

2018

ANNUAL REPORT



THE

LAW SOCIETY
OF HONG KONG

香港律師會



Driving Ethical Innovation

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Abbreviated Terms
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The Council 2018

Huen WONG

(until May)

Michael J.

LINTERN-SMITH

(until May)



Billy W.Y. MA

Cecilia K.W. WONG

Denis BROCK



Melissa K. PANG

President (from June)

Vice-President (until June)



Thomas S.T. SO

President (until June)

Stephen W.S. HUNG



Amirali B. NASIR

Vice-President

Brian W. GILCHRIST

Vice-President (from June)

C.M. CHAN

Vice-President (from June)





Simon S.C. LAI
—
Rodan M.L. TONG
—
Robert C. RHODA



Nick CHAN
—
Bonita B.Y. CHAN
(until May)



Jonathan ROSS
—
Pierre T.H. CHAN
(from May)



Mark DALY
(until May)
—
Serina K.S. CHAN
—
Warren P. GANESH



Eric T.M. CHEUNG
(from May)
—
Karen LAM
(from May)
—
Caren H.Y. WONG
(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 2018.

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 8 to 17 and 20 to 47 of the Annual Report.

Financial statements

The surplus of The Law Society for the year ended 31 December 2018 and the state of The Law Society's affairs as at that date are set out in the financial statements on pages 85 to 107.

Membership

As at 31 December 2018, there were 11,266 (2017: 10,798) members of The Law Society. The total number of Practising Certificates issued was 9,903 (2017: 9,463). There were 915 (2017: 892) 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

Melissa K. Pang

President

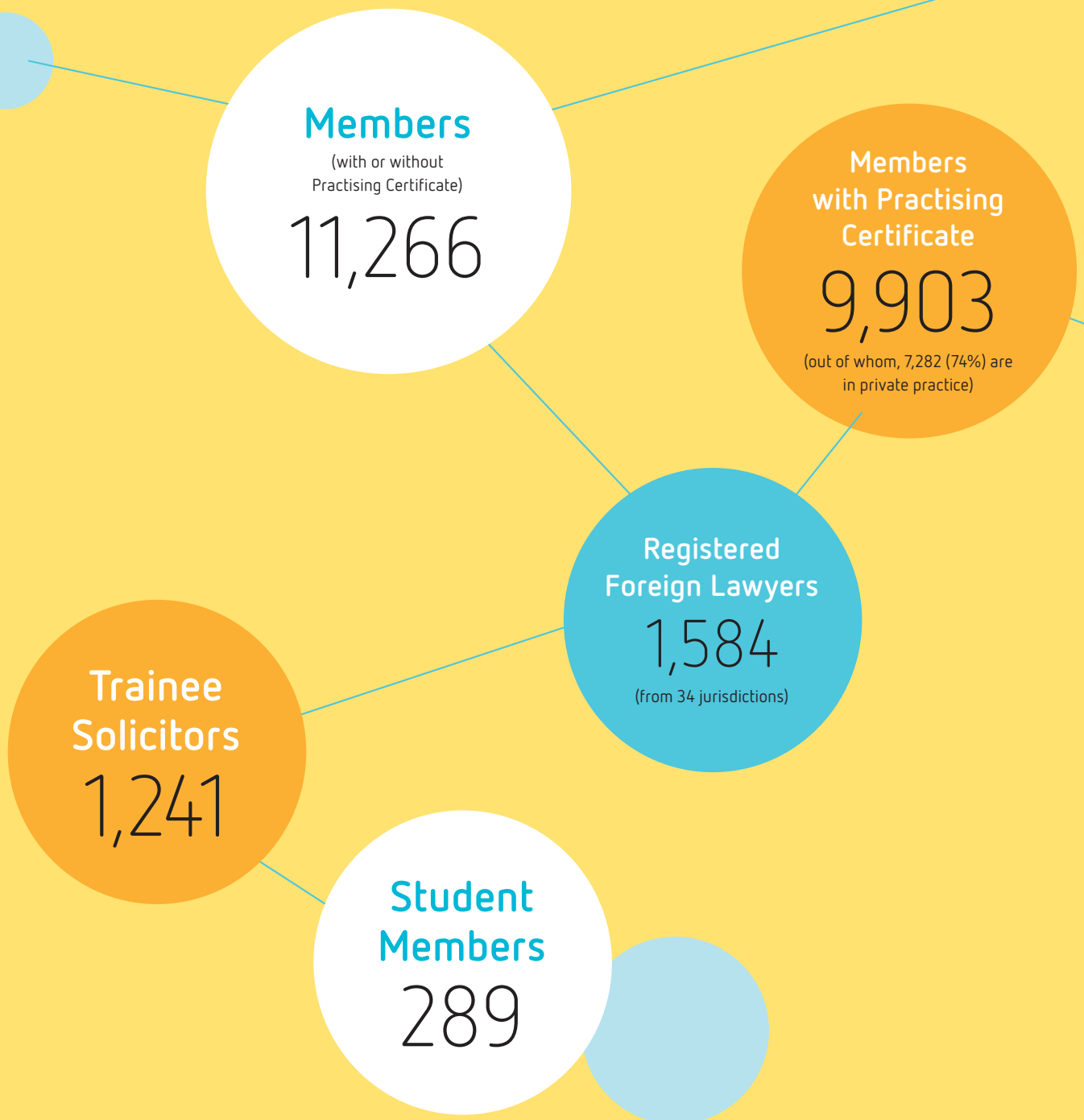
Hong Kong, 12 March 2019

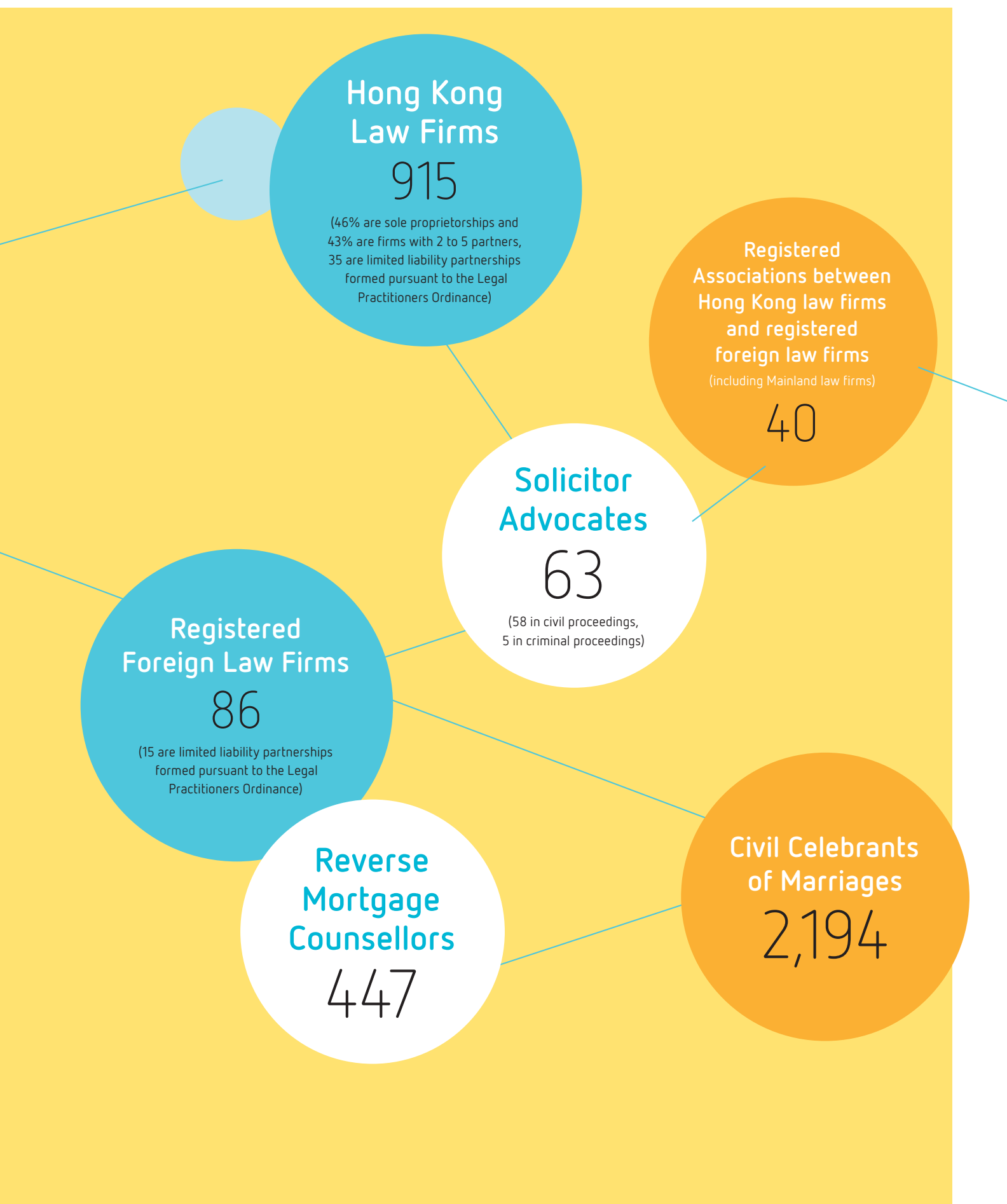
Attendance of Council Members at the Council meetings during the financial year and up to 12 March 2019, the date of this report:

	Regular Meetings	Unscheduled Meetings	Total	Official Duties
Melissa K. Pang, President (from 12 June 2018)	23	3	26	4
Amirali B. Nasir, Vice President (re-elected as Vice President on 26 June 2018)	25	3	28	0
Brian W. Gilchrist, Vice President (re-elected as Council Member on 31 May 2018 and elected as Vice President on 26 June 2018)	24	2	26	0
C.M. Chan, Vice President (elected as Vice President on 26 June 2018)	27	3	30	0
Thomas S.T. So, President (until 12 June 2018)	20	2	22	4
Stephen W.S. Hung	26	3	29	1
Huen Wong (retired on 31 May 2018)	5	0	5	0
Michael J. Lintern-Smith (retired on 31 May 2018)	8	0	8	0
Billy W.Y. Ma	24	1	25	0
Cecilia K.W. Wong	23	2	25	0
Denis G. Brock	21	2	23	0
Nick Chan	25	2	27	0
Bonita B.Y. Chan (retired on 31 May 2018)	6	0	6	0
Mark Daly (retired on 31 May 2018)	5	0	5	0
Serina K.S. Chan	28	3	31	0
Warren P. Ganesh	28	3	31	0
Simon S.C. Lai	21	3	24	0
Roden M.L. Tong	24	2	26	1
Robert C. Rhoda	24	3	27	0
Jonathan Ross	25	3	28	0
Pierre T.H. Chan (elected on 31 May 2018)	18	3	21	0
Eric T.M. Cheung (elected on 31 May 2018)	19	3	22	0
Karen Lam (elected on 31 May 2018)	17	2	19	1
Careen H.Y. Wong (elected on 31 May 2018)	18	3	21	0

Key Metrics in 2018

(As of 31 December 2018)





President's & Secretary General's Reports

A portrait of Heidi Chu, Secretary General, standing against a yellow background with abstract shapes. She is wearing a light blue dress with a tan belt and tan heels.

Heidi Chu
Secretary General

A portrait of Melissa K. PANG, President, standing against a yellow background with abstract shapes. She is wearing a black blazer, a patterned scarf, black tights, and black heels.

Melissa K. PANG
President

President's Report

I am pleased to present The Law Society's Annual Report for 2018.

Values

Globalisation, innovation, and technology-based changes around the world have created multi-faceted issues in ever increasingly complex environments. Amidst the uncertainty created by change, strong leadership is crucial to forge unity and defend our core values.

Rule of Law

As the professional association of 11,266 Hong Kong solicitors, The Law Society proudly takes the lead in safeguarding the core values embraced by the legal profession – independence of the Judiciary, equality before the law, and respect for fundamental human rights.

The Law Society issued three press statements in public defence of our core values and articulated its position in relation to:

- the co-location arrangement at the Mainland Port Area within the West Kowloon Station of the Guangzhou-Shenzhen-Hong Kong Express Rail Link (in January);
- the public discussions on including political or ideological screening in the appointment of judges (in June); and
- the unjustified and derogatory comments made against a judge relating to her judgment and sentencing in a criminal case concerning the riot in Mongkok in 2016 (in July).

Ethical practice

The solicitors are members of a strongly disciplined profession, demanding the highest ethical standards. The rapidly evolving practice environment is creating new ethical risks. While embracing technology to drive efficiencies and value on micro and macro levels is encouraged, The Law Society constantly alerts members to the accompanying challenges to our ethical values. At the 2nd Belt and Road Conference organised by The Law Society in September, a Law Tech Alliance was signed. The Law Society initiated the Alliance among 34 law associations from 17 jurisdictions and raised global awareness of the urgent need to ensure that the legal profession takes advantage of legal tech ethically, professionally and responsibly. Also in September, The Law Society issued Information Security Guidelines to assist members in identifying and dealing with information security issues that may arise in their legal practices.

Generosity

Giving back to the community has always been a major focus and core value of The Law Society. In 2018, we organised a wide range of pro bono and community activities to appeal to the diverse interests and availability of our busy members. In addition to providing free legal assistance to the public through The Law Society's Free Legal Helpline and Free Legal Advice Consultation Service, members also spoke at schools and gave seminars at non-governmental organisations ("NGOs"), wrote newspaper articles, coordinated and hosted The Law Society's flagship annual events, including Teen Talk, Law Week, and the Legal Pioneer Mentorship Programme, which are designed to educate the very young to the very old on important law-related topics and legal career opportunities. We also coordinated and sponsored a host of family-friendly activities, such as visiting homes for the elderly and teaching English to underprivileged children.

Diversity and equality

The Law Society has long embraced and supported diversity and inclusion within the profession. The Council is a reflection of our support of visible as well as invisible dimensions of diversity, spanning the intersectionalities of gender, culture, religion and ethnicity, as well as intellectual and professional experience.

In terms of gender, there is still a striking imbalance in Hong Kong when looking at leadership demographics. The proportion of female lawyers in more senior positions in private practice shows their disproportionately high rates of attrition. At the end of 2018, women made up about 61% of trainee solicitors, 59% of assistant solicitors, 34% of consultants and 28% of partners. While more than half of new entrants to the profession were female, only about one quarter were retained at the most senior levels.

According to a report by the American Bar Association, when women lawyers leave the profession, there is a reduced range of legal talent to offer clients, a narrower base for firms and businesses to develop client relationships, and a limited ability to recruit and retain skilled women lawyers at all levels. Other studies have come to similar conclusions when there is lack of other types of diversity in the workplace or across the profession.

After examining the local profession in Hong Kong and the experiences of other jurisdictions, The Law Society has decided to prepare a survey to collect further data relating to the presence of all aspects of diversity amongst the local profession so that we may consider and adopt policies that will assure the retention and advancement of a more diverse pool of lawyers in Hong Kong. The survey will be launched in 2019.

Strategy and performance

Without the unstinting hard work and commitment of my fellow Council Members and the Secretariat, and the unwavering support of all committee members, volunteers and activity participants, The Law Society could not have achieved what we did in 2018.

I am deeply grateful to my fellow Council Members who selflessly contributed their time and wise counsel to ensure the strategies we formulated and the initiatives we supported would advance the sustainable development of the profession. The Law Society's work throughout 2018 is detailed in the Secretary General's Report as well as in other sections of the Annual Report. However, I also will highlight some of our major initiatives below.

The Law Society maintained its presence at major international and Mainland events to promote Hong Kong legal services to the Mainland and overseas jurisdictions, particularly those focuses on the Belt and Road Initiative and the Greater Bay Area's development. The Law Society also hosted lawyers and dignitaries from overseas jurisdictions at its 2nd Belt and Road Conference in September. This provided Hong Kong practitioners with a local opportunity to connect with their counterparts from other jurisdictions and to showcase their capabilities to a more diverse audience. Throughout the year, The Law Society also worked closely with the Lawyers Associations of the Guangdong-Hong Kong-Macao Greater Bay Area ("Greater Bay Area") to coordinate efforts so regional lawyers could jointly capitalise on the opportunities arising from the Greater Bay Area's development.

To alleviate the escalating overhead costs of running a legal practice in Hong Kong, where competition is intense, The Law Society decided to reduce the contributions to the Professional Indemnity Scheme by one-third for the 2018/19 indemnity year after taking into account all relevant factors. The total amount of reduction provided to the profession over the eight indemnity years (including 2018/19) in which a contribution reduction was made amounted to \$1.1 billion. The Law Society also set up the Transportation and Logistics Committee in 2018 to help promote the profession's contribution to Hong Kong's role as an international dispute resolution center and a transportation and logistics hub.

To ensure members of the profession are deploying and leveraging technological resources and solutions to increase their efficiency and improve the provision of legal services, The Law Society created a technology roadmap in 2018. The roadmap was approved in principle and is expected to commence in 2019. Further, dedicated Committees offered sector specific support to in-house solicitors, junior solicitors, trainee solicitors, SME firms and student members by hosting a variety of seminars, networking functions, joint professional events, community projects, and mentorship programmes throughout the year.

We continued to ensure the objectives of our work are clearly conveyed to members so they can provide relevant feedback, which, in turn, enables us to improve the way we fulfill our role as a professional association and regulator. We do so by constantly reaching out and consulting with members about issues relevant to the legal profession. The Law Society conducted consultations and surveys to gauge members' views on a variety of issues throughout the year.

One of the consultations was on the proposed amendments to the Legal Practitioners Ordinance ("LPO") and the subsidiary legislation regulating the practice of foreign lawyers and foreign firms in Hong Kong. The proposals aimed at clarifying the principle that only competent, qualified and admitted persons should practise Hong Kong law in Hong Kong, while maintaining an open door policy. The consultation commenced in October and was completed at the end of December. The Law Society received over 200 responses. The Law Society held various discussions and meetings with a number of Hong Kong and foreign law firms. The proposed amendments were also discussed at a Members' Forum in November. The consultation provided a welcomed opportunity for The Law Society to explain the underlying objectives of the proposed amendments and for members to explain how their practice might be impacted by the proposed amendments. The Law Society is carefully reviewing all comments received.

We improved our financial performance in 2018 by reducing expenditures, recording a surplus after tax of HK\$9.9 million. One of the significantly reduced expenditure items, compared to 2017 and 2016, was intervention costs. Regulatory costs incurred for the protection of the public interests cannot be avoided, but following the substantial intervention costs incurred in 2016, The Law Society changed the way it controls regulatory costs, which proved effective.

Outlook

Safeguarding the Rule of Law, exploring new opportunities for sustainable development, improving the practice environment, providing relevant and effective support to members, maintaining the highest professional standards and giving back to community are broadly the core objectives that guide The Law Society's work. The Council will continue to champion these identified goals in the coming year.

It is crucial for the development of the legal profession that Hong Kong maintains its hard earned status as a world-class international legal services and dispute resolution centre that is firmly supported by a robust legal system, an independent judiciary and high quality legal professionals. The Law Society will continue to make known these qualities to the international community. In November 2019, The Law Society will host the LAWASIA Annual Conference, and will focus on inviting legal professionals from countries along the Belt and Road and ASEAN jurisdictions. It will be an excellent occasion for Hong Kong practitioners to connect with their counterparts from around the world, explore new business opportunities, and let professionals from elsewhere see the strength of our profession.

I would like to end by thanking, once again, all past and present Council Members, the Secretariat and all participants for their staunch support and valuable contributions to The Law Society's work throughout the year.



Melissa K. PANG
President



Secretary General's Report

Against a backdrop of an increasingly complex environment in a rapidly changing world, our team took the challenges in our stride and with full commitment, continued to provide value for our members.

The summary below sets out major quantifiable tasks we performed for members throughout the year, under the guidance of the Council and Committees:

- (a) organised over 101 social and networking events for members, including Family Fun Day, Sports Night, the Christmas Party, Cooking Competition, Annual Cocktail, Spring Reception, luncheon talks, among many others;
- (b) coordinated 65 community projects, including Law Week, Teen Talk, the Legal Pioneer Mentorship Programme, the Helpline to provide free legal advice, elderly visits, as well as community and school talks;
- (c) received 48 delegations from the Greater China region and other overseas jurisdictions;
- (d) coordinated 32 outbound visits and events to 23 cities in the Greater China region and sent 22 delegations to international conferences and meetings in other overseas jurisdictions;
- (e) organised five side sessions, workshops and seminars for major events in the Greater China region and overseas jurisdictions;
- (f) arranged the signing of a memorandum of understanding with Dongguan Lawyers Association and the signing of supplementary memoranda of understanding with Guangxi Lawyers Association, Shanghai Bar Association and Sichuan Lawyers Association;
- (g) organised the selection and sponsorship of 15 young lawyers as well as their participation at five international conferences hosted by International Association of Young Lawyers ("AIJA") in Brussels, International Bar Association in Rome, LAWASIA in Siem Reap, Union Internationale des Avocats ("UIA") in Porto, Department of Justice ("DOJ") (Hong Kong Legal Services Forum) in Guangzhou, as well as organised three visits to Greater Bay Area;
- (h) issued over 27 submissions on public consultations and four press statements on issues relevant to the legal profession;
- (i) organised 361 training courses, attended by 18,226 participants, under the Continuing Professional Development ("CPD") Scheme and the Risk Management Education ("RME") Programme;
- (j) administered the annual Overseas Lawyers Qualification Examination ("OLQE") for a total of 235 candidates;
- (k) coordinated the activities of 14 Law Society sports teams and nine recreational teams including over 700 classes and training sessions;
- (l) processed applications for (i) the subscription of 11,266 members, 20 associate members and 289 student members, (ii) the registration of 725 trainee solicitor contracts, (iii) the admission of 669 solicitors, (iv) the issue of 9,903 practising certificates in English and 4,736 in Chinese, (v) the registration of 1,982 foreign lawyers and 86 foreign firms, (vi) the issue of 816 certificates of standing, as well as (vii) the issue of 467 letters regarding employment or training visas;
- (m) processed the CPD accreditation of 4,998 training courses and 62 other activities as well as the RME accreditation of 98 courses and two other activities;
- (n) conducted CPD audits on 1,113 practitioners;
- (o) handled 1,037 complaints on practitioners and employees of law firms; and
- (p) visited 50 law firms on 82 occasions to provide assistance on their accounting procedures and to inspect documents to ensure compliance with the Solicitors' Accounts Rules (Cap. 159, sub leg) ("SAR").

