified problems. While change will take time, The Law Society has engaged the relevant authorities in the following areas during the year and will continue to work on them:

Party and party rates

The judicial guide on the bands of hourly rates allowed for solicitors and their staff on party and party taxation (Scale Rates) was last revised by the Registrar of the High Court in

1997. Economic changes and the development in the legal service market over the past 19 years have led to a significant gap between the Scale Rates and the solicitor and own client rates.

This growing divergence means that successful litigants are being seriously disadvantaged. What he recovers from the losing party under a costs order, pursuant to the principle of “loser pays”, has become substantially insufficient to cover what he actually pays his solicitors. The difference can range from 15% to as much as 50%. The current system of maintaining such out-of-date Scale Rates is clearly unfair to successful litigants and it renders Hong Kong less attractive as a legal services hub.

During the year, The Law Society continued to lobby hard for an urgent update of the Scale Rates. However, the pace of the review by the Judiciary has been disappointing.

Criminal legal aid rates

The Law Society had been in discussions with the Administration on the review of the criminal legal aid fee system since March 2006. This has been a long battle. The crux of the matter principally lies with the resources the Administration is prepared to put into the criminal legal aid system to assist citizens who cannot afford private legal

representation in criminal trials. The Administration owes it to the community to address the fundamental resource issues that concern citizens' rights in criminal trials.

The Criminal Law and Procedure Committee has worked tirelessly in engaging the Government on adjustments to the criminal legal aid rates. The proposals received support from the LegCo Panel on Administration of Justice and Legal Services in February and were approved by LegCo in June. Since 14 November, the criminal legal aid fees have been increased by 25% for instructing solicitors and 40% for solicitors acting as both advocate and instructing solicitor in the District Court. Further, a new category of criminal legal aid fees for High Court cases was introduced for Solicitor Advocates.

Separately, pursuant to a biennial review of criminal legal aid fees, the prosecution fees and the duty lawyer fees in criminal legal aid cases would be increased by 4% to reflect the accumulated change in the Consumer Price Index recorded between July 2014 and July 2016.

Legal aid practice

The Legal Aid Committee, together with the Criminal Law and Procedure Committee and the Personal Injuries Committee, had a meeting with

the Director of Legal Aid in June and raised with the Director various practice issues relating to legal aid, such as the assignment of legal aid cases, the monitoring of legal aid assignments, and interim payment of costs. We received positive feedback from the Legal Aid Department that they will follow up on the issues raised.

Prosecution's duty of disclosure

One of the issues that The Law Society has reviewed in the aftermath of the judgments in *Vivien Fan and Others* and HKSAR FACC No 6, 7, 10, 11 and 12 of 2010 (commonly called "the Shanghai Land Case"), *Andrew Lam* and HKSAR FACC 5 of 2009 and *Winnie Lo* and HKSAR FACC 2 of 2011 was the disclosure of unused materials by the Prosecution. A task group comprising experienced criminal law practitioners from our Criminal Law and Procedure Committee was set up to review the subject. The Task Group completed its study during the year.

Whilst the current Prosecution Code published by the DOJ represents a more concise version compared to the previous one, there are paragraphs and discussions in the past version regarding Prosecution's disclosure of materials that embraced handy indicia and useful guidelines for both the Prosecution

and the Defence and should be reinstated. The Task Group also looked into comparable experience in other jurisdictions and noted there were areas that we could draw reference to with a view to enhancing the local disclosure regime, e.g. the creation of the office of "disclosure officer" in the UK with specific responsibilities to examine material for disclosure to the prosecutor and accused and to maintain schedules of relevant unused material retained during an investigation. The Law Society's concerns and views on the prosecution's duty of disclosure were conveyed to the DOJ in March.

Reciprocal enforcement of matrimonial judgments

In addition to reviewing and rendering support to the Government's proposal to establish a mechanism for reciprocal recognition and enforcement of matrimonial judgments between the Mainland and Hong Kong, our Family Law Committee also urged the Government to look into procedural issues such as service or delivery of petitions in the Mainland.

Third party funding for arbitration

Hong Kong is a major international financial and arbitration centre. Parties considering whether to resolve their disputes in Hong Kong by international arbitration are bound to consider the potential

financing options available to them in conducting such arbitrations, including third party funding. With the assistance of the Arbitration Committee, The Law Society reviewed the relevant consultation and submitted its views in January. The Law Society supported the clarification that third party funding for arbitration was lawful in Hong Kong and highlighted the relevant issues for the DOJ to consider.

Arbitration of intellectual property rights

Arbitrability of the subject matter of a dispute is an important issue that must be clear right from the commencement of arbitration (or even before). However, the Arbitration Ordinance (Cap. 609) does not have any specific provisions dealing with the question of arbitrability of disputes over intellectual property rights. The Government proposed to amend the Arbitration Ordinance to make it clear that disputes over intellectual property rights were capable of resolution by arbitration and it would not be contrary to public policy to enforce an arbitral award solely because the award was in respect of a dispute or matter which concerned these rights. The Arbitration Committee and the Intellectual Property Committee supported the clarification in principle and submitted detailed comments in May and October.

Contributions to law reforms

The Law Society, through the valuable input of the various specialist committees under the Standing Committee on Practitioners Affairs, reflects the views of the solicitors' profession to consultations on law reforms. In 2016, 12 public submissions were made on a wide range of areas, some of which are set out below:

- Consultation on Enhancement of Voter Registration System;
- Consultation on Third Party Funding for Arbitration;
- The Proposed Legislation to Implement the Recommendations of the Law Reform Commission Report on Child Custody and Access;
- Submission on Prosecution's Duty of Disclosure;
- Enactment of Apology Legislation in Hong Kong: Report and 2nd Round Consultation;
- Submission on Arbitration (Amendment) Bill 2016;
- Submission on the Proposed Guidelines on Election-related Activities in respect of the Election Committee Subsector Elections;
- Consultation on Draft Code of Practice for Employment Agencies;
- Submission on Proposed Arrangement with the Mainland on Reciprocal Recognition and Enforcement of Judgments on Matrimonial and Related Matters;
- Joint Consultation Paper on Proposed Enhancements to The Stock Exchange of Hong Kong Limited's Decision-Making and Governance Structure for Listing Regulation;
- Consultation Paper on Proposed Enhancements to the Position Limit Regime and the Associated Amendments to the Securities and Futures (Contracts Limits and Reportable Positions) Rules and Guidance Note on Position Limits and Large Open Position Reporting Requirements; and
- Consultation Paper on the 2016 Preliminary Draft Convention on the Recognition and Enforcement of Foreign Judgments.

Maintaining the Highest Standards

The solicitors' profession is self-regulatory. The Council is obliged to ensure the establishment and promotion of high standards of work within the profession. This includes encouraging the continued study and acquisition of legal knowledge and skills by practitioners.

Nurturing life-long learning

The Law Society has implemented the CPD Scheme since 1998 and the RME Programme since 2004. The CPD Scheme is designed to provide a convenient framework

for the legal profession to meet the changing demands of clients and society by offering courses that cover the most current and advanced thinking available on a variety of legal subjects and on practical experiences in legal practice. The RME Programme aims to raise risk awareness among practitioners and promote good risk management of legal practice.

In 2016, The Law Society and the Academy conducted a total of 388 CPD and RME courses, which attracted over 17,356 participants. Further, The Law

Society accredited 5,197 CPD courses offered by other providers, including one under the Provider Accreditation Scheme.

The Law Society has taken note of the need of busy practitioners to have a variety of means by which they can comply with the CPD requirements and has permitted and encouraged alternative learning methods, other than attendance at traditional lecture based courses. During the year, The Law Society also accredited seven postgraduate and other law courses, six legal journals and books, 74 legal researches and 10 committees for CPD purposes.

The Law Society regularly reviews and updates its training courses. During the year, the RME core courses and existing electives were updated and nine new RME electives were introduced, including:

- Risk Management and Cloud Computing;
- Financial Planning and Risk Assessment;
- Risk Management in Commercial Practice;
- Project Management and Risk Assessment;
- Advanced Risk Identification and Analysis;
- Pro Bono Work: Legal and Risk Perspectives;
- Commercial Drafting – Debentures; and
- Commercial Drafting – Mergers and Acquisitions.

Further, two seminars addressing risks in the specific areas of evaluative mediation and competition law, namely, “Risk Management in Evaluative Mediation Practice”, and “Risk Management and the New Competition Law” were conducted.



“Sharing Session with Law Firm Interns” on 28 July

Under the LPO, a solicitor cannot practise on his own account or in partnership until he has satisfied the Council that he has been bona fide employed in the practice of a solicitor in Hong Kong for at least two years. To ensure that a solicitor is properly equipped with the necessary practice management skills before he is allowed to operate his own firm as a sole proprietor or as a partner, the LPO has been amended to require solicitors to complete an approved practice management course before an unconditional practising certificate can be obtained. However, this legislative amendment has not come into operation and no commencement date has been fixed yet. During the year, The Law Society had been working on the practice management course and other implementation details.

Gatekeeper of admission standards

The Law Society is empowered under section 4 of the LPO to prescribe the requirements for admission as solicitors of Hong Kong. Solicitors are the backbone of society tasked with the important responsibility of ensuring the fair administration of justice and The Law Society has a statutory duty to prescribe admission requirements to ensure those who enter the solicitors’ profession are of the highest standards.

There are two routes to admission as a solicitor of Hong Kong, via the trainee solicitor route and the overseas lawyers qualification route.

In respect of the overseas lawyers qualification route, The Law Society is responsible for

administering the OLQE which is held annually.

In 2016, The Law Society administered the 22nd OLQE since its launch in 1995. 216 candidates sat the OLQE, out of whom 212 were from 22 overseas jurisdictions (13 were common law jurisdictions and nine were non-common law jurisdictions). The overall pass rate was 52%.

For the trainee solicitor route, prior to entering into a trainee solicitor contract, a person is currently required to complete the Postgraduate Certificate in Laws (“PCLL”) provided by the three law schools in Hong Kong. Under rule 7 of the Trainee Solicitors Rules (Cap 159, sub leg), The Law Society is also empowered alternatively to set and/or approve an examination for anyone wishing to enter into a trainee solicitor



“Developing Commercial Law through the Courts: Rebalancing the Relationship between the Courts and Arbitration” on 17 October

contract. During the year, The Law Society worked on the proposal of introducing a common entrance examination pursuant to rule 7 of the Trainee Solicitors Rules. By a press statement issued in January, The Law Society announced that, starting from 2021, a person may

only enter into a trainee solicitor contract if that person has passed a CEE. The CEE will be set and marked by The Law Society. The Law Society will require certified completion of the PCLL course but will not require any examination to be set by the providers of the



“Training Course on Civil Advocacy” on 4 and 5 March

PCLL. The Law Society will review the prerequisites for taking the CEE periodically.

The proposed CEE is aimed at ensuring solicitors have all been assessed to the same rigorous standard. This will improve consistency and enhance the quality and competence of the entrants to the solicitors' profession thereby ensuring that the public interest is served and the confidence of the community in the profession is sustained.

The Law Society has set up working groups to consider the syllabus, examination procedures and logistics of the CEE during the year. We will continue to work on the various aspects of the CEE, engaging all stakeholders in the process.

Ensuring compliance with rules and regulations

As a legal service hub in Asia, Hong Kong is blessed with legal talent from around the world. As of the end of the year, there were 81 foreign law firms and 1,358 RFLs from 32 overseas jurisdictions. For the protection of the public, foreign law firms and foreign lawyers who are qualified to practise the laws of their overseas jurisdictions of admission are prohibited from practising Hong Kong law.

A Working Group on Registered Foreign Lawyers was set up in February to review the relevant legislation with a view to improving and clarifying the provisions to ensure compliance. The Working Group reviewed in particular rule 12 of the Foreign Lawyers

Registration Rules (Cap 159, sub leg) and made recommendations to the Council to improve the drafting. The recommendations were approved by the Council and steps are being taken to seek the Judiciary's approval in principle of the recommendations.



■ "The Liberalisation and Cooperation Measures of CEPA for the Legal Service Sector in Hong Kong" on 9 September



■ "Big Data, Artificial Intelligence and Privacy" on 12 December

Exploring New Opportunities

Exploring new business opportunities for members is one of the important tasks of The Law Society.

The Law Society has been actively promoting Hong Kong legal services to the international community at every possible opportunity. We are also putting in substantial efforts to enhance the global understanding of the unique position of Hong Kong as a Special Administrative Region of the People's Republic of China under the implementation of the concept of "One Country, Two Systems". Through our representatives' attendance at

selected international conferences, The Law Society has stayed abreast of the global development of the legal market.

In 2016, The Law Society took the opportunity at the following occasions to promote Hong Kong legal services to the international community:

- (a) IPBA Conference in Kuala Lumpur in April;
- (b) Business Mission organised by the Hong Kong Trade Development Council ("HKTDC") in Shenyang and Dalian in April;
- (c) "SmartHK" Roadshow organised by the HKTDC in Chengdu in May;
- (d) St Petersburg International Legal Forum in St Petersburg in May;
- (e) Tokyo Bar Association Seminar in Tokyo in July;
- (f) Presidents of Law Associations in Asia (POLA) Summit in Ulaanbaatar in July;
- (g) LAWASIA Conference in Colombo in August;
- (h) HKSAR Business Roadshow in Kazakhstan in September;
- (i) IBA Annual Conference in Washington D.C. in September;

- (j) International Malaysian Law Conference in Kuala Lumpur in September;
- (k) “Think Asia, Think Hong Kong” Trade Mission organised by the HKTDC in Germany in September;
- (l) “In Style•Hong Kong” Roadshow organised by the HKTDC in Bangkok in October;
- (m) UIA Congress in Budapest in October; and
- (n) Legal Services Forum organised by the HKTDC in Nanjing in November.



■ Business Mission to Shenyang in April

Through networking with law societies and bar associations around the world, The Law Society has established extensive connections with legal professionals in different overseas jurisdictions, laying a good

foundation for future collaborative initiatives for the benefit of our members. In 2016, The Law Society entered into a MOU with each of the following:

- (a) The Malaysian Bar in January;
- (b) The Hungarian Bar Association in January;
- (c) The Taiwan Bar Association in January;
- (d) The Madrid Bar Association in April;



■ “SmartHK” Roadshow in Chengdu in May



■ HKSAR Business Roadshow in Kazakhstan in September



■ Hong Kong Legal Services Forum in Nanjing in November

the Mainland. We set up a panel of lawyer mediators to handle mediation cases in the Qianhai Cooperation Zone. The mediators on the panel will be nominated to help resolve the commercial and trade disputes involving member companies of the Qianhai Shenzhen Hong Kong Chamber of Commerce in Qianhai.

