



## THE CHIEF EXECUTIVE'S POLICY ADDRESS 2022 LAW SOCIETY SUBMISSION

1. The Law Society is responding to the Public Consultation on the Chief Executive's Policy Address 2022 with this Submission.
2. In this Submission, we set out our brief views on the following policy matters.

### Family Law

3. There are various family law-related issues which are long overdue. We ask for Government's close attention and follow up.

#### (a) *Law Reform on Child Custody and Access*

In 2015/2016, the Labour and Welfare Bureau released a draft Children Proceedings (Parental Responsibility) Bill ("Children Bill") for public consultation. The Children Bill seeks to implement the recommendations made in the Report on Child Custody and Access published by the Law Reform Commission of Hong Kong 17 years ago (2005), i.e. to introduce a "parental responsibility model" into Hong Kong. This model has been adopted and practised in various common law jurisdictions and represents the modern view on custody and access, with focus on the interest of children. It is welcomed by the legal profession and also the Judiciary. Unfortunately, notwithstanding the various explanations by the profession and a few key stakeholders, the Government did not introduce the Children Bill into the Legislative Council.

The shelving of the Children Bill happened in 2018, at the time when there were calls from a few sectors of the community for provision of more support services for families. After 5 years, there are now more family services being provided.

However, when Hong Kong's law on child custody and access is still premised upon an archaic principle, our regime is not putting the best interests of children to the forefront. We ask the Government to put the Children Bill back to the policy agenda. Hong Kong should not lose momentum on this important law reform.

(b) *Children's Welfare and Protection*

Child abuse exposes the weaknesses of the current child protection system in Hong Kong. According to a report, the Child Protection Registry of the Social Welfare Department has processed 1,367 newly registered child abuse cases in 2021, up 45 percent rise from the 940 cases in 2020<sup>1</sup>. The rise of 45% is worrying. The death of a five-year-old boy found covered with bruises and abrasions in a subdivided flat in early September 2022 and the child abuse incidents in the Children's Residential Home (under the Hong Kong Society for the Protection of Children) in December 2021 are two sad examples.

In Hong Kong, the laws on child protection and domestic violence intersect and overlap with each other. There is not a standalone legislation concerning children's welfare or child protection. There should be a holistic review of the children's protection regime to consider, among other things, consolidation of all the child-related provisions on child abuse and neglect, into one single legislation to protect children in Hong Kong.

It is important to bring the child protection legislation of Hong Kong in line with other overseas jurisdictions.

(c) *Domestic Violence*

Regrettably, domestic violence and abuse seem to be worsening in Hong Kong<sup>2</sup>. One of the fundamental issues to be addressed to tackle the problem is to have a clear definition of domestic violence in the legislation. A clear and a proper definition would assist

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<sup>1</sup> See the [news report](#) of the Hong Kong Standard of 11 May 2022: According to the report, of the new cases registered in 2021, 43.4 percent of them were physical harm or abuse cases, 32.8 percent were sexual abuse cases, and 20.1 percent were neglect cases.

<sup>2</sup> See e.g. a [news report](#) of SCMP of 7 March 2022

frontline officers (police or social workers) to respond to and to handle domestic violence cases in a timely and appropriate manner.

In the aftermath of a family tragedy in Tin Shui Wai in 2004 (when a mother and her two young daughters were killed by her husband while they were trying to leave him), a recommendation was made for a review of the Domestic Violence Ordinance, Cap. 189 to especially provide for a definition of domestic violence. After almost two decades, there is not yet any legislative proposal put forward for a definition for domestic violence. Different departments have their own interpretation of what constitutes domestic violence<sup>3</sup>. This position is confusing and is not helpful at all to victims of abuses.

We reiterate the importance of the matter and are keen to see a draft definition put forward by the Government for consultation.

(d) *Proposed setting up of a maintenance board in Hong Kong*

The current system of collection of maintenance payments has been abused, leaving those divorced parties in need of maintenance payments in grave financial difficulties. A proposal has been put forward to set up a Maintenance Board in Hong Kong, in order that there can be a central board to collect and enforce maintenance payments on behalf of the payees. This proposal has repeatedly been raised over the past years. Yet, we understand the Government is still having internal deliberations, with no indication on the way forward for the matter. We ask the Government to speed up its discussion and to inform the public of its policy to help those who are entitled to but who are denied prompt and timely maintenance payments.