Much of our work, however, is less quantifiable. Thus, detailed explanations about other projects and initiatives we undertook in 2018 are set out in other sections of this Annual Report.

Membership movements and breakdown

Our membership increased by 4.3% from 10,798 to 11,266 as of the end of 2018. The growth rate is slightly lower than the average rate of 4.7% for the five-year period from 2013 to 2017. Out of our 11,266 members, 9,903 held a practising certificate, compared to 9,463 in 2017 representing a 4.6% 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 2018.

The gap in the numbers of male and female practising certificate holders was reduced from 4% to 2% with an increase from 48% to 49% being female practitioners.

During the year, 41 new Hong Kong law firms and eight new foreign law firms commenced practice. On the other hand, 16 Hong Kong law firms and five foreign law firms ceased practice. Out of the five foreign firms that were closed, one became a Hong Kong law firm.

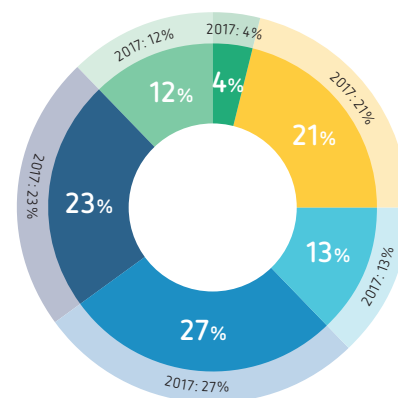
The number of foreign lawyers increased by 11% from 1,433 (from 34 jurisdictions) in 2017 to 1,584 (also from 34 jurisdictions) in 2018. The top three jurisdictions where the largest numbers of foreign lawyers had registered as their home jurisdictions in 2018 were the United States (37%), England and Wales (21%) and Mainland China (14%).

The number of foreign law firms increased by 2% from 84 (from 20 jurisdictions) in 2017 to 86 (from 22 jurisdictions with Australia, Ireland and Macau added to the list and Spain taken out) in 2018. The top three jurisdictions where the largest numbers of foreign law firms had registered as their home jurisdictions in 2018 were Mainland China (29%), the United States (16%) and England and Wales, Cayman Islands and British Virgin Islands (all three sharing third place, with each taking up 6%).

Practice

11,266
Solicitor Members
in total
(2017: 10,798)

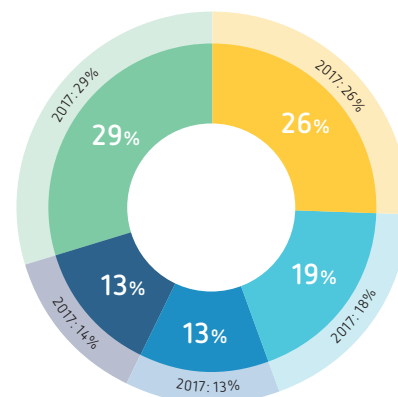
- Sole Proprietors
- Partners
- Consultants
- Assistant Solicitors
- Practising Certificate holders, not in Private Practice
- No Practising Certificate



Seniority

9,903
Practising
Certificate Holders
(2017: 9,463)

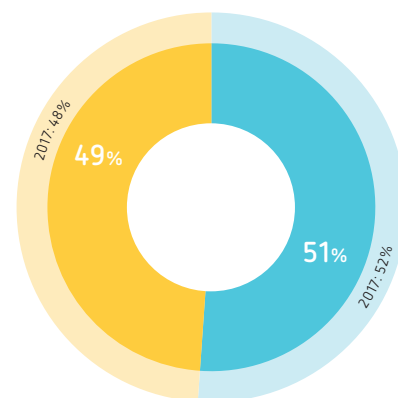
- ≤ 5 years PQE
- > 5-10 years PQE
- >10-15 years PQE
- >15-20 years PQE
- >20 years PQE



Gender

9,903
Practising
Certificate Holders
(2017: 9,463)

- Male
- Female



With the implementation of the Legal Practitioners (Amendment) Ordinance 2012 introducing limited liability partnerships ("LLPs") for law firms in Hong Kong since 1 March 2016 up to the end of 2018, a total of 53 law firms had taken advantage of the provisions and become LLPs, out of which 17 were formed during 2018. Of these 53 LLPs, two ceased practice in 2017 and one in 2018. Of the remaining 50 LLPs as of the end of 2018, 15 were foreign firms and 35 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.

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 2018, 16,032 unqualified persons were employed by Hong Kong law firms and 560 by foreign law firms, an increase of 2.9% and 6.3% respectively, compared to 2017.

Financial position

A surplus after tax of HK\$9.9 million was recorded for the year, compared to the deficit of HK\$1.9 million in 2017.

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\$112.7 million, representing an increase of about 9.3% from 2017. The increase in income was largely attributable to the successful recovery of disciplinary costs from the Administration pursuant to section 25 of the LPO, the increase in practising certificate fees due to an increase in the number of practising certificate holders and foreign lawyer registrations, as well as increased bank interest income as a result of the rising interest rates.

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

With respect to expenditure, compared to 2017, it decreased by 2.2% to approximately HK\$102.6 million. The decrease was mainly due to a substantial drop in regulatory costs including a decrease of intervention costs from HK\$14.8 million in 2017 to HK\$8.7 million. 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 two Hong Kong law firms and one foreign law firm in 2018, compared to two interventions in 2017.

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. Subject to any court order for the payment of costs, any intervention costs incurred by The Law Society shall be paid by the solicitors and foreign lawyers whose practice is intervened. To ensure that The Law Society had sufficient reserve to meet the necessary costs that might be incurred in carrying out its statutory regulatory functions, the Council had resolved to set aside a sum every year to build up a special reserve for regulatory costs. In 2018, the Council set aside \$15 million in the reserve.

The accumulated surplus and reserve stood at HK\$200.5 million. Our cash position increased by 16% from about HK\$169.4 million in 2017 to about HK\$195.9 million at the end of 2018.

The Law Society managed its cash reserves prudently and maintained them in fixed deposits spread among seven banks with no 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 55.6% 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 105.

Environmental protection

The Law Society is committed to ensuring that all services it offers, as well as its own internal operations are conducted in an environmentally responsible manner.

The Law Society publishes a monthly journal, *Hong Kong Lawyer*. Apart from solicitor members, registered foreign lawyers, associate members and trainee solicitors in Hong Kong, print copies of the journal used to be sent to those members located outside Hong Kong, as well as to members of the Hong Kong Bar Association (“HKBA”). To save paper for the protection of the environment, from November onwards, The Law Society ceased distributing print copies to members residing outside Hong Kong and members of the HKBA. Instead, they are notified of the journal’s publication by email every month with the provision of a link to the online version. Further, 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.

Further, to facilitate electronic communication with all members, The Law Society has installed a webmail system by which every solicitor, trainee solicitor, registered foreign lawyer, associate member and student member are entitled to register a Law Society email account. The Law Society actively encourages members to take advantage of this facility. In December, The Law Society took the initiative to assign an email account to each of those members who had not activated the facility. From January 2019, communications from The Law Society to the general membership including surveys will be sent electronically to our members’ Law Society email accounts.

An increasing number of members have been applying for a Chinese version of their practising certificate and The Law Society has issued a separate practising certificate in Chinese to those members in accordance with the format prescribed in the Practising Certificate (Solicitors) Rules. During the year, The Law Society obtained approval to revise the statutory format of practising certificates to a bilingual format so that both the English and the Chinese versions can be printed on the same certificate. This format of a bilingual practising certificate will take effect from 1 January 2019 and will reduce much printing for the protection of the environment.

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 energy saving. We joined the Energy Audit Campaign provided by the Hong Kong Electric Company Limited during the year. The Audit result showed that The Law Society had kept energy saving in mind in its daily operations, and implemented many good practices. The Law Society’s office energy performance were rated good in the Audit.

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.

To cope with the heavy workload in the Secretariat, four headcounts were added during the year and our total headcount for permanent staff stood at 100 at the end of the year. On personnel movement, the Secretariat had an overall turnover rate of 26.9% in 2018, compared to 28.3% in 2017. Two new Assistant Directors joined us during the year – Ms. Banbi Chen in the Communications and External Affairs Department and Ms. Grace Ho in the Standards and Development Department. Human capital is the most valuable asset of an organisation and we place heavy importance on the retention of talent. During the year, Mr. Robert Chan was promoted as Assistant Director, Member Services from June; Ms. Phoebe Chow was promoted as Director of Communications and External Affairs from November and Ms. Ella Chan was promoted as Assistant Director, Communications and External Affairs from December. Further, five 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 February, Staff Dinner in September and Christmas Party in December. Staff seminars on topics like the introduction to Personal Data (Privacy) Ordinance, medical insurance and personal health were organised throughout the year. An annual budget was also set aside to sponsor staff training on work-related knowledge and skills.

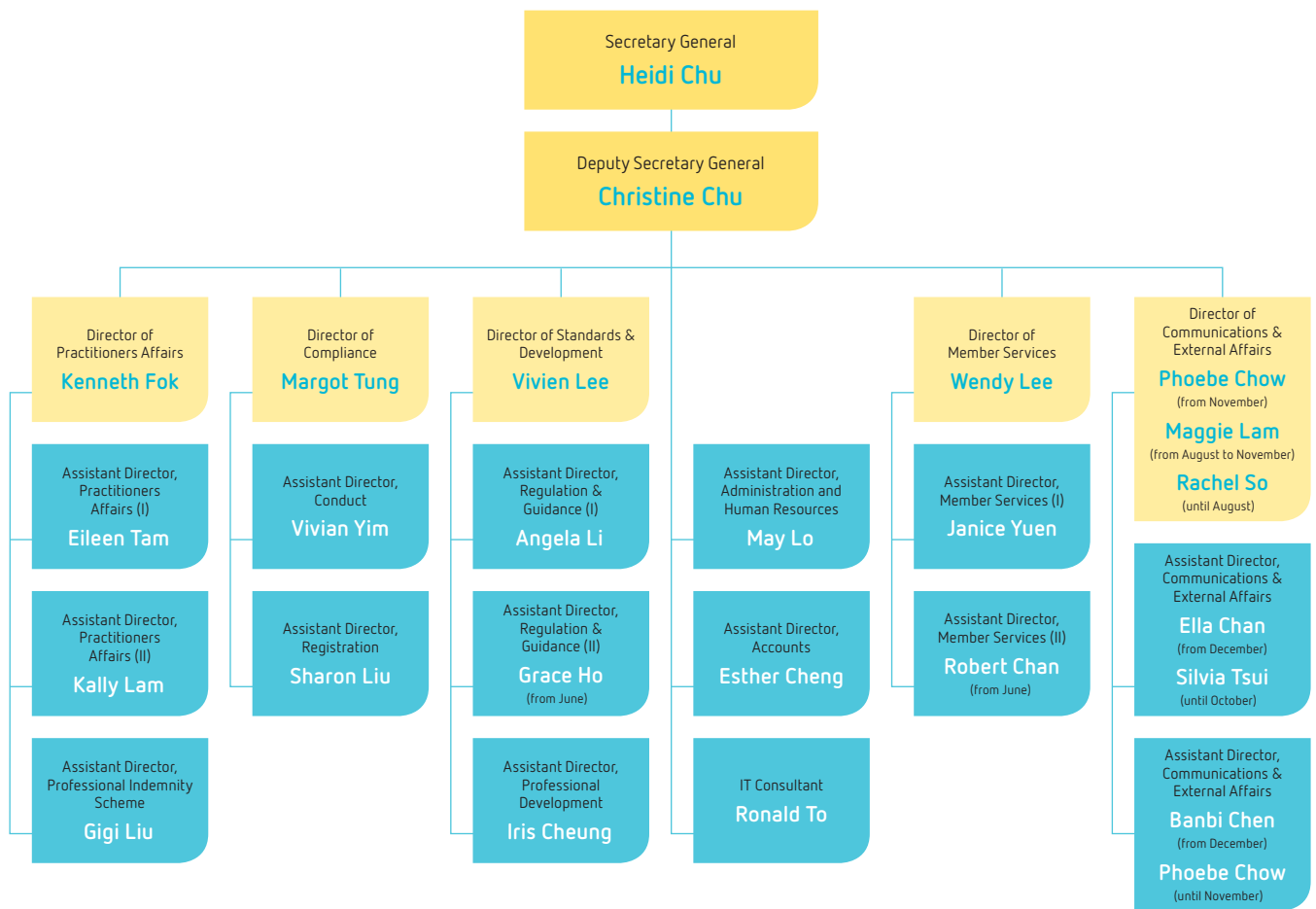
Our team is proud to serve the profession and with our members' trust and support, we will continue to excel in what we do in the coming year.



Heidi Chu
Secretary General



Law Society Secretariat





Safeguarding the Rule of Law

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

Respect for the co-existence of two legal systems

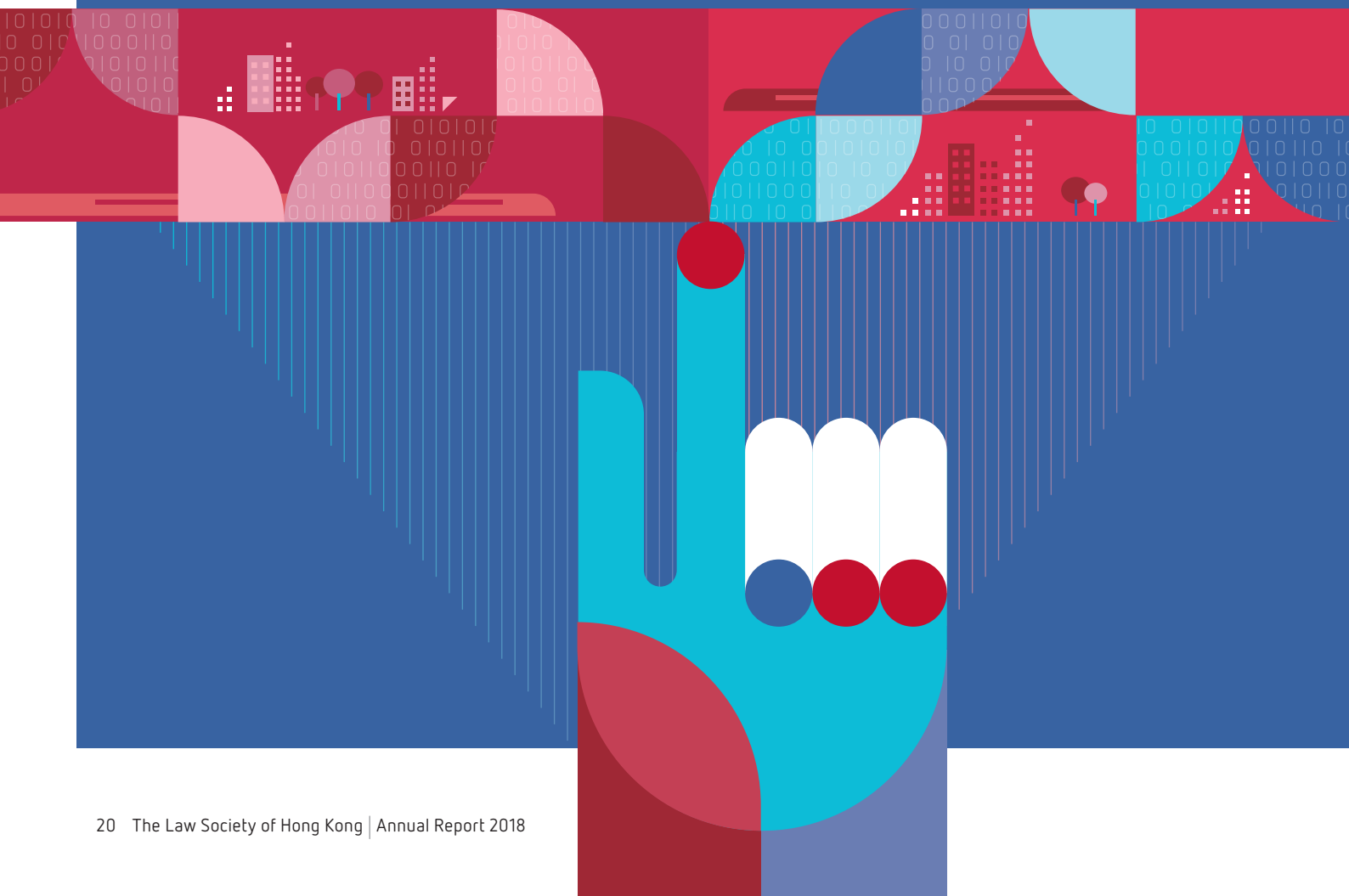
"One Country, Two Systems" is a unique concept that allows two different legal systems to co-exist within one country. Hong Kong's legal system is firmly embedded in the common law tradition in accordance with the Basic Law. Article 8 provides for the continuing application of the common law. Article 80 vests the judicial power in the courts of the Hong Kong Special Administrative Region (HKSAR) and Article 81 maintains the judicial system previously practised in Hong Kong, except for changes consequent upon the establishment of the Court of Final

Appeal of the HKSAR. Article 84 expressly mandates the HKSAR courts to "refer to precedents of other common law jurisdictions". By these and other provisions, the Basic Law maintains the common law and the common law judicial system in Hong Kong, as guided by other developments in legal principles in other common law jurisdictions.

While the distinctiveness of the common law tradition should be maintained in Hong Kong under the Basic Law, there is a strong consensus in Hong Kong that there should be continual respect between the two legal systems.

Differences between the two legal systems were illustrated by the debate concerning the decision adopted by the Standing Committee of the National People's Congress on 27 December 2017 ("NPCSC Decision") with respect to the co-location arrangement at the Mainland Port Area within the West Kowloon Station of the Guangzhou-Shenzhen-Hong Kong Express Rail Link (the "Express Rail Link").

The Council of The Law Society recognised the social and economic benefits as well as the advantages of the Express Rail Link and the co-location arrangement. However,



the legal issue for Hong Kong was whether the process of applying Mainland law to the Mainland Port Area was consistent with the Rule of Law under the common law system and the Basic Law. In a press statement issued in January, the Council expressed its view that it was in the interest of Hong Kong that the legal basis for the co-location arrangement be clarified and urged the Government to clearly convey the concerns to the Mainland authorities.

Another example illustrating the challenges of the co-existence of two legal systems was the National Anthem Bill. During the year, the Government invited views on an outline of the proposed content of the National Anthem Bill which sought to implement the National Anthem Law passed by the Mainland. That law has been incorporated in Annex III of the Basic Law and is to be implemented by way of local legislation.

In May, The Law Society issued a submission on the outline of the National Anthem Bill. The principle of legal certainty is fundamental not only to the regulation of daily activities of Hong Kong residents, but also to the protection of their rights and freedoms guaranteed by the laws of Hong Kong, including the Basic Law (e.g. Article 39). However, the Government expressed its intention to simplify the national anthem legislation, leaving it to the courts to decide on the cogency and weight of evidence presented by the prosecutor. Failing to provide clear definitions in the national anthem legislation would leave the courts to develop the law based on common law principles on

legislation derived from a civil law jurisdiction. The Law Society submitted that such an approach would result in the Judiciary being responsible for interpreting issues of constitutional importance in a politically charged social environment. Judges in Hong Kong have already been exposed to unwarranted and misguided criticism over decisions involving contentious political issues. The proposed legislation without clear definitions could potentially expose the Judiciary to unfair criticism and adversely impact the Rule of Law in Hong Kong.

Respect for the judicial system

One of the distinctive features of the common law system is the evolving case law which allows for some flexibility while providing for certainty and predictability in the decision making process. Judicial decisions are supported with comprehensive reasons explaining how they are reached.

It is pleasing to see that a growing proportion of the public in Hong Kong is taking an interest in and becoming more vocal on issues relating to the Rule of Law and the administration of justice. Robust debates are healthy for a democratic society. However, it is important that debates be conducted in a rational manner based on fair, informed and reasoned discussions.

There have been occasions where abusive comments on judicial decisions or judges were made in public discussions. In July, unjustified and derogatory comments were made against a judge relating to her judgment and sentencing in a criminal

case concerning the riot in Mongkok in 2016.