Recent new areas included the work of solicitor advocates, civil celebrants of marriages and reverse mortgage counselors. The numbers of solicitors qualifying into these areas keep increasing.

- (e) The German Federal Bar in May;
- (f) The Bar Association of Sri Lanka in August;
- (g) The Polish National Bar of Attorneys in October;
- (h) The Nantou Bar Association in October; and
- (i) The Changhua Bar Association in October.

Opening up new areas of work for our members is another priority for The Law Society. During the year, The Law Society helped promote mediation services to Hong Kong companies doing business in



■ "In Style•Hong Kong" Roadshow in Bangkok in October



MOU signing with the Taiwan Bar Association in January

establishment of a Panel of Parenting Co-ordinators, The Law Society organised a training programme by an overseas specialist in November.

The Law Society will continue its efforts to secure more opportunities for our members and maintain practice environment that is conducive to the healthy and sustainable development of our profession.

As of the end of the year, there were 48 solicitor advocates (2015: 37), 2,086 civil celebrants (2015: 2,082) and 445 reverse mortgage counselors (2015: 438).

To maintain a central database for promotion of our members' arbitration services, the Council approved the establishment of a Law Society Panel of Solicitor Arbitrators. Invitations to join the Panel were disseminated through The Law Society weekly Circulars in November. Parenting Co-ordination has become increasingly important in helping to resolve disputes in matrimonial cases. It is a child focused dispute resolution process whereby a trained professional assists in the implementation of the parenting plans, the monitoring of the compliance with the plans and the resolution of conflicts regarding the children involved. To prepare for the



MOU signing with the German Federal Bar in May



MOU signing with the Bar Association of Sri Lanka in August

The Law Society's Global Network

Overseas



MOUs signed with the following organisations prior to 2016

- A. Czech Republic - Czech Bar Association
- B. Australia (Victoria) - Law Institute of Victoria
- C. Australia (Queensland) - Queensland Law Society
- D. Republic of Korea - Korean Bar Association
- E. Croatia - Croatian Bar Association
- F. Cambodia - The Bar Association of the Kingdom of Cambodia
- G. Australia - The Law Council of Australia
- H. Japan (Osaka) - Osaka Bar Association
- I. Japan - The Japan Federation of Bar Associations
- J. Luxembourg - Le Barreau de Luxembourg
- K. Japan (Osaka) - Osaka Bar Association
- L. Italy (Milan) - Milan Bar Association
- M. Japan (Okinawa) - Okinawa Bar Association
- N. Russia - Federal Chamber of Lawyers of the Russian Federation



MOUs signed with the following organisations in 2016

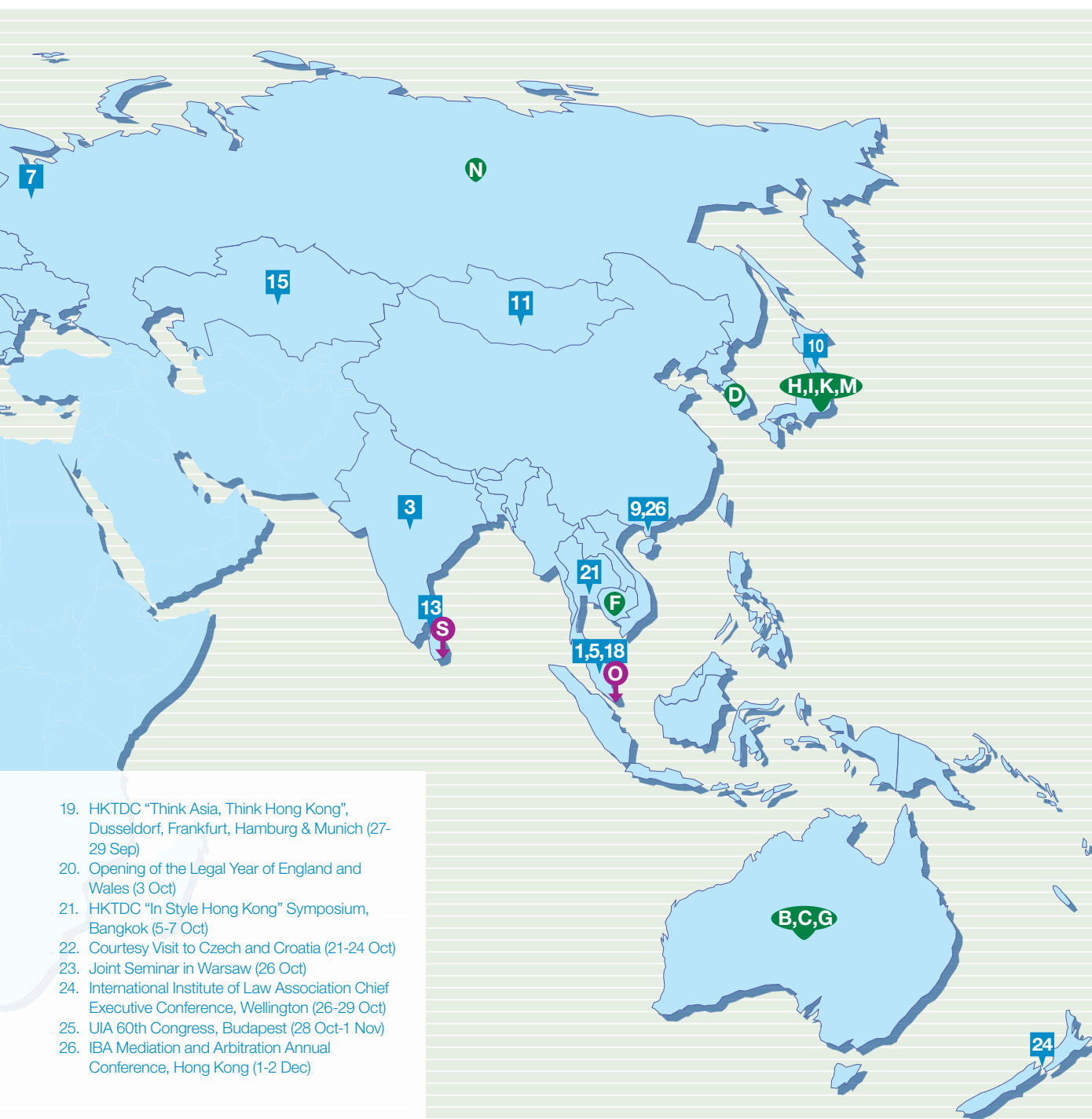
- O. Malaysia - The Malaysian Bar
- P. Hungary - Hungarian Bar Association
- Q. Spain (Madrid) - Madrid Bar Association
- R. Germany - German Federal Bar
- S. Sri Lanka - Bar Association of Sri Lanka
- T. Poland: The Polish National Bar of Attorneys



International conferences and events attended in 2016

1. Opening of the Legal Year of Malaysia (7-8 Jan)
2. Opening of the Legal Year of Milan (22-23 Jan)
3. Business Mission to India (1-5 Feb)
4. APEC Workshop, Lima (23-26 Feb)
5. IPBA 26th Annual Meeting & Conference, Kuala Lumpur (15-16 Apr)

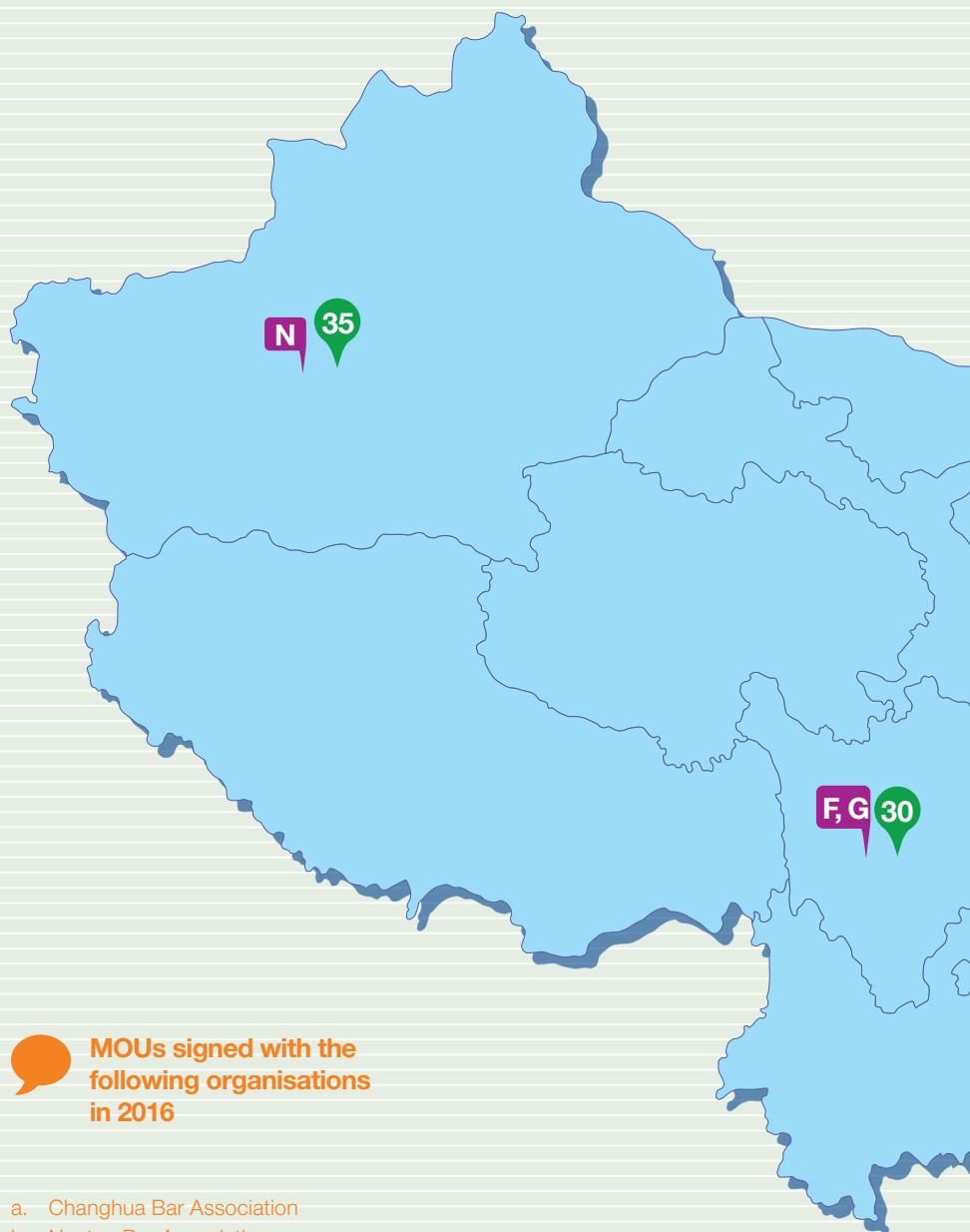
6. Courtesy Visit to Madrid and Lisbon (28 Apr-2 May)
7. 6th St. Petersburg International Legal Forum, St. Petersburg (18-20 May)
8. ALJA Half Year Conference, Chicago (18-21 May)
9. Joint Seminar with UIA, Hong Kong (2 Jun)
10. Joint Seminar with TBA, Tokyo (11 Jul)
11. 27th POLA Summit, Ulaanbaatar (20-23 Jul)
12. ABA Annual Meeting, San Francisco (4-9 Aug)
13. 29th LAWASIA Golden Jubilee Conference, Colombo (12-15 Aug)
14. 54th AIJA Congress, Munich (23-27 Aug)
15. Business Delegation to Kazakhstan (13-17 Sep)
16. International Conference of Legal Regulators, Washington D.C. (15-16 Sep)
17. IBA Annual Conference, Washington D.C. (18-23 Sep)
18. International Malaysian Law Conference, Kuala Lumpur (21-23 Sep)



