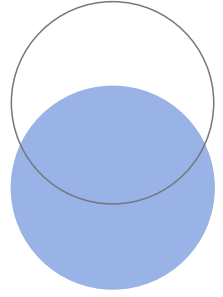


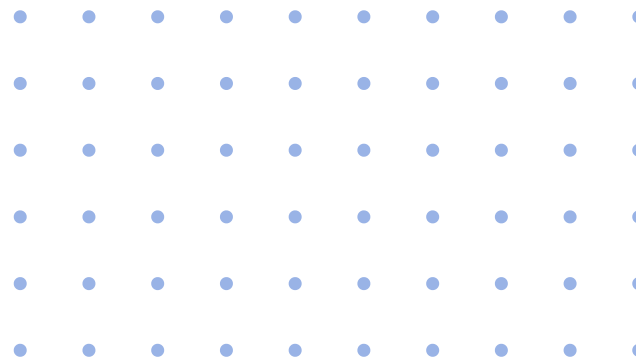


THE
LAW SOCIETY
OF HONG KONG
香港律師會



2023

Standing Committee on Standards and Development



STANDING COMMITTEE ON STANDARDS AND DEVELOPMENT



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

The Standing Committee convened 12 meetings in 2023.

Businesses dealt with by the Standing Committee during meetings and by paper circulation are categorised as follows:

- (a) Consideration of the first batch of submissions consolidated by the Working Party on Compliance Related Legislative Amendments for approval by the Council;
- (b) The Working Party on Schedule 3 to the *Solicitors (General) Costs Rules* was set up in January to consider whether there should be changes to Schedule 3 to the *Solicitors (General) Costs Rules* (Cap.159G) (“*Costs Rules*”). Taking into account the proposed amendments initiated by the Property Committee, the Working Party made recommendations to the Standing Committee on Standards and Development and the Council on certain proposed amendments to Schedules 2 and 3 to the *Costs Rules*. The Law Society started to liaise with the Costs Committee established under section 74 of the Legal Practitioners Ordinance (Cap.159) (“*LPO*”) in December to seek its support for such proposed amendments to Schedules 2 and 3 to the *Costs Rules* which had been approved by the Council;
- (c) An applicant may apply to The Law Society to remove the supervision condition from his certificate of registration as a foreign lawyer by statutory declaration. The guidelines for applications of this nature as set out in paragraphs 8 and 9 of Circular 10-66 were updated and the application procedures streamlined. A new Circular 23-264 was issued on 4 May 2023. The statutory declaration must include the following information:-
 - The jurisdiction upon which the applicant’s registration as a foreign lawyer is based;
 - The period(s) of supervised practice completed by the applicant in the foreign firm(s) and/or Hong Kong firm(s) (“firm(s)”) for the purpose of calculating the period of “at least 2 years of post-qualification experience in the full-time practice of foreign law”, as required under section 5(2) of the *Foreign Lawyers Registration Rules* (Cap.159S), stating:
 - (i) the exact dates of commencing and ceasing employment(s);
 - (ii) the position(s) held;
 - (iii) the law(s) of the jurisdiction(s) which the applicant has practised full-time under supervision;
 - (iv) the nature of work undertaken or practice area(s); and
 - (v) the name(s) of the applicant’s direct supervisor(s);

The applicant’s statutory declaration should exhibit certified copies of letter(s) issued by a principal of each of the firm(s) to support the information;

- (d) The information package entitled “Admission as a Solicitor: Barristers” was updated and the General Form of Application (Form D) included therein was amended to make it clear that an applicant may rely on his experience as an advocate to apply for exemption and that an

applicant is required to be engaged in the practice of a barrister or advocate for a period of at least 5 years in order to be eligible to apply for exemption. Such period of at least 5 years does not have to be continuous;

- (e) Sections 4 and 5 of the information package entitled “Admission as a Solicitor: Trainee Solicitors” were amended to make it clearer the relevant CPD and RME requirements in situations where the first 12-month period of a trainee solicitor contract does not entirely overlap with a CPD/RME practice year, which commences on 1 November in a year and ends on 31 October the following year;
- (f) Overseeing the administration of the *Continuing Professional Development (“CPD”) Scheme* and the *Risk Management Education (“RME”) Programme*:
- Section 6(6) of the *LPO* provides that a solicitor must satisfy the Council that since being admitted as a solicitor, he has been *bona fide* employed in the practice of a solicitor in Hong Kong for at least two years before he can practise as a solicitor on his own account or in partnership. Hence, when a practising certificate is first issued, a condition prohibiting the holder from practising as a solicitor on his own account or in partnership will be stated on the practising certificate. When the two-year requirement has been fulfilled, the holder can apply to The Law Society to remove the condition on the practising certificate (“unconditional practising certificate (UPC)”);
 - Section 6(6) of the *LPO* has been amended to include a requirement on the completion of an approved practice management course prior to an application for a UPC. The new sections 6(6B) and 6(6C) came into operation on 3 July 2023;
 - The Council has approved the “mandatory course in practice management” referred to in the new section 6(6B) of the *LPO* (“Mandatory Course”) which solicitors are required to successfully complete before they will be issued their first UPC as provided in section 6(6B) of the *LPO*;
 - The Mandatory Course, offered by the Hong Kong Academy of Law free of charge, provides practice management training to solicitors to equip them with the necessary skills and knowledge on the key aspects of practice management for a law firm. The Law Society issued guidelines on the Mandatory Course under Circular 23-111 on 2 March 2023, pursuant to section 6(6B) of the *LPO*, to govern its implementation including the automatic exemption and the applications for non-automatic exemption;
- (g) Consideration of the following updates to the *Hong Kong Solicitors’ Guide to Professional Conduct, Volume I (“Conduct Guide”)* during the year:-
- Adding a new Commentary 4 to Principle 2.05 of the *Conduct Guide* to state the obligation of a sole principal who has employed or is acting as the principal of a trainee solicitor under a trainee solicitor contract to make suitable alternative arrangement for supervision of the trainee solicitor during a prolonged period of absence of the sole principal from his office;
 - Amending Principle 2.01 of the *Conduct Guide* and adding a new Commentary 6 thereto to cover the Mandatory Course requirement for the first issue of a UPC under the new sections 6(6B) and 6(6C) of the *LPO*, which came into operation on 3 July 2023;

- Amending paragraph 3 under the heading “Complaints” in Chapter 15 of the *Conduct Guide* to avoid any misunderstanding or misperception that may arise from the issue of letters of regret and letters of disapproval as being personal decisions of the signatory of those letters; and
 - Adding a new Principle 1.00 of the *Conduct Guide* on upholding the *Basic Law*;
- (h) Overseeing the administration of the *Overseas Lawyers Qualification Examination* (“*OLQE*”):
- Approval of the logistics of the 2022 Head V *OLQE* and the 2023 *OLQE*;
 - Consideration and review of the results of the 2022 *OLQE*;
 - Consideration of the modes of examination of the 2023 *OLQE*;
 - Approval of the documentation of the 2023 *OLQE* including the 2023 *OLQE* Information Package and Supplementary Information Package;
 - The Law Society processed 313 *OLQE* applications, including 122 applications for exemption, 190 applications for eligibility to sit or resit the *OLQE*, and one application for direct admission as a solicitor. 260 candidates registered to sit the 2023 *OLQE* and 244 candidates sat the 2023 *OLQE*;
 - The Law Society increased the fees payable for the applications and examinations under the *OLQE* Fees Rules (which has not been adjusted since 1998) by 100%, with effect from 4 January 2024, as follows:

Application fee for the certificate (eligibility for qualification for admission and eligibility to take or be exempt from taking the *OLQE*) (“the Certificate”) has been increased from HK\$3,300 to HK\$6,600.

Application fee for an extension of the validity period of the Certificate has been increased from HK\$750 to HK\$1,500.