### Ageing Society and Mental Capacity

4. The problem of ageing of the Hong Kong society has seemingly been ignored in the past years, probably because the benefit of ensuring a

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<sup>3</sup> The Department of Justice on its [website](#) sets out its interpretation of the term under its “Policy for Prosecuting Cases Involving Domestic Violence”. The Hong Kong Police Force has its own definition and approaches for “Domestic Violence”. See *Hong Kong Police Force document: Role and Responsibilities of Police Officers Attending Domestic Violence Incidents*:

[https://www.swd.gov.hk/doc/fcw/proc\\_guidelines/battered\\_spouse/Chapter%205%20\(Eng\)%2024042013.pdf](https://www.swd.gov.hk/doc/fcw/proc_guidelines/battered_spouse/Chapter%205%20(Eng)%2024042013.pdf)

healthy next generation may not be perceived as urgent as other policy agenda. However, with recent emigration, the implications of an ageing society have become more apparent. While Hong Kong should continue to attract and to embrace talents from other jurisdictions, the Government should revisit its Population Policy<sup>4</sup> to enhance the fostering of a supportive environment for Hong Kong people to raise families. An updated Population Policy is relevant to the growth of the economy. There should be a focused review of the relevant legislation to, among other things, enhance the local labour force participation rate. On the other hand, the Government should consider launching another community engagement exercise to gauge views and to map strategies and initiatives to address demographic challenges.<sup>5</sup>

5. Enduring Powers of Attorney (“EPAs”) are important to the management of one’s assets. It is a legal instrument which allows its donor, while he/she is still mentally capable, to appoint attorney(s) to take care of his/her financial matters in the event that he/she subsequently becomes mentally incapacitated. Regrettably in Hong Kong, EPAs are under-utilized and their importance is generally overlooked. This causes concerns, in particular when the society of Hong Kong is ageing. Although more and more people are in need of advice and documentations to plan ahead while they have mental capacity, there is a lack of regular publicity campaigns by the Government promoting the use of EPAs and the need to receive proper legal advice on the same. While there have been events and exhibitions on EPAs (as well as on use of other testamentary and related instruments) mostly organized by NGOs, they are infrequent and sporadic.
6. Added to the above lack of general awareness is the problem of touting. Our members noted that some private companies are making use of promotion events organized by NGOs to unethically tout for business. An example of the modus operandi of touts that our members observed is that in an exhibition run by an NGO for senior citizens, at the end of the delivery of a presentation, a private company (not a law firm) made advances to the audience and promoted its service to “help” them prepare EPAs free of charge. Other referral services at costs were promoted at the same time. The audience who were mostly old-aged would easily be

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<sup>4</sup> See: <https://www.hkpopulation.gov.hk/eng/tackle.html>

<sup>5</sup> The last community engagement exercise on population and demography was carried out in 2014.

caught by the assumption that the services offered were endorsed by the NGO or the Government. They can easily succumb to the “help” offered.

7. We have no comment on the charges or waiver thereof for the services offered in the above scenario, but when the service was offered free of charge and was by a private company (not a law firm), we have grave concerns on the level of attention that could be devoted to, and the requisite expert and legal advice that ought to be relayed to the potential donor of an EPA. Notably, EPA is a legal document. It is not straightforward; the power granted under an EPA is not revoked by reason of any subsequent mental incapacity of the Donor. As such, it should be prepared carefully and that the donor should receive proper and full legal advice before execution of the document. We are concerned that touts have oversimplified the issues and, even worse, rendered inaccurate or wrong advice.
8. We surmise that unethical touting could be taking place on other occasions with variation of modus operandi. The public needs education and protection.
9. One way to combat unethical touting is for the Government to properly and more audibly publicize EPAs for the general public, so that the public could be fully and properly informed of the nature and significance of EPAs, before they decide whether to accept service from any service providers. We are aware of leaflets produced by the Department of Justice (“DOJ”) and the radio interviews by DOJ on EPAs. The efforts, while appreciated, need to be increased. More publicity campaigns and promotional seminars need to be arranged, and regular Announcement in the Public Interest (API) for the promotion of the use of EPAs should be made.
10. We are aware of a consultation<sup>6</sup> by the DOJ *five years ago* on a proposed regime of Continuing Powers of Attorney. This consultation followed and aimed to implement the recommendations by the Law Reform Commission of Hong Kong set out in its report on “Enduring Powers of Attorney: Personal Care” issued in July 2011, i.e. *11 years ago*. Broadly speaking, the Continuing Power of Attorney was put forward to cover decisions in relation to a donor’s personal care as well as his/her property and financial affairs. The principle which underscores the proposal should be welcomed. In the above consultation paper (released in 2017), the

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<sup>6</sup> See: [https://www.doj.gov.hk/en/community\\_engagement/press/pdf/cpa\\_consulte.pdf](https://www.doj.gov.hk/en/community_engagement/press/pdf/cpa_consulte.pdf)

DOJ annexed a Continuing Powers of Attorney Bill (the “Bill”). We have in April 2018 responded<sup>7</sup> to the consultation and provided comments on the Bill. We believe the consultation should have been concluded a long time ago, but we are not aware of any progress with the Bill.