There is nothing wrong with an individual voicing out his views and demanding respect for his right to freedom of speech, but he must, at the same time, be respectful of the judicial system and refrain from making unfounded comments that judicial decisions were made or influenced by political considerations, or abusive comments or criticisms amounting to personal attacks on the judges. These unfounded criticisms, though made by a minority of the community, could be damaging to the respect that the public has for a court's decision made through the due process of law.

In July, The Law Society, jointly with the HKBA, issued a press statement urging the public to express their views in a manner conducive to rational debate.

Further, it is important to note that judicial and professional qualities are the only criteria for choosing judges. These are clearly provided in Article 92 of the Basic Law.

In response to some public discussions on other considerations, including political or ideological screening, in the appointment of judges, The Law Society issued a statement in June to reiterate that any such attempt would cause the public to query the impartiality and integrity of judges and undermine the public confidence in the Rule of Law.

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.

Improving Practice Environment

The fiercely competitive legal services industry landscape continues to pose many challenges to solicitors in practice. A key role of The Law Society is to ensure the sustainable development of the local practice environment so the legal profession can remain strong, independent and effective and continue to 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 Professional Indemnity Scheme ("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, 2017/18 and by 50% in the indemnity year 2016/17. In 2018, on the basis of the projections, the Council exercised its power to reduce the contributions for the indemnity year 2018/19 by one-third. The amount of reduction provided to the profession over these eight indemnity years totaled HK\$1.1 billion.

Improvements to practice environment

Duty lawyer fees

The working group comprising representatives from The Law Society, the Duty Lawyer Service, the DOJ and the Legal Aid Department ("LAD") set up by the Home Affairs Bureau ("HAB") to conduct a review of the duty lawyer fees met twice during the year.

A mechanism to cover reviews of criminal legal aid fees and duty lawyer fees in the same exercise in future had been proposed. The findings of the review will be reported to the Panel on Administration of Justice and Legal Services of the Legislative Council in January 2019.

Intellectual Property ("IP") specialist list

With a view to further enhancing dispute resolution services for IP matters in Hong Kong, The Law Society proposed that an "IP list" (or an "IP court") be set up in its submission on the Government Budget 2018-2019 in February.

In September, The Law Society followed up on the proposal and, together with other stakeholders, made a joint submission to the Judiciary on the urgent need for Hong Kong to set up an IP Court or a specialist IP List for IP litigation in Hong Kong. In November, the Judiciary announced that a specialist list for IP cases in the Court of First Instance was to be set up.

Sample arbitration clause

The appointment and the jurisdiction of arbitrators are governed by the arbitration clause entered into between the parties to an arbitration. A well-drafted arbitration clause assists the parties in the appointment of arbitrators and avoids challenges to the jurisdiction of the arbitrators. It helps remove the risk for unnecessary litigation subsequently arising from the arbitral awards.

To facilitate the drafting of a proper arbitration clause for clients, The Law Society published a Sample Arbitration Clause (in English with Chinese translation) for members' reference in October.

Civil jurisdictional limits

The Law Society made submissions to support the proposed increase of the civil jurisdictional limits of the District Court ("DC") and the Small Claims Tribunal ("SCT") back in December 2015. Finally, the proposals were approved. With effect from 3 December 2018, the general financial limit of the civil jurisdiction of the DC was increased from HK\$1 million to HK\$3 million and the financial limit for land matters of the DC from HK\$240,000 to HK\$320,000 in terms of the annual rent or the rateable value or the annual value of the land. For the equity jurisdiction of the DC, the limit was also increased from HK\$1 million to HK\$3 million where the proceedings do not involve or relate to land; and from HK\$3 million to HK\$7 million where the proceedings involve land. The civil jurisdiction limit for the SCT was increased from HK\$50,000 to HK\$75,000.

Practice management

In June, The Law Society issued Checklists to provide guidance to principals of law firms on the starting, operating and closing of a practice. Members may amend and adapt the Checklists to suit their own practice.

Third party funding of arbitration

On 7 December, the DOJ issued "A Code of Practice for Third Party Funding of Arbitration" setting out the practices and standards with which third party funders are ordinarily expected to comply in carrying on activities in connection with third party funding of arbitration.

The relevant provisions of Section 3 of the Arbitration and Mediation Legislation (Third Party Funding) (Amendment) Ordinance 2017 (“Amendment Ordinance”) relating to Divisions 3 and 5 of new Part 10A of the Arbitration Ordinance shall come into operation from 1 February 2019.

The commencement of section 4 of the Amendment Ordinance in so far as it relates to section 7A(c) and (d) of the Mediation Ordinance had been deferred to a future date. The Law Society had earlier expressed its views on the draft Code of Practice in its submissions made in response to the consultation in August, highlighting its concerns on mediation funding for personal injuries claims. The Law Society pointed out that the Amendment Ordinance was not clear whether post-action mediation for personal injury cases should be considered as part of litigation (contentious) proceedings where the doctrine of champerty applied. The launch of the mediation funding regime in Hong Kong could invite unethical touting by recovery agents. Further, other practical problems could emerge when the Amendment Ordinance came into full effect. These problems could arise in Order 80 settlements and cases under the Employees Compensation Assistance Fund Scheme and legal aid cases. One solution proposed was to exclude personal injuries litigation from the mediation funding regime. The Law Society will continue to reflect and explain the profession's

concerns in future deliberations with a view to achieving an outcome that is acceptable to all stakeholders.

Transportation and logistics

During the year, The Law Society had set up a new committee, Transportation and Logistics Committee, to help promote the profession's contribution to transportation and logistics generally and Hong Kong's role as an international dispute resolution centre and transportation and logistics hub. This newly established Committee focuses on reviewing issues relating to the transportation and logistics industries in Hong Kong (including marine, shipping, aviation, air transport and cargo industries) with a view to assist the Council in making relevant representations and submissions to the Government and relevant external bodies (e.g. Legislative Council and trade associations).

Anti-money laundering

The Anti-Money Laundering and Counter-Terrorist Financing (Financial Institutions) Ordinance (Amendment) Bill 2017 (the “Amendment Bill”) was approved in January and came into effect on 1 March. The amendments extend the statutory client due diligence (“CDD”) and record-keeping requirements in the Anti-Money Laundering and Counter-Terrorist Financing (Financial Institutions) Ordinance (“AMLO”) to solicitors and foreign

lawyers, accountants, real estate agents, and trust or company service providers (“TCSPs”) when they engage in specified transactions. The amendments also introduce a licensing regime for TCSPs.

The Government acknowledged that The Law Society, as a self-regulatory body, should be the sole authority under the AMLO to enforce the statutory CDD and record-keeping requirements for the legal professionals with the discretion to issue guidelines as it considers appropriate for the operation of the relevant requirements. Practice Direction P, a comprehensive set of AML guidelines for the legal profession implemented by The Law Society since 2008, was also recognised by the Government as an effective AML mechanism.

In light of the enactment of the Amendment Ordinance, The Law Society updated Practice Direction P which came into effect on 1 September.

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 2018, 27 public submissions were made on a wide range of reforms, which are set out below:

- Further Consultation on Proposed Disclosure Requirements Applicable to Discretionary Accounts
- Consultation on Review of Electoral Arrangements
- Public Consultation for the 2018-19 Budget
- Consultation Paper on (i) the OTC derivatives regime for Hong Kong – Proposed refinements to the scope of regulated activities, requirements in relation to OTC derivative risk mitigation, client clearing, record-keeping and licensing matters; and (ii) Proposed conduct requirements to address risks posed by group affiliates
- Consultation Paper on Proposed Amendments to the Code on Unit Trusts and Mutual Funds
- Public Engagement on the Establishment of a Commission on Children
- Consultation on a Listing Regime for Companies from Emerging and Innovative Sectors
- Consultation Paper on Proposed Amendments to the Codes on Takeovers and Mergers and Share Buy-backs
- Public Consultation on the Proposed Legislation on Continuing Powers of Attorney
- Implementation of National Anthem Law Preliminary Observations
- Award of Damages for Bereavement under The Fatal Accidents Ordinance
- Consultation Conclusions on the Proposed Guidelines on Online Distribution and Advisory Platforms and Further Consultation on Offline Requirements Applicable to Complex Products
- Introduction of a Statutory Corporate Rescue Procedure and Insolvent Trading Provisions
- Consultation on Draft Talent List for Provision of Incentives to Attract Talents to Hong Kong
- The Regulation of Unmanned Aircraft Systems in Hong Kong
- Consultation Paper on the OTC Derivatives Regime for Hong Kong – Proposed Margin Requirements for Non-centrally Cleared OTC Derivative Transactions
- Law Reform Commission Report on Miscellaneous Sexual Offences
- Law Reform Commission Report on Periodical Payments for Future Pecuniary Loss in Personal Injury Cases
- Consultation Paper on Backdoor Listing, Continuing Listing Criteria and Other Rule Amendments
- The Chief Executive's 2018 Policy Address
- Consultation Paper on Review Structure in relation to Listing Committee Decisions
- Consultation Paper on the Proposed Guidelines for Securities Margin Financing Activities
- Proposed Arrangement between Hong Kong and the Mainland on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters
- Draft Code of Practice for Third Party Funding of Arbitration and Mediation
- Supplemental Submission on the Proposed Arrangement with the Mainland on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters
- Submission on the Proposed Guidelines on Fit and Proper Criteria and Continuing Professional Development for Licensed Insurance Intermediaries
- Consultation Paper on Proposal relating to Listed Issuers with Disclaimer or Adverse Audit Opinion on Financial Statements

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, which includes encouraging legal practitioners to continue to study and acquire legal knowledge and skills.

Nurturing life-long learning

The Law Society has implemented the CPD Scheme since 1998 and the RME Programme since 2004. The CPD Scheme's aim is to provide a convenient framework for legal professionals to acquire new legal knowledge and skills so that the profession as a whole can continue to meet the demands of clients and society, which are ever changing. The RME Programme's aim is to raise awareness of risk issues and promote good risk management practices amongst legal practitioners.



In 2018, The Law Society and the Hong Kong Academy of Law Limited ("the Academy") conducted a total of 361 CPD and RME courses and attracted an attendance of 18,226 participants. Further, The Law Society accredited 4,998 CPD courses.

The Law Society has taken into consideration the need for busy practitioners to have a variety of means by which they can comply with the CPD requirements by permitting and encouraging methods of learning other than attendance at traditional lecture based courses. During the year, The Law Society also accredited three postgraduate and other law courses,

seven legal journals and books, 50 legal research projects and two committees for CPD purposes.

Apart from the regular core courses and 19 electives offered under the RME Programme, ad hoc risk management courses on the following specific areas were conducted during the year:

- Anti-Money Laundering and Client Due Diligence
- Conflicts of Interest and Confidentiality
- Dispute Resolution Clauses in Cross Border Contracts
- Legal Professional Privilege
- Managing Data Breach

- Managing Risks: Preventing Workplace Harassment and Discrimination
- Market Conduct, Misconduct, and Risk Awareness
- Risk Management and Dealing with Claims Against Solicitors in Litigation, Commercial and Conveyancing Practices
- Property Fraud
- Solicitors' Accounts

Further, two new RME electives were introduced during the year, namely, "Cybersecurity" and "Conveyancing – Protecting Irregular Interests". In addition, new part-time tutors for RME courses were recruited during the year.



Seminar on
"Dispute Resolution Clauses
in Cross Border Contracts"



Seminar on
"Managing Data
Breach"

Cross Strait Four Regions
Young Lawyers Forum 2018



The Law Society's
2nd Belt and Road Conference



Practice Management seminar titled
"The future is Expertise Automation –
from theory to practice, 2018 to 2025"

To broaden members' exposure to the legal development around the world, The Law Society also invited eminent speakers from overseas to participate in seminars and conferences held in Hong Kong including, for instance, The Law Society's 2nd Belt and Road Conference on 28 September, the practice management seminars on artificial intelligence on 10 and 11 December at which an overseas futurist was invited to be the speaker; and The Law Society's Cross Straits Four Regions Young Lawyers Forum on 26 October.

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 2018, The Law Society administered the 24th OLQE since its launch in 1995.

235 candidates sat the OLQE from 23 jurisdictions including Hong Kong (12 were common law jurisdictions and 11 were non-common law jurisdictions). Four candidates were Hong Kong barristers. The overall pass rate was 49%.

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) ("TS Rules"), The Law Society is also empowered alternatively to set and/or approve an examination for anyone wishing to enter into a trainee solicitor contract.

During the year, The Law Society had been considering proposals on the examinations required, set or approved under rule 7(a) of the TS Rules and had announced in December that advance notice would be given regarding relevant proposals which, in any event, would not be implemented in the academic year of 2019/2020.

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 86 foreign law firms and 1,584 registered foreign lawyers from 34 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.

Further, under the LPO, other than practising Hong Kong solicitors and barristers, one must be registered with The Law Society as a foreign lawyer before he or she is permitted to provide legal services as a foreign legal practitioner to the public.

In October, The Law Society conducted a consultation in relation to some proposed legislative amendments to the foreign lawyers' regulatory regime.

What triggered an overall review of the foreign lawyers' regulatory regime in 2016 were the strong concerns expressed about some registered foreign lawyers practising Hong Kong

law and holding themselves out to do so on their official websites. It is in the public interest that only competent, qualified and admitted persons should practise Hong Kong law in Hong Kong. The proposals aimed at clarifying this principle and nurturing a strong local legal profession while maintaining an open door policy.

The consultation among solicitors, foreign lawyers and trainee solicitors was completed at the end of December. The Law Society will carefully consider members' views taking into account the interests of the profession, the public and Hong Kong as a whole.

During the year, the Investigation Counsel of The Law Society made 34 visits to 15 law firms. Four of these visits were made under section 8AA of the LPO to verify compliance with the provisions of the LPO or any Practice Direction issued by The Law Society, and to determine whether the conduct of those against whom an inspection was made should be inquired into or investigated. In addition, three court inspections were conducted by inspectors at magistrates' courts. For these court inspections, the Council appointed inspectors to verify compliance with rule 5D of the Solicitors' Practice Rules and to monitor the proper completion of court attendance forms.

The Monitoring Accountants paid visits to law firms to provide assistance in their accounting procedures/ systems and to inspect their books and accounts to ensure compliance with the rules relating to solicitors'

accounting. 82 visits were made to 50 solicitors' firms and foreign law firms; some firms required more than one visit.

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

In 2018, a total of 10 matters were submitted to the Tribunal Convenor, including two matters for the Tribunal Convenor to dispose of on a summary basis. Five disciplinary proceedings were determined by the Solicitors Disciplinary Tribunal in 2018 and the Tribunal Convenor summarily disposed of two matters by making orders requiring each of the two solicitors concerned to pay a total of a fixed fine of HK\$10,000 and fixed costs of HK\$15,000.

The Law Society is empowered under the LPO to intervene in the practice of a law firm to protect the interests of the firm's clients and the public. The Law Society exercised its statutory power to intervene in the practices of two Hong Kong law firms and one foreign law firm in 2018.



Exploring New Opportunities

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

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 "One Country, Two Systems". By sending representatives to attend selected international conferences, The Law Society remains abreast of major global developments across legal markets.

The Law Society's 2nd Belt and Road Conference titled "ABC to Building a Smart Belt and Road: Law and Artificial Intelligence, Blockchain and Cloud" took place on 28 September. The Conference featured the development and application of Artificial Intelligence in the legal sector and its impact on multijurisdictional transactions brought by the Belt and Road Initiative. It attracted over 650 participants from 19 jurisdictions and offered an invaluable platform for legal professionals to expand their international network and exchange views on issues of common interests.

The Law Society also took the opportunity to initiate the signing of a Law Tech Alliance among 30 law associations which all have the common goal of ensuring that the profession will take advantage of legal tech in an ethical, professional and responsible manner.

The Law Society will continue its work in enhancing the role of Hong Kong legal professionals in the Belt and Road Initiative.

The Framework Agreement on Deepening Guangdong-Hong Kong-Macao Cooperation in the Development of the Greater Bay Area signed among the HKSAR Government, the Macao Government, the National Development and Reform Commission and the Guangdong Provincial Government on 1 July 2017 signified another milestone in the joint development of the Greater Bay Area. It set out clearly the objectives and key areas of co-operation among the various parties.

The Law Society completed its visits to the nine cities in the Greater Bay

Area in 2018. To coordinate efforts in promoting and expanding the legal service sector and to conduct regular exchanges on issues of common interest pertaining to the development within the Greater Bay Area, The Law Society and other lawyer associations in the Greater Bay Area held a joint meeting during the year.

The frequent collaboration between Hong Kong lawyers and Mainland lawyers is not only confined to professionally related matters. To foster deeper mutual understanding between lawyers in the Greater Bay Area, The Law Society takes turns with the Guangdong Lawyers Association and the Macao Bar Association organising a Sports Meet, which is held once every two years for all lawyers in the three jurisdictions. The annual

Cross Straits Four Regions Young Lawyers Forum held in October was another opportunity for lawyers in the Mainland, Hong Kong and Macao to network and mingle with one another.

During the year, The Law Society also took the opportunity to promote Hong Kong legal services to the international community on the following occasions:

- (a) Symposium on Constitutional Law in Kuala Lumpur in January;
- (b) Seminar on “Strategies and Opportunities under the Belt and Road Initiative – Leveraging Hong Kong’s Advantages, Meeting the Country’s Needs” by the HKSAR Government and the Belt and Road General Chamber of Commerce in Beijing in February;

Visit to Greater Bay Area –
Guangzhou



Visit to Greater
Bay Area –
Shenzhen

Closing Ceremony
at The Law Society's
2nd Belt and Road
Conference



Seminar on “Strategies and Opportunities under the Belt and Road Initiative – Leveraging Hong Kong’s Advantages, Meeting the Country’s Needs”

- (c) Hong Kong Business Mission to Cambodia and Vietnam in March;
- (d) Joint Seminar with Osaka Bar Association in Hong Kong in May;
- (e) SmartHK organised by the Hong Kong Trade Development Council ("HKTDC") in Hangzhou in May;
- (f) HKTDC Belt and Road Summit in Hong Kong in June;
- (g) The Chinese General Chamber of Commerce of Hong Kong Forum in Paris in June;
- (h) The Ministry of Justice and China Law Society Forum on the Belt and Road Legal Cooperation in Beijing in July;
- (i) 29th Presidents of Law Associations in Asia ("POLA") Conference in Canberra in August;
- (j) International Malaysia Law Conference in Kuala Lumpur in August;
- (k) 56th AIJA Annual Congress in Brussels in August and September;

- (l) Hong Kong Legal Services Forum in Guangzhou in September;
- (m) 62nd UIA Congress in Porto in October and November;
- (n) HKTDC "Think Global, Think Hong Kong" in Tokyo in November;
- (o) 31st LAWASIA Conference in Siem Reap in November;
- (p) 10th Lujiazui Law Forum in Shanghai in November; and
- (q) Joint Meeting for Lawyers Associations in the Guangdong-Hong Kong-Macao Greater Bay Area in Guangzhou in December.

Through networking with law societies and bar associations around the world, The Law Society has established extensive connections with legal professional organisations in different overseas jurisdictions, laying a good foundation for us to collaborate on future initiatives that could benefit of our members. In 2018, The Law Society entered into a Memorandum of Understanding ("MOU") with each of the following:

- (a) Guangxi Lawyers Association in May (Supplementary MOU);
- (b) Shanghai Bar Association in August (Renewed MOU);
- (c) Dongguan Lawyers Association in October; and
- (d) Sichuan Lawyers Association in November (Supplementary MOU).

Opening up new areas of work for our members is another priority for The Law Society.

Following the establishment of the Panel of Solicitor Arbitrators in 2017, The Law Society has been actively promoting arbitration services being offered by solicitors both locally and overseas. In addition to organising a delegation to visit the Shenzhen Court of International Arbitration in June,

Hong Kong Business Mission to Cambodia and Vietnam in March



31st LAWASIA Conference in Siem Reap in November



Supplementary MOU signing with Guangxi Lawyers Association in May

The Law Society also made available for members' use a sample arbitration clause as a working template and put in place a procedure for appointment of arbitrators. One of The Law Society's continuing efforts in the arbitration area is to brand solicitor arbitrators as the leading practitioners in arbitration for partnership disputes. Seminars, for example, on "International Arbitration under ICC Rules" and "Arbitration for Partnership Disputes" were organised during the year.

Other than arbitration, The Law Society has been promoting mediation as a growing practice area for solicitors. During the year, we worked towards establishing The Law Society's own Panel of International General Mediators and Panel of International Family

Mediators. The aim of the Panel is to provide a central database of solicitor-mediators who have experience in mediating international disputes.

While Hong Kong is late in joining the race to develop Islamic finance capabilities, there is still an opportunity for Hong Kong to catch up at a low cost. The Law Society has set up a Working Party on Islamic Finance to explore this new practice area for members. During the year, the Working Party focused on studying the potential to develop Islamic FinTech. At its 6th annual networking reception, the Working Party organised a talk by the General Manager of the FinTech Association so that he could share his expertise in this area. Further, the Chairman of the Working Party had his article, "Is Hong Kong

Playing Catch-Up", published in the Islamic Finance journal on 29 May. The article promoted Hong Kong legal profession's capability to support the development of Islamic financial services and products in Hong Kong.

Other 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. As of the end of the year, there were 63 solicitor advocates, 2,194 civil celebrants and 447 reverse mortgage counselors.

The Law Society will continue its efforts to secure more opportunities for our members and maintain a healthy and sustainable development of our profession.