Fee for taking the *OLQE*:

- (i) For any one subject: has been increased from HK\$5,500 to HK\$11,000; and
- (ii) For each additional subject: has been increased from HK\$1,100 to HK\$2,200;

Application fee for review of a decision of The Law Society on matters relating to the Certificate has been increased from HK\$1,500 to HK\$3,000;

- Preventive measures were implemented in the light of the guidelines issued by the Centre for Health Protection of the HKSAR Government and the *Prevention and Control of Disease (Requirements and Directions) (Business and Premises) Regulation* (Cap. 599F) to ensure the *OLQE* was conducted safely, efficiently and without disruption in the light of the COVID-19 pandemic and mutant strains. These measures included requirements for candidates to observe the quarantine requirements imposed by the Government, sourcing of venues to enable candidates to maintain social distance, mandatory

requirements for all examination personnel to produce COVID-19 vaccination records or valid records of test results of polymerase chain reaction-based nucleic acid tests, mandatory requirements for candidates to wear masks, check body temperature and scan “LeaveHomeSafe” prior to entering the examination venues. The examination centres were divided into different zones to enhance social distancing. Technology was deployed to assist with the conduct of the *OLQE*, for example, the Head V *OLQE* was conducted via Zoom and marking for some Examiners were conducted via Cloud;

- Review the marking arrangements of the *OLQE* regarding whether Examiners outside Hong Kong were to be allowed to conduct the marking via designated software and arrangements upon request;
- Determination of applications for review under rule 9 of the *Overseas Lawyers (Qualification for Admission) Rules* (Cap.159Q) (“*OLQE Rules*”);

(i) Overseeing legal education:

- Review of the Benchmarks for the *PCLL* Programme and consideration of the proposal to amend the Benchmarks;
- Consideration of the status of civil law knowledge of law students and review of law syllabuses of the three universities in light of the Mainland legal service markets;
- Consideration of the logistical concerns raised by external examiners for the *PCLL* Programme of the three universities;
- Nomination of two representatives to speak at the “Professional Conduct and Practice” Module of the *PCLL* Programme at City University of Hong Kong (“CityU”) on “The Admission and Legal Firms in Hong Kong”;
- The Law Society has prescribed the Benchmarks for Legal Executive Courses, and after reviewing the proposals of the course providers to change mode of delivery of the courses, the Standing Committee approved the relevant courses to be in compliance with the Benchmarks for Legal Executive Courses;

(j) Overseeing training of trainee solicitors:

- Review of the regulatory regime of trainee solicitors, particularly trainees looking for training positions after commencement of training and before registration of training contracts;
- Consideration of proposals to remind sole principal who was employed or was acting as the principal of a trainee solicitor that the principal must make suitable alternative arrangement for the trainee solicitor to be properly supervised by another solicitor during a prolonged period of absence;
- Consideration of a proposal to include attachment to the Law Drafting Division under the *Legal Trainee Scheme* of the Department of Justice (“DOJ”);

- Exploration of the feasibility of better coordination in the recruitment of interns/trainee solicitors by law firms;
- (k) *Corruption Prevention Good Practices on Conveyancing and Related Transactions for Law Firms*, a leaflet compiled by the Independent Commission Against Corruption (“ICAC”) with the support of The Law Society, was published. This leaflet, available in bilingual versions, provides law firms with references to internal control measures that can help mitigate the risks associated with corruption and related malpractice. The leaflet can be accessed on the AML website under the *Tools and Templates* tab;
- (l) The relevant waivers granted and extended by the Council from time to time since March 2022 to enable solicitors and foreign lawyers to conduct their practice from domestic premises in which they currently reside as a result of the COVID-19 pandemic discontinued after 9 March 2023 in light of the latest epidemic development in Hong Kong and the relaxation of the anti-epidemic measures by the HKSAR Government. The waiver granted by the Council in relation to all trainee solicitors from requirements to have their training in the office of their principals, which had operated with retrospective effect since 1 January 2020, discontinued at the same time;
- (m) In respect of the feasibility and desirability of allowing law firms to practise as virtual offices, matters of principle such as whether or not law firms should be allowed to practise as completely web-based law offices without any brick-and-mortar offices were considered by the Standing Committee on Standards and Development and the Standing Committee on Policy and Resources. After careful deliberation, it was decided that The Law Society should initially focus its study on allowing law firms to practise in brick-and-mortar office in Hong Kong with an integrated virtual practice as a facility to service clients (“Hybrid Structure”). Based on such direction, the Practice Venues Committee further explored the concept of Hybrid Structure, taking into account the legal/regulatory provisions relevant to the adoption of Hybrid Structure.
- (n) Supervising the work and the operation of the Committees, Working Parties and Sub-Committees under its umbrella and reviewing their recommendations and proposals:
- Review on a regular basis all the minutes of the meetings of the Committees and Working Parties;
 - Review of the composition of the Committees and Working Parties, renewal of appointment of their members and appointment of new members;
 - Consideration of the proposal for Anti-Money Laundering Firm Visits in Hong Kong;
 - Consideration of the terms of reference and composition of the Working Party on Schedule 3 to the *Costs Rules* and the Working Party on Review the Subject Matter of Cessation of Practice of Local and Foreign Firms and the Appointment of Cessation Agents;

- Review of the progress of the legislative amendment exercise to enable solicitors to incorporate their practices, including the progress in the drafting of the *Solicitor Corporation Rules*, the *Foreign Lawyer Corporation Rules*, amendments to the *LPO* and consequential amendments to the subsidiary legislation of the *LPO*, and the estimated timeline for completion of the exercise.

AML COMMITTEE

The primary objectives of the Committee are to review and revise the guidelines on Money Laundering (“ML”), Terrorist Financing (“TF”), and Proliferation Financing (“PF”). The Committee also engages in active collaboration and communication with governmental bodies, law enforcement agencies, and other regulatory entities to address ML and TF/PF matters. The Committee considers emerging risks, threats, legislative developments, and global best practices to effectively combat ML and TF/PF within the legal sector. Furthermore, the Committee assumes the responsibility of assisting Council in overseeing the compliance of legal professionals with *Practice Direction P* (“PDP”) and the *Anti-Money Laundering and Counter-Terrorist Financing Ordinance* (Cap.615) (“AMLO”), ensuring a robust response to any actual or suspected ML and TF/PF activities within the legal industry.

In 2023, the Committee held five meetings including two with the Narcotics Division of the Security Bureau, one with the Commerce and Economic Development Bureau (“CEDB”), and one joint session with the Office of the Government Chief Information Officer (“OGCIO”), the Hong Kong Monetary Authority (“HKMA”) and regulators from the Designated Non-Financial Business and Professions (“DNFBP”) sector. The Chairman of the AML Committee with members of the AML team participated in a *Risk-Based Supervision Sharing Session* led by the HKMA, which aimed to foster knowledge sharing among DNFBP regulatory bodies and provided an opportunity to discuss practical experiences and insights regarding risk-based supervision.

The Committee maintains in regular contact with its international counterparts, ensuring ongoing collaboration and the exchange of best practices, and stays updated on global developments and leverages international expertise in enhancing its supervisory AML/Counter Terrorist Financing (“CTF”) efforts.

The key themes and agenda items for the Committee in 2023 are set out below:

Amendments to the AMLO and PDP

The *AMLO (Amendment) Ordinance 2022* (“*Amendment Ordinance*”) came into effect on 1 June 2023, introducing further enhancements to Hong Kong’s AML/CTF regulatory framework. The primary objective of the amendments was to ensure the alignment of Hong Kong’s regulations with the latest international standards set by the Financial Action Task Force (“FATF”). Additionally, the *Amendment Ordinance* addressed deficiencies identified in the FATF’s *2019 Mutual Evaluation Report on Hong Kong* (“MER 2019”) through various miscellaneous and technical amendments. Details of these legislative changes were set out in the October 2022 edition of *Hong Kong Lawyer*, the official journal of The Law Society.