11. When the issue of ageing of the Hong Kong society is becoming more prominent, the Government should expedite the legislative process of the Bill. The regime for Continuing Powers of Attorney (or any relevant regime) should form part of the roadmap of the Government’s Comprehensive Policy For The Elderly<sup>8</sup>. This roadmap ought to be made known to the public.
12. By way of passing remarks, the Government should not overlook a sector of the public many of whose mental capacity have suffered and who are in need of appropriate care and attention. There have been reported cases by the Consumer Council<sup>9</sup> and public media of mentally-challenged persons being exploited and, for instance, duped to enter into body building or fitness contracts the service of which they do not need or which they could not reasonably enjoy. Both public education and law enforcement need to be stepped up.

### Rights of Accident Victims

13. We have in our submission to Policy Address 2019 outlined concerns regarding the provisions on the *Employees Compensation Assistance Ordinance, Cap. 365* (“ECAO”) that govern the method for calculating relief payment and the urgent need for the necessary legislative amendments to the Ordinance to ensure that the Ordinance properly protects the interests of those it is intended to protect; namely, *working* people. We have so far not seen any legislative proposals put forward on the above.

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<sup>7</sup> See: [https://www.hklawsoc.org.hk/-/media/hkls/pub\\_e/news/submissions/20180425a.pdf?rev=d35eb3fcad3745c0a45b6b6bb5ae3697](https://www.hklawsoc.org.hk/-/media/hkls/pub_e/news/submissions/20180425a.pdf?rev=d35eb3fcad3745c0a45b6b6bb5ae3697)

<sup>8</sup> See: [https://www.elderlycommission.gov.hk/en/About\\_Us/Introduction.html](https://www.elderlycommission.gov.hk/en/About_Us/Introduction.html)

<sup>9</sup> See: [https://hk.on.cc/hk/bkn/cnt/news/20220724/bkn-20220724005947524-0724\\_00822\\_001.html](https://hk.on.cc/hk/bkn/cnt/news/20220724/bkn-20220724005947524-0724_00822_001.html)

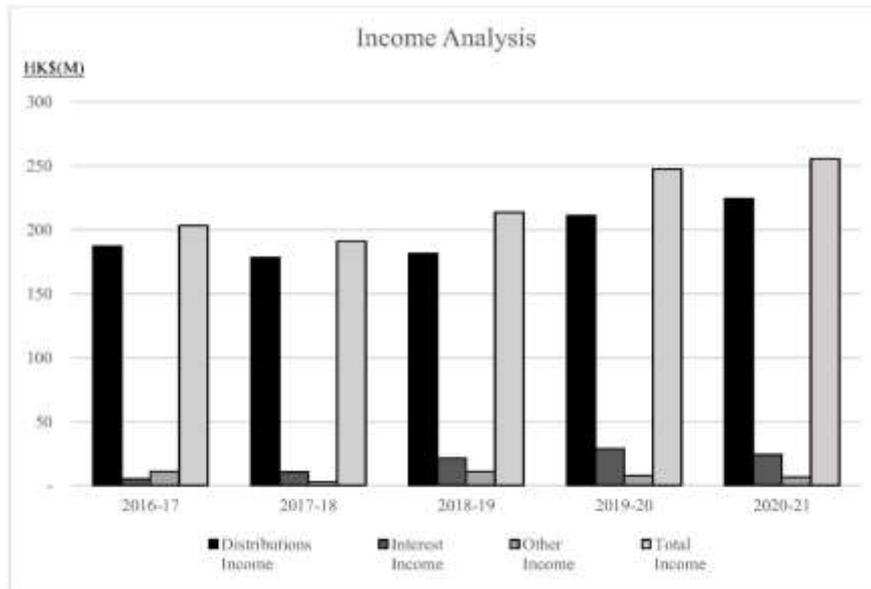
14. The purpose of the Ordinance, as initially drafted in 1991, was to allow employees to obtain payments under a statutory scheme when they could not recover employees' compensation or common law damages from their employers/insurers. The Fund, however, suffered from certain financial difficulties which led to various amendments to the Ordinance in 2002. These amendments resulted in different treatments of employees' compensation and common law damages. Employees' compensation and legal costs relating thereto remain recoverable. However, by way of significant contrast, for common law damages, the employee can only apply for a "relief payment" from the Fund. This relief payment however -
- (a) imposes a cap as an initial lump sum and, thereafter, a monthly payment, and
  - (b) excludes legal costs and interest, i.e. it only pays the principal sum of common law damages.
15. The statutory scheme received critical comments from the public and also the Court. In *Ng Tat Kuen v Tam Che Fu* HCPI 896/2013, the Court succinctly summarized the problems with the statutory scheme:

*"The Plaintiff was entitled to monthly payments of \$39,350 including the prescribed monthly extra payment for severely injured persons of \$10,000. After receiving the first payment of \$1.5 million, given his life expectancy, the Plaintiff would receive less than half the damages to which he was entitled before he died. Further, the initial \$1.5 million payment was likely to be insufficient to enable a severely injured plaintiff to pay for the expensive aids, equipment and suitable accommodation recommended to him. Whether or not the monthly payments could fund the care regime recommended for him would depend on what his earnings were at the time of the accident."* (see the headnote, para 2).