MOU signing with Dongguan Lawyers Association in October



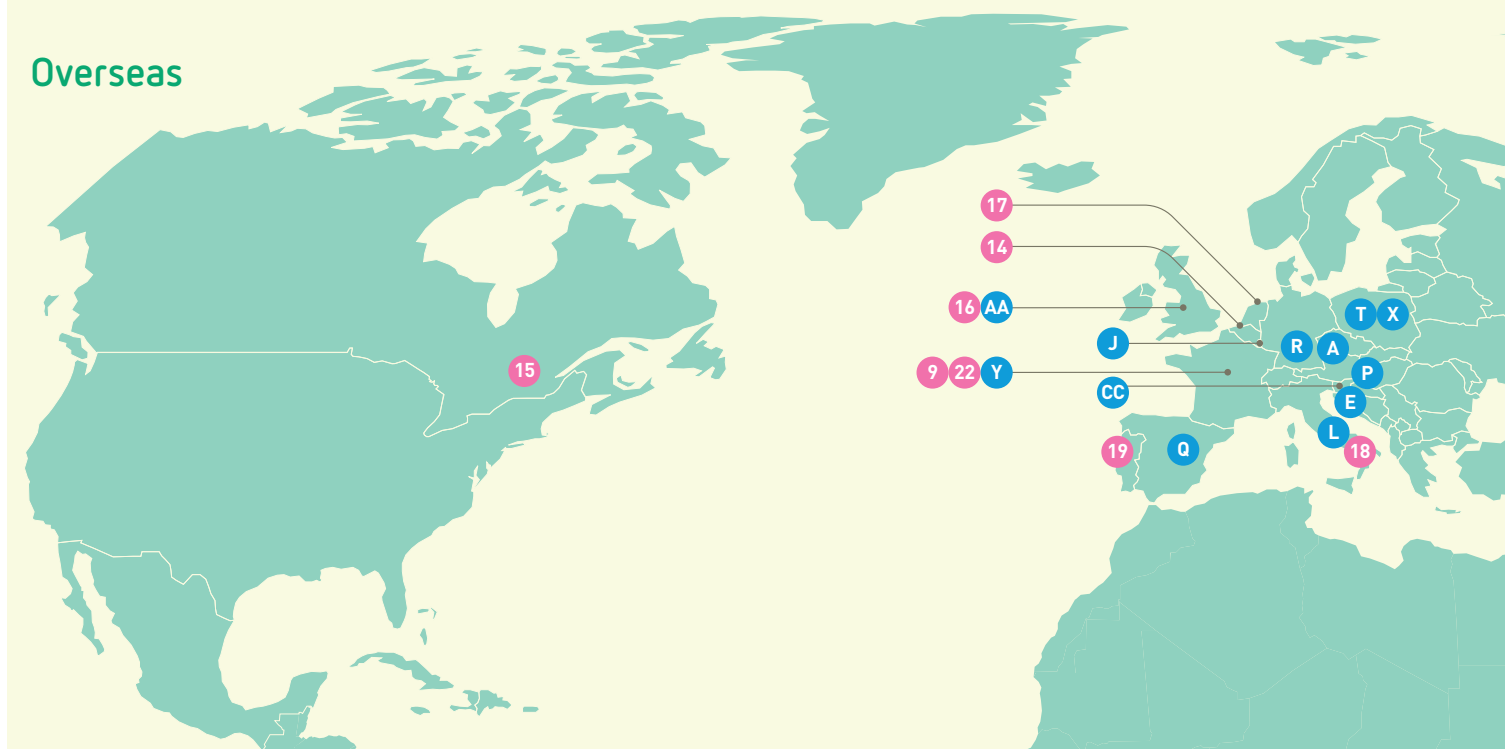
Renewed MOU signing with Shanghai Bar Association in August



Supplementary MOU signing with Sichuan Lawyers Association in November

The Law Society's Global Network

Overseas

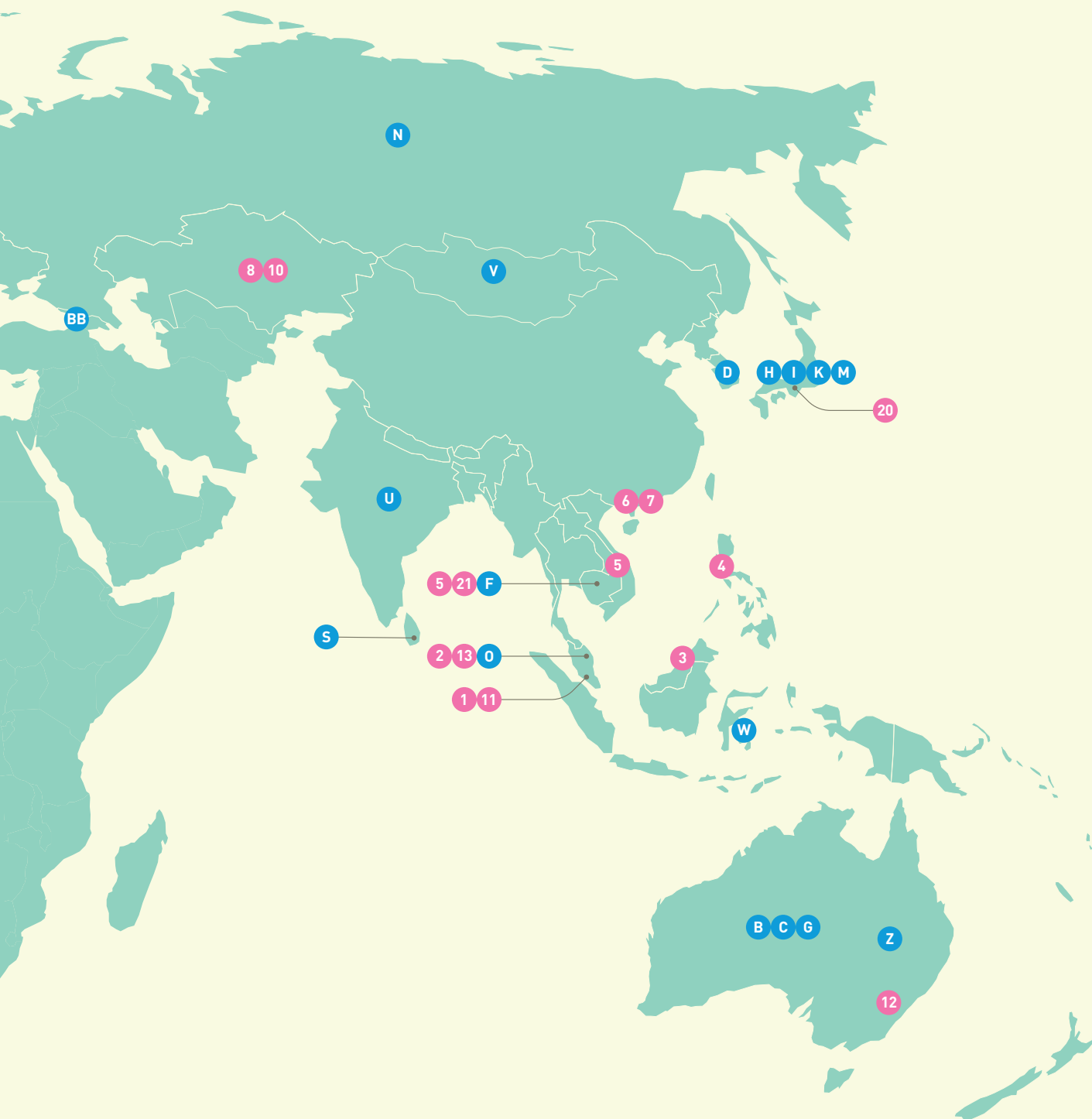


MOUs signed with overseas organisations prior to 2018:

- 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 (Tokyo) – Tokyo 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
- 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 – Polish National Bar of Attorneys
- U. India – Bar Association of India
- V. Mongolia – Mongolian Bar Association
- W. Indonesia – Indonesian Advocates Association ("PERADI")
- X. Poland (Gdańsk) – Bar of Attorneys in Gdańsk
- Y. France – French National Bar Council
- Z. Australia (New South Wales) – The Law Society of New South Wales
- AA. UK (England and Wales) – The Law Society of England and Wales
- BB. Georgia – Georgian Bar Association
- CC. Slovenia – Slovenian Bar Association

International conferences and events attended in 2018:

1. Opening of the Legal Year of Singapore (7-8 Jan)
2. Symposium on Constitutional Law, Kuala Lumpur (10-11 Jan)
3. Opening of the Legal Year of Brunei Darussalam (6 Feb)
4. 28th IPBA Annual Meeting and Conference, Manila (14-16 Mar)
5. Hong Kong Business Mission to Cambodia and Vietnam (19-23 Mar)
6. AIJA Transport Law Commission Seminar, Hong Kong (19-21 Apr)
7. Joint Seminar with Osaka Bar Association, Hong Kong (3 May)
8. AEA-EAL Conference, Almaty (15-16 Jun)
9. The Chinese General Chamber of Commerce of Hong Kong Forum, Paris (20 Jun)
10. Visit to Almaty and 1st AIFC Law Conference, Almaty and Astana (2-6 Jul)
11. 13th ASEAN Law Association General Assembly and ASEAN Law Conference, Singapore (26-28 Jul)
12. 29th POLA Conference, Canberra (2-3 Aug)
13. International Malaysia Law Conference, Kuala Lumpur (14-17 Aug)
14. 56th AIJA Annual Congress, Brussels (28 Aug-1 Sep)
15. IILACE Conference, Ottawa (29 Aug-1 Sep)
16. Opening of the Legal Year of England and Wales (30 Sep-1 Oct)
17. International Conference of Legal Regulators, The Hague (3-5 Oct)
18. IBA Annual Conference, Rome (7-12 Oct)
19. 62nd UIA Congress, Porto (30 Oct-3 Nov)
20. HKTDC "Think Global, Think Hong Kong", Tokyo (1 Nov)
21. 31st LAWASIA Conference, Siem Reap (2-5 Nov)
22. Opening of the Legal Year of Paris (28 Nov-1 Dec)



Greater China Region

● MOUs signed with the following organisations in the Greater China region in 2018:

- a. Dongguan Lawyers Association
- b. Guangxi Lawyers Association (Supplementary MOU)
- c. Shanghai Bar Association (Renewed MOU)
- d. Sichuan Lawyers Association (Supplementary MOU)

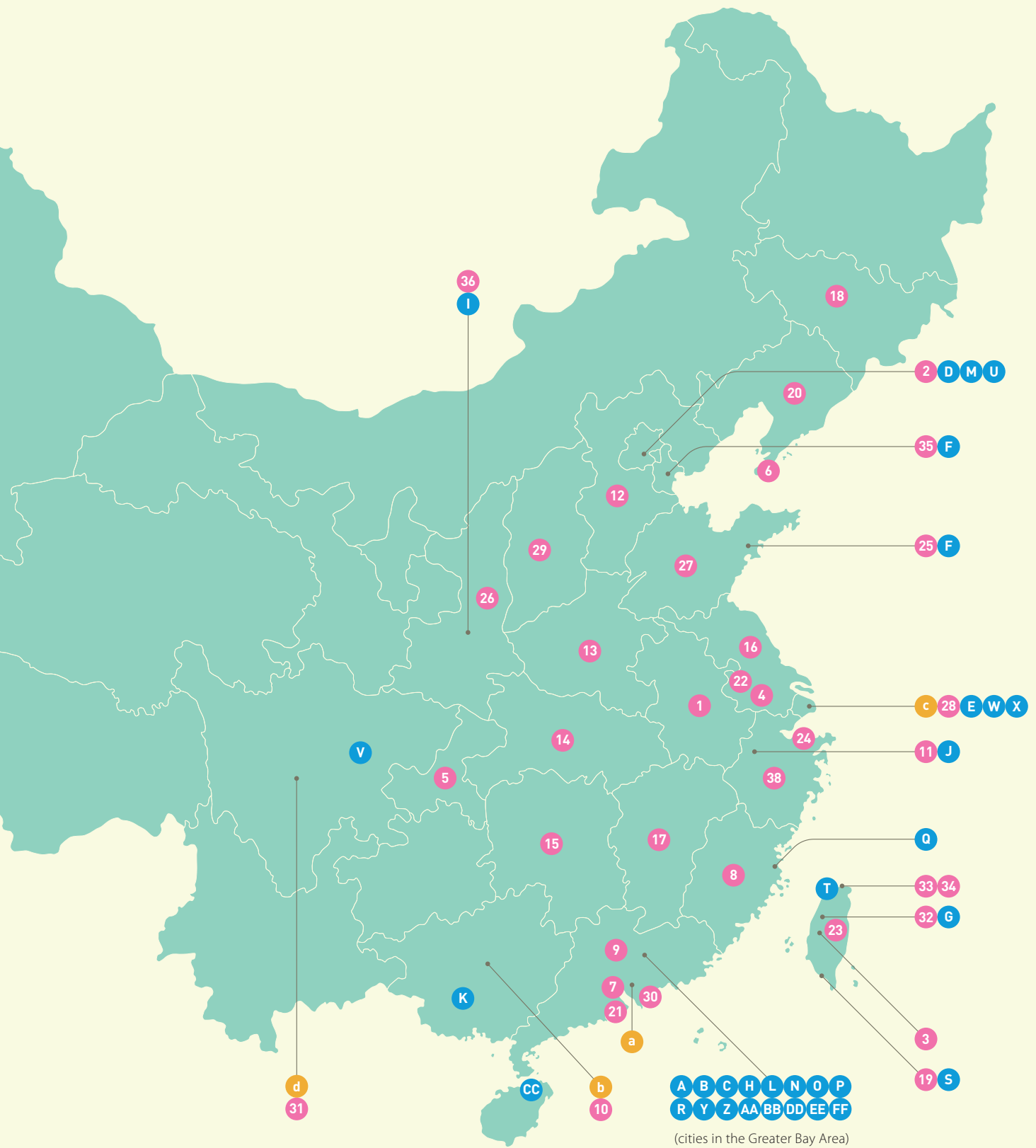
● MOUs signed with the following organisations in the Greater China region:

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

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

● Conferences and events participated in 2018:

- A. The 10th Chinese Lawyers Forum, Shenzhen (7-8 Jan)
- B. Inauguration Ceremony of the Qianhai Belt and Road Legal Services Federation, Shenzhen (9 Jan)
- C. The Greater Bay Area Lawyers and Enterprises Exchange Event, Dongguan (20-21 Jan)
- D. The Belt and Road Seminar held by the HKSAR Government and the Belt and Road General Chamber of Commerce, Beijing (3 Feb)
- E. 2018 Chinese Enterprise Rights Protection Summit, Shanghai (10-11 Mar)
- F. HKTDC Hong Kong Cross-Border Investment Services Mission, Tianjin and Qingdao (19-23 Mar)
- G. Taichung Bar Association Annual General Meeting and the 70th Jubilee Celebration Ceremony, Taichung (23-24 Mar)
- H. The First Visit to the Greater Bay Area, Guangzhou, Foshan and Zhaoqing (10-11 May)
- I. The Belt and Road Forum on Commercial Legal Law, Xi'an (11 May)
- J. HKTDC SmartHK, Hangzhou (16 May)
- K. The Guangxi Liaison Unit of the HKSAR Government Seminar on Hong Kong Legal and Arbitration Services, Nanning (17 May)
- L. Hong Kong Coalition of Professional Services Visit, Guangzhou and Zhuhai (1-2 Jun)
- M. The Ministry of Justice and China Law Society Forum on the Belt and Road Legal Cooperation, Beijing (1-3 Jul)
- N. Hong Kong Legal Services Forum Promotional Trip, Guangzhou, Foshan and Zhaoqing (18-20 Jul)
- O. Cocktail Reception in Celebration of the 21st Anniversary of the Establishment of the HKSAR, Guangzhou (1 Aug)
- P. The Second Visit to the Greater Bay Area, Shenzhen, Dongguan and Huizhou (14-15 Aug)
- Q. Straits Law Forum, Fuzhou (18 Aug)
- R. Hong Kong Legal Services Forum, Guangzhou (5 Sep)
- S. Kaohsiung Bar Association Celebration Ceremony, Kaohsiung (7 Sep)
- T. Taiwan Bar Association Celebration Ceremony, Taoyuan (8-9 Sep)
- U. CIETAC Hong Kong's Day of Arbitration Field Practice, Beijing (16 Sep)
- V. Annual Forum for Foreign-related Chinese Legal Talents cum Belt and Road Legal Services Forum, Chengdu (27-28 Oct)
- W. The China International Import Expo, Shanghai (6 Nov)
- X. The 10th Lujiacui Law Forum, Shanghai (14 Nov)
- Y. Lectures for Guangdong Trainee Lawyers, Guangzhou (19 Nov, 18 Dec, 24 Dec)
- Z. The Third Visit to the Greater Bay Area, Zhongshan, Jiangmen and Zhuhai (3-4 Dec)
- AA. Inauguration Ceremony of Shenzhen-Hong Kong Legal Services In-depth Cooperation Zone, Shenzhen (4 Dec)
- BB. Roundtable Meeting on the Cooperation and Development of Professional Services in the Greater Bay Area, Guangzhou (5 Dec)
- CC. Seminar on Hainan Free Trade Zone, Haikou (14 Dec)
- DD. Joint Meeting for Lawyers Associations in the Greater Bay Area, Guangzhou (15 Dec)
- EE. The 30th Anniversary Celebration of the Shenzhen Lawyers Association, Shenzhen (18 Dec)
- FF. Seminar on Rule of Law Development in the Greater Bay Area, Shenzhen (20 Dec)





Providing Relevant and Effective Support to Members

The Law Society is dedicated to providing relevant and effective support to our members, which includes professional development and sector-specific initiatives, as well as programs and activities designed to ensure the well-being of individual members' needs.

Professional support

Law

The Law Society and the Academy regularly organise seminars to update members on imminent changes to the law and their practices. In 2018, we organised seminars on the following:

- (a) the AMLO which came into effect on 1 March (two major seminars were conducted with the Narcotics Division and the Security Bureau, six RME courses were delivered on AMLO and AML, and two seminars were conducted with the Companies Registry on the new licensing regime for TCSPS and the registers of significant controllers);
- (b) the revised Practice Direction P, which took effect on 1 September 2018;
- (c) the Apology Ordinance, which commenced on 1 December 2017;

- (d) the draft Children Proceedings (Parental Responsibility) Bill;
- (e) the Inland Revenue (Amendment) (No. 6) Bill 2017;
- (f) the new regime for listing new economy companies with weighted voting rights structures and the new secondary listing route for Chinese issuers listed on qualifying exchanges.

Apart from providing courses on new legislation and updates on existing law, The Law Society and the Academy hosted training sessions that spanned the following emerging areas and practical skills:

- (a) Legal tech, including artificial intelligence, cybersecurity, digital forensics, cryptocurrency, fintech and others;
- (b) Arbitration for partnership disputes;
- (c) Mediation – parenting coordination; and
- (d) Advocacy – civil practical and written advocacy.

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*. In May, a new "Members' Online Enquiry Services" platform featuring five areas of commonly asked questions was launched. Members can simply

login to the Members' Zone to access the platform. All necessary personal information of the member making the enquiry is embedded in the enquiry form and the member only needs to write the query and click "Send". All enquiries will automatically be forwarded to the responsible Secretariat staff for timely handling. 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 that were raised by members or referred from other Law Society committees.

Practice management

The Law Society has set up a dedicated committee on Practice Management to support members in this area.

During the year, the following initiatives were implemented to assist members in enhancing their practice management skills:

- (a) a number of Practice Management Checklists relating to the running of a law practice were issued in June, which were followed by seminars in October to guide members through all the relevant requirements;
- (b) various seminars were organised including:
 - "New Business Models in Legal Practice around the World" on 30 October;

- "The future is Expertise Automation – from theory to practice, 2018 to 2025" on 10 December; and
- "Human & Machine – 2018 to 2025: The role and skill-set of the lawyer and machine of today and tomorrow" on 11 December;

- (c) It also commissioned external consultants to write two articles on practice management trends and related issues for publication in The Law Society's official journal, *Hong Kong Lawyer*:

- "Five Techniques for Improving Profitability in Smaller Law Firms" (published in the January issue); and
- "The Big 4 and The Law" (published in the December issue).

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 SAR. In 2018, they conducted a total of 82 visits to 50 Hong Kong and foreign law firms.

Technology

To raise awareness of the effective application of technology and to assist members to keep abreast with the technological tools that are relevant to their practices, The Law Society actively engaged members in the following ways during the year:



Spring Reception

Members' Forum and
Dinner Gathering



Christmas Party 2018

- (a) a "Law Firm Technology Survey" was conducted in September to collect members' views on how technology could help improve efficiency in legal practice and access to justice;
- (b) a course on Python (a computer language) was coordinated in conjunction with the Academy to enable members to understand the language that governs the software systems and output;
- (c) participation in the Programme on "Industry Connect-IoT and Artificial Intelligence Technologies" organised by Hong Kong Science and Technology Parks Corporation, where practitioners could attend demonstrations by tech companies on their latest innovations in artificial intelligence, cyber security and smart office tools;
- (d) enhancements were made to The Law Society App to allow members to embed their own virtual membership card with individualised QR code in the App, streamlining ID verification at Law Society functions and training courses (as of the end of the year, there were 5,972 users of The Law Society App since its launch in 2013); and
- (e) the Information Security Guidelines were issued in September recommending information security "best practices"; these included general principles and

specific security actions to help legal practitioners satisfy their fiduciary and legal obligations to their clients.