Greater China Region

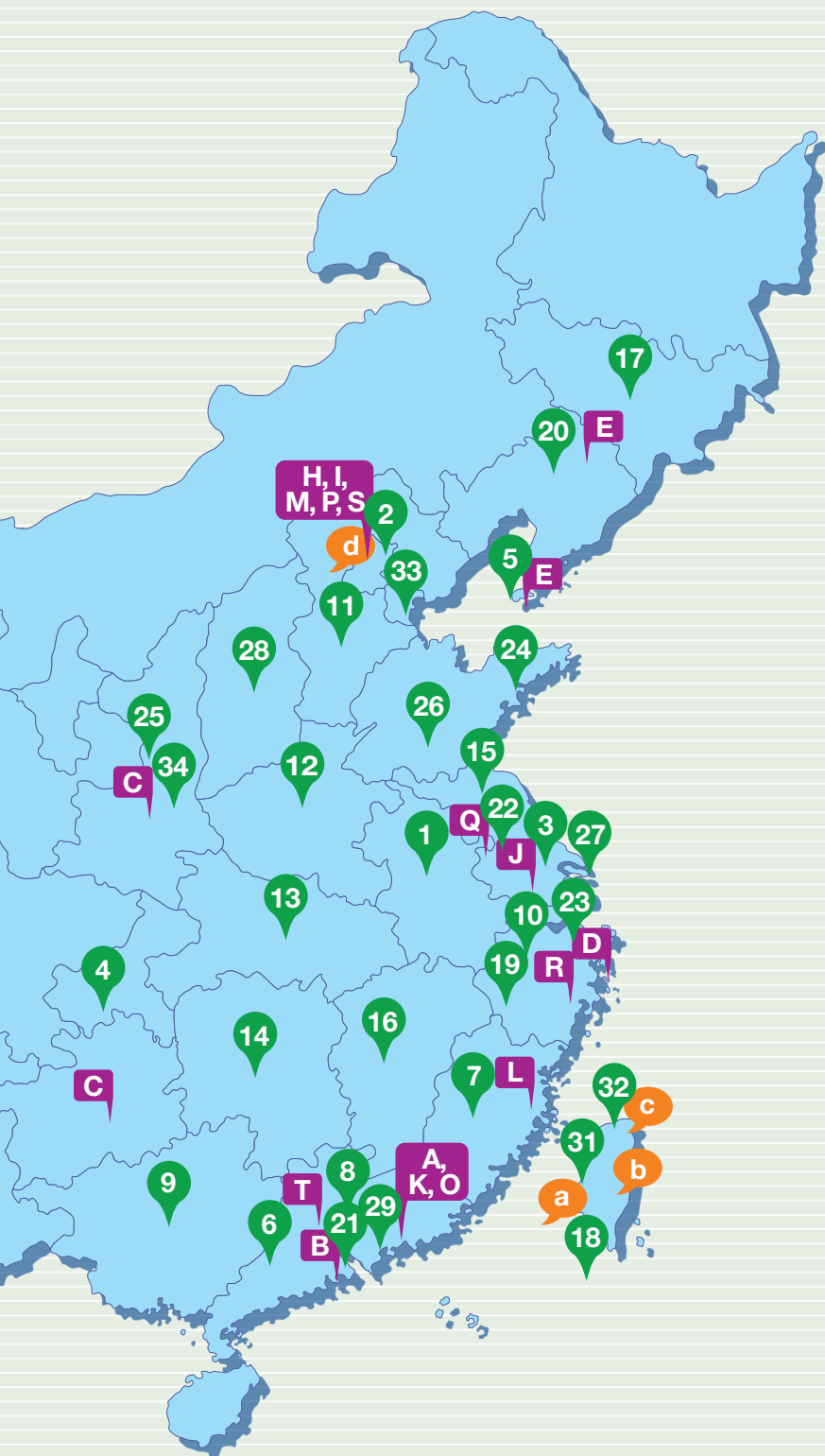
Conferences and events attended in 2016

- A. Visit to the Circuit Court in Shenzhen (18 Jan)
- B. Hengqin Study Tour for Youth and Professional (22 Jan)
- C. Arbitration Seminars in Guiyang and Xi'an (23-25 Feb)
- D. China Law Society Belt & Road Forum, Ningbo (24-26 Mar)
- E. Business Mission to Shenyang and Dalian (30 Mar-2 Apr)
- F. SmartHK 2016, Chengdu (12-13 May)
- G. Introductory Session of RME courses in Chengdu (13 May)
- H. Common Law Course in Renmin University of China (27-28 May & 15-16 June)
- I. Visit to the Beijing Ministry of Justice and Beijing Lawyers Association (16 Jun)
- J. Roadshow for promoting the Legal Services Forum in Nanjing, Hefei, Changzhou & Wuxi (5-8 Jul)
- K. Ministry of Justice's Forum in Shenzhen (16 Aug)
- L. Cross Strait Legal Forum in Fuzhou (18 Aug)
- M. Visit to All China Lawyers Association, Union of Beijing Business Services and CIETAC (8 Sep)
- N. Silk Road Legal Service Forum, Xinjiang (21 Sep)
- O. Visit to Shenzhen Court of International Arbitration (26 Oct)
- P. Beijing - Hong Kong Economic Cooperation Symposium (3-4 Nov)
- Q. Hong Kong Legal Services Forum, Nanjing (14-16 Nov)
- R. Silk Road International Forum on Legal Services in Yiwu, Zhejiang (22-25 Nov)
- S. International Seminar on Dispute Resolution and Belt & Road, Beijing (25-26 Nov)
- T. International Conference on the Reform and Development of China's Lawyer System in Guangzhou (25-27 Nov)



MOUs signed with the following organisations in 2016

- a. Changhua Bar Association
- b. Nantou Bar Association
- c. Taiwan Bar Association
- d. Union of Beijing Business Services



MOUs signed with the following organisations prior to 2016

- The Law Society signed a MOU with All China Lawyers Association in 2013 (lawyers association on national level)

1. Anhui Lawyers Association
2. Beijing Lawyers Association
3. Changzhou Lawyers Association
4. Chongqing Lawyers Association
5. Dalian Lawyers Association
6. Foshan Lawyers Association
7. Fujian Lawyers Association
8. Guangdong Lawyers Association
9. Guangxi Lawyers Association
10. Hangzhou Lawyers Association
11. Hebei Municipal Lawyers Association
12. Henan Lawyers Association
13. Hubei Lawyers Association
14. Hunan Lawyers Association
15. Jiangsu Lawyers Association
16. Jiangxi Lawyers Association
17. Jilin Lawyers Association
18. Kaohsiung Bar Association
19. Lawyers Association of Zhejiang
20. Liaoning Lawyers Association
21. Macau Lawyers Association
22. Nanjing Lawyers Association
23. Ningbo Lawyers Association
24. Qingdao Lawyers Association
25. Shaanxi Province Lawyers Association
26. Shandong Lawyers Association
27. Shanghai Bar Association
28. Shanxi Lawyers Association
29. Shenzhen Lawyers Association
30. Sichuan Province Lawyers Association
31. Taichung Bar Association
32. Taipei Bar Association
33. Tianjin Lawyers Association
34. Xi'an Municipal Lawyers Association
35. Xinjiang Lawyers Association

Providing Relevant and Effective Support to Members

The Law Society is dedicated to providing relevant and effective support to our members.

The support we provide covers different aspects, which includes supporting professional development initiatives and ensuring the well being of our individual members, as well as assisting with sector-specific needs.

Professional support

Law

The Law Society and the Academy regularly organise seminars to

update members on imminent changes to the law and legal practice. Updates in 2016 included seminars in relation to the following:

- (a) the Competition Ordinance which came into effect on 14 December 2015;
- (b) the introduction of LLPs for law firms from 1 March;
- (c) the Solicitors' Accounts (Amendment) Rules 2012 that took effect on 1 July;
- (d) the Immigration Department's clarification dated 12 September that all applicable grounds for non-refoulement protection in the Unified Screening Mechanism include the right to life under Article 2 of the Hong Kong Bill of rights;
- (e) the liberalisation and cooperative measures of Mainland and Hong Kong Closer Economic Partnership Arrangement ("CEPA") for the legal service sector; and
- (f) the Bankruptcy (Amendment) Ordinance 2016 which commenced on 1 November.

Ethics

The Law Society handles daily enquiries from members on matters relating to the LPO and its subsidiary legislation, The Law Society's Practice Directions and the Hong Kong Solicitors' Guide to Professional Conduct ("Conduct Guide"). The more complicated enquiries are referred to The Law Society's Guidance Committee for consideration. During the year, the Guidance Committee considered 11 enquiries on professional conduct issues.

Practice management

The Law Society has set up a dedicated committee on Practice Management to support members

in this area. The Committee organised a seminar on "Partnership Association in the Mainland" in September to share experiences on the establishment of a partnership association in the Mainland.

It also commissioned external consultants to write five articles on practice management trends and related issues for publication in The Law Society's official journal, *Hong Kong Lawyer*.

Accounts

One of the roles of The Law Society's Monitoring Accountants is to pay routine visits to newly established law firms, both local and foreign, to provide guidance on how to ensure compliance with

the Solicitors' Accounts Rules (Cap 159, sub leg). In 2016, they conducted a total of 84 visits to 55 Hong Kong and foreign law firms.

Technology

Six seminars were organised by the Technology Committee to raise awareness of the various aspects of cyber risks and new cyber developments. The Committee also worked on the formulation of a set of information security guidelines for practitioners and an updated version of The Law Society Software Directory and Selection Guide, which incorporated an objective assessment on practice management software available in the market.



Spring Reception

Support for Members' Well-Being

Maintaining a work-life balance is important to the well being of our members. The Law Society provides a framework for members to participate in different kinds of sports, recreational and social activities and to have some fun in between their busy work schedules.

In 2016, The Law Society administered 14 sports teams and nine recreational groups for members and organised a variety of members' functions including:

- Spring Reception on 22 February;
- a coffee tasting workshop on 19 April;
- Family Fun Day on 15 May;
- Members' Forum and Dinner Gathering on 28 July;
- an Espresso and Latte art workshop on 4 August;
- visits to the Court of Final Appeal on 25 August and 18 October;
- Swimming Gala on 28 August;
- Summer Concert on 1 September;
- guided tour to Yakult for members' kids on 24 September;
- Cooking competition on 22 October;
- 11th Recreation and Sports Night on 14 November;
- Annual Cocktail on 21 November;
- a flower arrangement class on 2 December;
- Christmas Party on 15 December; and
- two members' luncheon gatherings during the year.

The online research platform "LawSociety Lexis" free of up-front charge continued to be available exclusively for Law Society members, registered foreign lawyers and trainee solicitors for the 5th year since its launch in 2011. A range of products and services under the various categories of Culture & Lifestyle, Dine & Wine, Education & Learning, Health & Leisure, Household & Living and IT products and services sourced for the benefit of members were posted on The Law Society website and The Law Society App. Other member benefits included the offer of free Chinese New Year red packets, complimentary tickets to international art fairs and travel expos.



Visit to the Court of Final Appeal



Members' Forum and Dinner Gathering



Guided tour to Yakult for members' kids



11th Recreation and Sports Night



2016 Annual Conference of In-House Lawyers

Support for Sector-Specific Needs

In-House Lawyers

An increasing number of our members work as in-house lawyers. As of the end of 2016, about 25.8% of our members holding a practising certificate were not in private practice.

The Law Society held its Annual Conference of In-House Lawyers on topics of common interest to in-house solicitors in September, which attracted over 400 participants. In addition, a visit to Alibaba's legal department was organised for our in-house practitioners in May and seminars promoting the sharing of experiences among in-house solicitors were held throughout the year.

Young Solicitors

About 24% of our members were admitted on or after 1 January

2012, i.e. with 5 years or less post admission experience. The Law Society's Young Solicitors Group was set up to support the needs of this substantial group of our membership. To gauge the needs of young members, a survey on "Young Members' Needs and Preferences" was conducted with a view to enhancing the services offered to young members. In addition to organising activities for young members to facilitate their networking among themselves as well as reaching out to law students and trainee solicitors, The Law Society also helps promote the culture of sharing in the profession. In 2016, the CONNECTED Programme continued for the 6th year. The purpose of this Programme is to provide an opportunity for trainee solicitors to meet both younger members (their "buddies") and senior members (their "mentors") of The Law Society to facilitate a better mutual understanding



The Law Society Annual Christmas Party 2016



2016 CONNECTED programme 2nd event

among members that come from different backgrounds through interactive activities.

The Law Society will continue its efforts to identify the needs of our members and provide relevant and effective support to them.



Giving Back to Community

Our members have been actively participating in pro bono and community work, often quietly fulfilling their social responsibilities in different meaningful ways. The Law Society helps members to do so by providing for structured opportunities. During the year:

- we organised a series of community projects including, e.g., “Teen Talk”, involving over 100 solicitor volunteers facilitating discussions on topics of legal interest among 937 secondary student participants

from over 94 schools in 18 districts;

- our Free Legal Helpline handled 1,537 requests for legal assistance in the areas of personal injury, matrimonial law, criminal law and mediation and was manned by over 130 solicitor volunteers;
- the “Legal Pioneer Mentorship Programme” enlisted over 48 mentors for 13 school teams comprising 101 student mentees who participated

in a microfilm production competition on the themes of consumer rights, drug abuse, cybercrime and privacy;

- our members disseminated legal knowledge through school and community talks, public discussions, newspaper columns, radio and online media including the legal features broadcast on ViuTV and Commercial Radio weekly from 16 November to 28 December and two community talks at Chiang Chen Studio

of the Hong Kong Polytechnic University on 8 and 20 December;

- community events including a community fun fair titled “Lawesome” Fun Day was held for the community at Diamond Hill in September to promote legal knowledge to the public through fun games at the fair, two visits by our volunteers to the Home for the Elderly in Tsing Yi and Sha Tin respectively and one visit to the children in Po Leung Kuk were held during the year;
- we collaborated with various organisations on different voluntary projects benefiting different sectors of the community, including:
 - on the “Social Enterprise Legal Seminar Series” with the Hong Kong Council of



Law Week and Teen Talk 2016 Opening Ceremony on 17 December



Legal Pioneer Mentorship Programme Phase 7 Closing and Phase 8 Opening Ceremony held on 12 November



“Lawesome” Community Fun Day on 11 September

Social Service (“HKCSS”) to help social enterprises understand the legal aspects of their operation and during the year, a seminar on “Exploring Social Needs and Major Factors of Consideration in Operating Shared Kitchens” was held in May for representatives of social enterprises;



■ "High Court Visit and Workshop on Rule of Law and the Criminal Justice System" on 18 October and 24 November

- on the "NGOs Governance Platform Project" with HKCSS to promote best practice and experience sharing among board members of their NGO members;

- on the "Business-School Partnership Programme" with the Education Bureau to promote better cooperation and closer alliances between the business sectors and the schools so as to

lead students out of the classroom to gain a wider perspective of the world and to get them better prepared for life in the society. During the year, two visits to the High Court followed by a seminar on the Rule of Law and the Criminal Justice System were held and 81 students from 11 secondary schools participated in the events;

- on the "Free Legal Advice Service on Building Management" with the Home Affairs Department providing assistance to owners corporations and building owners and 177 cases were processed during the year;



■ Elderly Visit on 19 November



■ "Exploring Social Needs and Major Factors of Consideration in Operating Shared Kitchens" on 24 May



Volunteer Services Programme on 3 December

- on the “Pro Bono IP Advisory Service” with the Intellectual Property Department to provide legal assistance to small and medium sized enterprises on intellectual property issues and 30 consultation sessions were completed by the end of the year;
- on collaborating with solicitor volunteers, who drafted two articles that were published in the “Volunteering and Business” column of the Hong Kong Economic Journal in April and July;
- on community services for children of under-resourced families with the Tung Wah Group of Hospitals, aiming to raise awareness of the

core values of the Hong Kong legal system and strengthen their confidence in the use of English through interaction with Law Society volunteers.

Further, The Law Society also organises an annual Pro Bono and Community Work Recognition Programme to honour our members who have selflessly contributed their time and expertise for the benefit of the community. In 2016, in addition to nine Distinguished Awards, 22 law firms and 112 members received awards under the Programme.



2016 Pro Bono and Community Service Award Presentation Ceremony on 16 December

Membership of Standing Committees, Committees, Working Groups, Working Parties and Organising Committees

Committees and Working Parties Reporting Directly to the Council

Belt and Road Committee

Frederick K.C. KAN *(Chair)*
Nick CHAN *(Vice-Chair from September)*
Bonita B.Y. CHAN
Anthony W.K. CHOW
Stephen W.S. HUNG
Amirali B. NASIR
Melissa K. PANG
Thomas S.T. SO
Huen WONG

Secretary: Assistant Director, Communications and External Affairs

Honours Committee

Huen WONG *(Chair)*
Michael J. LINTERN-SMITH
Anson K.C. KAN *(joined in February)*
Amy Y.K. LIU
Amirali B. NASIR
Paul C.Y. TAN

Secretary: Secretary General

LegCo Liaison Group

Thomas S.T. SO *(Chair from June)*
Stephen W.S. HUNG *(Chair until June)*
Heidi K.P. CHU
Dennis KWOK
Amirali B. NASIR
Melissa K. PANG

Secretary: Director of Practitioners Affairs

Hong Kong Solicitors Indemnity Fund Ltd

Denis G. BROCK *(Chair from October)*
Peter R. GRIFFITHS *(Chair until October; resigned in October)*
(resigned in August)
Albert B.K. DAN
Brian W. GILCHRIST
Christopher G. HOWSE
Peter C.L. LO
Patrick R. MOSS
Amirali B. NASIR
Andrew W.Y. NG
Kevin C.K. SHUM
David G. SMYTH
Norris H.C. YANG

Secretary: Essar Insurance Services Ltd.