The figures of \$10,000 and \$1.5 million quoted above have respectively been increased to \$40,000 and \$6 million since 14 May 2021 (see L.N 41 of 2021), but the problem outlined in this example still remains; in particular, given the higher awards of damages now made since the above judgment.

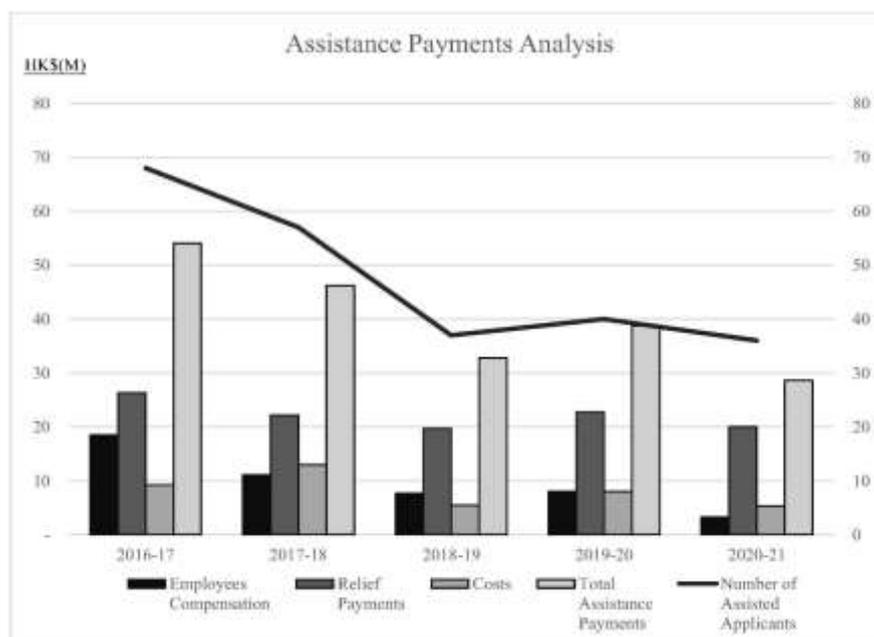
16. The above problems (of having capped payments and excluding legal costs and interest which would otherwise be payable to the plaintiffs) sadly continue today.

17. From what we could understand from the latest annual reports of the Employees' Compensation Assistance Fund Board (which manages the Fund under the statue), the Fund Board has been enjoying comfortable finance in recent years. Among other things, the income received by the Board has been steady and is apparently on the rise (see below)



(the full extract is on Appendix 1 to this Submission, which is a duplicate copy of the Appendix 1 to the Annual Report 2020-2021 of the Fund Board )

The payment out from the Board on the other hand has been decreasing over the years (see below)



(the full extract is on Appendix 2 to this Submission, which is a duplicate copy of the Appendix 2 to the Annual Report 2020-2021 of the Fund Board ).

18. We believe that given the prevailing constant annual surplus in recent years the Fund can financially cope with a re-instatement of the pre-2002 position as to costs interest and common law damages and still produce regular annual surpluses at comfortable figures enabling continued accumulation of reserves.
19. In a summary, the current position is grossly unfair to the injured plaintiffs who have proved their cases. It is failing the public. We strongly advocate that legislative amendments be introduced as soon as possible to ensure that severely injured employees are properly compensated.

We echo the following views of the Court.

*“The time was right for considering the [legislative amendments to] the ECAO and the restoration of its pre-2002 state, when the protection afforded by the Board was equal to that under the [Motor Insurers’ Bureau of Hong Kong (“MIB”)]. Like the MIB, the [Fund Board] should satisfy a judgment for damages obtained by an injured employee in full, together with interest and costs.” (see *Ng Tat Kuen v Tam Che Fu* (supra, headnote, emphasis supplied by us).*

20. There is no reason to stall the above legislative amendments.

#### Intellectual Property – The 14<sup>th</sup> Five-Year Plan

21. Under *the 14<sup>th</sup> Five-Year Plan for National Economic and Social Development of the People’s Republic of China and the Long-Range Objectives Through the Year 2035*, (the “14<sup>th</sup> Five-Year Plan”), Hong Kong SAR is to be established, among other goals, as a regional IP trading centre, an international innovation and technology hub and a hub for arts and cultural exchange between Mainland China and the rest of the world. Intellectual property (“IP”) plays a pivotal role in these goals. It is all the more important that the IP regime of the Hong Kong SAR should be reviewed regularly and updated timely.
22. A strong and robust IP regime is vital to Hong Kong SAR to not only follow the policy directive of the 14<sup>th</sup> Five-Year Plan, but also to meet international trends, advancement in technology, changing operation environment and expectations of stakeholders. We are pleased to see the

gazetting of the Copyright (Amendment) Bill 2022 and have put in two submissions to support the amendment bill and the proposals set out therein. We strongly urge for the expeditious passing of the amendment bill to put an end to the long overdue legislative exercise to those issues that have been raised since 2006, so that Hong Kong could move on to discuss other more contemporary issues such as:

- (a) the feasibility and the merits of establishing a copyright registration system;
- (b) use of new technology, such as blockchain, to prove ownership and authenticity of copyright works and to provide proof or preserve evidence for commercial transactions and contentious disputes;
- (c) review of authorship, ownership and protection issues relating to artificial intelligence works and consideration of exceptions to copyright for text and data mining;
- (d) review of the jurisdiction and powers of the Copyright Tribunal;
- (e) whether to maintain the current dual protection of copyright and registered design or to introduce unregistered design rights in Hong Kong SAR; and
- (f) the continuation of a fair dealing exceptions approach or the introduction of a fair use approach or a hybrid.

23. On the issue of a copyright registration system for Hong Kong, we have prepared and submitted a paper to the Commerce & Economic Development Bureau (“CEDB”) and Intellectual Property Department (“IPD”) for consideration. We ask for endorsement and support of our proposal.

24. We believe that only better awareness of IP can promote better understanding, valuation, monetarization, collateralization and commercialization of IP rights to build and advance a digital economy and innovation environment. We urge for programmes to educate and disseminate IP knowledge (creation, management and commercialization) at universities, vocational training institutions, start-ups and SMEs in order to build a better ecosystem for innovators, creators, investors and practitioners. This will enhance demand for legal, financial, valuation,

insurance and other services to achieve a better and more diversified economy for Hong Kong SAR.

25. In this regard, support of the IPD to the business sector, in particular the SMEs and start-ups, is essential. We believe the IPD would require more resources to effectively perform its increasing tasks. Yet, neither IPD nor CEDB can alone achieve the many tasks needed to manifest the 14<sup>th</sup> Five-Year Plan on IP for Hong Kong SAR. We need Government cross-bureau collaborations with educational institutions, industry bodies, public and private enterprises to devise and implement holistic policies and strategies to strengthen Hong Kong SAR's overall IP capability to meet the new opportunities and challenges.

### Dispute Resolution

26. We are aware of the Government's initiative (港資港法港仲裁) to explore ways to enhance the mechanism for wholly owned Hong Kong enterprises in Qianhai of Shenzhen to adopt Hong Kong law for their commercial activities; and to refer their disputes to arbitration to be seated in Hong Kong for dispute resolution. We are in support of the initiative, and look forward to its implementation.
27. In anticipation of the legislation on the Outcome Related Fee Structure for arbitration, we could foresee increases in the demand for legal and dispute resolution services. Coupled with the forthcoming rail link between Hung Shui Kiu / Ha Tsuen New Development Area in the northwestern part of Hong Kong and Shenzhen Qianhai, the demand for the dispute resolution services may surge in the northwestern part of Hong Kong, when those wholly-owned Hong Kong enterprises registered in Shenzhen Qianhai would more likely adopt Hong Kong law and choose arbitration to be seated in Hong Kong.
28. The provision of dispute resolution services needs not be clustered in the conventional business districts. The Government should extend arbitration capacity and capability and help develop legal and arbitration services in areas outside the Central Business Districts. Plans should be drawn up for provision of additional infrastructure, facilities and training for professional arbitration services "on site" in parts of Hong Kong, to be considered or embraced e.g. under the Northern Metropolis Development Strategy. This is a matter of economic benefit and, just as importantly, contingency planning.

29. Enhancing the arbitration capacity and capability for disputes resolution reinforces Hong Kong's competitive position in the legal landscape. That contributes to the continual development of Hong Kong as a major legal and dispute resolution centre.
30. On the international front, the United Nations Convention on International Settlement Agreements resulting from Mediation was open for signature in August 2019 and the Mainland is a signatory country (even though it has yet to ratify the Convention). Many Asian countries have adopted mediation as a major mechanism for dispute resolution. Hong Kong has to follow this mediation trend in order to compete with other Asian countries on dispute resolution. Further, in light of the expectation of increased investment around the world, Hong Kong can play a significant role in facilitating investor-state mediation, thereby further enhancing the strength and reputation of Hong Kong in international commercial dispute resolution. On the local front, Hong Kong society can benefit from the culture of mediation, thereby creating a more harmonious environment. Such mediation culture can be introduced to all levels of society, ranging from adopting "peer mediation" at schools to commercial mediation in the commercial world.