The Committee conducted a comprehensive review of the *PDP* which involved a holistic examination of the existing *PDP* provisions, and consultations with relevant stakeholders including the Council, the Hong Kong Special Administrative Region Government (“HKSAR Government”) and other regulatory bodies. Through detailed discussions and coordination efforts, the Committee ensured consistency and coherence in the revised *PDP*, aligning it with the regulatory requirements and best practices set forth by these regulatory bodies and the FATF. The Committee also amended the *AML Toolkit* materials to reflect the changes. The revised *PDP*, along with explanatory Circular 23-310 (SD), was released on 25 May setting out the scope and background to the amendments which include:

- (a) The update of the definition of a politically exposed person (“PEP”), providing guidance on the treatment of non-Hong Kong and Hong Kong PEPs, as well as international organisation PEPs.
- (b) The allowance of an exemption from enhanced client due diligence (“EDD”) requirements for former PEPs, provided that the risks of ML and TF are low. Legal practitioners are given the authority to determine the extent of client due diligence (“CDD”) required for such individuals.
- (c) The alignment of the definition of “beneficial owner” in relation to a trust with the *Inland Revenue Ordinance* (Cap.112). It clarifies that the definition includes trustees, beneficiaries and class(es) of beneficiaries.
- (d) The inclusion of the FATF definition of PF and the requirement to identify, combat and report PF activities.
- (e) The recommendation for law firms to conduct risk assessments for new services, business practices, and the use of new technologies, as well as periodic firm-wide risk assessments.
- (f) Additional guidance provided regarding the conduct of client risk assessment as part of the CDD process.
- (g) The alignment of the definition of Simplified Due Diligence (“SDD”) with that in the *AMLO*.
- (h) Amendments made to the name screening provision in relation to clients and beneficial owners, referring to the sanctions list and PF requirements.

Embracing Digital Identification - iAM Smart

The *Amendment Ordinance* introduced a “recognized digital identification system” to verify the identities of clients unable to meet lawyers in person. The Committee analysed FATF requirements for digital identification systems, recognising the iAM Smart developed by the HKSAR Government as a system meeting the specified criteria. Throughout this process, the Committee actively engaged in discussions with the DNFBP regulatory bodies, including the HKMA and the OGCI to ensure a standardised approach to digital identity verification within the respective AML guidelines. The Committee collaborated closely with the OGCI in developing a registration framework tailored for law firms seeking to utilise the iAM Smart as a solution to the verification of a client’s identity.

Two seminars entitled *iAM Smart Sandbox Programme for DNFBPs* were jointly organised by the Committee and the OGCI on 21 July and 24 August to brief legal practitioners with detailed information on the system implementation requirements for adopting iAM Smart, and examples of successful case studies. The Committee further updated the *Guidance on Alternative Processes to Verify a Client’s Identity* and issued Circular 23-310 (SD) with clarification on the use of digital identification systems to reflect the regulatory changes.

In addition, the Committee took the opportunity to review various vendor solutions available in the market. This evaluation aimed to gain a comprehensive understanding of the current capabilities and technologies offered by vendors, with the objective of assisting law firms in streamlining their identification, verification and CDD processes. By remaining informed about the available options, the Committee seeks to support law firms in adopting efficient technologies that align with industry best practices.

AML/CTF Sectoral Risk Assessment and AML Firm Visits

In May 2023, the Committee published the *AML/CTF Sectoral Risk Assessment of the Legal Sector*, which provides a detailed evaluation of ML and TF risks specifically tailored to the demographic and contextual factors within the Hong Kong legal profession. The findings of this assessment were primarily based on the analysis of results obtained from the AML Review conducted in 2022. During the assessment process, the Committee collaborated with the Financial Intelligence and Investigation Bureau (“FIIB”) and considered a range of reports, guidelines, and typologies issued by authoritative bodies including FATF. The primary objective of this assessment was to provide law firms with valuable insights into the ML/TF risks that are particularly relevant to a firm’s operations. It is expected that firms will incorporate this assessment into their own risk evaluations and utilise it to shape their AML policies, controls and procedures, in accordance with paragraph 41 of the *PDP*. By analysing the findings and insights provided by the sectoral risk assessment, the Committee has made significant progress in refining its methodology and outlining the necessary steps for a targeted supervisory approach that aligns with the specific risks identified. The Committee designed processes, procedures and templates for the AML firm visits, and lower-risk firm supervision of law firms’ compliance with the AML/CTF requirements. The risk-based methodology and the proposal for on-site AML firm visits are under consideration by the Council.

Additionally, the Committee has actively explored the potential of leveraging technology to streamline future risk assessments. The Committee met with a number of vendors to assess the capabilities of an automatic risk assessment system that would enable communication with law firms and efficient analysis of information. This is an ongoing initiative which also involves an evaluation of The Law Society’s internal systems as a potential avenue for implementation.

In the third quarter of 2023, the Committee commenced the preparatory work for the draft of the *3rd Hong Kong ML/TF Risk Assessment* initiated by the HKSAR Government. As part of this process, the Committee completed various worksheets outlining regulatory and supervisory arrangements established by The Law Society to address ML/TF threats and vulnerabilities applicable to the legal sector. This is an ongoing project and will extend throughout 2024/2025.

Consultations and publications

In August 2023, the Committee provided its input to the FATF’s *Horizontal Review of DNFBP Technical Compliance Related to Corruption*, which specifically assesses the compliance of the DNFBP sector, including legal professionals, with Recommendations 22, 23, 28, and other underlying Recommendations pertaining to corruption. The FATF intends to finalise its report consolidating the findings and observations from this review by the second quarter of 2024.

The Committee also contributed feedback on the leaflet titled *Corruption Prevention Good Practices on Conveyancing and Related Transactions for Law Firms*, compiled by the ICAC with the support of The Law Society. This leaflet provides law firms with references to internal control measures that can help mitigate the risks associated with corruption and related malpractice. The leaflet can be accessed on the AML website under the *Tools and Templates* tab.

During the reporting period, member firms received important updates and publications through The Law Society's AML website, including:

- 18 notifications regarding changes to the list of designated individuals and entities subject to targeted financial sanctions;
- 3 notifications regarding changes to the countries placed on the FATF's grey and black lists;
- one update from the President on 23 February regarding the progress in strengthening AML/CTF risk-based supervision of legal practitioners;
- one notification from the Secretariat outlining changes to the *AMLO* and the *PDP*; and
- Circular 23-310 (SD) issued on 25 May setting out the scope of and clarification to the *AMLO* and *PDP* amendments.

Education and outreach

Two AML seminars for legal practitioners were held on 14 June and 15 November. The seminars covered a range of topics, including major provisions and amendments to the *AMLO* and *PDP*, CDD and record-keeping requirements, as well as legal professional privilege. The sessions addressed legal practitioners' statutory obligations concerning Suspicious Transaction Reporting ("STR"), with case studies and statistics, and updates on the latest developments in international and domestic AML/CTF trends and regulations. The seminars also included a recap of the Committee's actions and initiatives in strengthening AML supervision over the past two years, including plans for the upcoming AML supervisory visits of law firms.

The seminars featured guest speakers from the Security Bureau, the DOJ and the FIIB. A total of 1,288 participants attended these informative sessions.

In addition, The Law Society's *RME* course providers delivered two AML courses for practitioners under The Law Society's *RME Provider Accreditation Scheme*. These courses were attended by 747 participants and reinforced their understanding of AML practices and regulations.

In July, the President of The Law Society played an active role serving as a panelist in the *AML and Legal Privilege* session during the *33rd Presidents of Law Associations in Asia* ("POLA") Summit hosted by the Malaysian Bar Council in Kuala Lumpur.

In September, the Chairman of the AML Committee, in collaboration with the Association of Corporate Counsels, hosted a seminar on the *Latest Regulatory Developments Arising from the AML Amendment Ordinance*. The seminar focused on the changes introduced by the *Amendment Ordinance* and the obligation for law firms to conduct periodic self-assessments of ML and TF risks.

The Chairman of the AML Committee was also a distinguished guest speaker at the *4th AML/CTF - Regulations, Topical Issues, and Practical Sharing* conference, organised by the Hong Kong Chartered Governance Institute. The conference, held in November 2023, covered a wide range of topics, including AML/CTF regulatory developments, an update on the AML/CTF typologies and practices specific to the Trust and Company Service Providers sector, as well as discussions on offshore and trust-related AML/CTF concerns.

CPD COMMITTEE

The main terms of reference of the CPD Committee are to (a) formulate and keep under review relevant policies, procedures and guidelines; and (b) monitor the implementation and administration of the *CPD Scheme*.

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

The Law Society and the Hong Kong Academy of Law Ltd. (“Academy”) conducted a total of 299 CPD and RME courses during 2023. Of the 299 courses, 12 courses were conducted in Cantonese and the remainder in English. The courses attracted an attendance of 25,817 participants.

The Law Society and the Academy are grateful to the 114 presenters who contributed by sharing their valuable experiences and expertise.