PIS Claims Committee

Brian W. GILCHRIST *(Chair)*
Colin B. COHEN *(Vice-Chair)*
Charles W. ALLEN
Keith M. BRANDT
Tony K.W. CHOW *(resigned in January)*
Simon P. CLARKE
George D. LAMPLOUGH
Jeffrey H. LANE
Ronald W.T. TONG
Cleresa P.Y. WONG *(joined in November)*
Felix K.Y. YAU *(joined in July)*

Secretary: Essar Insurance Services Ltd.

PIS Investment Sub-Committee

Peter C.L. LO *(Chair)*
 John S. GALE
 IP Shing Hing
 Elen LAU
 LEE Kher Sheng
 Kevin C.K. SHUM
 Norris H.C. YANG

Secretary: Assistant Director, Professional Indemnity Scheme

PIS Panel Solicitors Selection Board

Huen WONG *(Chair)*
 Stephen W.S. HUNG
 Amiral B. NASIR
 Kenneth S.Y. NG *(resigned in May)*

Secretary: Assistant Director, Professional Indemnity Scheme

Professional Indemnity Advisory Committee

David G. SMYTH *(Chair)*
 Kevin R. BOWERS
 Richard KEADY
 Susan P.S.K. LIANG
 Andrew W.Y. NG
 Peter K.H. NGAI
 Robin S. PEARD
 Thomas S.T. SO
 Fiona J. STEWART
 Gareth H. THOMAS

Secretary: Assistant Director, Professional Indemnity Scheme

Working Party on PIS Gross Fee Income Reports and Contributions

IP Shing Hing *(Chair)*
 Albert B.K. DAN *(resigned in September)*
 Amiral B. NASIR *(joined in October)*
 Andrew W.Y. NG
 Huen WONG

Secretary: Assistant Director, Professional Indemnity Scheme

Working Party on Limited Liability Partnerships

Joseph C.W. LI *(Chair until May; resigned in May)*
 Junius K.Y. HO
 Allan C.Y. LEUNG
 Michael J. LINTERN-SMITH
 Amiral B. NASIR
 David G. SMYTH
 Huen WONG

Secretary: Secretary General

Standing Committee on Compliance

Nick CHAN	<i>(Chair from July)</i>	(8/9)
Denis G. BROCK	<i>(Chair until June)</i>	(4/9)
C.M. CHAN	<i>(Vice-Chair from July)</i>	(3/4)
Alfred K.H. CHAN		(6/9)
Serina K.S. CHAN	<i>(joined in July)</i>	(4/4)
Patrick R.P. HAMLIN		(6/9)
Dennis H.F. HIE		(7/9)
Stephen W.S. HUNG		(7/9)
Simon S.C. LAI	<i>(joined in July)</i>	(4/4)
Henson LAM		(8/9)
Andrew Y.B. LEE		(7/9)
Jason C.K. LI		(8/9)
Peter C.L. LO		(6/9)
Billy W.Y. MA		(4/9)
Amirali B. NASIR		(3/4)
Gavin P. NESBITT	<i>(resigned in May)</i>	(4/4)
Kenneth S.Y. NG	<i>(resigned in May)</i>	(0/4)
Melissa K. PANG		(5/9)
Gregory D. PAYNE		(7/9)
Hanifa RAMJAHN		(4/9)
Annie P.Y. WONG		(7/9)

Secretary: Director of Compliance

Consents Committee

Melissa K. PANG	<i>(Chair)</i>
Kenneth S.Y. NG	<i>(Vice-Chair until May; resigned in May)</i>
C.M. CHAN	<i>(joined in October)</i>
Nick CHAN	
IP Shing Hing	
Raymond M.S. KWOK	
Henry H.W. LAI	
Billy Y.C. LAM	
Henson LAM	
William C.W. LAM	
Jonathan T.W. LEE	
Amirali B. NASIR	<i>(joined in October)</i>
Paul K.Y. NG	
Roden M.L. TONG	<i>(joined in October)</i>
Annie P.K. WONG	
Kelly Y.H. WONG	
Ann M.S. YEUNG	

Secretary: Director of Compliance

Investigation Committees

[Note: These Committees are Subcommittees of the Standing Committee on Compliance, consisting of three members, and consider agendas by circulation. Members are selected by the Compliance Department from members of the Standing Committee on an ad hoc basis to consider individual agendas.]

Note : Figures shown in the “()” denote the meeting attendance during the year.



■ Compliance Department

Standing Committee on External Affairs

Huen WONG	(Chair)	(9/10)
Simon S.C. LAI	(Vice-Chair from June)	(9/10)
Joseph C.W. LI	(Vice-Chair until May)	(1/5)
Nick CHAN	(retired in July)	(3/6)
Kenneth Y. CHOY	(resigned in May)	(0/4)
Junius K.Y. HO		(4/10)
Stephen W.S. HUNG		(9/10)
Carmen W.M. KAN		(3/10)
Frederick K.C. KAN	(joined in August)	(3/3)
Nadine LAI		(8/10)
Daphne F.Y. LO		(5/10)
Amirali B. NASIR	(joined in July)	(2/5)
Melissa K. PANG		(8/10)
Robert C. RHODA		(5/10)
Thomas S.T. SO		(5/10)
Michelle W.T. TSOI	(joined in August)	(2/3)
Maggie Y.T. TSUI		(9/10)
James K.T. WONG		(7/10)
Louise K.F. WONG	(joined in August)	(3/3)
Philip W.C. WONG		(7/10)
Ann M.S. YEUNG		(7/9)
Henry K.W. YIP	(retired in July)	(4/6)

Secretary: Director of Communications and External Affairs

Law Week 2016 Organising Committee

Ann M.S. YEUNG	(Chair)
Nancy B.Y. LEUNG	(Vice-Chair)
Frances S.F. AU	
Stanley W.L. CHAN	
Stephen R. CHOW	
Stephen W.S. HUNG	
William C.Y. KONG	
Nadine LAI	
Arthur Y.Y. LAW	
Daphne F.Y. LO	
SAUW Yim	
Sharon S.Y. TAM	
Michelle W.T. TSOI	
Maggie Y.T. TSUI	
Cecilia G. WONG	

Louise K.F. WONG
James K. T. WONG
Nathan S.K. WONG

Secretary: Director of Communications and External Affairs

Teen Talk 2016 Organising Committee

Nick CHAN	(Chair)
Nadine LAI	(Vice-Chair)
Roden M.L. TONG	(Vice-Chair)
Serina K.S. CHAN	
Arthur C.W. CHEUNG	
Ian P.N. CHU	
Patricia D.Y. HO	
Stephen W.S. HUNG	
Ronald Y.H. KAN	
David Y.C. LUK	
James K.T. WONG	
Euphemia M.S. WONG	
Lorvan M.K. YIU	

Secretary: Director of Communications and External Affairs

Community Relations Committee

Philip W.C. WONG	(Chair)
Ann M.S. YEUNG	(Vice-Chair)
Nick CHAN	
Serina K.S. CHAN	
Stanley W.L. CHAN	
Joyce C. CHENG	(joined in August)
Ian P.N. CHU	(joined in August)
Joseph C.K. HO	
Nadine LAI	
Arthur Y.Y. LAW	
SAUW Yim	
Michelle W.T. TSOI	
Maggie Y.T. TSUI	
Patricia WIJAYA	
Cecilia Grace L.A. WONG	
James K.T. WONG	
Nathan S.K. WONG	
Cassandra K.C. WU	

Secretary: Director of Communications and External Affairs

Note : Figures shown in the “()” denote the meeting attendance during the year.

Working Group on Law and New Generation Programme and School Talks

Serina K.S. CHAN (Chair)
 Patricia WIJAYA (Vice-Chair from August)
 Nadine LAI (Vice-Chair retired in July)
 George K.H. CHAN (joined in November)
 Nick CHAN
 Stanley W.L. CHAN (retired in July)
 Muhammad KAMRAN CHAUDHRY
 Joyce C. CHENG
 Ian P.N. CHU (joined in April)
 Joseph C.K. HO
 Hilda LAM (joined in November)
 James K.T. WONG
 Cassandra K.C. WU

Secretary: Communications and External Affairs Officer

Working Group on “Sing Tao Legal Mailbox”

Cecilia Grace L.A. WONG (Chair)
 Nadine LAI (Vice-Chair from August)
 Stanley W.L. CHAN (Vice-Chair until July)
 Katherine J.R. HUANG
 Albert M.K. SO
 Michelle W.T. TSOI

Secretary: Communications and External Affairs Officer

Working Group on Community Talks and Services

SAUW Yim (Chair from December)
 Maggie Y.T. TSU (Chair until December)
 Michelle W.T. TSOI (Vice-Chair from December)
 Alex W.L. CHAN (retired in July)
 Nadine LAI
 Stephanie W.Y. LAU
 Daniel K.M. SHUM
 Patricia WIJAYA
 James K.T. WONG
 Cassandra K.C. WU
 WU Weijing
 Jackie N.M. YEUNG
 Cerin N.T. YIP
 Henry P.H. YU

Secretary: Communications and External Affairs Officer

Working Group on “Legal Pioneer” Mentorship Programme

Nathan S.K. WONG (Chair)
 Arthur Y.Y. LAW (Vice-Chair)
 Serina K.S. CHAN
 Ronald Y.H. KAN
 Nadine LAI
 SAUW Yim
 Judy W.C. YAM
 Victor C.K. YAU (retired in July)
 Michelle K.Y. YUNG

Secretary: Communications and External Affairs Officer

International Legal Affairs Committee

Amirali B. NASIR (Chair from August)
 Melissa K. PANG (Chair until August)
 Stephen W.S. HUNG (Vice-Chair from August)
 Gavin P. NESBITT (Vice-Chair until June; resigned in June)
 Bonita B.Y. CHAN (retired in July)
 Simon M.Y. CHAN
 Deborah S.W. FONG
 Frederick K.C. KAN
 Olivia H.Y. KUNG (joined in September)
 Alan H. LINNING
 David Y.C. LUK (joined in September)
 Munenori KAKU (joined in September)
 Robert C. RHODA
 Cynthia Y.S. TANG (resigned in July)
 Louise K.F. WONG
 Philip W.C. WONG
 Maggie M.Y. YIM (joined in September)

Secretary: Assistant Director, Communications and External Affairs

Greater China Legal Affairs Committee

Melissa K. PANG *(Chair from October)*
Thomas S.T. SO *(Chair until October)*
Neville C.H. CHENG *(Vice-Chair from November)*
Henry Y.H. WAI *(Vice-Chair from November)*
James K.T. WONG *(Vice-Chair)*
Emily Y.M. LAM *(Vice-Chair until July;
retired in July)*

Wilfred K.P. TSUI *(Vice-Chair until July)*
Rico W.K. CHAN
Kenneth Y.H. CHAN *(retired in July)*
Natalia K.Y. CHEUNG
Franki W.C. CHEUNG *(resigned in November)*
Anthony W.K. CHOW
Hannah C.L. HA *(retired in July)*
Brian P.C. HO
Stephen W.S. HUNG
Frederick K.C. KAN
Ronald Y.H. KAN
William C.W. LAM
Ambrose S.K. LAM
Alan Y.K. LAU *(joined in September)*
Jonathan T.W. LEE *(joined in September)*
Alexandra D.W. LO
Eric C.H. LUI
Patrick K.W. MAK
Catherine L.M. MUN
Sylvia W.Y. SIU *(resigned in May)*
Lawrence S.H. YEUNG
Gary S.K. YIN *(joined in August)*

Secretary: Assistant Director, Communications and
External Affairs

Cross Strait Four Regions Young Lawyers Forum 2016 Organising Committee

Catherine L.M. MUN *(Chair)*
Neville C.H. CHENG *(Advisor)*
Thomas S.T. SO *(Advisor)*
James K.T. WONG *(Advisor)*
George K.H. CHAN
Serina K.S. CHAN

Heidi H.Y. CHUI
Ronald Y.H. KAN
Christine M.K. KOO
Olivia H.Y. KUNG
Vannie W.N. LAU
Tommy J.N. LIU
Tracy C.Y. LI
Amelia Y.W. LO
Anny C.L. LO
Daphne F.Y. LO
David Y.C. LUK
Henry Y.H. WAI
Louise K.F. WONG
Victor C.K. YAU
Lawrence S.H. YEUNG

Secretary: Assistant Director, Communications and
External Affairs

Public Policy Committee

Nick CHAN *(Chair)*
James K.T. WONG *(Vice-Chair)*
C.M. CHAN
Keith C.W. CHAN
Stanley W.L. CHAN
CHAN Tze Chin
Wendy CHAN
Eliza L.S. CHANG
Horace K.K. CHEUNG
Sebastian Y.F. KO
Angela Y.L. LAU
Terry C.Y. LIU
Raymond C.P. SIU
Roden M.L. TONG
Eric H.Y. WOO
Roderick B. WOO

Secretary: Assistant Director, Communications and
External Affairs



■ Communications and External Affairs Department

Standing Committee on Member Services

Cecilia K.W. WONG	(Chair)	(8/8)
Eliza L.S. CHANG	(Vice-Chair from July)	(4/7)
Amirali B. NASIR	(Vice-Chair until July; retired in July)	(4/4)
Bonita B.Y. CHAN		(4/8)
C.M. CHAN	(retired in January)	(0/8)
Grand H.L. CHAN		(4/8)
Nick CHAN	(joined in January)	(6/8)
Serina K.S. CHAN		(8/8)
Anthony W.K. CHOW		(7/8)
IP Shing Hing		(7/8)
Elaine Y.M. LO		(5/8)
Melissa K. PANG		(6/8)
Roden M.L. TONG	(joined in July)	(3/4)

Secretary: Director of Member Services

Clubhouse Committee

CHAN Tze Chin	(Chair)
Melissa K. PANG	(Vice-Chair)
Bonita B.Y. CHAN	
Heidi K.P. CHU	
Daphne F.Y. LO	(joined in January)
H.Y. WONG	

Secretary : Assistant Director, Member Services

In-House Lawyers Committee

Grand H.L. CHAN	(Chair)
Maggie Y.T. TSUI	(Vice-Chair)
C.M. CHAN	
Ricky M.T. CHAN	
CHAN Wing Kit	
Diana W.L. HUI	
Jasmine KARIMI	
Geoffrey W.C. MO	
Kenneth S.Y. NG	(resigned in May)
Elen LAU	(retired in November)
Anne M. SALT	(retired in November)
Irene W.K. SIU	
Adamas K.S. WONG	
Cerin N.Y. YIP	

Secretary: Senior Member Services Officer

Member Benefit Committee

Bonita B.Y. CHAN	(Chair)
CHAN Tze Chin	
Heidi H.Y. CHUI	
Nadine LAI	
Daphne F.Y. LO	
Daniel K.M. SHUM	(retired in June)
Maggie Y.T. TSUI	
Adamas K.S. WONG	
Annie P.Y. WONG	(retired in June)
Ada C.M. WU	(retired in June)

Secretary: Member Services Officer

Practice Management Committee

Elaine Y.M. LO	(Chair)
Bonita B. Y CHAN	
Eliza L.S. CHANG	
David J. FLEMING	
HOU An Che	(joined in October)
IP Shing Hing	
Amirali B. NASIR	
NG Ching Wo	
Ludwig S.W. NG	
Melissa K. PANG	
WONG Hau Yan	(joined in October)
YAU Chi Keung	(joined in October)

Secretary: Director of Member Services

Islamic Finance Working Party

Amirali B. NASIR	(Chair)
Davide BARZILAI	
Balbir S. BINDRA	
John S. GALE	
Kingsley T.W. ONG	
Edmond M. Y. YEUNG	

Secretary: Director of Member Services

Working Party for SME Firms

Junius K.Y. HO	(Chair)
IP Shing Hing	(Chair)
Raymond M.L. CHAK	

Note : Figures shown in the “()” denote the meeting attendance during the year.