#### Judiciary Administration

31. We wish to briefly recap the following matters in this submission. Fuller details have already been given to the Judiciary Administration on previous occasions.
32. On use of *court technology and remote hearings*, we have already sent our views to the Judiciary Administration (as recently as in mid-September 2022). In a summary, we are in support of remote hearings for civil proceedings and, generally, for some criminal proceedings (but not for criminal trials and important excepted matters involving defendants' fundamental rights). We are also in general in support of the legislation on remote hearings, and urge for the early passage of that legislation (adopting our recommendations). We have been advocating for more use of court technology. For example, in our submission in March 2022 on the construction of a new court building at Caroline Hill Road, we have among other things asked for up-to-date video-conferencing facilities that enable chambers and open court hearings to be conducted on a virtual basis vide mobile phone communications, conference calls and Zoom-like

conferencing platforms. We anticipate more use of these video-conferencing for not only 3-minutes hearings, but also PTR and CMC etc.

33. On *delivery of judgments*, we have asked the Judiciary Administration to arrange English translation of those Chinese judgments which attract public interest; including, those judgments for National Security cases with jurisprudential value, and those criminal cases with national security concerns. Bilingual judgments at Court of First Instance level and above would assist the public, the profession and the international community to better understand the national security law.
34. On *resources for the Judiciary*, we have repeatedly stressed that adequate resources must be reserved for the Judiciary Administration. These involve the provision of logistics support and resources (financial and otherwise) for Judges and Judicial Officers and support staff and for translators (to be externally engaged, if so required) for translation work that we have referred to above with regard to the translation of certain judgments.
35. Lastly, on *recruitment of judges and judicial officers*, we reiterate our submissions previously made on the importance of finance and resources allocation for the Judiciary. It is our members' experience that the waiting times for substantial hearings and trial dates and for handing down written judgments are still too long. Waiting times for court hearings (in particular) have become a real problem, and that is not assisting Hong Kong's reputation as a leading disputes resolution centre. It is vital to recruit and to retain more bright, skilled and experienced judges and judicial officers (from both branches of the profession) to handle the increasing workload faced by the Judiciary.

#### Rule of law youth education

36. Youth education continues to be one of the Government's policies of priority, in particular in the area of rule of law. In its effort to support this, the DOJ's ongoing empowerment programme under Vision 2030 actively contributes to rule of law school education, nurturing a law-abiding appreciation among young people.
37. To this end, we urge the Government to engage The Law Society of Hong Kong and other professional non-Governmental organisations. The Law Society has a wealth of experience in rule of law youth education, most

notably through Teen Talk, which is a Law Society annual flagship programme established since 2010. It has reached out to more than 15,000 young people. Pertinently, Teen Talk has educated Hong Kong's youth on topical social matters not only through a legal lens but also from a moral and compassionate perspective.

### Green and Sustainable Finance

38. By 2030, global emissions are poised to be cut in half. "30-60" is now a major focus in China. China is now committed to peaking its emission before 2030 and achieving carbon neutrality before 2060 (the "30-60 Pledge"). We believe the legal industry has a key role to play in facilitating these goals. Our members regularly assist the business community to reduce emissions as well as reducing those from their own operations/suppliers.
39. We believe that carbon neutrality represents an opportunity for Hong Kong, being an established international financial and capital centre, the main gateway to the Chinese market and a hub for human capital.
40. The preliminary feasibility assessment issued by the Green and Sustainable Finance Cross-Agency Steering Group dated March 2022 highlights Hong Kong's strengths in capturing carbon market opportunities. In particular, the Steering Group highlights the need for Hong Kong to develop market structure and regulatory models to link up international investors with the Chinese carbon markets.
41. We encourage the Government to deepen its footprint on this front, and integrate Hong Kong's carbon market development into the overall development and fulfillment of Chinese Government's 30-60 Pledge. In particular, we urge the Government to be proactive in involving the legal community as early as possible, as our members have over time accumulated valuable firsthand experience in other comparable sectors/markets in the formulation of a sustainable carbon market and regulatory structure for Hong Kong.

### Belt and Road Initiative

42. We believe Hong Kong is uniquely positioned to facilitate the implementation of the Belt and Road Initiative ("BRI"), being a part of China under the "One Country, Two Systems" agreement, while at the same time maintaining a separate and independent legal system based on common law. In particular, Hong Kong can play an integral part within the

BRI framework on leveraging its international financial markets and dispute resolution capabilities.