Legal development updates via monthly journals

The Law Society publishes a monthly journal, *Hong Kong Lawyer*, which contains analysis of recent law and legal practice-specific advice, with priority given to matters affecting legal practitioners in Hong Kong. With the digital version of *Hong Kong Lawyer* available on both The Law Society App and the Hong Kong Lawyer website, members can read it online via a computer, smart phone, tablet or other mobile device. Not only does it contain the same content as the print journal, it also contains additional insights and



8th Members and Family Fun Day



13th Recreation and Sports Night

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.

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 2018, The Law Society administered 14 sports teams and nine recreational groups, who held practice sessions and competitions for members throughout the year. A variety of members' functions were also organised, including:

- (a) Spring Reception on 26 February;
- (b) 8th Members and Family Fun Day on 6 May;
- (c) Visit to Greater Bay Area on 10-11 May;
- (d) Access to Justice ("A2J") Hackathon Post Competition Workshop on 21 June;
- (e) Members' Lunch Gathering on 21 June;
- (f) Wellness programme on dealing with stress on 6 July;
- (g) Balloon twisting workshop on 21 July;
- (h) Visit to Coca-Cola plant for members' kids on 11 August;
- (i) Swimming Gala on 12 August;
- (j) Visit to Greater Bay Area on 14-15 August;
- (k) Moon cake workshop on 15 September;
- (l) InnoTech Law Hackathon: Belt and Road Justice Challenge on 28 September;
- (m) 13th Recreation and Sports Night on 20 October;
- (n) Cooking competition on 24 October;
- (o) Members' Forum and Dinner Gathering on 13 November;
- (p) Law & Order Cup on 24 November;
- (q) Annual Cocktail on 28 November;
- (r) Visit to Greater Bay Area on 3-4 December;
- (s) Members' Lunch Gathering on 6 December; and
- (t) Christmas Party on 13 December.

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 8th 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.

Support for sector-specific needs

In-house lawyers

An increasing number of our members work as in-house lawyers. At the end of 2018, around 26.5% of our members holding a practising certificate were not in private practice.

In June, The Law Society held its Annual Conference of In-House Lawyers, which featured topics of common interest

to in-house solicitors and attracted over 400 participants. In addition, we organised a variety of seminars for in-house solicitors throughout the year, where they could discuss their shared professional experiences. These included: “Equality in Workplace” in June; “The Sweat and Glory Express: Responding to Change – Legal and Technology Trend in Supply Chain” in September and “Managing Legal Issues in Hospitality Industry” in October.

Young solicitors and trainee solicitors

About 26% of our members were admitted on or after 1 January 2014 (i.e., with 5 years or less post admission experience). The Law Society’s Young Solicitors’ Group (“YSG”) was set up to support the needs of this segment of our membership. In addition to organising activities for young members to encourage them to network with other solicitors as well as events to reach out to law students and trainee solicitors, The Law Society also helps promote the culture of sharing in the profession. In 2018, the CONNECTED Programme continued for the 8th year. The purpose of the

Programme was to provide trainee solicitors with opportunities to interact with both younger members (their “buddy”) and senior members (their “mentor”) of The Law Society in hopes of facilitating a better mutual understanding among members with different backgrounds.

A Survey on Young Members’ Needs and Preferences is conducted after every event organised by the YSG. The feedback collected in this regular survey is used to improve the work we do for our junior members.

With effect from January, the minimum monthly salary for trainee solicitors was revised to HK\$13,000 for the first year of training and HK\$15,000 for the second year of training for trainee solicitor contracts commencing on or after 1 January 2018.

Student members

As of the end of December, there were 289 student members. Three career talks for law students were held in September and October to share insights on the range of career options open to law students. Further,



2018 Annual
Conference of
In-House Lawyers



2018 CONNECTED
kick-off event

in September, The Law Society also participated in the Hong Kong Law Fair to help answer any enquiries that law students had on the legal profession.

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

Roll of Honour

According to The Law Society's Articles of Association, the Council may as a special honour admit to membership of the Roll of Honour any solicitor whose name remains on the roll of solicitors and who has, in the opinion of the Council, given such distinguished service to the Society or its Council, the development of the

legal profession in Hong Kong or the practice of law, that his contribution warrants recognition by the Society.

A member of the Roll of Honour shall be entitled to all the rights and privileges of a member of the Society but shall not be required to pay any membership fee.

Mr. Ip Shing Hing, Mr. Vincent Liang and Mr. Peter Sit were formally admitted to the Law Society's Roll of Honour at The Law Society's Annual General Meeting held on 31 May.

Pursuant to The Law Society's Articles of Association, the Council may also admit any person it deems fit as an Honorary Member for Life of The Law Society. At the Annual General

Meeting on 31 May, the Council admitted Prof. Michael Wilkinson as an Honorary Member for Life of The Law Society. Prof. Wilkinson was the second Honorary Member for Life of The Law Society, after Mr. Andrew Li, Former Chief Justice of the Court of Final Appeal.

Mr. Ip, Mr. Liang, Mr. Sit and Prof. Wilkinson are highly respected members of the profession whose distinguished contributions to The Law Society, the practice of law and the development of the legal profession in Hong Kong as a whole have set a role model for us all. There were 31 members and two members respectively on The Law Society's Roll of Honour and Honorary Membership List as of the end of the year.

Roll of Honour –
Mr. Ip Shing Hing



Roll of Honour –
Mr. Vincent Liang



Roll of Honour –
Mr. Peter Sit



Honorary Member–
Prof. Michael Wilkinson



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 Teen Talk, where over 120 solicitor volunteers facilitate discussions on topics of legal interest among 1,000 secondary student participants from over 110 schools;
- The Law Society hosted “A2J InnoTech Law Hackathon”, a competition where participants were tasked with designing and developing technological solutions to



address access to justice issues. The competition was created to nurture interest in developing technology that can enhance access to justice and was open to students and professionals in April and September. The participating teams were invited to further develop and present their solutions to a panel of judges, who considered the suitability of their application across Belt and Road jurisdictions;

- our Free Legal Helpline, which was manned by over 130 solicitor volunteers, handled 1,107 requests for legal assistance via telephone in the areas of personal injury, matrimonial law, criminal law and mediation;
- the “Legal Pioneer Mentorship Programme” enlisted over 55 mentors for nine school teams comprising 63 student mentees who participated in a microfilm

production on topics relating to Cybercrime;

- our members shared their legal knowledge through school and community talks, public discussions, radio broadcasts, as well as through online media and newspaper columns, (e.g. contributing articles in the “Legal Mailbox” weekly columns in Sing Tao Daily) throughout the year;



Law Week and Teen Talk 2018
Joint Opening Ceremony



Teen Talk 2018 –
Mock Council Debate



A2J InnoTech
Law Hackathon 2018

Phase 9 "Legal Pioneer"
Mentorship Programme
2017-2018 Microfilm
Judging Session



Elderly Visit
on 24 March



Seminar for HKCSS NGO
Corporate Governance Platform Project
on 31 August

- we hosted a variety of community events throughout 2018, including visiting the Home for the Elderly in Tai Wo Hau, visiting the children in Po Leung Kuk, organising two half-day programmes, comprising legal talks and visits to ethnic minorities, new immigrants and low income families;
- we collaborated with various organisations on different voluntary projects benefiting different sectors of the community. These included:
 - the "NGO Governance Platform Project" with the Hong Kong Council of Social Service to promote best practice and experience sharing among board members of their NGO members. We jointly organised two seminars during the year, one on "Fiduciary Duties and Legal Liabilities of NGO Directors" in April and the other on "Employment Related Responsibilities of NGO Boards" in August;
 - the "Business-School Partnership Programme" with the Education Bureau to promote better cooperation and closer alliances between the business sectors and the schools to provide students with a broader perspective of the world, employment and entrepreneurship and to inspire and prepare them to succeed in a global economy. During the year, we coordinated two visits to the West Kowloon

Guided Visit to the DOJ
on 3 October



2018 Pro Bono and
Community Service Award
Presentation Ceremony
on 12 December



Law Week 2018 –
Children programme

Law Courts Building and the DOJ in January and October respectively.

- the “Free Legal Advice Service on Building Management” with the Home Affairs Department, where we assisted owners corporations and building owners and facilitated the processing of 160 cases;
- 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 — 91 consultation sessions were completed by the end of the year; and

- community services for children of under-resourced families with the Tung Wah Group of Hospitals, where Law Society volunteers raised awareness of the core values of the Hong Kong legal system during their visits.

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 2018, in addition to 10 Distinguished Awards, 29 law firms and 155 members received awards under the Programme.

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

Thomas S.T. SO	(Chair from November)
Frederick K.C. KAN	(Chair until November)
Nick CHAN	(Vice-Chair)
Bonita B.Y. CHAN	
C.M. CHAN	(joined in June)
Anthony W.K. CHOW	(resigned in August)
Julianne P. DOE	
Brian W. GILCHRIST	(joined in November)
Stephen W.S. HUNG	
Clarice M.T. KAN	
Amirali B. NASIR	
Melissa K. PANG	
Robert C. RHODA	
Careen H.Y. WONG	(joined in June)
Huen WONG	

Secretary: Assistant Director,
Communications and External Affairs

Belt and Road Conference 2018 Organising Committee

Huen WONG	(Chair)
Nick CHAN	(Vice-Chair)

Bonita B.Y. CHAN
C.M. CHAN
Geoffrey Y.M. CHAN
Sherman K.N. CHAN
Simon M.Y. CHAN
Simon S.M. CHAN
Muhammad K. CHAUDHRY
Heidi H.Y. CHUI
Julianne P. DOE
Ilan FREIMAN
Stephen W.S. HUNG
Frederick K.C. KAN
Sebastian Y.F. KO
Christine M. KOO
Karen LAM
William C.W. LAM
Ricardo K.M. LEE
Amirali B. NASIR
Melissa K. PANG
Steffen PEDERSEN
Robert C. RHODA
SHUM Hin Han
Thomas S.T. SO
Ronald K.N. SUM
Vincent S.K. TSO
Henry Y.H. WAI
Louise K.F. WONG
Philip W.C. WONG
Victor C.K. YAU

Secretary: Director of Communications and External Affairs

Honours Committee

Huen WONG (Chair)
 Anson K.C. KAN
 Michael J. LINTERN-SMITH
 Amy Y.K. LIU
 Amirali B. NASIR
 Paul C.Y. TAN
 Herbert H.K. TSOI
 Secretary: Secretary General

New Working Group on Pro Bono Insurance

Melissa K. PANG (Chair)
 Serina K.S. CHAN
 Heidi K.P. CHU
 Junius K.Y. HO
 Amirali B. NASIR
 Secretary: Director of Member Services

LegCo Liaison Group

Melissa K. PANG (Chair from June)
 Thomas S.T. SO (Chair until June)
 C.M. CHAN (joined in June)
 Heidi K.P. CHU
 Brian W. GILCHRIST (joined in June)
 Amirali B. NASIR
 Secretary: Director of Practitioners Affairs

Hong Kong Solicitors Indemnity Fund Ltd

Amirali B. NASIR (Chair from November)
 Denis G. BROCK (Chair until October;
 resigned in October)
 Brian W. GILCHRIST
 Colin B. COHEN
 Christopher G. HOWSE
 Richard KEADY
 Alexander H.Y. LEUNG
 Peter C.L. LO
 Patrick R. MOSS
 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
 Simon P. CLARKE
 George D. LAMPLOUGH
 Jeffrey H. LANE
 Ronald W.T. TONG
 Cleresa P.Y. WONG
 Felix K.Y. YAU
 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
Amirali B. NASIR
Roden M.L. TONG
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)
Amirali B. NASIR
Andrew W.Y. NG
Huen WONG
Secretary: Assistant Director,
Professional Indemnity Scheme

Working Party on YSG

Brian W. GILCHRIST (Chair)
Serina K.S. CHAN
Roden M.L. TONG
Cecilia K.W. WONG
Secretary: Deputy Secretary General

Working Party on Election System

Thomas S.T. SO (Chair)

C.M. CHAN

Eric T.M. CHEUNG

Roden M.L. TONG

Secretary: Secretary General

Working Party on Unregulated Legal Service Providers

Stephen W.S. HUNG (Chair)

C.M. CHAN

Jonathan ROSS

Roden M.L. TONG

Secretary: Secretary General

Working Party on Dreamvar's Case

Amirali B. NASIR (Chair)

C.M. CHAN

Debbie CHEUNG

Doreen KONG

Simon S.C. LAI

Billy W.Y. MA

Fiona STEWART

Roden M.L. TONG

Secretary: Director of Practitioners Affairs

Standing Committee on Compliance

Nick CHAN	(Chair)	(8/12)
Pierre T.H. CHAN	(Vice-Chair from October)	(8/12)
C.M. CHAN	(Vice-Chair until October)	(4/12)
Denis G. BROCK		(5/12)
Serina K.S. CHAN		(11/12)
Paul K.Y. CHOW		(9/12)
Warren P. GANESH		(12/12)
Brian W. GILCHRIST	(joined in October)	(2/3)
Dennis H.F. HIE		(8/12)
Patricia D.Y. HO		(5/12)
Stephen W.S. HUNG		(10/12)
Simon S.C. LAI	(resigned in October)	(6/9)
Henson LAM		(9/12)
Andrew Y.B. LEE		(11/12)
Billy W.Y. MA		(9/12)
Amirali B. NASIR		(5/12)
Melissa K. PANG	(resigned in August)	(1/8)
Robert C. RHODA		(8/12)
Jonathan ROSS		(9/12)
Annie P.Y. WONG		(8/12)

Secretary: Director of Compliance

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

Consents Committee

Melissa K. PANG	(Chair)
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	
Paul K.Y. NG	
Roden M.L. TONG	
Annie P.K. WONG	
Kelly Y.H. WONG	(resigned in August)
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.]

Compliance Department



Standing Committee on External Affairs

Simon S.C. LAI	(Chair)	(9/10)
Robert C. RHODA	(Vice-Chair)	(7/10)
C.M. CHAN	(joined in October)	(1/2)
Pierre T.H. CHAN	(joined in October)	(1/2)
Stephen W.S. HUNG		(10/10)
Carmen W.M. KAN		(3/10)
Frederick K.C. KAN		(7/10)
Nadine LAI		(8/10)
Daphne F.Y. LO		(8/10)
Amirali B. NASIR		(6/10)
Melissa K. PANG		(6/10)
Thomas S.T. SO		(6/10)
Michelle W.T. TSOI		(9/10)
Maggie Y.T. TSUI		(7/10)
Huen WONG	(resigned in June)	(5/6)
James K.T. WONG		(7/10)
Louise K.F. WONG		(6/10)
Philip W.C. WONG		(9/10)
Ann M.S. YEUNG		(10/10)

Secretary: Director of Communications and External Affairs

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

Law Week 2018 Organising Committee

Nadine LAI	(Chair)
Nathan S.K. WONG	(Vice-Chair)
George K.H. CHAN	
Rico W.H. CHAN	
Simon S.M. CHAN	
Ian P.N. CHU	
Stephen W.S. HUNG	
Geoffrey KAM	
William C.Y. KONG	
Arthur Y.Y. LAW	
Daphne F.Y. LO	
Sammy W.N. NG	
Sharon S.Y. TAM	
William W.L. TONG	
Michelle W.T. TSOI	

SAUW Yim
SHUM Hin Han
Cecilia Grace L.A. WONG
James K.T. WONG
Ann M. S. YEUNG

Secretary: Director of Communications and External Affairs

Teen Talk 2018 Organising Committee

Roden M.L. TONG	(Chair)
Nadine LAI	(Vice-Chair)
Donald W.W. CHAN	
Nick CHAN	
Pierre T.H. CHAN	
Serina K.S. CHAN	
Simon S.M. CHAN	
Ian P.N. CHU	
Stephen W.S. HUNG	
Franklin W.K. KOO	
Jacky H.Y. MAN	
Alice W.L. MOK	
Claudia Y.H. NG	
Sharon S.Y. TAM	
Charlton H.P. WONG	
Euphemia M.S. WONG	
James K.T. WONG	
Jackie N.M. YEUNG	

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	
Ian P.N. CHU	
Nadine LAI	
Arthur Y.Y. LAW	
SAUW Yim	
Michelle W.T. TSOI	

Maggie Y.T. TSUI
 Patricia WIJAYA
 Cecilia Grace L.A. WONG (retired in May)
 James K.T. WONG
 Nathan S.K. WONG
 Cassandra K.C. WU
 Secretary: Director of Communications and External Affairs

Working Group on Law and New Generation Programme and School Talks

Serina K.S. CHAN (Chair)
 Patricia WIJAYA (Vice-Chair)
 George K.H. CHAN
 Nick CHAN
 Joyce C. CHENG
 Ian P.N. CHU
 Hilda LAM
 Winnie W.S. LO
 Sander L.S. TING (joined in October)
 William W.L. TONG (joined in October)
 James K.T. WONG
 Cassandra K.C. WU
 Secretary: Communications and External Affairs Officer

Working Group on “Sing Tao Legal Mailbox”

Nadine LAI (Chair from May)
 Cecilia Grace L.A. WONG (Chair until May)
 Michelle W.T. TSOI (Vice-Chair from May)
 Isabella W.H. CHAN
 Stanley W.L. CHAN
 KAU Kin Wah (resigned in August)
 MAK Hon Ming
 SAUW Yim
 Albert M.K. SO
 Sharon S.Y. TAM (joined in October)
 Sander L.S. TING (joined in October)
 William W.L. TONG (joined in October)
 Francis M.B. AU YEUNG (joined in October)
 Secretary: Communications and External Affairs Officer

Working Group on Community Talks and Services

SAUW Yim (Chair)
 Michelle W.T. TSOI (Vice-Chair)
 Ian P.N. CHU (joined in October)
 Nadine LAI
 Stephanie W.Y. LAU
 Daniel K.M. SHUM (resigned in June)
 William W.L. TONG (joined in October)
 Maggie Y.T. TSUI
 Patricia WIJAYA
 James K.T. WONG
 Cassandra K.C. WU
 WU Weijing
 Jackie N.M. YEUNG
 Cerin N.T. YIP
 Henry P.H. YU (resigned in September)
 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
 Ian P.N. CHU
 Ronald Y.H. KAN
 Nadine LAI
 Anita P.F. LEUNG (joined in October)
 SAUW Yim
 Sharon S.Y. TAM (joined in October)
 William W.L. TONG (joined in October)
 Judy W.C. YAM
 Michelle K.Y. YUNG
 Secretary: Communications and External Affairs Officer

Greater China Legal Affairs Committee

C.M. CHAN (Chair from September)
Melissa K. PANG (Chair until September)
Neville C.H. CHENG (Vice-Chair)
Henry Y.H. WAI (Vice-Chair)
James K.T. WONG (Vice-Chair)
Rico W.K. CHAN
Natalia K.Y. CHEUNG
Anthony W.K. CHOW (resigned in August)
Brian P.C. HO
Stephen W.S. HUNG
Frederick K.C. KAN
Ronald Y.H. KAN
Ambrose S.K. LAM
Karen LAM (joined in October)
William C.W. LAM
Alan Y.K. LAU
Jonathan T.W. LEE
Alexandra D.W. LO
Eric C.H. LUI
Patrick K.W. MAK
Catherine L.M. MUN
Thomas S.T. SO
Wilfred K.P. TSUI
Careen H.Y. WONG (joined in October)
Lawrence S.H. YEUNG
Gary S.K. YIN
Secretary: Assistant Director,
Communications and External Affairs

Cross Strait Four Regions Young Lawyers Forum 2018 Organising Committee

James K.T. WONG (Chair)
Brian P.C. HO (Vice-Chair)
Gary S.K. YIN (Vice-Chair)
C.M. CHAN (Advisor)
Lawrence S.H. YEUNG (Advisor)
Wendy Y.T. AU
George K.H. CHAN
Serina K.S. CHAN
Neville C.H. CHENG
Ian P.N. CHU
Heidi H.Y. CHUI
Raphael Y. HUI
Alan Y.K. LAU
Danny T.H. LAU
Jonathan T.W. LEE
Tommy J.N. LIU
Amelia Y.W. LO
Anny C.L. LO
Daphne F.Y. LO
Vicky W.K. MAN
SHUM Hin Han
William W.L. TONG
Henry Y.H. WAI
Louise K.F. WONG
William W.K. WONG
Chandy C. YE
Maggie M.Y. YIM
Anthea H. ZHANG
Secretary: Assistant Director,
Communications and External Affairs

International Legal Affairs Committee

Amirali B. NASIR (Chair)
 Stephen W.S. HUNG (Vice-Chair)
 Simon M.Y. CHAN
 Heidi H.Y. CHUI (joined in October)
 Deborah S.W. FONG
 Munenori KAKU
 Frederick K.C. KAN
 Olivia H.Y. KUNG
 Karen LAM (joined in October)
 Alan H. LINNING (retired in October)
 David Y.C. LUK
 Melissa K. PANG
 Robert C. RHODA
 Louise K.F. WONG
 Philip W.C. WONG (retired in October)
 Maggie M.Y. YIM