Joseph W.K. CHAN
Angela M.K. HO
Kenneth H.W. SIT

Secretary: Director of Member Services

Pro Bono Committee

Sylvia W.Y. SIU *(Chair until May; resigned in May)*
Serina K.S. CHAN *(Chair from September)*
Eric T.M. CHEUNG *(retired in October)*
Michelle Y.W. CHOW
E. John DAVISON
Junius K.Y. HO *(resigned in May)*
Anthony W.M. KWAN
Alexander H.S. LEUNG
Michelle S.M. LUK
Melissa K. PANG
Alan G. SCHIFFMAN
Amy Y.T. SUPANGKAT *(retired in October)*
Davyd WONG

Secretary: Assistant Director, Member Services

Working Group on Insurance for Pro Bono Work

Eric T.M. CHEUNG *(Chair)*

Secretary: Director of Member Services

Working Group on Pro Bono Project on Building Management Work

Alexander H.S. LEUNG *(Chair)*
Junius K.Y. HO *(resigned in May)*
Anthony W.M. KWAN
Melissa K. PANG

Secretary: Assistant Director, Member Services

Working Group on Pro Bono Webpage

Davyd WONG *(Chair)*
Serina K.S. CHAN
May M.Y. LUN

Secretary: Assistant Director, Member Services

Working Group on Seminars for Social Enterprises

E. John DAVISON *(Chair)*
Serina K.S. CHAN
CHI Kee Ming
Teresa C.W. CHU
May M.Y. LUN
Kirindi Y.T. TANG
Stephen M. VINE

Secretary: Assistant Director, Member Services

Pro Bono and Community Work Recognition Committee

Melissa K. PANG *(Chair)*
Sherman K.N. CHAN
IP Shing Hing *(retired in October)*
Daphne F.Y. LO
Sylvia W.Y. SIU *(resigned in May)*
Christopher K.Y. WONG
Philip W.C. WONG

Secretary: Assistant Director, Member Services

Recreation and Sports Committee

Nick CHAN *(Chair)*
Roden M.L. TONG *(Vice-Chair)*
Agnes H.C. CHAN
Simon S.M. CHAN *(joined in January)*
Eliza L.S. CHANG *(joined in January)*
Calvin K. CHENG *(retired in October and rejoined in December)*
Karen LAM
Louisa S.M. LAM *(retired in October and rejoined in December)*
PANG Kam Wing *(retired in August)*
Sylvester SUNG *(retired in October and rejoined in December)*

Jackie N.M. YEUNG
Winston S.Q. YU
Kristie LAM *(student representative joined in January)*
Rachelle LAU *(student representative joined in January)*

Secretary: Senior Member Services Officer

Technology Committee

Amirali B. NASIR (Chair)
Nick CHAN (Vice-Chair)
CHAK Man Lai (resigned in July)
Alan C.W. CHIU
HO Ching Man (joined in December)
Sebastian Y.F. KO (joined in April)
Phillip Z.F. KWOK (joined in December)
William W.S. LAM
Andrew S.K. LAW
Steven K. LEE
PANG Kam Wing
Jolene REIMERSON (joined in April)
YU Pui Hang

Secretary: Director of Member Services

Working Group on the Law Society's App

Nick CHAN (Chair)
Grand H.L. CHAN
Bonnie J.Y. CHAN (resigned in April)
CHAN Tze Chin
IP Shing Hing
KWAN Chiu Yin

Secretary : Assistant Director, Member Services

Young Solicitors' Group

Serina K.S. CHAN (Chair)
Sebastian Y.F. KO (Vice-Chair)
Vicky W.K. MAN (Vice-Chair from March)
Dominic L.K. YANG (Vice-Chair until February; resigned in July)

George K.H. CHAN
Janice K.C. CHANG (joined in December)
Desmond C.T. CHEUNG (joined in December)
Anson James DOUGLAS
Gerald H.C. LAM
Hilda LAM
Karen S.K. LAM (retired in December)
Kenneth L.K. LEE
Michael T.H. NGAI (retired in December)
Billy C.H. TANG

Catherine K.Y. WONG (joined in December)
Karen. H.L. WONG
Louise K.F. WONG
Felix P.H. YUEN

Secretary: Assistant Director, Member Services

Interest Group on Mergers and Acquisitions

Ambrose S.K. LAM (Chair)
Jan R. BOGAERT
Nick CHAN
May W.M. CHAN
Michelle W. CHEN
CHEUNG Yuen Sang (resigned in August)
Mason Y.K. CHING
Paul R.P. CHRISTOPHER
Basil H.L. HWANG
Christine M. KOO
Steven K. LEE
Steven C. NELSON
Wilfred K.P. TSUI
William A. WILSON III
Benson Shuobin XIAO
YEOH Soon Chin

Secretary: Director of Member Services

Law Society Publications Working Party

Huen WONG (Chair)
Amirali B. NASIR

Secretary : Assistant Director, Member Services

Working Party on Historical Archive

Roderick B. WOO (Chair)
Frederick K.C. KAN (Vice-Chair from November)
Jenkin S.F. CHAN
Stanley W.L. CHAN
Patrick R. MOSS
Amirali B. NASIR
Melissa K. PANG

Secretary : Assistant Director, Member Services

Working Group on Law Library

Daphne F.Y. LO (Chair)
Alex K.L. LAU (resigned in August)
Stephanie W.Y. LAU
Daniel K.M. SHUM
YU Ming Yik
YU Tat Man

Secretary: Director of Member Services

Working Group on Online Recruitment Services

Andrew S.K. LAW (Chair)
Bonita B.Y. CHAN

Steven K. LEE
Melissa K. PANG

Secretary: Director of Member Services

Working Group on Student Membership

Bonita B.Y. CHAN (Chair)
Nick CHAN (joined in January)
Serina K.S. CHAN
Eliza L.S. CHANG (retired in January)

Secretary: Assistant Director, Member Services



Standing Committee on Policy and Resources

Thomas S.T. SO	<i>(Vice-Chair until May; Chair from June)</i>	(10/12)
Stephen W.S. HUNG	<i>(Chair until May)</i>	(10/12)
Melissa K. PANG	<i>(Vice-Chair from June)</i>	(10/12)
Denis G. BROCK		(6/12)
Nick CHAN	<i>(joined in July)</i>	(3/5)
Heidi K.P. CHU		(12/12)
Brian W. GILCHRIST		(9/12)
Junius K.Y. HO	<i>(resigned in July)</i>	(1/7)
Joseph C.W. LI	<i>(resigned in May)</i>	(4/6)
Billy W.Y. MA		(6/12)
Amirali B. NASIR		(9/12)
Huen WONG		(11/12)
Cecilia K.W. WONG		(9/12)

Secretary: Assistant Director, Administration and Human Resources

Hong Kong Lawyer Editorial Board

Huen WONG	<i>(Chair)</i>
Peter C.H. CHAN	
Jenkin S.F. CHAN	
Heidi K.P. CHU	
Elliot FUNG	<i>(joined in July)</i>
Steven Brian GALLAGHER	
Warren P. GANESH	
GU Minkang	
Julienne JEN	
Dave C.K. LAU	
Byron T.W. LEUNG	
George Y.C. MOK	
Anne SCULLY-HILL	<i>(resigned in June)</i>
Michelle K.M. Tsang	
Adamas K.S. WONG	
Tony Y.H. YEN	

Secretary: Assistant Director, Member Services

Working Party on Law Society Premises

Junius K.Y. HO	<i>(Chair)</i>
Joseph C.W. LI	<i>(resigned in May)</i>
Billy W.Y. MA	
Amirali B. NASIR	
Kenneth S.Y. NG	<i>(resigned in May)</i>
Melissa K. PANG	
Huen WONG	

Secretary: Secretary General

Working Party on The Law Society IT Systems

Nick CHAN	<i>(Chair)</i>
CHAK Man Lai	
Kenneth Y. CHOY	
Sebastian Y.F. KO	
William W.S. LAM	
Andrew S.K. LAW	
Steven K. LEE	
Amirali B. NASIR	
Charles H.W. TO	
YU Pui Hang	

Secretary : IT Consultant

Working Party on Review of The Law Society's Memorandum and Articles of Association

Huen WONG	<i>(Chair)</i>
Julia F. CHARLTON	
Paul K.Y. CHOW	
Simon S.C. LAI	
Gavin P. NESBITT	<i>(resigned in May)</i>
Thomas S.T. SO	

Secretary : Deputy Secretary General

Working Party on Unclaimed Money in Client Account

Huen WONG	<i>(Convenor)</i>
Stephen W.S. HUNG	<i>(joined in June)</i>
Joseph C.W. LI	<i>(resigned in May)</i>
Amirali B. NASIR	

Secretary : Deputy Secretary General

Note : Figures shown in the “()” denote the meeting attendance during the year.



■ Finance and Administration Department

Standing Committee on Practitioners Affairs

Denis G. BROCK	<i>(Chair from July)</i>	(5/7)
Amirali B. NASIR	<i>(Chair until June)</i>	(6/7)
Warren P. GANESH	<i>(Vice-Chair from July)</i>	(4/4)
Simon H. BERRY		(3/7)
C.M. CHAN	<i>(joined in July)</i>	(2/4)
Mark D. DALY		(3/7)
E. John DAVISON		(6/7)
Rebecca V.I. HO		(3/7)
IP Shing Hing		(7/7)
Simon S.C. LAI	<i>(joined in July)</i>	(3/4)
Gavin P. NESBITT	<i>(resigned in May)</i>	(1/3)
Kenneth H.S. NG	<i>(resigned in December)</i>	(2/7)
Sylvia W.Y. SIU	<i>(resigned in May)</i>	(1/3)
Roden TONG	<i>(joined in July)</i>	(3/4)
Simon W.L. WONG		(4/7)
Eric H.Y. WOO		(2/7)

Secretary: Director of Practitioners Affairs

Arbitration Committee

Huen WONG	<i>(Chair)</i>	
Denis G. BROCK		
Stephen H.N. CHAN		
Mason Y.K. CHING		
H.Y. CHUI	<i>(joined in December)</i>	
P.S. HAU	<i>(joined in December)</i>	
Dominic Y.K. LAI		
Lily Y.Y. LAI		
John Y.C. LEE		
Amy P.S. LO	<i>(resigned in February)</i>	
Catherine L.M. MUN		
Billy Y.K. NG		
Robert C. RHODA		
Philip ROMPOTIS		
Thomas S.T. SO		
Sam K.S. TSUI		
Janie L.Y. WONG		
Kenneth W.Y. WONG		
Eric H.Y. WOO		
Steven W.Y. YIP		

Secretary: Director of Practitioners Affairs

Arbitrators Admission Sub-committee

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Glenn R.A. HALEY	
James P. KWAN	
Dominic Y.K. LAI	
M.S. YEUNG	
Steven W.Y. YIP	

Secretary: Director of Practitioners Affairs

Civil Litigation Committee

Kenneth W.Y. WONG	<i>(Chair)</i>
Denis G. BROCK	
Johnny C.M. FEE	
D. Nigel FRANCIS	
Warren P. GANESH	
Dominic GEISER	<i>(joined in January)</i>
Patrick M.K. HUI	
Nicholas D. HUNSWORTH	
Richard KEADY	
Joseph S.M. KWAN	
Jeffrey H. LANE	
Brenda F. LEE	
Mark LIN	
Simon D. POWELL	
Nathan S.K. WONG	<i>(joined in January)</i>
Sherman C.N. YAN	

Secretary: Assistant Director, Practitioners Affairs (II)

Company Law Committee

Simon S.C. LAI	<i>(Chair from February)</i>
Patrick C.K. WONG	<i>(Chair until February)</i>
Grace K.W. CHAN	
Elsa S.C. CHAN	<i>(resigned in September)</i>
Julia F. CHARLTON	
Jacqueline CHIU	<i>(joined in February)</i>
Paul K.Y. CHOW	
Stanley CHOW	
Lisa CHUNG	<i>(joined in February)</i>
Vincent P.C. KWAN	
Bernardine LAM	<i>(joined in February)</i>

Note : Figures shown in the “()” denote the meeting attendance during the year.