43. Owing to the geographical proximity and consistent with the overall objective of the Mainland Government to deepen its ties with neighboring trade partners, we believe Hong Kong can play an instrumental part with Hong Kong's ASEAN friends within the BRI.
44. We believe the Government should be proactive in strengthening its promotion of Hong Kong towards regional Belt and Road ("B&R") participating countries and setting attractive policies; including, but not limited to, setting favourable regulatory requirements for businesses of ASEAN and regional B&R participating countries to list on the Hong Kong Stock Exchange. For the time being, ASEAN based companies for example prefer Singapore for access to financial markets broadly because of the flexibility in the listing regime in Singapore.
45. We also believe the Government should continue to promote the use of Hong Kong law and Hong Kong as a disputes resolution centre in ASEAN matters. There exists arrangements between Hong Kong and China for reciprocal recognition of monetary judgments and final arbitration awards. Hong Kong is therefore a desirable disputes resolution option for parties involved in B&R related disputes.

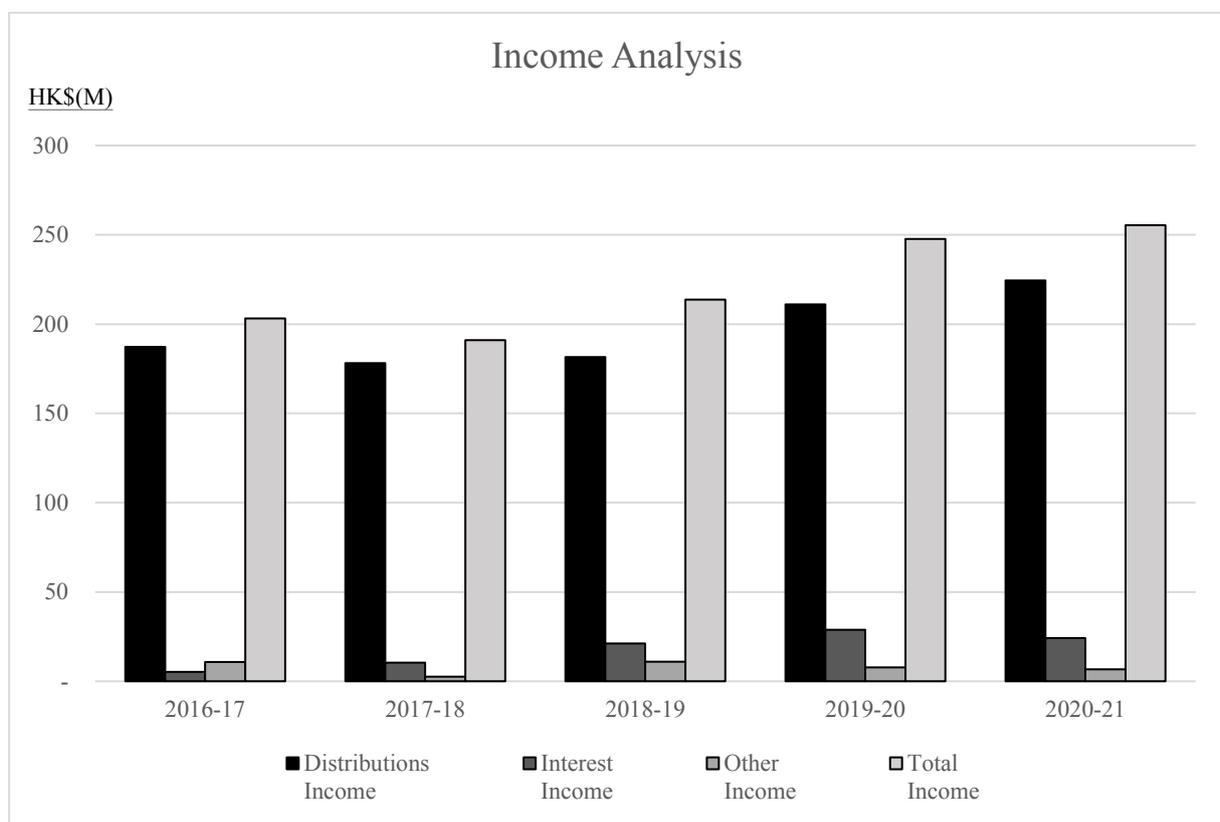
#### Conclusion

46. We have in this submission outlined several policy initiatives which call for prompt attention of the Government. We look forward to discussing these as well as other initiatives with the relevant Bureau(s).

**The Law Society of Hong Kong  
5 October 2022**

## Appendix I – Income Analysis (2016-17 to 2020-21)

Year	Distributions Income <sup>1</sup> (HK\$(M))	Interest Income <sup>2</sup> (HK\$(M))	Other Income <sup>3</sup> (HK\$(M))	Total Income (HK\$(M))
2016-17	187.27	5.18	10.74	203.18
2017-18	178.06	10.34	2.60	190.99
2018-19	181.47	21.14	11.03	213.64
2019-20	211.08	28.87	7.79	247.74
2020-21	224.40	24.25	6.71	255.36