Some of the highlights of The Law Society’s and the Academy’s courses are:

Thematic CPD Series on Tort Law

The Academy organises Thematic CPD Series on different areas of practice of law. The main theme of the first Thematic CPD Series in 2023 was the Development of Tort Law. The debut seminar entitled “Personal Injuries Litigation in Hong Kong: Past, Present & Future – a Personal Journey from 1980 to 2025” was presented by HH Judge Andrew Li of the District Court on 26 September. Mr. Mark Reeves, Mr. Kenneth Lam and Mr. Koon G. Chiu, representatives of the Personal Injuries Committee of The Law Society, were panelists in the Question and Answer Session of the seminar. Mr. Justin Yuen, Vice-Chair of the Standing Committee on Standards and Development of The Law Society, delivered opening remarks at the seminar. More than 230 participants including legal practitioners, guests and PCLL students of the University of Hong Kong attended the seminar.



Seminar on “Personal Injuries Litigation in Hong Kong: Past, Present & Future – a Personal Journey from 1980 to 2025”

The second seminar of the Thematic CPD Series entitled “Medical Expert Evidence in Personal Injury Actions” was held on 12 October. The speaker, Mr. Mark Reeves of Munros, provided an overview of the law relating to medical experts and their reports. The third seminar of the Thematic CPD Series entitled “Update on Tort Law” was delivered by Ms. Judith Sihombing on 25 October. She discussed the scope of the duty of care, interpretation of medical negligence, negligent misstatement, the “three-stage test” in tort law, and the relevancy of vulnerability in negligence. The two webinars attracted more than 140 participants.

Probate Practice & Mental Capacity Law

The Academy conducted a seminar entitled “Risks and Common Mistakes in Will Drafting and Probate Practice” on 5 September. The seminar highlighted the common mistakes in will drafting and execution, and the role of solicitors in carrying out due diligence especially on vulnerable testators. The seminar also discussed the pitfalls to avoid when filling in the *Probate Checklist* of the Judiciary, Supplement No. 2 of the *Guide to Non-Contentious Probate Practice* (“Probate Guide”) and the risks involved in the application of certain rules in the Probate Guide. Representatives of the Probate Committee and the Mental Health Law Committee of The Law Society were the speakers. The seminar attracted about 290 participants.



Seminar on “Risks and Common Mistakes in Will Drafting and Probate Practice”

The Academy also conducted two webinars on “Mental Capacity Law of Hong Kong – Capacity Assessment, Guardianship, the New Vista of Continuing Powers of Attorney and Beyond” on 31 May and 7 June. The speaker, Mr. Charles Chiu, Immediate Past Chairperson of the Guardianship Board, discussed various issues relating to mental capacity law including the definition of mental incapacitated person, legal criteria of guardianship, Part II Orders, testamentary capacity, enduring powers of attorney and continuing powers of attorney. The webinars attracted over 450 participants.

Besides, the Academy conducted two series of workshops on “Will Drafting” on 12 and 18 April, and 17 and 24 October. The workshop leader, Ms. Myrette Fok, Adjunct Associate Professor of the Chinese University of Hong Kong, introduced the skills in drafting wills involving enduring powers of attorney, simple wills with sole beneficiaries, and more complex wills including beneficial trusts over residuary assets and concurrent wills. Over 240 participants attended the workshops.

Legal Aid Schemes

On 10 October, the Academy conducted a webinar entitled “Update on Legal Aid Schemes”. The webinar provided general information on eligibility and application for legal aid, the scope of service of the Legal Aid Department (“LAD”), HKSAR Government and an update on the *Ordinary Legal Aid Scheme* and the *Supplementary Legal Aid Scheme*. The speakers also highlighted the role of assigned lawyers and share practical tips on handling assigned-out legal aid cases.

Mr. David Chow, Assistant Principal Legal Aid Counsel of Legal and Management Support Division of the LAD and Mr. Ted Lee, Assistant Principal Legal Aid Counsel of Application and Processing Division of the LAD were the speakers. The webinar attracted about 430 participants.



Webinar entitled “Update on Legal Aid Schemes”

AML

The *Anti-Money Laundering and Counter Terrorist Financing (Amendment) Ordinance 2022* (“*Amendment Ordinance*”) and the updated *Practice Direction P* came into operation on 1 June 2023. The Law Society held two webinars entitled “AML Seminar for Lawyers” jointly with the Narcotics Division, Security Bureau of the HKSAR Government on 14 June and 22 November. The webinars provided an overview of the major amendments introduced by the *Amendment Ordinance* and the updated *Practice Direction P*. Other topics discussed included the latest developments on international and domestic AML and counter-terrorist financing, the statutory obligations on suspicious transaction reporting and legal professional privileges in money laundering offence. Speakers included Mr. Michael Lintern-Smith and Mr. Alan Linning, respectively Chair and Vice-Chairman of the AML Committee of The Law Society, and representatives from the Security Bureau, the DOJ and Hong Kong Police Force. Over 1,280 participants attended the webinars.



AML Seminar for Lawyers

The Academy also conducted two webinars respectively entitled “Anti-Money Laundering and Counter Terrorist Financing Compliance” and “Anti-Money Laundering Update” on 29 August and 17 October. The two webinars attracted over 740 participants.

Professional Ethics

Professional ethics is of paramount importance to the legal profession and practitioners.

Mr. Amirali Nasir, Vice-President and Ms. Careen Wong, Chairperson of the Standing Committee on Standards and Development, represented The Law Society in support of the creation of *Corruption Prevention Good Practices on Conveyancing and Related Transactions for Law Firms* (“CGP”), a bilingual leaflet compiled by the ICAC with the support of The Law Society.

On 7 October, the Academy and the ICAC jointly organised a seminar entitled “Calling of the Guardians – from Professional Ethics to Corporate Governance Seminar cum Visit to the ICAC”. The seminar provided an overview of the anti-corruption regime in Hong Kong and ICAC’s anti-corruption work, highlighted the common corruption risks particularly in conveyancing and related transactions, and launched and introduced the CGP. The seminar was followed by a guided tour of the facilities at the ICAC Building including the video interview room, identification parade compound, detention centre and ICAC exhibition hall.

Mr. C. M. Chan, President of The Law Society and the Hon. Ambrose Lam, Legislative Council Member delivered remarks at the seminar. Representatives from ICAC including Mr. Ricky Yau, Deputy Commissioner and Head of Operations and Ms. Bonnie Wong, Acting Assistant Director of Operations Department were the speakers. Mr. Amirali Nasir, Vice-President of The Law Society was the moderator. The seminar attracted over 60 participants.



Seminar entitled “Calling of the Guardians – from Professional Ethics to Corporate Governance Seminar cum Visit to the Independent Commission Against Corruption”

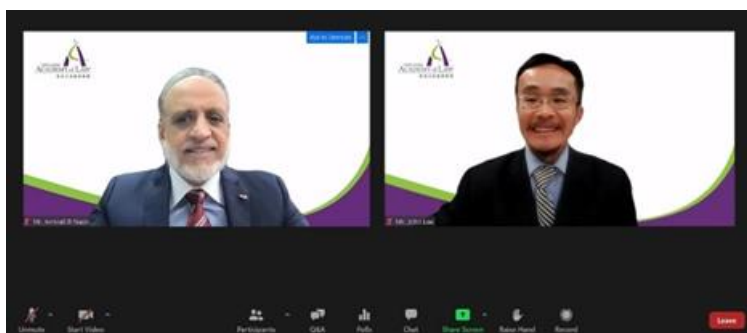
The Academy also conducted a webinar on “Professional Practice 2023” on 13 September. Mr. Amirali Nasir briefed practitioners on the key requirements of professional conduct in the *Solicitors’ Accounts Rules* (Cap.159F), rule 2 of the *Solicitors’ Practice Rules* (Cap.159H) and Principle 1.07 of the *Guide to the Hong Kong Solicitors’ Guide to Professional Conduct* Volume 1.

The ICAC delivered another webinar entitled “Guardian Role of Professional in Upholding Ethical Governance” for the Academy on 13 December. The speaker, Ms. Mary Lau, Executive Director of Hong Kong Business Ethics Development Centre of the ICAC, discussed various issues including the current corruption scene, the role of professionals in corruption prevention and ethical governance, and practical tips for practising ethical governance. Over 150 participants attended the webinar.