Lewis T. LUK
 John Martin MAGUIRE *(joined in February)*
 Gavin P. NESBITT *(resigned in May)*
 Psyche C.S. TAI
 Frank K.F. YUEN

Secretary: Director of Practitioners Affairs (October to December)
 Assistant Director, Practitioners Affairs (I)

Competition Law Committee

Simon H. BERRY *(Chair)*
 Nick CHAN
 Stephen R. CROSSWELL
 Sebastien J. EVRARD
 Angus H. FORSYTH
 Clara INGEN-HOUSZ
 Larry L.K. KWOK *(resigned in July)*
 Gavin P. NESBITT *(resigned in May)*
 Simon D. POWELL
 Henry J.H. WHEARE
 James H. WILKINSON *(joined in January)*
 David P.H. WONG
 YAM Kin Fung

Secretary: Assistant Director, Practitioners Affairs (II)

The Council Sub-committee on Competition Ordinance

Huen WONG *(Chair)*
 IP Shing Hing
 Gavin P. NESBITT *(resigned in May)*
 Thomas S.T. SO

Secretary: Assistant Director, Practitioners Affairs (II)

Constitutional Affairs and Human Rights Committee

Amirali B. NASIR *(Chair)*
 BUT Sun Wai
 Nick CHAN
 John J. CLANCEY

Mark D. DALY
 Dr. James D. FRY
 Junius K.Y. HO
 Eric C. IP *(resigned in May)*
 IP Shing Hing
 Melissa K. PANG
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 Thomas S.T. So
 Dr. Stephen THOMSON *(joined in October)*

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 BUT Sun Wai
 Bucky K.H. CHAN
 Johnny C.H. HO *(joined in January)*
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 Christopher KNIGHT
 Paul M.W. LI
 Fred S.N. MA *(resigned in September)*
 Kane K.F. MAK *(joined in September)*
 Jonathan C. Y. MOK
 Andrew POWNER *(resigned in September)*
 Kevin STEEL
 Eric TANG
 Michael J. VIDLER
 Ben K. K. WONG

Secretary: Director of Practitioners Affairs

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 Kim BOREHAM
 Lily S.M. CHANG
 Fiona B.L. CHOW
 Paul HASWELL
 Lily Y.Y. LAI
 Fiona M. LOUGHREY
 Melissa K. PANG

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Jennifer W.C. IP
Lily Y.Y. LAI
Karen S.Y. LAM (joined in May)
LAM Tze Yan
LEUNG Shek Lim
Dr. Athena N.C. LIU (joined in October)
Jonathan C.Y. MOK
Catherine K.G. POR
Anne SCULLY-HILL (resigned in July)
Sylvia W.Y. SIU (resigned in May)
Cecilia K.W. WONG
Kenneth K.S. YUNG (joined in January)

Secretary: Assistant Director, Practitioners Affairs (II)

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CHIU Koon Shou
Andrew N. HART
Patrick M.K. HUI (joined in February)
Jason D KARAS
Jacky H.S. LEE (joined in February)
G.S. Paul MITCHARD (resigned in February)
Simon D. POWELL

Secretary: Director of Practitioners Affairs

Insolvency Law Committee

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CHIU Koon Shou (Vice-Chair)
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Junius K. Y. HO
Camille JOJO
Ludwig S.W. NG

Simon POWELL
Richard M. TOLLAN
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Fergus F.C. LU (resigned in September)
MAK Hon Ming
Gary MEGGITT
Christopher A. POTTS (resigned in September)
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Rupert C. SKRINE
Sam K.S. TSUI
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Yvonne CHUA
A. Clinton D. EVANS
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Chloe Y.F LEE
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Rebecca M.C. LO
Annie S.T. TSOI
Henry J.H. WHEARE (resigned in September)
Adelaide H.M. YU

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Assistant Director, Practitioners Affairs (I)

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 Alan J. EWINS
 Eliof S.W. FONG
 Stephen M. FLETCHER (resigned in December)
 Susan J. GORDON
 Peter M. LAKE
 Jason C.Y. LEE
 Alan H. LINNING
 Gavin P. NESBITT (resigned in May)
 Sara S.M. OR
 Charlotte J.G. ROBINS
 Adamas K.S. WONG

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 Assistant Director, Practitioners Affairs (I)

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 IP Shing Hing
 Andrew W.Y. NG
 Christopher TUNG

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 Assistant Director, Practitioners Affairs (I)

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 Joseph C.W. LI (Chair until May, resigned in May)
 Patrick M. BURKE
 Sherlynn G. CHAN
 Dennis C.K. HO
 Junius K.Y. HO
 Rebecca V.I. HO
 J.C. Nicholas MILLAR (joined in October)
 Melissa K. PANG
 Virginia W.L. SZETO

TANG Chi Keung (joined in May)
 Michael J. VIDLER (joined in May)
 Dr. WAN Charn Wing

Secretary: Assistant Director, Practitioners Affairs (II)

Liaison Committee with the CSD

Bucky K.H. CHAN
 Paul M.W. LI
 Kenneth H.S. NG

Secretary: Director of Practitioners Affairs

Liaison Committee with the Police

BUT Sun Wai
 Junius K.Y. HO
 Ambrose S.K. LAM
 MA Shiu Ngok
 Melissa K. PANG
 Kevin STEEL

Secretary: Director of Practitioners Affairs

Mediation Committee

Cecilia K.W. WONG (Chair)
 Geoffrey N. BOOTH
 John R. BUDGE (resigned in October)
 Patrick M. BURKE
 Bernard M. FLEMING (joined in December)
 LAM Tze Yan (joined in December)
 LEUNG Shek Lim (joined in December)
 G.T. LUNG
 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 (resigned in May)

Secretary: Director of Practitioners Affairs

Personal Injuries Committee

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 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: Director of Practitioners Affairs

Probate Committee

Billy W.Y. MA (Chair)
 AU Miu Po
 Viola HUNG
 NG Kin Yuen
 TAM Sau Hing
 TSANG Kam Chuen
 Herbert H.K. TSOI
 WONG Tak Shing

Secretary: Assistant Director, Practitioners Affairs (I)
 Assistant Director, Practitioners Affairs (II)
 (October to December)

Joint Standing Committee on Probate Practice

Billy W.Y. MA
 AU Miu Po
 Viola HUNG
 NG Kin Yuen
 TAM Sau Hing
 TSANG Kam Chuen
 Herbert H.K. TSOI
 WONG Tak Shing

Secretary: Assistant Director, Practitioners Affairs (I)
 Assistant Director, Practitioners Affairs (II)
 (October to December)

Property Committee

Lilian S.F. CHIANG (Chair)
 Debbie F. CHEUNG
 Keith P.K. CHEUNG
 Tommy K.K. CHUNG (joined in September)
 Doreen Y.F. KONG
 Emily Y.M. LAM
 Dennis W.C. LI (joined in September)
 Amanda L.Y. LIU (resigned in July)
 LUI Yiu Fai
 Billy W.Y. MA (resigned in July)
 Lilian P.Y. MAK
 SHUM Man Wai (resigned in July)
 Vernon Y.H. PANG (joined in September)
 WONG Man Wa
 Cleresa P.Y. WONG (joined in September)
 David P.H. WONG
 Terry P.L. YEUNG (resigned in July)

Secretary: Assistant Director, Practitioners Affairs (I)
 Assistant Director, Practitioners Affairs (II)
 (October to December)

Solicitor Advocates Interest Group

Geoffrey N. BOOTH
 Denis G. BROCK
 Christopher J. DOBBY
 Matthew P. GEARING
 Nicholas D. HUNSWORTH
 Jason D. KARAS
 KWAN Tak Hong
 Jonathan N. MIDGLEY
 Gerald S.P. MITCHARD
 Ludwig S.W. NG
 Gary A. SEIB
 Kareena P.G. TEH
 Richard M. TOLLAN
 Yang Ing LOONG

Secretary: Director of Practitioners Affairs

Retirement Scheme 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
 WEI Chung Yin
 Judy YANG

Secretary: Director of Practitioners Affairs (October to December)
 Assistant Director, Practitioners Affairs (I)

Revenue Law Committee

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 LEE T. Benjamin *(resigned in October)*
 C.M. CHAN
 Sally S.W. IP
 Vincent P.C. KWAN
 Angela Y.L. LAU
 Cynthia S.W. LEE
 Gavin P. NESBITT *(resigned in May)*
 Simon J.G. RAE
 Jacqueline Y.M. SHEK
 William A. THOMSON

Secretary: Assistant Director, Practitioners Affairs (II)

Reverse Mortgage Committee

Billy W.Y. MA *(Chair)*
 Heidi K. P. CHU
 Junius K.Y. HO
 Emily Y.M. LAM
 Joseph C.W. Li *(resigned in May)*
 Steven M.W. SHUM

Secretary: Assistant Director, Practitioners Affairs (I)
 Assistant Director, Practitioners Affairs (II)
 (October to December)

Working Party on Charities and Trust

E. John DAVISON *(Chair)*
 C.M. CHAN
 Brian W. GILCHRIST
 Lester G. HUANG
 Jacqueline Y.M. SHEK
 William A. THOMSON
 Stephen M. VINE
 WONG Tak Shing

Secretary: Assistant Director, Practitioners Affairs (II)

Working Party on Enduring Powers of Attorney

Billy W.Y. MA *(Chair)*
 E. John DAVISON
 Herbert H.K. TSOI
 Cecilia K.W. WONG

Secretary: Director of Practitioners Affairs (October to December)
 Assistant Director, Practitioners Affairs (I)

Working Party on Enforcement in Civil Proceedings

Thomas S.T. SO *(Chair)*
 CHIU Koon Shou
 D. Nigel FRANCIS
 Dennis C.K. HO
 Rebecca V.I. HO
 Barbara A. HUNG
 Brenda F. LEE
 Ludwig S.W. NG
 Catherine K.G. POR
 TONG Wui Tung
 King K.L. WONG

Secretary: Assistant Director, Practitioners Affairs (II)

Working Party on Engagement and Fee Arrangements with Barristers

Denis G. BROCK *(Chair)*
 Patrick M.K. HUI
 Mark LIN

Secretary: Assistant Director, Practitioners Affairs (II)

Working Party on Interpreters

Michael J. VIDLER *(Chair)*

Patrick M. BURKE

Anthony M.C. LAI

Karen McCLELLAN

Secretary: Assistant Director, Practitioners Affairs (II)

Working Party on Land Titles Ordinance

E. John DAVISON *(Chair)*

Judith SIHOMBING *(Vice-Chair)*

Peter AHERNE

AU Fun Kuen

Dora S.Y. CHAN

Emily Y.M. LAM

Alexander H.S. LEUNG

Andy O.T. NGAN

Anthony H.Y. SHIN

WONG Man Wa

Secretary: Assistant Director, Practitioners Affairs (I)
Assistant Director, Practitioners Affairs (II)
(October to December)

Working Party on Litigation Funding

Denis G. BROCK *(Chair)*

Patrick M. BURKE

Christopher J. DOBBY

Warren P. GANESH

Cameron D. HASSALL

Barbara A. HUNG

Jason D. KARAS

Paul M.W. LI

Gary MEGGITT

Amirali B. NASIR

Mark F. REEVES

Sylvia WY. SIU *(resigned in May)*

Secretary: Director of Practitioners Affairs

Working Party on Review of Non-Consent Scheme Forms

Amanda L.Y. LIU *(Chair)*

Doreen Y.F. KONG

LEUNG Siu Hon *(resigned in August)*

LUI Yiu Fai *(joined in July)*

WONG Man Wa

Secretary: Assistant Director, Practitioners Affairs (I)
Assistant Director, Practitioners Affairs (II)
(October to December)

Working Party on Party and Party Rates

Denis G. BROCK *(Chair)*

Nicholas D. HUNSWORTH

Amirali B. NASIR

Kenneth W.Y. WONG

Secretary: Director of Practitioners Affairs

Working Party on Personal Data (Privacy) Ordinance

Simon H. BERRY *(Chair)*

Nick CHAN

Rebecca M.C. LO

Thomas S.T. SO

Kevin K.F. YAM

Secretary: Director of Practitioners Affairs

Working Party on Resolution Regime

Simon H. BERRY *(Chair)*

Alan J. EWINS

Stephen M. FLETCHER

Eliof S.W. FONG

Keith M.K. HO

Nicholas D. HUNSWORTH

Jason C.Y. LEE

Martin C.v.M. LISTER

Sara S.M. OR

Secretary: Assistant Director, Practitioners Affairs (II)

Working Party on Revised DMC Guidelines

LEUNG SIU Hon (Chair)
Doreen Y.F KONG (joined in December)
MA Ho Fai
WAN Siu Man (joined in December)
David P.H. WONG
Terry P.L. YEUNG

Secretary: Assistant Director, Practitioners Affairs (I)
Assistant Director, Practitioners Affairs (II)
(October to December)

Working Party on Taxation in Civil Proceedings

Amirali B. NASIR (Chair)
Patrick M. BURKE
CHIU Koon Shou
Ian R. De WITT
Nicholas D. HUNSWORTH
Lily Y.Y. LAI
Joseph C.W. LI (resigned in May)
Mark F. REEVES
Kenneth W.Y. WONG

Secretary: Director of Practitioners Affairs



Practitioners Affairs Department

Standing Committee on Standards and Development

Brian W. GILCHRIST (Chair) (8/10)
 Warren P. GANESH (Vice-Chair from July) (10/10)
 Sylvia W.Y. SIU (Vice-Chair until May; resigned in May) (3/4)

Bonita B.Y. CHAN (5/10)
 C.M. CHAN (joined in July) (3/5)
 Serina K.S. CHAN (9/10)
 Stephanie S.Y. CHEUNG (resigned in February) (1/1)
 Heidi H.Y. CHUI (9/10)
 Albert T. DA ROSA JR (8/10)
 HAU Pak Sun (9/10)
 Stephen W.S. HUNG (6/10)
 IP Shing Hing (6/10)
 Catherine L.M. MUN (7/10)
 Peter K.P. SIT (9/10)
 Thomas S.T. SO (4/10)
 Simon S.P. TANG (5/10)
 Adamas K.S. WONG (8/10)

Secretary: Director of Standards and Development

Anti-Money Laundering Committee

Michael J. LINTERN-SMITH (Chair)
 Jason D. CARMICHAEL
 CHAN Wing Leung
 Lily S.M. CHANG
 Simon R. DEANE
 Serge G. FAFALLEN
 LEE Kher Sheng
 Danny C.M. LEUNG
 Alan H. LINNING
 Kareena P.G. TEH

Secretary: Assistant Director, Regulation and Guidance

Continuing Professional Development Committee

Adamas K.S. WONG (Chair from June)
 Sylvia W.Y. SIU (Chair until May; resigned in May)
 Professor Douglas ARNER
 Ram D. BIALA

Iris CHEUNG
 Late Alex K.L. LAU (until June)
 Alexandra D.W. LO
 Michael A. OLESNICKY

Secretary: Director of Standards and Development

CPD Accreditation Sub-committee

Sylvia W.Y. SIU (Chair until May; resigned in May)
 Professor Douglas ARNER
 Ram D. BIALA
 Francis K.W. CHEN
 Simon M.Y. CHAN
 Johnny C.M. FEE
 John D.S. HO
 Stephen W.K. LAU
 Albert K.M. LEUNG
 Christie K.S. MOK
 Christopher H.W. SO
 WAN Charn Wing
 Sandy H.Y. WONG

Secretary: Assistant Director, Professional Development

Foreign Lawyers Committee

Denis G. BROCK (Chair)
 John C.K. CHAN
 Raymond CHAN
 May W.M. CHAN
 Carmel A. GREEN
 LI Huanting
 SIN Ping Kwan
 Rupert C. SKRINE
 SLOTINE Maëva Lucile (joined in July)
 William August WILSON III (resigned in January)

Secretary: Assistant Director, Regulation and Guidance

Note : Figures shown in the “()” denote the meeting attendance during the year.