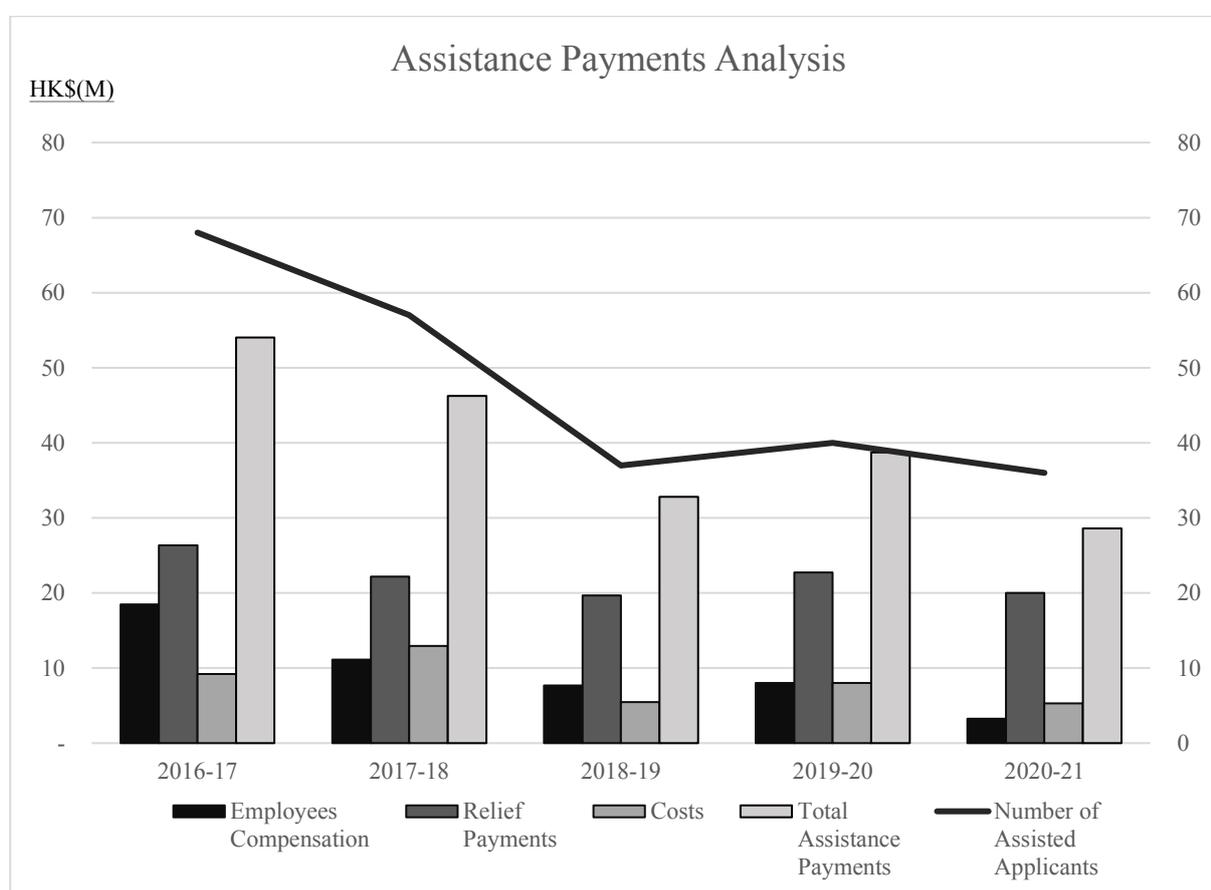
### Note

- 1 The Fund is financed by a levy payable by employers when they take out employees' compensation insurance policies. The levy, imposed under the Employees' Compensation Insurance Levies Ordinance, is collected by the Employees' Compensation Insurance Levies Management Board. The levy rate is 5.8%, of which 3.1% is allotted to the Board as the Board's Distributions Income.
- 2 Interest Income represents interest earned by placing surplus fund in the banks.
- 3 Other Income represents recovered payments for exercising the subrogation rights after assistance payments, recovered costs and assistance payments, as well as surcharges levied on employers who have contravened Section 40(1) of the Employees' Compensation Ordinance.

## Appendix 2

### Appendix II – Assistance Payments Analysis (2016-17 to 2020-21)

Year	Employees Compensation (HK\$(M))	Relief Payments (HK\$(M))	Legal Costs (HK\$(M))	Total Assistance Payments (HK\$(M))	Number of Assisted Applicants*
2016-17	18.47	26.35	9.20	54.02	68
2017-18	11.12	22.18	12.96	46.26	57
2018-19	7.66	19.69	5.48	32.83	37
2019-20	8.00	22.73	8.00	38.73	40
2020-21	3.25	20.03	5.31	28.59	36



#### Note

- 1 Some of the assisted applicants were approved to receive assistance for employees' compensation, relief payments and/or costs in different financial years. During 2016-17 to 2020-21, the Board had assisted 166 applicants.