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

Roden M.L. TONG	(Chair from October)	(9/9)
Cecilia K.W. WONG	(Chair until October)	(8/9)
Karen LAM	(Vice-Chair from October; joined in October)	(3/3)
Eliza L.S. CHANG	(Vice-Chair until October)	(6/9)
Bonita B.Y. CHAN		(5/9)
Grand H.L. CHAN		(6/9)
Nick CHAN		(5/9)
Serina K.S. CHAN		(9/9)
Eric T.M. CHEUNG	(joined in October)	(3/3)
Anthony W.K. CHOW	(resigned in August)	(4/6)
IP Shing Hing		(9/9)
Nancy B.Y. LEUNG	(joined in November)	(1/1)
Elaine Y.M. LO		(8/9)
Melissa K. PANG		(7/9)
Careen H.Y. WONG	(joined in October)	(3/3)

Secretary: Director of Member Services

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

In-House Lawyers Committee

Maggie Y.T. TSUI	(Chair)
Adamas K.S. WONG	(Vice-Chair)
C.M. CHAN	
Grand H.L. CHAN	
Ricky M.T. CHAN	
Joyce C. CHENG	(joined in October)
Vivian S.M. CHIU	(joined in October)
CHAN Wing Kit	
Diana W.L. HUI	
Geoffrey W.C. MO	
Rendy K.M. NG	(joined in October)
Jonathan ROSS	
Irene W.K. SIU	
Roden M.L. TONG	
Cerin N.T. YIP	
Secretary:	Assistant Director, Member Services (II)

Member Benefit Committee

CHAN Tze Chin	(Vice-Chair until October; Chair from November)
Bonita B.Y. CHAN	(Chair until October)
Nadine LAI	(Vice-Chair from November)
Simon S.M. CHAN	
Heidi H.Y. CHUI	
Geoffrey F. KAM	
Daphne F.Y. LO	
Sammy W.N. NG	
SAUW Yim	
Sharon S.Y. TAM	
Maggie Y.T. TSUI	
Adamas K.S. WONG	
Secretary:	Member Services Officer (I)

Practice Management Committee

Elaine Y.M. LO	(Chair)
Eliza L.S. CHANG	
Junius K.Y. HO	(joined in October)
HOU An Che	
IP Shing Hing	
Ambrose S.K. LAM	(joined in October)
Amirali B. NASIR	
NG Ching Wo	
Ludwig S.W. NG	
Melissa K. PANG	
Careen H.Y. WONG	
YAU Chi Keung	
Secretary:	Director of Member Services

Islamic Finance Working Party

Amirali B. NASIR	(Chair)
Balbir S. BINDRA	
John S. GALE	
Daphne F.Y. LO	(joined in October)
Kingsley T.W. ONG	
William W.L. TONG	(joined in October)
Edmond M.Y. YEUNG	
Secretary:	Assistant Director, Member Services (II)

Working Party for SME Firms

IP Shing Hing (Chair)
 Junius K.Y. HO (Chair until October)
 Careen H.Y. WONG (Vice-Chair from November;
 joined in November)

 Joseph W.K. CHAN
 Ian P.N. CHU (joined in October)
 Angela M.K. HO
 Kenneth H.W. SIT
 YAU Chi Keung
 Secretary: Director of Member Services

Pro Bono Committee

Serina K.S. CHAN (Chair)
 Arthur C.Y. CHAN (joined in October)
 Philip K.S. CHAN
 Sherman K.N. CHAN
 Eric T.M. CHEUNG
 Michelle Y.W. CHOW
 E. John DAVISON
 Maryellen N.Y. KO
 Anthony W.M. KWAN
 Alexander H.S. LEUNG
 Michelle S.M. LUK (resigned in August)
 Melissa K. PANG
 Jonathan ROSS (joined in October)
 Alan G. SCHIFFMAN
 William W.L. TONG (joined in October)
 Careen H.Y. WONG (joined in October)
 Davyd WONG
 Cassandra K.C. WU
 Felix P.H. YUEN (retired in September)
 Secretary: Assistant Director, Member Services (I)

Working Group on Insurance for Pro Bono Work

Eric T.M. CHEUNG (Chair)
 Secretary: Assistant Director, Member Services (I)

Working Group on Pro Bono Project on Building Management Work

Alexander H.S. LEUNG (Chair)
 Anthony W.M. KWAN
 Melissa K. PANG
 Secretary: Assistant Director, Member Services (I)

Working Group on Pro Bono Webpage

Davyd WONG (Chair)
 Serina K.S. CHAN
 May M.Y. LUN
 Maryellen N.Y. KO
 Secretary: Assistant Director, Member Services (I)

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
 Felix P.H. YUEN (joined in February;
 retired in September)
 Secretary: Assistant Director, Member Services (I)

Pro Bono and Community Work Recognition Committee

Melissa K. PANG (Chair)
 Sherman K.N. CHAN
 C.M. CHAN (joined in October)
 IP Shing Hing
 Daphne F.Y. LO
 William W.L. TONG (joined in October)
 Christopher K.Y. WONG
 Philip W.C. WONG
 Secretary: Assistant Director, Member Services (I)

Recreation and Sports Committee

Nick CHAN	(Chair)
Roden M.L. TONG	(Vice-Chair)
Agnes H.C. CHAN	
Simon S.M. CHAN	
CHAN Tze Chin	(joined in October)
Eliza L.S. CHANG	
Calvin K. CHENG	
Ian P.N. CHU	(joined in October)
Karen LAM	
Louisa S.M. LAM	(retired in September)
Sylvester SUNG	(retired in September)
William W.L. TONG	(joined in October)
Careen H.Y. WONG	(joined in October)
Jackie N.M. YEUNG	
Winston S.Q. YU	
Garris K.H. LAI	(student representative joined in January)
Winson C.O. CHU	(student representative joined in January)
Jason Y.S. LI	(student representative joined in January)
Secretary:	Assistant Director, Member Services (II)

InnoTech Committee

Amirali B. NASIR	(Chair)
Nick CHAN	(Vice-Chair)
Alan C.W. CHIU	
HO Ching Man	
Sebastian Y.F. KO	
Philip Z.F. KWOK	
William W.S. LAM	
Andrew S.K. LAW	
Amy L.E. LEE	(joined in October)
LEE Man Hei	
Steven K. LEE	
PANG Kam Wing	
Jolene REIMERSON	
Charles H.W. TO	
Alice F.M. TSUI	
YU Pui Hang	
Secretary:	Director of Member Services

Working Group on the Law Society's App

Nick CHAN	(Chair)
Grand H.L. CHAN	
CHAN Tze Chin	
IP Shing Hing	
KWAN Chiu Yin	
Secretary :	Assistant Director, Member Services (II)

Young Solicitors' Group

Bonita B.Y. CHAN	(Chair until May; resigned in May)
Vicky W.K. MAN	(Vice-Chair)
Melissa K. PANG	(Vice-Chair)
George K.H. CHAN	
Serina K.S. CHAN	
Eliza L.S. CHANG	
Janice K.C. CHANG	
Desmond C.T. CHEUNG	
Anson James DOUGLAS	
Sebastian Y.F. KO	
Gerald H.C. LAM	
Hilda LAM	
Kenneth L.K. LEE	
Billy C.H. TANG	
Catherine K.Y. WONG	
Karen H.L. WONG	
Louise K.F. WONG	
Felix P.H. YUEN	(retired in September)
Secretary:	Assistant Director, Member Services (II)

Interest Group on Mergers and Acquisitions

Ambrose S.K. LAM	(Chair)
Jan R. BOGAERT	
Nick CHAN	
May W.M. CHAN	
Michelle W. CHEN	
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

(Disbanded from 1 August 2018)

Huen WONG (Chair)
Amirali B. NASIR

Secretary: Assistant Director, Member Services (I)

Working Party on Historical Archive

Frederick K.C. KAN (Vice-Chair until May;
Chair from May)
Roderick B. WOO (Chair until May; resigned in May)

Jenkin S.F. CHAN
Stanley W.L. CHAN
Patrick R. MOSS
Amirali B. NASIR
Melissa K. PANG

Secretary: Assistant Director, Member Services (II)

Working Group on Law Library

(Disbanded from 6 June 2018)

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

Secretary: Director of Member Services

Member Services Department



Standing Committee on Policy and Resources

Melissa K. PANG	(Vice Chair until June; Chair from June)	(10/10)
Thomas S.T. SO	(Chair until June)	(8/10)
Amirali B. NASIR	(Vice-Chair from June)	(10/10)
Denis G. BROCK		(5/10)
C.M. CHAN	(joined in June)	(4/5)
Nick CHAN		(8/10)
Heidi K.P. CHU		(9/10)
Warren P. GANESH	(joined in October)	(2/2)
Brian W. GILCHRIST		(8/10)
Stephen W.S. HUNG		(9/10)
Simon S.C. LAI		(8/10)
Billy W.Y. MA		(6/10)
Roden M.L. TONG	(joined in October)	(2/2)
Huen WONG	(resigned in June)	(1/5)
Cecilia K.W. WONG	(resigned in October)	(7/8)

Secretary: Assistant Director,
Administration and Human Resources

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

Hong Kong Lawyer Editorial Board

Huen WONG	(Chair)
Peter C.H. CHAN	
Jenkin S.F. CHAN	(resigned in May)
Nick CHAN	
Charles C.C. CHAU	(joined in August)
Michelle M.L. CHENG	(joined in October)
Heidi K.P. CHU	
Julianne P. DOE	(joined in April)
Elliot FUNG	
Steven Brian GALLAGHER	
GU Minkang	(resigned in April)
Warren P. GANESH	
Julienne JEN	
Dave C.K. LAU	(resigned in June)
Karen LAM	(joined in April)

Byron T.W. LEUNG
Stella S.Y. LEUNG (joined in August)
Michelle K.M. TSANG (resigned in September)
Adamas K.S. WONG
Tony Y.H. YEN

Secretary: Assistant Director, Member Services (I)

Working Party on Law Society Premises

Billy W.Y. MA (Chair)
Amirali B. NASIR
Melissa K. PANG
Huen WONG

Secretary: Secretary General

Working Party on the Law Society IT Systems

Nick CHAN (Chair)
Pierre T.H. CHAN (joined in August)
Kenneth Y. CHOY
Sebastian Y.F. KO
Karen LAM (joined in August)
William W.S. LAM
Andrew S.K. LAW (resigned in November)
Steven K. LEE
Amirali B. NASIR
Charles H.W. TO
Roden M.L. TONG (joined in August)
YU Pui Hang (retired in November)

Secretary: IT Consultant

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

Huen WONG (Chair)
Julia F. CHARLTON
Paul K.Y. CHOW
Simon S.C. LAI
Thomas S.T. SO

Secretary: Deputy Secretary General

Finance and Administration Department



Standing Committee on Practitioners Affairs

Warren P. GANESH	(Chair from October)	(10/10)
Denis G. BROCK	(Chair until October)	(2/7)
Cecilia K.W. Wong	(Vice-Chair from October)	(2/3)
Simon H. BERRY		(5/10)
C.M. CHAN	(retired in October)	(4/7)
Eric T.M. CHEUNG	(joined in October)	(3/3)
Mark DALY		(4/10)
E. John DAVISON		(8/10)
Rebecca V.I. HO		(8/10)
IP Shing Hing		(9/10)
Richard KEADY		(7/10)
Simon S.C. LAI	(retired in October)	(4/7)
Karen LAM	(joined in October)	(2/3)
Jonathan C.Y. MOK		(7/10)
Amirali B. NASIR		(5/10)
Roden M.L. TONG		(9/10)
Simon W.L. WONG		(2/10)
Eric H.Y. WOO		(4/10)

Secretary: Director of Practitioners Affairs

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

Arbitration Committee

Huen WONG	(Chair)
Denis G. BROCK	
Stephen H.N. CHAN	
Mason Y.K. CHING	
Heidi H.Y. CHUI	
HAU Pak Sun	
Shourav LAHIRI	(joined in October)
Dominic Y.K. LAI	
Lily Y.Y. LAI	
Lorraine L.Y. LEE	(joined in October)
John Y.C. LEE	
Catherine L.M. MUN	
Billy Y.K. NG	
Robert C. RHODA	
Philip ROMPOTIS	(retired in October)
SHUM Hin Han	(joined in October)

Thomas S.T. SO	
Y.S. TEOH	(joined in October)
Sam K.S. TSUI	
Janie L.Y. WONG	
Kenneth W.Y. WONG	
Eric H.Y. WOO	
Yifan XIAN	(joined in October)
Steven W.Y. YIP	
Secretary:	Director of Practitioners Affairs

Arbitrators Admission Sub-committee

M.S. YEUNG	(Chair)
Gavin Z. DENTON	
Glenn R.A. HALEY	
James P. KWAN	
Dominic Y.K. LAI	
Simon D. POWELL	
Steven W.Y. YIP	
Secretary:	Director of Practitioners Affairs

Civil Litigation Committee

Kenneth W.Y. WONG	(Chair)
Denis G. BROCK	
Johnny C.M. FEE	
D. Nigel FRANCIS	
Warren P. GANESH	
Dominic GEISER	
Sally P.L. HO	(joined in October)
Patrick M.K. HUI	
Nicholas D. HUNSWORTH	
Richard KEADY	
Joseph S.M. KWAN	
Karen LAM	(joined in October)
Jeffrey H. LANE	
Brenda F. LEE	
Mark LIN	
Simon D. POWELL	
Nathan S.K. WONG	
Sherman C.N. YAN	
Secretary:	Assistant Director, Practitioners Affairs (II)

Company Law Committee

Simon S.C. LAI (Chair)
 Grace K.W. CHAN
 Julia F. CHARLTON
 Jacqueline S.T. CHIU
 Paul K.Y. CHOW
 Stanley CHOW (retired in October)
 Lisa M.C. CHUNG
 Danny K.H. KAN (joined in October)
 Vincent P.C. KWAN (retired in October)
 Bernardine S.Y. LAM
 Daphne F.Y. LO (joined in October)
 Lewis T. LUK (retired in October)
 John Martin MAGUIRE
 Alexander QUE (joined in October)
 Psyche C.S. TAI
 Patrick C.K. WONG
 Frank K.F. YUEN
 Secretary: Assistant Director, Practitioners Affairs (I)

Competition Law Committee

Simon H. BERRY (Chair)
 Nick CHAN
 Stephen R. CROSSWELL
 Sebastien J. EVRARD
 Clara INGEN-HOUSZ (resigned in November)
 Philip F. MONAGHAN (joined in October)
 Simon D. POWELL
 Henry J.H. WHEARE
 James H. WILKINSON
 David P.H. WONG
 YAM Kin Fung
 Secretary: Assistant Director, Practitioners Affairs (II)

Constitutional Affairs and Human Rights Committee

Amirali B. NASIR (Chair)
 Nick CHAN
 Mark H.Y. CHIU (joined in October)
 John J. CLANCEY
 Mark DALY

Dr. James D. FRY
 Junius K.Y. HO
 IP Shing Hing
 Elise O.S. Leung (joined in October)
 Melissa K. PANG
 Raymond C.P. SIU (retired in October)
 Thomas S.T. So
 Dr. Stephen THOMSON
 Secretary: Director of Practitioners Affairs

Criminal Law and Procedure Committee

Kenneth H.S. NG (Chair)
 Geoffrey N. BOOTH
 Bucky K.H. CHAN
 Johnny C.H. HO
 Stephen W.S. HUNG
 Christopher KNIGHT
 Paul M.W. LI
 Kane K.F. MAK
 Jonathan C.Y. MOK
 Kevin STEEL (retired in October)
 Eric TANG
 Michael J. VIDLER
 Ben K.K. WONG
 Secretary: Director of Practitioners Affairs

Employment Law Committee

Walter Y.W. LEE (Chair)
 Duncan A.W. ABATE
 Kim BOREHAM
 Lily S.M. CHANG
 Fiona B.L. CHOW
 Paul HASWELL
 Lily Y.Y. LAI
 Fiona M. LOUGHREY
 Melissa K. PANG
 Eric A. SZWEDA
 Charles H.W. TO
 Jennifer A. VAN DALE
 Secretary: Assistant Director, Practitioners Affairs (II)

Family Law Committee

Dennis C.K. HO	(Chair)
Anthony J. HUNG	(Vice-Chair)
Sherman S.Y. CHEUNG	(resigned in February)
Winnie W.Y. CHOW	
Barbara A. HUNG	
Jennifer W.C. IP	
Lily Y.Y. LAI	
Karen S.Y. LAM	
LAM Tze Yan	
LEUNG Shek Lim	
Dr. Athena N.C. LIU	
Jonathan C.Y. MOK	
Catherine K.G. POR	
Cecilia K.W. WONG	
Steve Y.F. WONG	(joined in March)
Kenneth K.S. YUNG	
Secretary:	Assistant Director, Practitioners Affairs (II)

Higher Rights of Audience Committee

Denis G. BROCK	(Chair)
CHIU Koon Shou	
Andrew N. HART	
Patrick M.K. HUI	
Jason D KARAS	
Jacky H.S. LEE	
Simon D. POWELL	
Secretary:	Director of Practitioners Affairs

Insolvency Law Committee

Keith M.K. HO	(Chair)
CHIU Koon Shou	(Vice-Chair)
Ian R. DE WITT	
Junius K.Y. HO	
Camille JOJO	
Ludwig S.W. NG	
Simon D. POWELL	
Alexander H.L. TANG	(joined in October)
Richard M. TOLLAN	
King K.L. WONG	
Vivian W.Y. WONG	(retired in October)
Secretary:	Assistant Director, Practitioners Affairs (II)

Insurance Law Committee

Martin C.v.M. LISTER	(Chair)
David G. ADAMS	(joined in January)
Denis G. BROCK	
Peter J. CASHIN	(joined in January)
Anthony L.C. CHIU	(joined in January)
Christine M. KOO	
MAK Hon Ming	
Gary MEGGITT	
Hideo NAKAMURA	(joined in January)
Mark F. REEVES	
Antony R. SASSI	(joined in January)
Rupert C. SKRINE	
Roden M.L. TONG	(joined in March)
Sam K.S. TSUI	
Stuart J. VALENTINE	(joined in January)
Shane F. WEIR	
WONG Kwok Yan	(retired in February)
Angela S.Y. YIM	
Secretary:	Assistant Director, Practitioners Affairs (II)

Intellectual Property Committee

Kenny K.S. WONG	(Chair)
Steven J. BIRT	
Simon C.C. CHAN	
Nick CHAN	
Ella S.K. CHEONG	
Yvonne CHUA	
A. Clinton D. EVANS	
Chloe Y.F. LEE	
Anita P.F. LEUNG	
Rebecca M.C. LO	
Annie S.T. TSOI	
Adelaide H.M. YU	
Secretary:	Assistant Director, Practitioners Affairs (I)

Investment Products and Financial Services Committee

Simon H. BERRY	(Chair)
Cherry M.S. CHOW	
Alan J. EWINS	(resigned in July)
Eliof S. W. FONG	

Peter M. LAKE
 Jason C.Y. LEE
 Alan H. LINNING
 Amirali B. NASIR
 Sara S.M. OR
 Charlotte J.G. ROBINS
 Maggie Y.T. TSUI (joined in October)
 Pdraig L. WALSH
 Adamas K.S. WONG

Secretary: Assistant Director, Practitioners Affairs (I)

Land Use Planning and Environmental Law Committee

E. John DAVISON (Chair)
 IP Shing Hing
 Andrew W.Y. NG
 Christopher TUNG

Secretary: Assistant Director, Practitioners Affairs (I)

Legal Aid Committee

Dennis C.K. HO (Chair from October)
 Stephen W.S. HUNG (Chair until October;
 resigned in October)

Patrick M. BURKE
 Sherlynn G. CHAN
 Junius K.Y. HO
 Rebecca V.I. HO
 J.C. Nicholas MILLAR
 Melissa K. PANG
 TANG Chi Keung
 Michael J. VIDLER
 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

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
 Patrick M. BURKE (retired in October)
 Bernard M. FLEMING
 LAM Tze Yan
 LEUNG Shek Lim (retired in October)
 G.T. LUNG

Maureen E. MUELLER
 Melissa K. PANG
 Catherine K.G. POR
 SHUM Hin Han (joined in October)
 Jody K.Y. SIN
 Sylvia W.Y. SIU
 Norris H.C. YANG (retired in October)

Secretary: Director of Practitioners Affairs

Personal Injuries Committee

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

Herbert H.K. TSOI (Chair from October)
Billy W.Y. MA (Chair until October)
AU Miu Po
Viola HUNG
Angelina LUK (joined in October)
NG Kin Yuen
TAM Sau Hing
TSANG Kam Chuen
WONG Tak Shing
Secretary: Assistant Director, Practitioners Affairs (I)

Joint Standing Committee on Probate Practice

Herbert H.K. TSOI (Chair)
AU Miu Po
Viola HUNG
Angelina LUK (joined in October)
Billy W.Y. MA
NG Kin Yuen
TAM Sau Hing
TSANG Kam Chuen
WONG Tak Shing
Secretary: Assistant Director, Practitioners Affairs (I)

Property Committee

Lilian S.F. CHIANG (Chair)
Dora W.Y. CHAN (joined in October)
Debbie F. CHEUNG
Keith P.K. CHEUNG
Tommy K.K. CHUNG
Doreen Y.F. KONG
Emily Y.M. LAM
Dennis W.C. LI
Amanda L.Y. LIU (joined in October)
LUI Yiu Fai (retired in October)
Billy W.Y. MA