Guidance Committee

Stephanie S.Y. CHEUNG *(Chair)*
Victor K.S. CHIU
Late Alex K.L. LAU *(until June)*
Patrick R. MOSS
Amirali B. NASIR
Kenneth S.Y. NG *(resigned in May)*
Gregory D. PAYNE
Daniel K.M. SHUM
Johnson M.H. TSANG
Benny Y.B. YEUNG

Secretary: Assistant Director, Regulation and Guidance

Guidance Sub-committee to Review Rule 5AA of the Solicitors' Practice Rules

Amirali B. NASIR *(Chair)*
Stephen W.K. LAU
Joseph C.W. LI *(resigned in May)*
Billy W.Y. MA

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Legal Education Committee

Stephen W.S. HUNG *(Chair)*
Bonita B.Y. CHAN
Nick CHAN
Michael P.K. CHAN
John J. CLANCEY
Dennis Y.F. HA
Nancy B.Y. LEUNG
Michelle W.T. TSOI
Kenny K.S. WONG
Adrian K.M. WONG
Felix K.Y. YAU
Dieter YIH *(joined in June)*

Secretary: Director of Standards and Development

Working Group on the Standard of the Common Entrance Examination

Stephen W.S. HUNG *(Chair)*
Nick CHAN
Serina K.S. CHAN
Dennis Y.F. HA
Michelle W.T. TSOI

Secretary: Director of Standards and Development

Working Group on the Syllabus of the Common Entrance Examination

Stephen W.S. HUNG *(Chair)*
Nick CHAN
Serina K.S. CHAN
John J. CLANCEY
Warren P. GANESH
Dennis Y.F. HA
Nadine LAI
Kenny K.S. WONG
Dieter YIH

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Working Party on Common Entrance Examination

Stephen W.S. HUNG *(Chair)*
Bonita B.Y. CHAN
Anthony W.K. CHOW
Norman P.M. CHUI
Dennis Y.F. HA
Lester G. HUANG
Nadine LAI
Felix K.Y. YAU

Secretary: Director of Standards and Development

Mediator Admission Committee

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Michael Halley BECKETT
Junius K.Y. HO
Maureen E. MUELLER
Jody K.Y. SIN

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Nick CHAN
Darcy Lynn DAVISON-ROBERTS *(joined in April)*
James C. LIN
Mark LIN
Arthur McINNIS *(resigned in April)*
Sylvia W.Y. SIU *(resigned in May)*
Donna L. WACKER

Secretary: Director of Standards and Development

Overseas Lawyers Examination Panel Convenors

Malcolm MERRY *(Chief Examiner)*

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Alexander H.S. LEUNG
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Amanda WHITFORT *(Convenor)*
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William S. CLARKE
Louis K.L. FUNG
Christopher ELLIS *(resigned in July)*
Julienne JEN
Nancy B.Y. LEUNG
John R. READING, S.C. *(joined in December)*
Martin D. ROGERS
Bernard K.F. SIU
William M.P. CHUA *(joined in December)*

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Peter C.H. CHAN
Shirley S.L. CHUA

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Michelle P.Y. LIU
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Adrian K.M. WONG *(Convenor)*
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Shirley S.L. CHUA
Julianne P. DOE
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Eric C. IP *(Convenor)*
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William S. CLARKE
LIN Feng
Michael RAMSDEN *(joined in May)*
Dr. Stephen THOMSON *(joined in May)*
ZHU Guobin *(joined in May)*

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Melissa K. PANG

Hong Kong Council of Volunteering

Melissa K. PANG

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Hong Kong Mediation Accreditation Association Limited – Mediation Accreditation Committee

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Camille K.Y. LEUNG

International Bar Association – Bar Issues Commission

Heidi K.P. CHU

Stephen W.S. HUNG

Thomas S.T. SO

International Bar Association – Council

Stephen W.S. HUNG
Thomas S.T. SO

International Bar Association – Young Lawyers’ Committee National Representative

Nadine LAI

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Sylvia W.Y. SIU (until May)
Cecilia K.W. WONG

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Judiciary – Civil Justice Reform Monitoring Committee

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WONG Yee Mei

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NGAN On Tak
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Melissa K. PANG
Huen WONG (until August)

LawAsia Executive Committee

Melissa K. PANG

Legal Aid Services Council

Joseph C.W. LI (until August)
Melissa K. PANG

Legal Aid Services Council - Interest Group on Processing, Assignment and Monitoring of Assigned-Out Cases

Patrick BURKE
Melissa K. PANG

Legal Aid Services Council - Interest Group on Scope of Legal Aid

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Steering Committee on The Provision of Legal Advice for Litigants in Person

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ii) Curriculum Subcommittee

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(iii) Human Resources Subcommittee

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Sub-Committee of The Standing Committee on Legal Education and Training on English Language Proficiency

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The University of Hong Kong – Board of Faculty of Law

Ambrose S.K. LAM

Union International Des Advocats

Frederick K.C. Kan (from November)

Young Coalition Professional Group of The Hong Kong Coalition of Professional Services

Serina K.S. CHAN
Sebastian Y.F. KO

Independent Auditor's Report to the members of The Law Society of Hong Kong

(Incorporated in Hong Kong and limited by guarantee)

Opinion

We have audited the financial statements of The Law Society of Hong Kong ("The Law Society") set out on pages 79 to 103, which comprise the statement of financial position as at 31 December 2016, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the cash flow statement for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of The Law Society as at 31 December 2016 and of its financial performance and its cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

Basis for opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of The Law Society in accordance with the HKICPA's *Code of Ethics for Professional Accountants* ("the Code") and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information other than the financial statements and auditor's report thereon

The Council Members are responsible for the other information. The other information comprises all the information included in the annual report, other than the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Council Members for the financial statements

The Council Members are responsible for the preparation of the financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA 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.

In preparing the financial statements, the Council Members are responsible for assessing The Law Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Council Members either intend to liquidate The Law Society or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, in accordance with section 405 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.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Law Society's internal control.

Independent Auditor's Report to the members of The Law Society of Hong Kong (continued)

(Incorporated in Hong Kong and limited by guarantee)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council Members.
- Conclude on the appropriateness of the Council Members' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on The Law Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause The Law Society to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Council Members regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG

Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

31 March 2017

Statement of profit or loss and other comprehensive income

For the year ended 31 December 2016

(Expressed in Hong Kong dollars)

	Note	2016	2015
Income	3	\$ 85,793,033	\$ 92,991,549
Staff costs	4(a)	(51,079,795)	(49,268,852)
Office expenses	4(b)	(5,036,313)	(5,699,526)
Depreciation	7	(3,868,388)	(3,868,764)
Members' expenses	4(c)	(7,781,183)	(10,006,279)
Other operating expenses	4(d)	(59,888,860)	(21,444,730)
(Deficit)/surplus before taxation	4	\$ (41,861,506)	\$ 2,703,398
Income tax	6(a)	(107,401)	(383,636)
(Deficit)/surplus and total comprehensive income for the year		\$ (41,968,907)	\$ 2,319,762

The notes on pages 83 to 103 form part of these financial statements.

Statement of Financial Position

At 31 December 2016

(Expressed in Hong Kong dollars)

	Note	2016	2015
Non-current assets			
Property, plant and equipment	7	\$ 120,134,462	\$ 123,111,727
Investments in subsidiaries	8	22	22
Deferred tax assets	13(b)	463,912	497,608
		\$ 120,598,396	123,609,357
Current assets			
Deposits, prepayments and other receivables	9	\$ 3,622,113	\$ 2,890,285
Amounts due from related companies	10	592,900	3,834,305
Amounts due from subsidiaries	10	–	359,441
Cash and deposits with banks	11	166,210,266	168,239,562
Current tax recoverable	13(a)	139,828	213,533
		\$ 170,565,107	\$ 175,537,126
Current liabilities			
Membership, practising certificate and other fees received in advance		\$ 60,363,358	\$ 52,804,583
Creditors and accrued charges	12	38,324,782	11,897,630
		\$ 98,688,140	\$ 64,702,213
Net current assets		\$ 71,876,967	\$ 110,834,913
Net assets		\$ 192,475,363	\$ 234,444,270
Representing:			
Accumulated surpluses		\$ 192,475,363	\$ 234,444,270

Approved and authorised for issue by the Council on 31 March 2017.

Thomas S. T. So)	
)	Council Members
Melissa K. Pang)	
)	
Heidi K. P. Chu)	Secretary General

The notes on pages 83 to 103 form part of these financial statements.

Statement of Changes in Equity

For the year ended 31 December 2016

(Expressed in Hong Kong dollars)

	2016	2015
Balance at 1 January	\$ 234,444,270	\$ 232,124,508
(Deficit)/surplus and total comprehensive income	(41,968,907)	2,319,762
Balance at 31 December	\$ 192,475,363	\$ 234,444,270

The notes on pages 83 to 103 form part of these financial statements.

Cash Flow Statement

For the year ended 31 December 2016

(Expressed in Hong Kong dollars)

	Note	2016	2015
Operating activities			
Cash (used in)/generated from operations	11(b)	\$ (2,061,951)	\$ 6,189,005
Hong Kong profits tax paid		–	(526,776)
Net cash (used in)/generated from operating activities		\$ (2,061,951)	5,662,229
Investing activities			
(Increase)/decrease in deposits with banks with maturity of more than three months at acquisition		\$ (27,534,785)	\$ 902,924
Interest received		923,778	1,250,810
Payment for the purchase of property, plant and equipment		(891,123)	(38,128,795)
Net cash used in investing activities		\$ (27,502,130)	\$ (35,975,061)
Net decrease in cash and cash equivalents		\$ (29,564,081)	\$ (30,312,832)
Cash and cash equivalents at 1 January	11(a)	128,579,581	158,892,413
Cash and cash equivalents at 31 December	11(a)	\$ 99,015,500	\$ 128,579,581

The notes on pages 83 to 103 form part of these financial statements.

Notes to the Financial Statements

(Expressed in Hong Kong dollars)

1 Status of The Law Society

The Law 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 2016, The Law Society had 10,345 members (2015: 9,869).

2 Significant accounting policies

(a) Statement of compliance

For the purposes of compliance with section 379 and 380 of the Hong Kong Companies Ordinance (Cap. 622), these financial statements have been prepared to present a true and fair view of the financial position and financial performance of The Law Society only. Consequently, they have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”), which term collectively 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 (Cap. 622) that are relevant to the preparation of company level financial statements by a parent company.

The Law Society is a holding company as it has two subsidiaries. However, The Law Society regards these two subsidiaries, when taken together, as immaterial in accordance with section 381(3) of the Hong Kong Companies Ordinance (Cap. 622), and therefore is not required to prepare consolidated financial statements.

A summary of the significant accounting policies adopted by The Law 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 Law Society. Note 2(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 Law Society for the current and prior accounting periods reflected 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.

Notes to the Financial Statements (continued)

(Expressed in Hong Kong dollars)

2 Significant accounting policies (continued)

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.

(c) Changes in accounting policies

The HKICPA has issued a number of amendments to HKFRSs that are first effective for the current accounting period of The Law Society. None of these developments have had a material effect on how The Law Society's results and financial position for the current or prior periods have been prepared or presented.

The Law Society has not applied any new standard or interpretation that is not yet effective for the current accounting period.

(d) Subsidiaries

Subsidiaries are entities controlled by The Law Society. The Law 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 Law Society has power, only substantive rights (held by The Law Society and other parties) are considered.

In The Law 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 are stated at cost less accumulated depreciation and impairment losses (see note 2(g)).

2 Significant accounting policies (continued)

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 a 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.

(f) Leased assets

An arrangement, comprising a transaction or a series of transactions, is or contains a lease if The Law 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 Law Society under leases which transfer to The Law 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 Law Society are classified as operating leases.

Where The Law 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.

Notes to the Financial Statements (continued)

(Expressed in Hong Kong dollars)

2 Significant accounting policies (continued)

(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.

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 Law 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 Law 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 Law 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.

Notes to the Financial Statements (continued)

(Expressed in Hong Kong dollars)

2 Significant accounting policies (continued)

(k) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on 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.

(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 other comprehensive income 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.

2 Significant accounting policies (continued)

(n) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when The Law 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 Law 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.

(p) Related parties

- (a) A person, or a close member of that person's family, is related to The Law Society if that person:
 - (i) has control or joint control over The Law Society;
 - (ii) has significant influence over The Law Society; or
 - (iii) is a member of the key management personnel of The Law Society or The Law Society's parent.

Notes to the Financial Statements (continued)

(Expressed in Hong Kong dollars)

2 Significant accounting policies (continued)

(p) Related parties (continued)

- (b) An entity is related to The Law Society if any of the following conditions applies:
- (i) The entity and The Law 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 Law Society or an entity related to The Law 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).
 - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to The Law Society or to The Law Society's parent.

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.

3 Income

The principal activity of The Law Society is to act as the professional and regulatory body for solicitors in Hong Kong.

Income consists of:

	Note	2016	2015
Annual membership fees		\$ 3,040,800	\$ 7,694,400
Practising certificate fees		45,027,500	42,907,500
Foreign lawyer registration fees		14,683,500	14,481,000
Foreign law firm registration fees		1,216,105	1,368,105
Other fees	3(a)	10,560,386	9,671,966
Disciplinary proceedings and ancillary costs reimbursed	2(h)	2,800,607	5,084,327
Continuing professional development		2,111,061	1,998,061
Miscellaneous income	3(b)	5,429,296	8,535,380
Bank interest income	11(b)	923,778	1,250,810
		\$ 85,793,033	\$ 92,991,549

- (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 Law Society's circulars, recharges to the Professional Indemnity Scheme for The Law Society's salaries and overheads incurred during the year in administering the Scheme.