Arbitration

The third party funding for arbitration (“TPF”) and outcome related fee structures for arbitration (“ORFS”) regimes, which were designed to provide alternative funding options for parties in appropriate arbitration cases, were introduced in Hong Kong from 1 February 2019 and 16 December 2022 respectively.

On 15 May, the Academy organised a webinar entitled “Bankrolling Arbitration Practice: Risks and Risk Management”. The speakers, Mr. Amirali Nasir, Vice-President of The Law Society and Mr. John Y. C. Lee, solicitor-arbitrator, discussed the solicitor’s advice on funding options, the TPF regime and the ORFS framework (i.e. conditional fee and contingency fee agreements), highlighted relevant key professional conduct issues and rules, and shared practical risk management tips. Over 80 members participated in the webinar.



Webinar entitled “Bankrolling Arbitration Practice: Risks and Risk Management”

Professional Standards

The Society conducted a seminar entitled “Overseas Lawyers Qualification Examination (“OLQE”) - Recruitment of Examiners Information Session” on 16 August to brief members interested in becoming OLQE External Examiners on the work of OLQE External Examiners and how the Examination Panels operate. Ms. Careen Wong, Chairperson of the Standing Committee on Standards and Development of The Law Society hosted the Information Session with Dr. Pang Kin-Kee, the Co-Chief Examiner, Mr. Nick Hunsworth, Head II Panel Convenor, Mr. Mark Stevens, Head III Panel Convenor, Ms. Julianne Doe, Head V Panel Convenor, Dr. Danny Gittings, Head VI Panel Convenor and Mr. Louis Fung, Heads II and V Examiner.



“OLQE - Recruitment of Examiners Information Session”

Legal Tech

To enable practitioners to capitalise on the latest developments in legal technology, the Academy conducted 20 webinars on Legal Tech throughout the year, covering a wide range of topics including:

- The New 2023 Virtual Assets Service Provider Licensing Regime;
- Regulation of Crypto Investment and Related Activities in Hong Kong;
- Digital Asset Recovery – Tips and Strategies for Maximising Value in Enforcement;
- Should Lawyers Worry about ChatGPT?;
- Hong Kong Regulatory Requirements for Licenced Virtual Asset Trading Platform Operators;
- Introduction to Artificial Intelligence in Law (Modules 1 and 2);
- What are the Key Issues when Adopting Retail and Wholesale Central Bank Digital Currencies?;
- Generative AI in Law: Going Beyond ChatGPT;
- Recent Trends in the Regulation of Artificial Intelligence used in the Financial Services Industry;
- 2023 eDiscovery Trends in Managing Data for Investigations and Litigations;
- Digital Payment Disruption: Revolutionising Payments Through CBDCs and Cryptocurrencies;
- Artificial Intelligence, eDiscovery, and Document Review;
- Generative AI: The New Equation for Lawyers of the Future;
- Updates on Handling Investigation in the Digital Era: A Legal Update Covering Cybercrime and Virtual Assets;
- Cryptocurrency and Other Digital Assets – Practical Concepts that Effect Control, Ownership and Custody;
- Email Fraud – Life after *Tam Sze Leung*;
- Current Technology Developments Affecting Law;
- Blockchain for Lawyers – Opportunities under the New Virtual Assets Regulation Regime?;
- The Story of the Bitcoin Heist Couple – How the Technology Used to Hack 120,000 Bitcoin also Led to their Capture.

Over 1,970 participants attended the webinars.

CPD Scheme

Pursuant to rule 9 of the *Continuing Professional Development Rules* (Cap.159W) (“*CPD Rules*”), 280 legal practitioners were granted suspension from the *CPD Scheme* during the year. Pursuant to rule 8 of the *CPD Rules*, 35 solicitors and 26 trainee solicitors were granted an exemption from complying with CPD requirements. Five trainee solicitors whose duration of trainee solicitor training had been reduced from the statutory two-year training period were granted partial exemption from participation in the *CPD Scheme*.

1,274 Statements of Compliance with CPD/RME requirements completed by solicitors were reviewed. CPD audit was conducted on 642 solicitors and trainee solicitors during the year.

Matters dealt with by the Committee by paper circulation including applications for exemption from complying with CPD requirements on the basis of old age and applications from practitioners for exemption from their CPD requirements for a second time.

CPD ACCREDITATION SUB-COMMITTEE

The main terms of reference of the Sub-Committee are to (a) determine applications for accreditation of CPD courses and activities; (b) determine the number of CPD points awarded on accreditation; (c) review the criteria for accreditation; and (d) monitor the providers of accredited courses.

A total of 3,689 courses, compared with 3,945 courses in 2022, were accredited as CPD courses in 2023. In terms of applications, 925 of the 3,689 courses were accredited on a course-by-course basis and 2,764 were accredited under the *Provider Accreditation Scheme*. In terms of course providers, 31 of the 3,689 courses were provided by The Law Society, 295 were provided by the Academy of which 214 were provided under the *RME Programme*, 298 were provided by commercial providers, and the remaining 3,364 were provided by in-house providers such as universities, professional bodies and law firms.

The Sub-Committee met once to discuss applications for renewal of accredited provider status and accreditation guideline on legal research. Matters resolved by the Sub-Committee by paper circulation included applications for accreditation of courses, accreditation of course providers, accreditation of committees and working parties, and accreditation of other legal activities including writing articles, books and conducting legal researches.

The total number of accredited providers under the *Provider Accreditation Scheme* at the end of the year was 60. The Sub-Committee approved 16 legal journals and books, and 111 pieces of legal research for the purpose of compliance with CPD requirements during the year.

Members of the Committee and the Sub-Committee continued to monitor the standard of accredited CPD courses by reviewing course evaluation records and attending selected accredited courses. 34 courses were monitored during the year.

GUIDANCE COMMITTEE

The main term of reference of the Committee is to provide guidance and advice to the solicitors' profession and others on professional conduct and ethics, including the *Conduct Guide*.

The Committee dealt with six enquiries from members and two referrals from the other Committees or Departments within the Secretariat on the following issues of professional conduct:

- (a) review of Law Society Circular 12-475 on the storage and destruction of old files;
- (b) mandatory regime on the issuance of reminders by law firms to the mortgagees relating to property fraud and due diligence exercise;
- (c) conflict or significant conflict of interest when a firm acted for company A in a civil action and subsequently acted for another company against company B when companies A and B had substantially the same directors;

- (d) interpretation of Principle 10.09 of the *Conduct Guide*;
- (e) conduct of a solicitor in effecting personal service of documents on an elderly person in litigation;
- (f) taking an oath/declaration by electronic means for a deponent who is outside Hong Kong;
- (g) duty of confidentiality owed by a solicitor to his company client in relation to the disclosure of information of the company client to its liquidator;
- (h) review of the *Corruption Prevention Good Practices on Conveyancing and Related Transactions for Law Firms*.

GUIDANCE SUB-COMMITTEE TO REVIEW RULE 5AA OF THE SOLICITORS' PRACTICE RULES

The main term of reference of the Sub-Committee is to review rule 5AA of the *Solicitors' Practice Rules* and its application.

The Sub-Committee reviewed the scope of rule 5AA as to the management of a practice upon the death of a sole proprietor pending cessation of the practice with reference to the regulatory regimes of the other overseas jurisdictions. It considered that rule 5AA and rule 9A of the *Foreign Lawyers Practice Rules* (Cap.159R) should not be applicable to non-equity partners. It will make recommendations to the Guidance Committee upon completion of its task.

LEGAL EDUCATION COMMITTEE

The main terms of reference of the Committee are to (a) monitor the *PCLL* Programme; (b) set education standards for the solicitors' profession; and (c) monitor the entrants to the profession including the need for a qualifying examination for such entrants.

Matters considered and dealt with by the Committee by paper circulation included:

- (a) Anonymous complaint against a provider of *PCLL* Programme;
- (b) Review of the Benchmarks for the *PCLL* Programme and consideration of the proposal to amend the Benchmarks;
- (c) Consideration of the status of civil law knowledge of law students and review of law syllabus of the three universities in light of the Mainland legal service markets;

- (d) Consideration of the proposal of CityU on *PCLL* curriculum review;
- (e) Consideration of different approaches to course assessments of the *PCLL* Programme;
- (f) Consideration of the use of Generative AI in the teaching and learning of law students;
- (g) Enquiry on the examination requirements of *PCLL* requisite courses in accordance with the Benchmarks for the *PCLL* Programme;
- (h) Consideration of logistical concerns raised by external examiners for the *PCLL* Programme of the three universities.