Lilian P.Y. MAK
Vernon Y.H. PANG (retired in October)
WONG Man Wa
Cleresa P.Y. WONG
David P.H. WONG
Secretary: Assistant Director, Practitioners Affairs (I)

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

Subgroup on LTO Forms

(Disbanded on 12 June 2018)
E. John DAVISON (Chair)
Lillian L.N. HO
David K.F. IP
Alexander H.S. LEUNG
Fanny S.F. MAK
Melissa K. PANG
Chris S.H. PANG
Anthony H.Y. SHIN
TING Lee Hoong
Secretary: Assistant Director, Practitioners Affairs (I)

Retirement Schemes 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: Assistant Director, Practitioners Affairs (I)

Revenue Law Committee

Steven R. SIEKER (Chair)
 C.M. CHAN
 Sally S.W. IP
 Vincent P.C. KWAN
 Angela Y.L. LAU
 Simon J.G. RAE
 Jacqueline Y.M. SHEK
 William A. THOMSON (resigned in December)
 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
 Steven M.W. SHUM
 Secretary: Assistant Director, Practitioners Affairs (I)

Transportation and Logistics Committee

Steven J. WISE (Chair)
 Victor S.H. CHAN
 Matthew H.Y. LAM
 LI Lianjun
 LEUNG Wai Lim
 Gillian E. MELLER
 Robert C. RHODA

TSUI Kwok Sum
 Jason H. WEBBER
 WONG Yiu Chung
 Eric H.Y. WOO
 Secretary: Assistant Director, Practitioners Affairs (II)

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 (resigned in December)
 Stephen M. VINE
 Careen H.Y. WONG (joined in October)
 WONG Tak Shing
 Secretary: Assistant Director, Practitioners Affairs (II)

Working Party on Enduring Powers of Attorney

Billy W.Y. MA (Chair)
 E. John DAVISON
 Angelina LUK (joined in October)
 Herbert H.K. TSOI
 Cecilia K.W. WONG
 Secretary: 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

(Disbanded on 10 October 2018)

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 (retired in October)

Karen McCLELLAN

Secretary: Assistant Director, Practitioners Affairs (II)

Working Party on Judiciary's Information Technology Plan

Amirali B. NASIR (Chair)

Nick CHAN

Dominic A. GEISER

Johnny C.H. HO

Richard KEADY

Sebastian Y.F. KO

Philip Z.F. KWOK

Kane K.F. MAK

SIM Sze Kuan

Secretary: Director of Practitioners Affairs

Working Party on Land Titles Ordinance

(Disbanded on 12 June 2018)

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)

Working Party on Litigation Funding

(Disbanded on 10 October 2018)

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

Secretary: Director of Practitioners Affairs

Working Party on Review of Non-Consent Scheme Forms

Amanda L.Y. LIU (Chair)

Doreen Y.F. KONG

LUI Yiu Fai

WONG Man Wa

Secretary: Assistant Director, Practitioners Affairs (I)

Working Party on Party and Party Rates

(Disbanded on 17 January 2018)

Denis G. BROCK (Chair)

Nicholas D. HUNSWORTH

Amirali B. NASIR

Kenneth W.Y. WONG

Secretary: Director of Practitioners Affairs

Working Party on Resolution Regime

(Disbanded on 10 October 2018)

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

Doreen Y.F KONG (Chair)

Maggie K.K. CHEUNG (joined in October)

Diana P.Y. HO (joined in October)

LEUNG Siu Hon

MA Ho Fai

WAN Shiu Man

David P.H. WONG (retired in October)

Secretary: Assistant Director, Practitioners Affairs (I)

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

Mark F. REEVES

Kenneth W.Y. WONG

Secretary: Director of Practitioners Affairs

Practitioners Affairs Department



Standing Committee on Standards and Development

Denis G. BROCK	(Chair from October)	(3/3)
Brian W. GILCHRIST	(Chair until October)	(11/12)
Serina K.S. CHAN	(Vice-Chair)	(11/12)
Simon S.C. LAI	(Vice-Chair from October)	(3/3)
Bonita B.Y. CHAN		(6/12)
Heidi H.Y. CHUI		(4/12)
Albert T. DA ROSA JR.		(9/12)
Mark DALY		(0/12)
HAU Pak Sun		(10/12)
Stephen W.S. HUNG		(10/12)
IP Shing Hing		(8/12)
Catherine L.M. MUN		(6/12)
Jonathan ROSS		(10/12)
Peter K.P. SIT		(10/12)
Thomas S.T. SO		(2/12)
Simon S.P. TANG		(2/12)
Roden M.L. TONG	(resigned in October)	(6/9)
Careen H.Y. WONG	(joined in October)	(3/3)
Adamas K.S. WONG		(10/12)

Secretary: Director of Standards and Development

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

Anti-Money Laundering Committee

Michael J. LINTERN-SMITH	(Chair)
Jason D. CARMICHAEL	
C.M. CHAN	(joined in August)
CHAN Wing Leung	(retired in October)
Lily S.M. CHANG	(retired in October)
Simon R. DEANE	
Serge G. FAFALAN	
LEE Kher Sheng	(retired in October)
Danny C.M. LEUNG	
Alan H. LINNING	
Amirali B. NASIR	(joined in August)
Kareena P.G. TEH	

Secretary: Assistant Director, Regulation and Guidance (I)

Continuing Professional Development Committee

Adamas K.S. WONG	(Chair)
Professor Douglas ARNER	
Ram D. BIALA	
Serina K.S. CHAN	(joined in October)
Iris CHEUNG	
Johnny C.M. FEE	
Alexandra D.W. LO	
Michael A. OLESNICKY	
Stuart VALENTINE	
Secretary:	Director of Standards and Development

CPD Accreditation Sub-committee

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

Secretary: Assistant Director, Professional Development

Foreign Lawyers Committee

Denis G. BROCK (Chair)
 John C.K. CHAN
 Raymond CHAN
 May W.M. CHAN (resigned in July)
 Carmel A. GREEN
 LI Huanting
 Jonathan ROSS (joined in October)
 SIN Ping Kwan
 Rupert C. SKRINE
 Maëva L. SLOTINE

Secretary: Assistant Director, Regulation and Guidance (I)
 (from January to May)
 Assistant Director, Regulation and Guidance (II)
 (from June to December)

Guidance Committee

Stephanie S.Y. CHEUNG (Chair)
 Serina K.S. CHAN (joined in October)
 CHIU Koon Shou
 Gladys K.M. LO (joined in August)
 Patrick R. MOSS
 Amirali B. NASIR
 Frank C.F. NG (joined in August)
 Gregory D. PAYNE
 Daniel K.M. SHUM (retired in August)
 Johnson M.H. TSANG

Secretary: Assistant Director, Regulation and Guidance (I)

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

Amirali B. NASIR (Chair)
 Stephen W.K. LAU
 Billy W.Y. MA
 Careen H.Y. WONG (joined in October)

Secretary: Assistant Director, Regulation and Guidance (I)

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

Secretary: Director of Standards and Development

Mediator and Parenting Coordinator Admission Committee

Cecilia K.W. WONG (Chair)
 CHAN Bing Woon (Vice-Chair)
 Michael Halley BECKETT
 Maureen E. MUELLER
 Catherine L.M. MUN (joined in November)
 Jody K.Y. SIN

Secretary: Dispute Resolution Co-ordinator

Overseas Lawyers Qualification Examination Committee

Donna L. WACKER (Chair)
 Denis G. BROCK (joined in October)
 Bonita B.Y. CHAN
 Nick CHAN
 Darcy Lynn DAVISON-ROBERTS
 James C. LIN
 Mark LIN

Secretary: Director of Standards and Development

Overseas Lawyers Examination Panel Convenors

Malcolm MERRY (Chief Examiner)

HEAD I : Conveyancing

Myrette J. FOK (Convenor)

Wilson W.S. CHOW

Alisa W.C. KWAN

Alexander H.S. LEUNG

Professor Michael LOWER

George S.K. NGAI

Simon J. REID-KAY

HEAD II : Civil and Criminal Procedure

James E. JAMISON (Convenor)

Amanda WHITFORT (Convenor)

Louis K.L. FUNG (Acting Convenor from July)

Simon D. L. CHENG (joined in July)

William M. P. CHUA

William S. CLARKE

Julienne JEN

Nancy B.Y. LEUNG

Simon D. POWELL (joined in July)

John R. READING, S.C.

Martin D. ROGERS

Bernard K.F. SIU

HEAD III : Commercial and Company Law

Mark J. STEVENS (Convenor)

Mary W.Y. AU-YUENG

Felix W.H. CHAN

Peter C.H. CHAN

Shirley S.L. CHUA

Professor Dennis H.F. HIE

Michelle P.Y. LIU

Alexandra D.W. LO

Daphne F.Y. LO

Adrian K.M. WONG

HEAD IV : Accounts and Professional Conduct

Colin B. COHEN (Convenor)

Professor Michael WILKINSON (Convenor)

Adrian J. HALKES

Ludwig S.W. NG

Peter K.P. SIT

HEAD V : Principles of Common Law

Peter F. RHODES (Convenor)

Adrian K.M. WONG (Convenor)

Shirley S.L. CHUA

William M. P. CHUA (joined in March)

Colin B. COHEN (joined in March)

Julianne P. DOE

Louis K.L. FUNG

James E. JAMISON (joined in March)

Anthony F. NEOH, S.C.

Andrew J. RAFFELL

John R. READING, S.C. (joined in March)

Symon Y. W. WONG

HEAD VI : Hong Kong Constitutional Law

Danny GITTINGS (Convenor)

William S. CLARKE

Professor LIN Feng

Professor Michael RAMSDEN

Professor Stephen THOMSON

Professor ZHU Guobin

Risk Management Education Committee

Cecilia K.W. WONG (Chair)
 Warren P. GANESH (Vice-Chair)
 Gloria W.F. CHEUNG (joined in August)
 CHUNG Lai Ming (resigned in August)
 Stephen W.S. HUNG (joined in October)
 Hilda LAM
 Pearl P.L. LAM (retired in October)
 Vicky W.K. MAN
 Thomas S.T. SO
 Secretary: Director of Standards and Development

RME Accreditation Sub-committee

Thomas S.T. SO (Chair)
 Serina K.S. CHAN
 Gloria W.F. CHEUNG (joined in August)
 Heidi H.Y. CHUI (joined in October)
 CHUNG Lai Ming (resigned in August)
 Professor Dennis H.F. HIE
 Christopher KNIGHT
 Alan M.B. LAM
 Catherine L.M. MUN
 John Y.C. LEE
 Secretary: Director of Standards and Development

Trainee Solicitors Committee

Serina K.S. CHAN (Chair)
 John T. HARTLEY
 Professor Dennis H.F. HIE
 Karen S.K. LAM
 Daphne F.Y. LO
 David Y.C. LUK
 Ivan C.K. NG
 Secretary: Director of Standards and Development

Solicitors' Accounts Rules Committee

Amirali B. NASIR (Chair)
 Connie CARMICHAEL
 Serina K.S. CHAN
 Colin B. COHEN
 Brian W. GILCHRIST
 Thomas S.T. SO
 Careen H.Y. WONG
 Anny T.C. WU
 Secretary: Assistant Director, Regulation and Guidance (I)

Guide Working Party

Amirali B. NASIR (Chair)
 CHIU Koon Shou (joined in October)
 Patrick R. MOSS
 Peter K.P. SIT (joined in October)
 Professor Michael WILKINSON
 Secretary: Assistant Director, Regulation and Guidance (I)

Working Party on the Practising Certificate (Special Conditions) Rules

Simon S.P. TANG (Chair)
Warren P. GANESH
Stephen W.S. HUNG
IP Shing Hing
Henson LAM
Thomas S.T. SO
Margot TUNG
Secretary: Assistant Director, Regulation and Guidance (I)

Working Party on Solicitor Corporation Rules

Junius K.Y. HO (Chair)
Serina K.S. CHAN
Anthony W.K. CHOW
Warren P. GANESH
IP Shing Hing
Frederick K.C. KAN
Christopher E.M. LAMBERT
Amirali B. NASIR
Ivan C.K. NG
Melissa K. PANG
Peter K.P. SIT
Cecilia K.W. WONG
Secretary: Director of Standards and Development

Working Party on Solicitors' Practice Rules

Amirali B. NASIR (Chair)
Colin B. COHEN
IP Shing Hing
Patrick R. MOSS
NG Ching Wo
Ivan C.K. NG
Professor Michael WILKINSON
Careen H.Y. WONG (joined in October)
Secretary: Director of Standards and Development

Working Party on Practice in Service Centres, at Home, in Domestic Premises or by Virtual Offices

PANG Kam Wing (Chair)
Nick CHAN
Mark DALY
Sebastian Y.F. KO (joined in October)
Andrew S.K. LAW (resigned in November)
Vivien LEE
SZETO Wai Sun
William W.L. TONG (joined in October)
Margot TUNG
Edmond M.Y. YEUNG
YU Pui Hang
YUEN Tat Tong
Secretary: Assistant Director, Regulation and Guidance (I)

Working Group on the Common Entrance Examination Position Paper

Stephen W.S. HUNG (Chair)
Nick CHAN
Heidi K.P. CHU
Brian W. GILCHRIST
Simon S.C. LAI
Melissa K. PANG
Thomas S.T. SO
Dieter YIH
Secretary: Director of Standards and Development

Standards and Development Department



Law Society Representatives On Statutory or Official Committees

Advisory Committee on Pilot Scheme for Provision of Publicly-funded Legal Assistance for Non-refoulement Claimants

Amirali B. NASIR

Advisory Group on Modernisation of Corporate Insolvency Law

Keith M.K. HO

Business of Intellectual Property Asia Steering Committee

Kenny K.S. WONG

Cadastral Survey Consultative Committee

E. John DAVISON

City University of Hong Kong – Law School Board

Thomas S.T. SO (until August)
Melissa K. PANG (from September)

City University of Hong Kong – PCLL Academic Board

Bonita B.Y. CHAN
Nick CHAN
Stephen W.S. HUNG (until August)
Huen WONG
Felix K.Y. YAU

Companies Registry Customer Liaison Group

Jane M.S. NG

Costs Committee

Denis G. BROCK
Amirali B. NASIR
Melissa K. PANG (from July)
Robert RHODA (from July)
Thomas S.T. SO (until July)
Dieter YIH (until July)

Court of Final Appeal Rules Committee

Denis G. BROCK
Brian W. GILCHRIST

Criminal Court Users Committee

Kenneth H.S. NG

Criminal Procedure Rules Committee

Eric T.M. CHEUNG (from July)
Kenneth H.S. NG (until July)

Working Group on The Review of Criminal Legal Aid Fees System

Stephen W.S. HUNG
Kenneth H.S. NG

Correctional Services Department – Law Society Liaison Committee

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

Department of Justice – Steering Committee on Mediation

Thomas S.T. SO

Department of Justice – Working Group on Class Action

Huen WONG

District Court Rules Committee

Amirali B. NASIR

Duty Lawyer Service Council

Bonita B.Y. CHAN
Stephen W.S. HUNG (from February)
Kenneth H.S. NG
Cecilia K.W. WONG

**Election Committee of the 22nd Session of Advice
Management Committee of Hong Kong Teacher's Centre**

Nick CHAN

High Court Rules Committee

Denis G. BROCK
Amirali B. NASIR

Higher Rights Assessment Board

Denis G. BROCK
Bonita B.Y. CHAN
Melissa K. PANG

**Hong Kong Bar Association –
Free Legal Service Scheme Advisory Board**

Mark DALY

**Hong Kong Building Rehabilitation Facilitation
Services Limited – Service Providers Committee
and Promotion Committee**

Doreen Y.F. KONG

Hong Kong Coalition of Professional Services Limited

Melissa K. PANG

**Hong Kong Council of Social Service – Steering
Committee for Community Housing Movement Project**

Melissa K. PANG

Hong Kong Council of Volunteering

Melissa K. PANG

**Hong Kong Institute of Certified Public Accountants –
Disciplinary Panel**

C.M. CHAN

**Hong Kong Institute of Certified Public Accountants –
Ethics Committee**

Thomas S.T. SO

**Hong Kong International Arbitration Centre –
Appointment Advisory Board**

Melissa K. PANG

Hong Kong Legislation Database User Liaison Group

Stephen W.S. HUNG

Hong Kong Mediation Accreditation Association Limited

Melissa K. PANG
Cecilia K.W. WONG

**Hong Kong Mediation Accreditation Association
Limited – Mediation Accreditation Committee**

Sylvia W.Y. SIU

**Hong Kong Mediation Accreditation Association
Limited – Communications and Publicity Committee**

Sylvia W.Y. SIU

**Hong Kong Trade Development Council –
Professional Services Advisory Committee**

Melissa K. PANG

**Intellectual Property Department – Focus Group
on Review of the Patent System in Hong Kong**

Henry J.H. WHEARE
Kenny K.S. WONG

International Association of Young Lawyers

Louise K.F. WONG

International Bar Association – Bar Issues Commission

Heidi K.P. CHU
Melissa K. PANG
Thomas S.T. SO

International Bar Association – Council

Melissa K. PANG
Thomas S.T. SO

**International Bar Association –
Young Lawyers’ Committee National Representative**

SHUM Hin Han

Joint Liaison Committee on Taxation

Simon J.G. REA
William A. THOMSON

Joint Mediation Helpline Office

Melissa K. PANG
Cecilia K.W. WONG

Judicial Officers Recommendation Commission

Stephen W.S. HUNG

Judiciary – Civil Justice Reform Monitoring Committee

Brian W. GILCHRIST

Land Registry Customer Liaison Group (Private Sector)

AU Kin Man
AU Man Chun
Alson CHAI
Doreen Y.F. KONG
LAM Man Yee
LEONG Chi Wai

Land Registry Joint Standing Committee

Emily Y.M. LAM
Billy W.Y. MA
Terry P.L. YEUNG
Sylvia W.Y. SIU

**Land Survey Ordinance (Ch.473) Disciplinary
Board Panel**

Serina K.S. CHAN

Land Titles Ordinance Review Committee

Peter P. AHERNE
Doreen Y.F. KONG (from August)
NGAN On Tak
Judith SIHOMBING (until August)
WONG Man Wa

Land Titles Ordinance Steering Committee

Lillian S.F. CHIANG (from August)
E. John DAVISON (until August)

**Land Title Ordinance – Title Registration
Education Committee**

Lilian S.F. CHIANG (from August)
E. John DAVISON (until August)
Doreen Y.F. KONG (from August)
Joseph C.W. LI (until August)
LUI Yiu Fai (from August)
NGAN On Tak (until August)
Judith SIHOMBING (until August)
WONG Man Wa (from August)

LAWASIA Council

C.M. CHAN
Melissa K. PANG

LAWASIA Executive Committee

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**

Patrick M. BURKE
Rebecca HO

Mr. Justice Pickering Memorial Fund

Billy W.Y. MA

Official Receiver's Office Services Advisory CommitteeJunius K.Y. HO
Richard M. TOLLAN

Organising Committee of the 2017/2018 Family-Friendly Employers Award Scheme

Serina K.S. CHAN

Police/Law Society Liaison CommitteeJunius K.Y. HO
Ambrose S.K. LAM
MA Shiu Ngok
Melissa K. PANG
Kevin STEEL

Social Workers Registration Board – Assessment Panel

C.M. CHAN

Standing Committee on Legal Education and TrainingNick CHAN
Simon S.C. LAI
Vivien LEE

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

Huen WONG

The Chinese University of Hong Kong – PCLL Academic BoardStephen W.S. HUNG
Huen WONG

The Hong Kong Coalition of Service Industries – Executive CommitteeStephen W.S. HUNG (until June)
Melissa K. PANG (from July)

The Hong Kong Institute of Architects – Advisory Board

Amirali B. NASIR

The Hong Kong Institute of Surveyors – Advisory Board

Amirali B. NASIR

The Joint Professional Centre LimitedHeidi K.P. CHU
Billy W.Y. MA

The University of Hong Kong – PCLL Academic BoardBonita B.Y. CHAN
Nick CHAN
Stephen W.S. HUNG
Felix K.Y. YAU

Subcommittees of the PCLL Academic Board of the University of Hong Kong**(i) Admission Subcommittee**

Stephen W.S. HUNG

(ii) Curriculum Subcommittee

Nick CHAN

(iii) Human Resources Subcommittee

Felix K.Y. YAU

The University of Hong Kong – Board of Faculty of Law

Thomas S.T. SO

Union International Des Advocates

Frederick K.C. KAN (until November)

Young Coalition Professional Group of The Hong Kong Coalition of Professional ServicesSerina 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 85 to 107, which comprise the statement of financial position as at 31 December 2018, 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 2018 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 scepticism 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council Members.

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

(Incorporated in Hong Kong and limited by guarantee)

- 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

12 March 2019

Statement of Profit or Loss and Other Comprehensive Income

for the year ended 31 December 2018

(Expressed in Hong Kong dollars)

	Note	2018 HK\$	2017 HK\$
Income	3	112,663,618	103,063,177
Staff costs	4(a)	(58,963,104)	(54,343,718)
Office expenses	4(b)	(5,514,058)	(4,993,623)
Depreciation	7	(4,230,920)	(3,685,387)
Members' expenses	4(c)	(6,471,214)	(7,938,839)
Other operating expenses	4(d)	(27,417,405)	(33,995,430)
Surplus/(deficit) before taxation	4	10,066,917	(1,893,820)
Income tax	6(a)	(161,612)	8,080
Surplus/(deficit) and total comprehensive income for the year		9,905,305	(1,885,740)

The notes on pages 89 to 107 form part of these financial statements.