Notes to the Financial Statements (continued)

(Expressed in Hong Kong dollars)

4 (Deficit)/surplus before taxation

(Deficit)/surplus before taxation is arrived at after charging/(crediting):

	2016	2015
(a) Staff costs		
Salaries and allowances	\$ 45,473,803	\$ 44,107,931
Contributions to defined contribution retirement plan	5,433,667	5,188,806
Provident fund contribution forfeitures	(455,420)	(535,212)
Recruitment and training	627,745	507,327
	\$ 51,079,795	\$ 49,268,852
(b) Office expenses		
Operating lease charges: minimum lease payments in respect of property rentals	\$ –	\$ 876,033
Rates and service charges	1,422,248	1,270,261
Electricity and telephone	518,901	542,812
Postage	222,738	201,576
Printing and stationery	1,932,111	1,884,486
Repairs and maintenance	466,741	435,784
Office cleaning and others	473,574	488,574
	\$ 5,036,313	\$ 5,699,526
(c) Members' expenses		
Issue of membership cards	\$ 126,900	\$ 117,600
Functions	4,218,941	6,988,587
Meetings	1,496,505	1,060,327
Facilities	1,938,837	1,839,765
	\$ 7,781,183	\$ 10,006,279

		2016	2015
(d) Other operating expenses			
Disciplinary proceedings and ancillary costs* (including office rental of \$188,160 (2015: Nil))	2(h)	\$ 44,332,498	\$ 7,458,200
Professional education		158,727	64,663
Professional and consultancy fees		618,793	1,517,336
Professional development		9,303,796	8,400,802
Auditor's remuneration		156,200	150,200
Insurance and medical		2,121,565	2,054,270
Impairment loss on amount due from a subsidiary		387,144	–
Sundry		2,810,137	1,799,259
		\$ 59,888,860	\$ 21,444,730

* \$37,548,638 (2015: \$2,005,671) was incurred in respect of interventions within solicitors' practices, and \$4,351,247 (2015: \$792,929) was incurred in respect of litigation cases.

5 Remuneration of Council Members

Remuneration of Council Members disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follows:

	2016	2015
Council Members' fees	\$ –	\$ –
Salaries, allowances and benefits in kind	–	–
Discretionary bonuses	–	–
Retirement scheme contributions	–	–
	\$ –	\$ –

Notes to the Financial Statements (continued)

(Expressed in Hong Kong dollars)

6 Income tax in the statement of profit or loss and other comprehensive income

(a) Taxation charged to profit or loss:

	2016	2015
Current tax – Hong Kong Profits Tax		
Provision for the year	\$ –	\$ 275,482
Under/(over)-provision in respect of prior years	73,705	(6,980)
	\$ 73,705	\$ 268,502
Deferred tax		
Origination and reversal of temporary differences	33,696	115,134
	\$ 107,401	\$ 383,636

(b) Reconciliation between tax expense charged to profit or loss and accounting (deficit)/surplus at the applicable tax rate:

	2016	2015
(Deficit)/surplus before taxation	\$ (41,861,506)	\$ 2,703,398
Notional tax on (deficit)/surplus before taxation, calculated at the Hong Kong Profits Tax rate 16.5% (2015: 16.5%)	(6,907,148)	446,061
Tax effect of non-deductible expenses	198,087	163,959
Tax effect of non-taxable income	(152,423)	(206,384)
Under/(over)-provision in prior years	73,705	(6,980)
Tax effect of unrecognised temporary differences	(27,473)	(13,020)
Tax effect of unrecognised tax losses	6,922,653	–
Actual tax expense charged to profit or loss	\$ 107,401	\$ 383,636

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 2016	\$ 105,885,279	\$ 45,062,601	\$ 14,126,263	\$ 7,869,237	\$ 172,943,380
Additions	–	–	61,950	829,173	891,123
Disposals	–	–	–	(1,199,253)	(1,199,253)
At 31 December 2016	\$ 105,885,279	\$ 45,062,601	\$ 14,188,213	\$ 7,499,157	\$ 172,635,250
Accumulated depreciation:					
At 1 January 2016	\$ 2,410,282	\$ 27,869,166	\$ 12,676,645	\$ 6,875,560	\$ 49,831,653
Charge for the year	970,127	1,802,504	384,997	710,760	3,868,388
Written back on disposals	–	–	–	(1,199,253)	(1,199,253)
At 31 December 2016	\$ 3,380,409	\$ 29,671,670	\$ 13,061,642	\$ 6,387,067	\$ 52,500,788
Net book value:					
At 31 December 2016	\$ 102,504,870	\$ 15,390,931	\$ 1,126,571	\$ 1,112,090	\$ 120,134,462
Cost:					
At 1 January 2015	\$ 76,666,667	\$ 38,333,333	\$ 12,818,397	\$ 7,179,133	\$ 134,997,530
Additions	29,218,612	6,729,268	1,307,866	873,049	38,128,795
Disposals	–	–	–	(182,945)	(182,945)
At 31 December 2015	\$ 105,885,279	\$ 45,062,601	\$ 14,126,263	\$ 7,869,237	\$ 172,943,380
Accumulated depreciation:					
At 1 January 2015	\$ 1,440,155	\$ 26,066,662	\$ 12,162,114	\$ 6,476,903	\$ 46,145,834
Charge for the year	970,127	1,802,504	514,531	581,602	3,868,764
Written back on disposals	–	–	–	(182,945)	(182,945)
At 31 December 2015	\$ 2,410,282	\$ 27,869,166	\$ 12,676,645	\$ 6,875,560	\$ 49,831,653
Net book value:					
At 31 December 2015	\$ 103,474,997	\$ 17,193,435	\$ 1,449,618	\$ 993,677	\$ 123,111,727

The leasehold land and building are held in Hong Kong under medium-term and long term leases.

Notes to the Financial Statements (continued)

(Expressed in Hong Kong dollars)

8 Investments in subsidiaries

	2016	2015
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	100%	Publishing the journal of The Law Society
The Law Society Clubhouse Limited*	Hong Kong	100%	Club services for members of The Law Society

* Not audited by KPMG.

9 Deposits, prepayments and other receivables

	2016	2015
Deposits and prepayments	\$ 3,002,143	\$ 2,133,993
Other receivables	619,970	756,292
	\$ 3,622,113	\$ 2,890,285

Deposits, prepayments and other receivables are expected to be recovered or recognised as an 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.

11 Cash and deposits with banks

(a) Cash and deposits with banks comprise:

	2016	2015
Deposits with banks with maturity within three months at acquisition	\$ 78,430,100	\$ 115,248,088
Cash at bank and on hand	20,585,400	13,331,493
Cash and cash equivalents in the cash flow statement	\$ 99,015,500	\$ 128,579,581
Deposits with banks with maturity of more than three months at acquisition	67,194,766	39,659,981
Cash and deposits with banks in the statement of financial position	\$ 166,210,266	\$ 168,239,562

(b) Reconciliation of (deficit)/surplus before taxation to cash (used in)/generated from operations:

	Note	2016	2015
(Deficit)/surplus before taxation		\$ (41,861,506)	\$ 2,703,398
Adjustments for:			
Bank interest income	3	(923,778)	(1,250,810)
Depreciation	7	3,868,388	3,868,764
Impairment loss on amount due from a subsidiary	4(d)	387,144	–
Changes in working capital:			
(Increase)/decrease in deposits, prepayments and other receivables		(731,828)	273,213
Decrease/(increase) in amounts due from related companies		3,241,405	(153,390)
Increase in amounts due from subsidiaries		(27,703)	(21,306)
Increase in creditors and accrued charges		26,427,152	2,929,091

Notes to the Financial Statements (continued)

(Expressed in Hong Kong dollars)

11 Cash and deposits with banks (continued)

(b) Reconciliation of (deficit)/surplus before taxation to cash (used in)/generated from operations (continued):

	2016	2015
Increase/(decrease) in membership, practising certificate and other fees received in advance	7,558,775	(2,159,955)
Cash (used in)/generated from operations	\$ (2,061,951)	\$ 6,189,005

As at 31 December 2016, The Law Society had \$18,240,699 (2015: \$17,610,614) cash and deposits with banks which were unclaimed client monies held on behalf of law firms pursuant to the Council's directions under section 8(2) of the Solicitors' Accounts Rules (Cap 159, sub leg) and to section 2(1) of Schedule 2 of the Legal Practitioners Ordinance (Cap. 159). These unclaimed client monies are not recognised in the statement of financial position given its nature of trust monies.

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:

	2016	2015
Provision for Hong Kong Profits Tax for the year	\$ –	\$ 275,482
Provisional Profits Tax paid	(139,828)	(489,015)
Current tax recoverable	\$ (139,828)	\$ (213,533)

(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:

13 Income tax in the statement of financial position (continued)

(b) Deferred tax assets and liabilities recognised (continued):

	Depreciation in excess of the related depreciation allowances
Deferred tax arising from:	
At 1 January 2015	\$ 612,742
Charged to profit or loss	(115,134)
At 31 December 2015	\$ 497,608
At 1 January 2016	\$ 497,608
Charged to profit or loss	(33,696)
At 31 December 2016	\$ 463,912

- (c) The Law Society has not recognised deferred tax assets in respect of cumulative tax losses of approximately \$41,955,472 (2015: Nil) as it is not probable that future taxable profits against which the losses can be utilised will be available. The tax losses in Hong Kong do not expire under current tax legislation.

14 Capital management

The Law Society is a company limited by guarantee and has no share capital. The Law Society considers its capital to be the accumulated surplus. The Law Society's primary objectives when managing its accumulated surplus is to safeguard The Law 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 Law Society to the extent that these do not conflict with the Council Members' fiduciary duties towards The Law Society or the requirements of the Hong Kong Companies Ordinance.

There has been no change in The Law Society's capital management practices as compared to prior year and The Law Society is not subject to any externally imposed capital requirements in both current and prior years.

Notes to the Financial Statements (continued)

(Expressed in Hong Kong dollars)

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 Law Society's operation. The Law Society's exposure to these risks and the financial risk management policies and practices used by The Law Society to manage these risks are described below.

(a) Credit risk

The Law Society does not have any significant credit risk with respect to amounts due from related companies/subsidiaries and 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 Law Society's policy is to place its deposits with banks with major financial institutions with good credit rating.

(b) Liquidity risk

The Law 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 Law Society's interest rate risk arises primarily from deposits with bank at fixed rates that expose The Law Society to fair value interest rate risk. The Law Society's bank deposits have an effective interest rate of 0.61% (2015: 0.76%).

At 31 December 2016, it is estimated that a general decrease/increase of 100 basis points (2015: 100 basis points) in interest rates, with all other variables held constant, would have decreased/increased The Law Society's surplus and equity by approximately \$923,778 and \$1,502,665 (2015: \$1,250,810 and \$1,637,987).

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 2015.

15 Financial risk management and fair values of financial instruments (continued)

(d) Fair value measurement

All financial instruments are carried at amounts not materially different from their fair values as at 31 December 2016 and 2015.

16 Operating lease commitments

At 31 December 2016, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

	2016	2015
Within one year	\$ 430,947	\$ –

17 Professional Indemnity Scheme

The Solicitors (Professional Indemnity) Rules (Cap 159, sub leg) provide that The Law Society is authorised to establish and maintain a fund to provide the indemnity mentioned in section 73A of the Legal Practitioners Ordinance (Cap 159). This fund is known as the Hong Kong Solicitors Indemnity Fund ("the Fund"). Pursuant to the Solicitors (Professional Indemnity) Rules, the Fund is held and administered by Hong Kong Solicitors Indemnity Fund Limited which is a company limited by guarantee. The assets and liabilities of the Fund are not those of The Law Society and accordingly, they are not included in these financial statements.

Notes to the Financial Statements (continued)

(Expressed in Hong Kong dollars)

18 Material related party transactions

In addition to the transactions and balances disclosed elsewhere in the financial statements, The Law Society entered into the following material related party transactions.

- (a) Charges for legal services in relation to intervention, disciplinary and litigation proceedings rendered to The Law Society by the firms of solicitors in which Council Members are interested totalled \$3.7 million (2015: \$2.2 million) for the year ended 31 December 2016.

Amounts due to these firms of solicitors as at 31 December 2016 amounted to \$0.3 million (2015: \$1.2 million) which are included in creditors and accrued charges.

(b)	Note	2016	2015
Expenses borne on behalf of subsidiaries		\$ 1,884,381	\$ 701,894
Recharge of office expenses to:		2,230,821	5,514,942
Hong Kong Academy of Law Limited	(i)	–	3,236,434
Hong Kong Solicitors Indemnity Fund Limited	(ii)	2,230,821	2,278,508

Notes:

- (i) The entity is a related party to The Law Society as its board of directors are Council Members of The Law Society.
(ii) The entity is a related party to The Law Society as its board are appointed by the Council of The Law Society.

19 Comparative figures

Certain comparative figures have been adjusted to conform to current year's presentation.

20 Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 December 2016

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 2016 and which have not been adopted in these financial statements. These include the following which may be relevant to The Law Society.

	Effective for accounting periods beginning on or after
Amendments to HKAS 7, <i>Statement of cash flows:</i> <i>Disclosure initiative</i>	1 January 2017
Amendments to HKAS 12, <i>Income taxes:</i> <i>Recognition of deferred tax assets for unrealised losses</i>	1 January 2017
HKFRS 9, <i>Financial instruments</i>	1 January 2018
HKFRS 15, <i>Revenue from contracts with customers</i>	1 January 2018
HKFRS 16, <i>Leases</i>	1 January 2019

The Law 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. Therefore, The Law Society is not able to conclude whether the adoption of them would have any significant impact on The Law Society's results of operations and financial position.

Abbreviated Terms Used in this Report

Academy	Hong Kong Academy of Law Limited
AIJA	International Association of Young Lawyers
CEE	Common Entrance Examination
CEPA	Mainland and Hong Kong Closer Economic Partnership Arrangement
Conduct Guide	The Hong Kong Solicitors' Guide to Professional Conduct (Volume 1, 2nd and 3rd editions)
CPD	Continuing Professional Development
DOJ	Department of Justice
HKCSS	The Hong Kong Council of Social Service
HKTDC	Hong Kong Trade Development Council
IBA	International Bar Association
IPBA	The Inter-Pacific Bar Association
LLPs	Limited Liability Partnerships
LPO	Legal Practitioners Ordinance
MOU	Memorandum of Understanding
NGO	Non-governmental Organisation
NPCSC	Standing Committee of the National People's Congress of the People's Republic of China
OLQE	Overseas Lawyers Qualification Examination
PCLL	Postgraduate Certificate in Laws
PIS	Professional Indemnity Scheme
PIS Rules	Solicitors (Professional Indemnity) Rules (Cap. 159, sub leg)
POLA	Presidents of Law Associations in Asia
RFLs	Registered Foreign Lawyers
RME	Risk Management Education
The Law Society	The Law Society of Hong Kong
UIA	Union Internationale Des Avocats



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