MEDIATOR AND PARENTING CO-ORDINATOR ADMISSION COMMITTEE

The main terms of reference of the Committee are to (a) establish and maintain panels of mediators and parenting co-ordinators; (b) approve applications for admission of mediators and parenting co-ordinators to the panels; (c) review and safeguard the standards of mediators and parenting co-ordinators and their training; and (d) liaise with other relevant organisations on issues pertaining to the development and training of mediators and parenting co-ordinators.

Matters considered by the Committee by paper circulation included:

- (a) Applications for admission as General Mediators;
- (b) Applications for admission as Family Mediators;
- (c) Applications for renewal of membership on the Panels of General Mediators, Family Mediators and Family Mediation Supervisors;
- (d) Applications for an extension of time to satisfy the CPD requirements in mediation training;
- (e) Approval of an extension of the exemption granted in 2020 to solicitor-mediators on the Panels of General Mediators, Family Mediators and Family Mediation Supervisors of The Law Society to comply with their CPD requirements in mediation training to cover all solicitor-mediators on the Panels whose term of membership expired at the end of the 2020/21 CPD practice year, or will expire at the end of the 2021/22 and 2022/23 CPD practice years, on the basis that their Panel membership is renewable on a 4-year basis and the term of membership of these solicitor-mediators covers the 2019/20 CPD practice year;
- (f) Development of a Stage I General Mediation training course;

- (g) Preparation of the agreement for the appointment of a course provider to conduct a Stage I General Mediation training course and consideration of the amendments counter-proposed by the course provider to the draft agreement;
- (h) Membership of the Committee;
- (i) Proposal for the development of online applications for admission to the Panels of Mediators and Panel of Parenting Co-ordinators;
- (j) Updating the Law Society Circular on the guidelines on the use of the title “Accredited Mediator of The Law Society” or “Admitted Mediator of The Law Society” to include the use of titles of International General Mediators and International Family Mediators of The Law Society.

Following the consolidation of mediator accreditation processes of Hong Kong Mediation Accreditation Association Ltd. (“HKMAAL”) founder members including The Law Society, all accreditation of mediators must be conducted by HKMAAL since September 2013. The Law Society implemented the *Mediator Admission Scheme (General Mediators)* since August 2015 and the Scheme was extended to cover the admission of family mediators and family mediation supervisors and renamed as the Mediator Admission Scheme since November 2017.

Solicitors who were not accredited by The Law Society as General Mediators, Family Mediators and Family Mediation Supervisors prior to September 2013 under the *Mediator Accreditation Scheme* of The Law Society initially launched in August 2005 may seek admission onto the Panel of Admitted General Mediators, Panel of Admitted Family Mediators and Panel of Admitted Family Mediation Supervisors through the *Mediator Admission Scheme*, subject to the requirements of the *Mediator Admission Scheme*. Applications are considered and approved by the Committee on a case-by-case basis.

As of the end of 2023, there were 175 solicitors on the Panel of General Mediators, 41 solicitors on the Panel of Family Mediators and nine solicitors on the Panel of Family Mediation Supervisors.

21 applications for renewal of membership on the Panel of General Mediators, six applications for renewal of membership on the Panel of Family Mediators and one application for renewal of membership on the Panel of Family Mediation Supervisors were processed during the year. 20 applications for renewal were approved and eight applications for renewal were granted an extension of time until 31 December 2024.

In November 2017, The Law Society also established the Panel of Parenting Co-ordinators. Parenting co-ordination is an alternative dispute resolution process whereby a Parenting Co-ordinator is appointed either by the courts or the parties in high-conflict matrimonial disputes to resolve child-related issues. As of the end of 2023, there were 16 Parenting Co-ordinators on the Panel.

In January 2020, The Law Society established the Panel of International General Mediators and the Panel of International Family Mediators to assist parties with mediation on international and cross-border disputes. As of the end of 2023, there were 18 solicitors on the Panel of International General Mediators and seven solicitors on the Panel of International Family Mediators.

OLQE COMMITTEE

The main terms of reference of the Committee are to (a) establish, keep under review and resolve the standards required of overseas lawyers sitting the *OLQE*; (b) establish and review the syllabi and reading lists of each Head of the *OLQE*; (c) prepare the *OLQE* Information and Supplementary Information Packages; (d) formulate policies on all procedural matters and logistics of the *OLQE*; and (e) supervise the Examination Panels.

The Committee conducted its business by way of meetings and by paper circulation. The Committee convened two meetings including a joint meeting with the *OLQE* Co-Chief Examiners, Panel Convenors and Examiners.

Matters considered and dealt with by the Committee in meetings and by paper circulation included:

- (a) Results of the 2022 *OLQE*;
- (b) Feedback of candidates on the conduct of the 2022 *OLQE* as set out in their responses to the *OLQE* Questionnaire;
- (c) Logistical arrangements for the 2023 *OLQE*;
- (d) The 2023 and 2024 *OLQE* Information Packages, the 2023 *OLQE* Supplementary Information Package and related documents;
- (e) The syllabus and reading list of each Head of the 2023 *OLQE*;
- (f) Appointment of Examiners and Panel Convenors;
- (g) Appointment of the *OLQE* Co-Chief Examiners;
- (h) Review of the fees of the *OLQE* Co-Chief Examiners, Panel Convenors and Examiners;
- (i) Consideration of reviewing the marking procedures of the *OLQE*;
- (j) Preventive measures for the 2023 *OLQE* in light of the COVID-19 pandemic and subsequent developments.

OLQE ELIGIBILITY AND EXEMPTION COMMITTEE

The main term of reference of the Committee is to determine applications for exemption from sitting all or part of the *OLQE*, applications to sit the *OLQE*, the guidelines for approving such applications and any amendments to the *OLQE Rules*.

The Committee conducted its business by way of meetings. Five meetings were convened to determine applications to sit the *OLQE* and applications for exemptions.

During the year, there were 313 *OLQE* applications. Of these, there were

- (a) 122 applications for exemption from sitting all or part of the 2023 *OLQE*;
- (b) 190 applications for eligibility to sit or re-sit the *OLQE*; and
- (c) one application for direct admission as a solicitor.

244 eligible candidates sat the 2023 *OLQE*.

OLQE

The 29th *OLQE* commenced on 25 October. A total of 244 candidates sat one or more written Heads of the Examination. 241 out of the 244 candidates came from 18 jurisdictions outside the HKSAR, nine of which were non-common law jurisdictions. The remaining three out of the 244 candidates were Hong Kong barristers.

Of the 244 candidates, 79 candidates (33%) passed the Examination, having passed each of the Heads that they were required to sit. 164 candidates (67%) failed the Examination, having failed one or more of the Heads that they were required to sit. One candidate was disqualified after sitting the Examination.