Statement of Financial Position

at 31 December 2018

(Expressed in Hong Kong dollars)

	Note	2018 HK\$	2017 HK\$
Non-current assets			
Property, plant and equipment	7	115,367,280	116,705,338
Investments in subsidiaries	8	22	22
Deferred tax assets	13(b)	310,380	471,992
Deposits		–	913,376
		115,677,682	118,090,728
Current assets			
Deposits, prepayments and other receivables	9	2,867,355	2,167,060
Amount due from a related company	10	549,917	398,033
Cash and deposits with banks	11	195,947,418	169,358,407
		199,364,690	171,923,500
Current liabilities			
Membership, practising certificate and other fees received in advance	12(a)	81,221,580	63,167,941
Creditors and accrued charges	12	33,325,864	36,256,664
		114,547,444	99,424,605
Net current assets		84,817,246	72,498,895
Net assets		200,494,928	190,589,623
Representing:			
Accumulated surpluses and reserves		200,494,928	190,589,623

Approved and authorised for issue by the Council on 12 March 2019.

Council Members

Melissa K. Pang Amirali B. Nasir

Secretary General

Heidi K. P. Chu

The notes on pages 89 to 107 form part of these financial statements.

Statement of Changes in Equity

for the year ended 31 December 2018

(Expressed in Hong Kong dollars)

		Accumulated Surplus HK\$	Reserve for regulatory costs (note) HK\$	Total HK\$
Balance at 1 January 2017		192,475,363	–	192,475,363
Changes in equity for 2017:				
Deficit and total comprehensive income		(1,885,740)	–	(1,885,740)
Transfer from accumulated surplus to reserve for regulatory costs	note	(10,000,000)	10,000,000	–
Balance at 31 December 2017 and 1 January 2018:		180,589,623	10,000,000	190,589,623
Changes in equity for 2018:				
Surplus and total comprehensive income		9,905,305	–	9,905,305
Transfer from accumulated surplus to reserve for regulatory costs	note	(15,000,000)	15,000,000	–
Balance at 31 December 2018		175,494,928	25,000,000	200,494,928

Note:

To build up a reserve for The Law Society to fulfil its statutory regulatory functions, the Council resolved on 11 December 2018 (2017: 5 December 2017) that a sum of HK\$15 million (2017: HK\$10 million) be transferred from The Law Society's accumulated surplus to a special reserve for regulatory costs.

Cash Flow Statement

for the year ended 31 December 2018
(Expressed in Hong Kong dollars)

	Note	2018 HK\$	2017 HK\$
Operating activities			
Cash generated from operations	11(b)	26,351,035	2,917,989
Hong Kong profits tax refunded		–	139,828
Net cash generated from operating activities		26,351,035	3,057,817
Investing activities			
Increase in deposits with banks with maturity of more than three months at acquisition		(3,764,174)	(16,083,411)
Interest received		2,217,462	1,259,963
Payment for the purchase of property, plant and equipment and related deposits		(1,979,486)	(1,169,639)
Net cash used in investing activities		(3,526,198)	(15,993,087)
Net increase/(decrease) in cash and cash equivalents		22,824,837	(12,935,270)
Cash and cash equivalents at 1 January		86,080,230	99,015,500
Cash and cash equivalents at 31 December	11(a)	108,905,067	86,080,230

The notes on pages 89 to 107 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 2018, The Law Society had 11,266 members (2017: 10,798).

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.

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.

Notes to the Financial Statements (continued)

(Expressed in Hong Kong dollars)

2 Significant accounting policies (continued)

(c) Changes in accounting policies

The HKICPA has issued a number of new HKFRSs and amendments to HKFRSs that are first effective for the current accounting period of The Law Society. Of these, the following developments are relevant to The Law Society's financial statements:

- (i) HKFRS 9, *Financial instruments*
- (ii) HKFRS 15, *Revenue from contracts with customers*

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

(i) HKFRS 9, *Financial instruments*

HKFRS 9 replaces HKAS 39, *Financial instruments: recognition and measurement*. It sets out the requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items.

The Law Society has applied HKFRS 9 retrospectively to items that existed at 1 January 2018 in accordance with the transition requirements. The Law Society has recognised the cumulative effect of initial application as an adjustment to the opening equity at 1 January 2018. Therefore, comparative information continues to be reported under HKAS 39.

Further details of the nature and effect of the changes to previous accounting policies and the transition approach are set out below:

a. Classification of financial assets and financial liabilities

HKFRS 9 categorises financial assets into three principal classification categories: measured at amortised cost, at fair value through other comprehensive income (FVOCI) and at fair value through profit or loss (FVPL). These supersede HKAS 39's categories of held-to-maturity investments, loans and receivables, available-for-sale financial assets and financial assets measured at FVPL. The classification of financial assets under HKFRS 9 is based on the business model under which the financial asset is managed and its contractual cash flow characteristics. The classification of financial assets and carrying amounts of the financial assets at 1 January 2018 have not been impacted by the initial application of HKFRS 9.

For an explanation of how The Law Society classifies and measures financial assets and recognises related gains and losses under HKFRS 9, see respective accounting policy notes 2(i).

The measurement categories for all financial liabilities remain the same. The carrying amounts for all financial liabilities at 1 January 2018 have not been impacted by the initial application of HKFRS 9.

2 Significant accounting policies (continued)

(c) Changes in accounting policies (continued)

b. Credit losses

HKFRS 9 replaces the “incurred loss” model in HKAS 39 with the “expected credit loss” (ECL) model. The ECL model requires an ongoing measurement of credit risk associated with a financial asset and therefore recognises ECLs earlier than under the “incurred loss” accounting model in HKAS 39.

The Law Society applies the new ECL model to financial assets measured at amortised cost (including cash and deposits with banks and other receivables).

For further details on The Law Society’s accounting policy for accounting for credit losses, see respective accounting policy notes 2(i). The closing loss allowance determined in accordance with HKAS 39 as at 31 December 2017 is the same as the opening loss allowance determined in accordance with HKFRS 9 as at 1 January 2018.

(ii) HKFRS 15, *Revenue from contracts with customers*

HKFRS 15 establishes a comprehensive framework for recognising revenue and some costs from contracts with customers. HKFRS 15 replaces HKAS 18, *Revenue*, which covered revenue arising from sale of goods and rendering of services, and HKAS 11, *Construction contracts*, which specified the accounting for construction contracts.

HKFRS 15 also introduces additional qualitative and quantitative disclosure requirements which aim to enable users of the financial statements to understand the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers.

The adoption of HKFRS 15 does not have any material impact on the financial position and the financial result of The Law Society.

(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)).

Notes to the Financial Statements (continued)

(Expressed in Hong Kong dollars)

2 Significant accounting policies (continued)

(e) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses (see note 2(g)).

Depreciation is calculated to write off the cost of items of property, plant and equipment, less their estimated residual value, if any, using the straight line method over their estimated useful lives as follows:

- Leasehold land classified as being held for own use under 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.

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.

(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.

Notes to the Financial Statements (continued)

(Expressed in Hong Kong dollars)

2 Significant accounting policies (continued)

(i) Deposits, prepayments and other receivables

A receivable is recognised when The Law Society has an unconditional right to receive consideration. A right to receive consideration is unconditional if only the passage of time is required before payment of that consideration is due. If revenue has been recognised before The Law Society has an unconditional right to receive consideration, the amount is presented as a contract asset.

Receivables are stated at amortised cost using the effective interest method less allowance for credit losses as determined below:

(i) Policy applicable from 1 January 2018

The loss allowance is measured at an amount equal to lifetime expected credit losses (ECLs), which are those losses that are expected to occur over the expected life of the trade receivables. The loss allowance is estimated using a provision matrix based on The Law Society's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions at the reporting date.

ECLs are remeasured at each reporting date with any changes recognised as an impairment gain or loss in profit or loss. The Law Society recognises an impairment gain or loss with a corresponding adjustment to the carrying amount of trade and other receivables through a loss allowance account.

The gross carrying amount of a trade debtor or other receivable is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when The Law Society determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

(ii) Policy applicable prior to 1 January 2018

Impairment losses were recognised when there was objective evidence of impairment and were 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 was material. Objective evidence of impairment included observable data that came to the attention of The Law Society about events that had an impact on the asset's estimated future cash flows such as significant financial difficulty of the debtor.

When the recovery of a trade debtor or other receivable was considered doubtful but not remote, associated impairment losses were recorded using an allowance account. When The Law Society was satisfied that recovery was remote, the amount considered irrecoverable was written off against the gross carrying amount of those assets directly. Subsequent recoveries of amounts previously charged to the allowance account were reversed against the allowance account. Other changes in the allowance account and subsequent recoveries of amounts previously written off directly were recognised in profit or loss.

2 Significant accounting policies (continued)

(j) Creditors and accrued charges

Membership, practising certificate and other fees received in advance

Creditors and accrued charges and membership, practising certificate and other fees received in advance 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.

A contract liability is recognised when the customer pays non-refundable consideration before The Law Society recognises the related revenue (see note 2(o)). A contract liability would also be recognised if The Law Society has an unconditional right to receive non-refundable consideration before The Law Society recognises the related revenue. In such cases, a corresponding receivable would also be recognised.

(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.

Notes to the Financial Statements (continued)

(Expressed in Hong Kong dollars)

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

Income is classified by The Law Society as revenue when it arises from the sale of goods or the provision of services in the ordinary course of Law Society's business.

Revenue is recognised when control over a product or service is transferred to the customer, at the amount of promised consideration to which The Law Society is expected to be entitled, excluding those amounts collected on behalf of third parties. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

Further details of The Law Society's revenue recognition policies are 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.

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.

Notes to the Financial Statements (continued)

(Expressed in Hong Kong dollars)

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	2018 HK\$	2017 HK\$
Income from contracts with customers within the scope of HKFRS 15			
Annual membership fees		8,823,200	8,420,800
Practising certificate fees		49,117,500	46,980,000
Foreign lawyer registration fees		17,149,500	15,457,500
Foreign law firm registration fees		1,282,008	1,298,007
Other fees	3(a)	17,763,298	16,593,417
Continuing professional development		3,751,222	2,937,121
Miscellaneous income	3(b)	5,172,664	5,544,805
		103,059,392	97,231,650
Income from other sources			
Disciplinary proceedings and ancillary costs reimbursed	2(h)	7,386,764	4,571,564
Bank interest income	11(b)	2,217,462	1,259,963
		9,604,226	5,831,527
		112,663,618	103,063,177

- (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.

4 Surplus/(deficit) before taxation

Surplus/(deficit) before taxation is arrived at after (crediting)/charging:

	Note	2018 HK\$	2017 HK\$
(a) Staff costs			
Salaries and allowances		52,097,346	48,629,775
Contributions to defined contribution retirement plan		6,044,965	5,749,666
Provident fund contribution forfeitures		(435,402)	(568,749)
Recruitment and training		1,256,195	533,026
		58,963,104	54,343,718
(b) Office expenses			
Rates and service charges		1,467,105	1,435,804
Electricity and telephone		431,553	443,684
Postage		244,585	164,417
Printing and stationery		2,252,847	1,883,371
Repairs and maintenance		541,379	449,056
Office cleaning and others		576,589	617,291
		5,514,058	4,993,623
(c) Members' expenses			
Issue of membership cards		94,967	127,600
Functions		3,604,373	5,037,366
Meetings		1,536,923	1,302,022
Facilities		1,234,951	1,471,851
		6,471,214	7,938,839
(d) Other operating expenses			
Disciplinary proceedings and ancillary costs* (including office rental of \$Nil (2017: \$430,947))	2(h)	11,679,501	20,409,285
Professional education		131,361	75,109
Professional and consultancy fees		570,274	451,519
Professional development		7,603,511	6,997,316
Auditor's remuneration		144,200	140,000
Insurance and medical		3,835,517	2,908,065
Impairment loss on amount due from a subsidiary		–	30,925
Sundry		3,453,041	2,983,211
		27,417,405	33,995,430

* \$8,696,901 (2017: \$14,811,090) was incurred in respect of interventions within solicitors' practices, and \$549,261 (2017: \$2,522,669) was incurred in respect of litigation cases.

Notes to the Financial Statements (continued)

(Expressed in Hong Kong dollars)

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:

	2018 HK\$	2017 HK\$
Council Members' fees	–	–
Salaries, allowances and benefits in kind	–	–
Discretionary bonuses	–	–
Retirement scheme contributions	–	–
	–	–

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

(a) Taxation charged/(credited) to profit or loss:

	2018 HK\$	2017 HK\$
Current tax – Hong Kong Profits Tax		
Provision for the year	–	–
	–	–
Deferred tax		
Origination and reversal of temporary differences	161,612	(8,080)
	161,612	(8,080)

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

	2018 HK\$	2017 HK\$
Surplus/(deficit) before taxation	10,066,917	(1,893,820)
Notional tax on surplus/(deficit) before taxation, calculated at the Hong Kong Profits Tax rate 16.5% (2017: 16.5%)	1,661,041	(312,480)
Tax effect of non-deductible expenses	198,087	203,190
Tax effect of non-taxable income	(365,881)	(232,690)
Tax effect of unrecognised tax losses	(1,331,639)	337,456
Others	4	(3,556)
Actual tax expense charged/(credited) to profit or loss	161,612	(8,080)

7 Property, plant and equipment

	Interest in leasehold land held for own use under a finance lease HK\$	Building held for own use HK\$	Leasehold improvements HK\$	Furniture, fixtures and equipment HK\$	Total HK\$
Cost:					
At 1 January 2018	105,885,279	45,062,601	13,881,967	6,995,561	171,825,408
Additions	–	–	1,919,899	972,963	2,892,862
Disposals	–	–	–	(189,634)	(189,634)
At 31 December 2018	105,885,279	45,062,601	15,801,866	7,778,890	174,528,636
Accumulated depreciation:					
At 1 January 2018	4,350,536	31,474,174	13,102,199	6,193,161	55,120,070
Charge for the year	970,127	1,802,504	698,823	759,466	4,230,920
Written back on disposals	–	–	–	(189,634)	(189,634)
At 31 December 2018	5,320,663	33,276,678	13,801,022	6,762,993	59,161,356
Net book value:					
At 31 December 2018	100,564,616	11,785,923	2,000,844	1,015,897	115,367,280
Cost:					
At 1 January 2017	105,885,279	45,062,601	14,188,213	7,499,157	172,635,250
Additions	–	–	–	256,263	256,263
Disposals	–	–	(306,246)	(759,859)	(1,066,105)
At 31 December 2017	105,885,279	45,062,601	13,881,967	6,995,561	171,825,408
Accumulated depreciation:					
At 1 January 2017	3,380,409	29,671,670	13,061,642	6,387,067	52,500,788
Charge for the year	970,127	1,802,504	346,803	565,953	3,685,387
Written back on disposals	–	–	(306,246)	(759,859)	(1,066,105)
At 31 December 2017	4,350,536	31,474,174	13,102,199	6,193,161	55,120,070
Net book value:					
At 31 December 2017	101,534,743	13,588,427	779,768	802,400	116,705,338

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

	2018 HK\$	2017 HK\$
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 (note)

Note: Operations had been ceased since 9 June 2017.

* Not audited by KPMG.

9 Deposits, prepayments and other receivables

	2018 HK\$	2017 HK\$
Deposits and prepayments	1,482,194	1,345,134
Other receivables	1,385,161	821,926
	2,867,355	2,167,060

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

10 Amounts due from a subsidiary and a related company

The amounts due from a subsidiary and a related company are unsecured, interest-free and have no fixed terms of repayment.

The amount due from a subsidiary has been fully impaired during the year ended 31 December 2017.

11 Cash and deposits with banks

(a) Cash and deposits with banks comprise:

	2018 HK\$	2017 HK\$
Deposits with banks with maturity within three months at acquisition	96,834,100	63,171,343
Cash at bank and on hand	12,070,967	22,908,887
Cash and cash equivalents in the cash flow statement	108,905,067	86,080,230
Deposits with banks with maturity of more than three months at acquisition	87,042,351	83,278,177
Cash and deposits with banks in the statement of financial position	195,947,418	169,358,407

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

	Note	2018 HK\$	2017 HK\$
Surplus/(deficit) before taxation		10,066,917	(1,893,820)
Adjustments for:			
Bank interest income	3	(2,217,462)	(1,259,963)
Depreciation	7	4,230,920	3,685,387
Impairment loss on amount due from a subsidiary	4(d)	–	30,925
Changes in working capital:			
(Increase)/decrease in deposits, prepayments and other receivables		(700,295)	1,455,053
(Increase)/decrease in amount due from a related company		(151,884)	194,867
Increase in amount due from a subsidiary		–	(30,925)
Decrease in creditors and accrued charges		(2,930,800)	(2,068,118)
Increase in membership, practising certificate and other fees received in advance		18,053,639	2,804,583
Cash generated from operations		26,351,035	2,917,989

As at 31 December 2018, The Law Society had \$25,970,681 (2017: \$28,988,604) 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. During the year ended 31 December 2018, \$2,708,100 of the unclaimed client monies has been donated to Hong Kong Academy of Law Limited, a related party to The Law Society, pursuant to the resolution of the Standing Committee on Policy and Resources on 26 October 2017.

Notes to the Financial Statements (continued)

(Expressed in Hong Kong dollars)

12 Creditors and accrued charges and contract liabilities

Creditors and accrued charges are expected to be settled within one year or are repayable on demand.

(a) Contract liabilities in respect of membership, practising certificate and other fees received in advance

The contract liabilities mainly relate to the fees received in advance from members, foreign lawyers, and foreign law firms which represent the unearned income to be recognised as revenue after the end of the reporting period.

13 Income tax in the statement of financial position

(a) Current taxation

The Law Society has no tax payable outstanding at the end of both 2017 and 2018.

(b) Deferred tax assets and liabilities recognised:

The components of deferred tax assets recognised in the statement of financial position and the movements during the year are as follows:

	Depreciation in excess of the related depreciation allowances HK\$
Deferred tax arising from:	
At 1 January 2017	463,912
Credited to profit or loss	8,080
At 31 December 2017	471,992
At 1 January 2018	471,992
Charged to profit or loss	(161,612)
At 31 December 2018	310,380

- (c) The Law Society has not recognised deferred tax assets in respect of cumulative tax losses of approximately \$35,521,431 (2017: \$43,591,969) 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.

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 a related company/ subsidiary 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 1.34% (2017: 0.86%).

At 31 December 2018, it is estimated that a general decrease/increase of 100 basis points (2017: 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 \$1,651,630 and \$1,651,630 (2017: \$1,259,963 and \$1,460,372).

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 2017.

(d) Fair value measurement

All financial instruments are carried at amounts not materially different from their fair values as at 31 December 2018 and 2017.

Notes to the Financial Statements (continued)

(Expressed in Hong Kong dollars)

16 Commitments

Capital commitments outstanding at 31 December 2018 not provided for in the financial statements were as follows:

	2018 HK\$	2017 HK\$
Contracted for	–	1,599,128
Authorised but not contracted for	–	–
	–	1,599,128

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.

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, litigation proceedings and professional and consultancy fees rendered to The Law Society by the firms of solicitors in which Council Members are interested totalled \$0.8 million (2017: \$50,000) for the year ended 31 December 2018.

Amounts due to these firms of solicitors as at 31 December 2018 amounted to \$0.2 million (2017: \$0.2 million) which are included in creditors and accrued charges.

(b)	Note	2018 HK\$	2017 HK\$
Expenses borne on behalf of subsidiaries		1,529,256	1,673,760
Recharge of office expenses to:			
Hong Kong Solicitors Indemnity Fund Limited	(i)	2,334,296	2,099,040

Notes:

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

19 Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 December 2018

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 2018 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
HKFRS 16, <i>Leases</i>	1 January 2019
HK(IFRIC) 23, <i>Uncertainty over income tax treatments</i>	1 January 2019
Annual Improvements to HKFRSs 2015-2017 Cycle	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. So far, it has concluded that the adoption of them is unlikely to have a significant impact on The Law Society's results and financial position.

Abbreviated Terms Used in this Report

A2J	Access to Justice
Academy	Hong Kong Academy of Law Limited
AIJA	International Association of Young Lawyers
AML	Anti-Money Laundering
AMLO	Anti-Money Laundering and Counter-Terrorist (Financial Institutions) Ordinance
CDD	Client Due Diligence
CPD	Continuing Professional Development
DC	District Court
DOJ	Department of Justice
Greater Bay Area	Guangdong-Hong Kong-Macao Greater Bay Area
HKBA	Hong Kong Bar Association
HKTDC	Hong Kong Trade Development Council
HAB	Home Affairs Bureau
IP	Intellectual Property
LAD	Legal Aid Department
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
RME	Risk Management Education
SAR	Solicitors' Accounts Rules (Cap. 159, sub leg)
SCT	Small Claims Tribunal
TS Rules	Trainee Solicitors Rules (Cap. 159, sub leg)
TCSPs	Trust or Company Service Providers
The Express Rail Link	The Guangzhou-Shenzhen-Hong Kong Express Rail Link
The Law Society	The Law Society of Hong Kong
UIA	Union Internationale Des Avocats
YSG	The Law Society's Young Solicitors' Group



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