



# Standing Committee on Policy and Resources

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THE  
**LAW SOCIETY**  
OF HONG KONG  
香港律師會

**2017**

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

During the year, the Standing Committee convened on 13 occasions. It reviewed and monitored the annual budget, income and expenditure as well as the registration and compliance statistics of The Law Society. It also oversaw the human resources and personnel aspects of The Law Society including staff employment matters and salary review. The Standing Committee also considered matters relating to applications for funding of projects undertaken by The Law Society, nominations of representatives on external organisations, invitations to sponsor or support events and functions organised by external organisations and the selection of service providers for The Law Society. The Standing Committee also made recommendations on the composition and chairmanship of other Standing Committees for the Council's consideration. In 2017, the Standing Committee also considered the registration of The Law Society logo outside Hong Kong, the policy in relation to the issue of no-objection letters to applicants of work visas in the legal sector, the recommendation by the Working Party on Law Society Premises in relation to the space needs of The Law Society and the renovation of The Law Society premises, and the amendment of the relevant Standing Orders of The Law Society in relation to the annual review of committee membership.

## HONG KONG LAWYER EDITORIAL BOARD

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Members of the *Hong Kong Lawyer* Editorial Board (“the Editorial Board”) meet at least once a month to discuss and identify topics of interest to the profession. The Editorial Board has continued to work closely with the publisher of *Hong Kong Lawyer* (“the Journal”) to monitor the overall quality and standard of the publication and the official website.

The Journal's official website [www.hk-lawyer.org](http://www.hk-lawyer.org), revamped in March 2016, facilitates Law Society members to read the desktop and e-book versions of the monthly Journal online via computers, smart phones, tablets or other mobile devices. Not only does it contain the same content as the print Journal, it also contains additional insights and articles from legal experts. The online version of the in-print content is also searchable with hyperlinked sources. The e-Journal thus also serves as a good source of reference materials for research. Individual stories (or the entire journal) can also be conveniently shared with others via social media and email.

To enable Law Society members to stay abreast of the latest legal trends and developments while on-the-go, members can read the Journal on Law Society's mobile App and designated *Hong Kong Lawyer* mobile App.

Printed copies of the Journal are distributed to members of The Law Society, members of the Hong Kong Bar Association, judges, government departments, relevant public organisations as well as China/overseas law societies/barrister associations. It is also available at major airport lounges to reach out to international readers so that they may have better understanding of the legal environment in Hong Kong.

## **WORKING PARTY ON LAW SOCIETY PREMISES**

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The Working Party convened on two occasions in 2017 and continued to explore ways to fulfil The Law Society's space needs arising from its expanding operation.

At the direction of the Council, The Law Society Clubhouse ceased operation in June and the Law Society's physical Library was closed in October in preparation for its migration to a fully digital library. The Working Party assisted in setting down the design objectives for the renovation of the area freed up by the cessation of the Clubhouse and the Library and selecting contractors to prepare the floor plans and to undertake the renovation work. Renovation started in December and is due to be completed by mid-February 2018. More work stations will be created for the Secretariat staff and there will be a new multi-function area.

Further, the Working Party also reviewed the storage needs of The Law Society and the desirability of acquiring a second warehouse. Site visits to different properties were conducted, but none had yet been identified as suitable for further negotiation.

## **WORKING PARTY ON THE LAW SOCIETY IT SYSTEMS**

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The Working Party monitored the appointment of a contractor for The Law Society's project to revamp the Membership Database System and Website System. During this year, it has put forward various recommendations to the Standing Committee on Policy and Resources in this regard, including in particular, that the contractor procurement and selection process should be handled in-house, which had saved The Law Society close to HK\$1 million in contracting out the job to external consultant. Other recommendations of the Working Party included those made on the tendering procedure, the form and contents of the Request for Proposal, the shortlisted vendor invitation list, the composition of the selection panel, the roles and responsibilities of panel members, the marking scheme and the evaluation process, etc. An invitation to tender was issued in August for the revamp project. Members reviewed the tender proposals submitted by the vendors and the technical evaluations of the tender proposals prepared by the Secretariat. The Working Party also attended a presentation session by the shortlisted vendors in December. The Working Party would continue with the evaluation process in 2018 with a view to selecting a contractor for recommendation for engagement by The Law Society for the revamp project based on the technical and price evaluations together with other relevant factors such as professional staff experience, company project history, etc. presented in the vendors' proposals.

In addition to project monitoring, the Working Party also provided recommendations on the storage upgrade of the Enterprise system. The upgrade has increased the storage capacity by 50% to cater for the increasing storage demand of the Enterprise system. The Working Party also provided recommendations on upgrading the email system from an on-premises based system into a cloud based system in accordance to the long-term IT strategy of The Law Society to make use of the cloud technology to better support its business operation and improve cost-efficiency.

## **WORKING PARTY ON REVIEW OF THE LAW SOCIETY'S MEMORANDUM AND ARTICLES OF ASSOCIATION**

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The Working Party was tasked by the Council to review and update the Memorandum and Articles of Association ("M&A") of The Law Society.

At the recommendation of the Working Party, the review and updating exercise is being conducted in two main phases. Phase One of the Review involves modernising the existing M&A to align them with the requirements of the new *Companies Ordinance*, Cap. 622, to incorporate proposed amendments that had been considered in the past but not pursued and to deal with identified anomalies in its provisions. The Phase Two Review involves updating the M&A to meet with up-to-date corporate governance standards.

The Working Party met on six occasions during the year to continue its effort in the review exercise. It has reviewed the legal advice of The Law Society's external legal advisor and their proposed amendments to the M&A under the Phase One Review. It has also completed the deliberations on the policy changes to be made to The Law Society's constitution in connection with the Phase Two Review. The Working Party has submitted its preliminary work progress report and recommendations on both Phase One and Phase Two of the review exercises to the Standing Committee on Policy and Resources and the Council. With their endorsements of the Working Party's recommendations, instructions had been issued in December to an external legal advisor to proceed with the drafting work for both phases of the review. The Working Party will continue its effort in this regard in 2018.

## **WORKING PARTY ON UNCLAIMED MONEY IN CLIENT ACCOUNT**

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The *Solicitors' Accounts Rules* ("SAR") sets out the principles which must be observed by members in handling client's money. Drawings from a client account must generally be in accordance with rule 7 of the SAR. In the event that there is unclaimed money in the client account and none of the provisions in rule 7 is applicable for its withdrawal, the Council is empowered under rule 8(2) to authorise the withdrawal of such unclaimed monies from client accounts. The Working Party is convened by the Council with the tasks to review the Council's existing policy in handling rule 8(2) applications and to make recommendations to the Standing Committee on Policy & Resources on the way forward in the handling of rule 8(2) applications and the accumulating monies received from rule 8(2) applications.

The Working Party has reviewed the historical background leading to the introduction of the existing Council policy regarding rule 8(2) applications as well as comparable law and practices in overseas jurisdictions. The Working Party has also reviewed legal opinions obtained from counsel on the relevant issues. The Working Party has completed its deliberation process during the year and made recommendations to the Standing Committee on Policy & Resources in October 2017 on the proposed way forward.