Figures 1 – 6: Examination results with respect to each Head of the OLQE

Figure 1:
Head I – Conveyancing

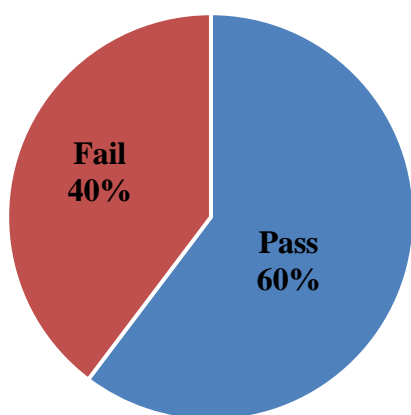


Figure 2:
Head II – Civil and Criminal Procedure

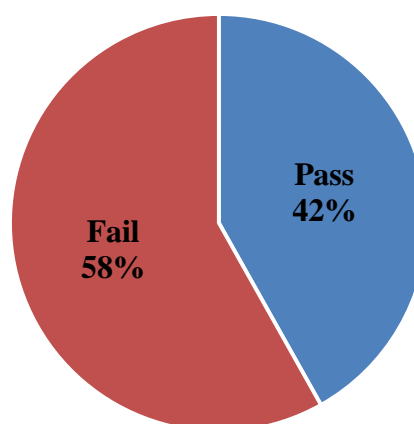


Figure 3:
Head III – Commercial and Company Law

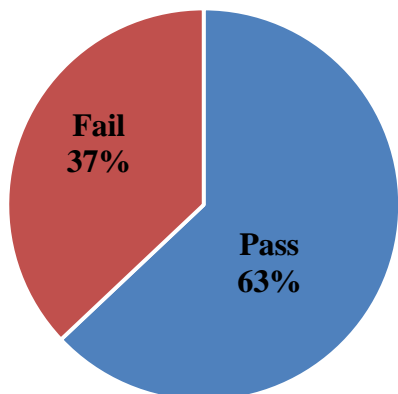


Figure 4:
Head IV – Accounts and Professional Conduct

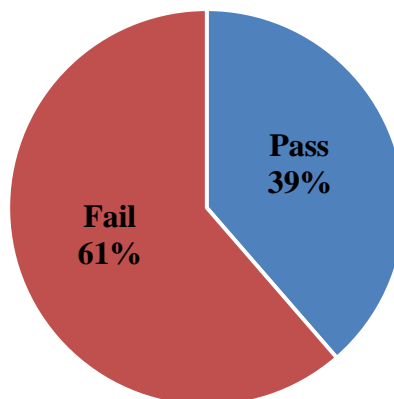


Figure 5:
Head V – Principles of Common Law

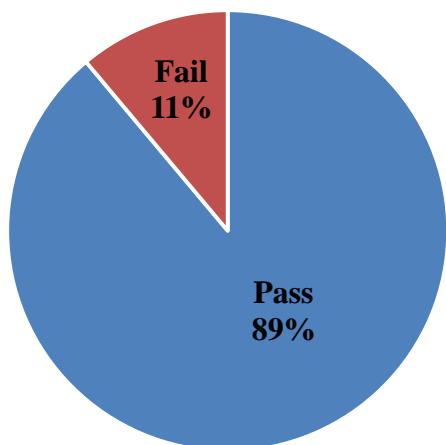


Figure 6:
Head VI – Hong Kong Constitutional Law

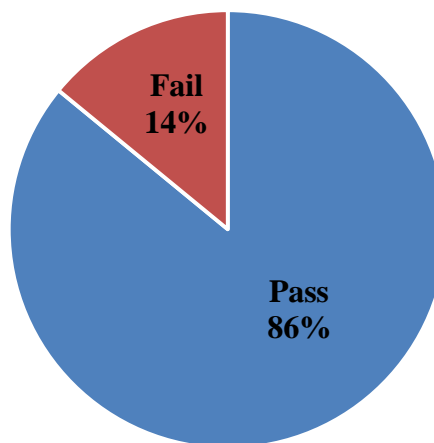
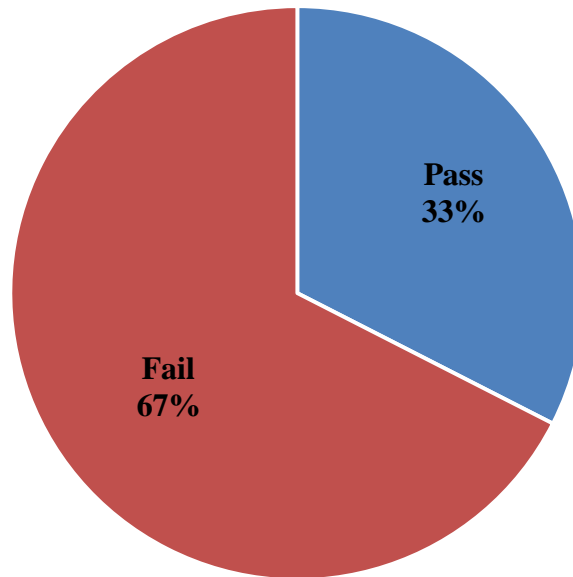


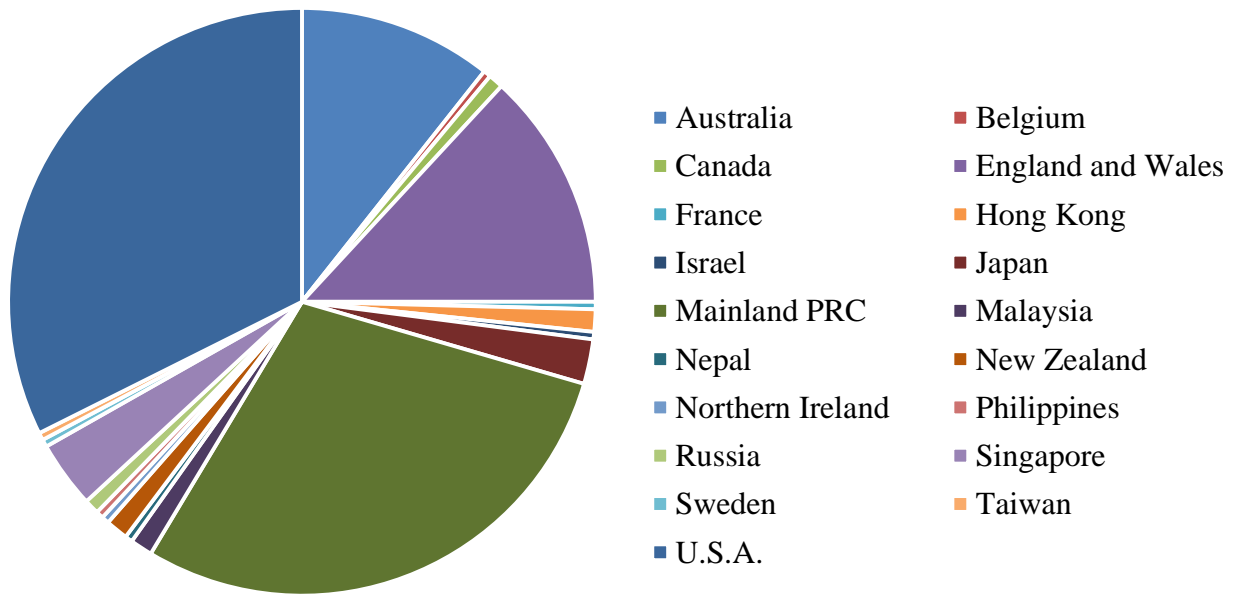
Figure 7: Overall Examination Result



	No. of Candidates						Overall Result
	Head I	Head II	Head III	Head IV	Head V	Head VI	
Pass	82	36	51	68	8	110	79
Fail	54	50	30	108	1	18	164
Total	136	86	81	176	9	128	244

Written Heads *Head I – Head IV & Head VI*
Oral Head *Head V*

Figure 8: Jurisdictions of the candidates



Jurisdictions	No. of Candidates	%*	Jurisdictions	No. of Candidates	%*
Australia	26	10.7%	Nepal ¹	1	0.4%
Belgium ¹	1	0.4%	New Zealand	3	1.2%
Canada	2	0.8%	Northern Ireland	1	0.4%
England and Wales	32	13.1%	Philippines ¹	1	0.4%
France ¹	1	0.4%	Russia ¹	2	0.8%
Hong Kong ²	3	1.2%	Singapore	9	3.7%
Israel	1	0.4%	Sweden ¹	1	0.4%
Japan ¹	6	2.5%	Taiwan ¹	1	0.4%
Mainland PRC ¹	71	29.1%	U.S.A.	79	32.4%
Malaysia	3	1.2%	Total	244	

¹ Non-common law jurisdiction

² Barrister

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

PRACTICE VENUES COMMITTEE

The main term of reference of the Committee is to carry out a feasibility study for legal practitioners to practise in service centres, at home, in domestic premises or by virtual offices. The Committee is also tasked with reviewing the relevant rules and regulations and making recommendations on whether and, if so, how to allow legal practitioners to practise in the aforementioned practice venues.

The Committee conducted its business by way of meetings and by paper circulation. The Committee convened three meetings in 2023.

After the Standing Committee on Standards and Development and the Standing Committee on Policy and Resources had decided that The Law Society should initially focus its study on allowing law firms to practise in brick-and-mortar offices in Hong Kong with an integrated virtual practice as a facility to service clients (“Hybrid Structure”), the Committee further explored the concept of Hybrid Structure, taking into account the legal/regulatory provisions relevant to the adoption of Hybrid Structure.

The Committee also considered the pros and cons, the policy considerations and any legislative amendments or waivers required for law firms to practise at home or in domestic premises. It reviewed a draft guidance note prepared in relation to the above.

There are four Sub-Groups under the Committee focusing on different tasks:

- (a) Sub-Group for Legal Practice in Virtual Offices;
- (b) Sub-Group for Legal Practice at Home or in Domestic Premises;
- (c) Sub-Group for Legal Practice in Service Centres;
- (d) Sub-Group for Work Arrangements under COVID-19 (dormant since or about March 2022).

The Sub-Group for Legal Practice at Home or in Domestic Premises convened two meetings in 2023. During meetings and by paper circulation, the Sub-Group reviewed the relevant rules and regulations, consider the policy issues involved and participated in the drafting of a guidance note on legal practice at home or in domestic premises.

The Sub-Group for Legal Practice in Service Centres convened one meeting in 2023 to consider whether there is a *prima facie* case to enable law firms to practise in service centres, whether on a short-term or long-term basis. It also reviewed the internal guidelines for considering relevant applications for waivers for law firms to practise in service centres in Hong Kong.

RME COMMITTEE

The main terms of reference of the Committee are to (a) formulate and keep under review the policies, procedures and guidelines of the *RME Programme*; and (b) monitor the implementation and administration of the *RME Programme*.

The *RME Programme* aims at raising the awareness of risk issues and promoting good risk management in legal practice.

Since its initial implementation in November 2004, the *RME Programme* has been in operation for over 19 years, its application extending gradually to all Hong Kong solicitors practising as sole practitioners, partners, associates, consultants, trainee solicitors and registered foreign lawyers working in Hong Kong law firms.

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

In 2023, five Module 1A, five Module 1B, five Module 2A and five Module 2B of principals' core courses, two Module 1 and two Module 2 of non-principals' core courses, six Module 1 and six Module 2 of registered foreign lawyers' core courses, 17 Module 1 and 17 Module 2 of trainee solicitors' core courses, 18 Compulsory First Elective courses for trainee solicitors, and 87 elective courses were held. The majority of the courses were delivered via webinars.

RME electives have since 1 November 2008 been offered free of charge to participants who have to fulfil their RME obligations in the relevant RME practice year and who have not attended any other RME electives during that year. Core courses have also been offered by the Academy free of charge to all trainee solicitors since 1 November 2009. Since 1 November 2014, subject to certain exceptions, all courses within the *RME Programme* have been offered free of charge to participants.

54 applications for exemption from complying with RME requirements made under rule 8A of the *Legal Practitioners (Risk Management Education) Rules* (Cap.159Z) were processed during the year.

RME ACCREDITATION SUB-COMMITTEE

The main terms of reference of the Sub-Committee are to (a) determine applications for accreditation of RME courses and activities; (b) review the criteria for accreditation; and (c) monitor the providers of accredited courses.

103 applications for accreditation of courses were processed in 2023, out of which 61 elective courses offered by law firms and other institutions and 34 elective courses offered by commercial providers were accredited.

Course provider accreditation of RME elective courses was introduced in 2007. In 2023, 14 law firms accredited as RME elective course providers conducted 92 elective courses within their firms and another 14 elective courses for the benefit of the general membership of The Law Society.

The Sub-Committee also considered and accredited one application for participation in committees for accreditation as an RME elective activity.

TRAINEE SOLICITORS COMMITTEE

The main terms of reference of the Committee are to (a) monitor the system of trainee solicitor contracts and the training of trainee solicitors; (b) consider all policies relating to trainee solicitors and their training; and (c) to make recommendations on any changes in relevant policies.

The Committee conducted its business by way of meetings and by paper circulation. One meeting was convened during the year. Matters considered and dealt with by the Committee in meeting and by paper circulation included:

- (a) Membership of the Committee;
- (b) Regulatory regime of trainee solicitors, particularly trainees who are looking for training positions after commencement of training and before registration of training contracts;
- (c) Proposal to include attachment to the Law Drafting Division in the *Legal Trainee Scheme* of DOJ;
- (d) Consideration of a reply to enquiries about the calculation of days of leave and extension of the solicitor training contract of a trainee solicitor;
- (e) Consideration of whether there is a need to review and amend the standard forms of the trainee solicitor contracts and/or the legal framework governing trainee solicitor contracts;
- (f) Exploration of the feasibility of better coordination of the recruitment of interns/trainee solicitors by law firms;
- (g) Anonymous complaints against law firms in relation to various aspects of trainee solicitor training.

GUIDE WORKING PARTY

The main term of reference of the Working Party is to review and update the *Conduct Guide*.

The Working Party conducted its business by way of meetings and by paper circulation. The Working Party convened six meetings during the year. Matters considered and dealt with by the Working Party in meetings and by paper circulation included:

- (a) Review of the principles and commentaries in the *Conduct Guide* including consideration and review of suggestions made by the general membership, specialist Committees and Working Parties of The Law Society;
- (b) Formulation of the proposed new Commentary 4 to Principle 2.05 of the *Conduct Guide* which states the obligation of a sole principal who has employed or is acting as the principal of a trainee solicitor under a trainee solicitor contract to make suitable alternative arrangement for supervision of the trainee solicitor during a prolonged period of absence of the sole principal from his office;
- (c) Formulation of proposed amendments to Principle 2.01 of the *Conduct Guide* and a proposed new Commentary 6 thereto arising from the coming into operation of the new sections 6(6B) and 6(6C) of the *LPO* on 3 July 2023 in respect of the mandatory practice management course requirement for the first issue of an unconditional practising certificate;
- (d) Formulation of proposed amendments to paragraph 3 under the heading “Complaints” in Chapter 15 of the *Conduct Guide* to avoid any misunderstanding or misperception that may arise from the issue of letters of regret and letters of disapproval as being personal decisions of the signatory of those letters;
- (e) Formulation of the proposed new Principle 1.00 of the *Conduct Guide* on upholding the *Basic Law*;
- (f) Formulation of proposed amendments to the *Conduct Guide* arising from the draft *Solicitor Corporation Rules*, the draft *Foreign Lawyer Corporation Rules*, the related amendments to the *LPO* which have already been gazetted but have not yet come into operation and the draft consequential amendments to the subsidiary legislation of the *LPO*;
- (g) Impact of the revised *Practice Direction P* which took effect on 1 June 2023;
- (h) Membership of the Working Party.

WORKING PARTY ON SCHEDULE 3 TO THE SOLICITORS (GENERAL) COSTS RULES

The Working Party was set up by the Standing Committee on Standards and Development in January.

The main terms of reference of the Working Party are to (a) review whether there should be changes to Schedule 3 to the *Costs Rules*; (b) make recommendations to the Council on any changes including the formulation of the amendments to the *Costs Rules* and consequential amendments to the *LPO* and/or subsidiary legislation to the *LPO* as may be appropriate; (c) advise on the pros and cons of such changes and the policy issues involved; and (d) deal with all matters incidental and pertinent to the implementation of any changes approved by the Council and the Costs Committee established under section 74 of the *LPO* (“Costs Committee”).

The Working Party conducted its business by way of meetings and by paper circulation. Two meetings were convened during the year. Taking into account the proposed amendments initiated by the Property Committee of The Law Society, the Working Party made recommendations to the Standing Committee on Standards and Development and the Council on certain proposed amendments to Schedules 2 and 3 to the *Costs Rules*. The Working Party also considered the policy issues on scale fees in relation to the Schedules to the *Costs Rules*.

A letter was sent to the Secretary to the Costs Committee in December seeking the Costs Committee’s support for such proposed amendments to Schedules 2 and 3 to the *Costs Rules* as had been approved by the Council.

WORKING PARTY ON REVIEW OF THE SUBJECT MATTERS OF CESSATION OF PRACTICE OF LOCAL AND FOREIGN FIRMS AND THE APPOINTMENT OF CESSATION AGENTS

The main terms of reference of the Committee are to (a) review the subject matters of cessation of practice of local and foreign firms and conduct a comparative study of the practices and policies of other jurisdictions; (b) review the appointment of cessation agents and substitute agents; and (c) prepare a report to the Standing Committee and the Council on the issues and problems encountered by law firms in cessation including the appointment of cessation agents and substitute agents.

By way of paper circulation, the Working Party considered issues relating to the appointment of a cessation agent upon cessation of practice by local and foreign firms. The Working Party will make recommendations to the Standing Committee and the Council upon conclusion of the review.