



## **2026-27 GOVERNMENT BUDGET LAW SOCIETY SUBMISSION**

1. The Law Society of Hong Kong (“Law Society”) makes the following submission in response to the Government’s consultation on the 2026-27 Budget.
2. The legal and dispute resolution services sector continues to underpin Hong Kong’s economic stability, institutional credibility and international positioning. In maintaining an environment governed by the rule of law, Hong Kong ensures predictability and confidence for businesses, investors, families, and the wider community. To safeguard this foundation, it is essential that the Government allocates adequate resources to reinforce legal and dispute resolution services, enhance the administration of justice, and strengthen Hong Kong’s competitive edge as an international centre for legal and dispute resolution services.
3. This submission sets out the Law Society’s recommendations across key practice areas including civil litigation, dispute resolution, family office and wealth management, sports law, intellectual property (“IP”), investment and financial product and transportation and maritime law. A coordinated and forward-looking investment strategy is required to ensure that Hong Kong’s legal infrastructure remains robust, innovative, and aligned with the needs of a rapidly evolving global landscape.

## **Reducing Court Waiting Time and Strengthening e-Courts Services**

4. **Addressing Critical Shortfalls in Judicial Manpower.** Court delays continue to be a pressing concern within Hong Kong's justice system, posing a structural risk to the effective administration of justice and the rule of law. Persistent waiting times in civil proceedings have increased litigation costs, reduced access to justice, and weakened Hong Kong's attractiveness as a dispute resolution venue as well as its competitiveness as an international legal and financial centre. To address these challenges, the Law Society emphasises the need for the Government to expand judicial manpower at all levels, particularly in the High Court, District Court and the Family Court, so that caseload pressures can be alleviated in a manner proportionate to caseload growth and reflective of the demands placed on the courts. The Law Society recommends that the Judiciary to recruit more experienced legal practitioners, such as senior solicitors, to join the Judiciary to, among other things, expedite the overall case processing time in Hong Kong. Enhancement of both judicial and non-judicial support resources is essential to enable more efficient case management, facilitate research and assist with judgment preparation so that judges may focus on core adjudicative functions and deliver reasoned judgments without undue delay. There is also considerable value in establishing specialised task forces dedicated to clearing backlogs in high-volume areas, such as commercial litigation, personal injury claims, family proceedings and probate applications, thereby restoring confidence in the timely administration of justice and providing a targeted, measurable mechanism for backlog reduction that delivers clear public value for Budget investment and strengthens overall system resilience.
  
5. **Modernising Judicial Infrastructure.** The Law Society also urges the Government to expedite the provision of the new High Court Building, as modern, fit for purpose judicial infrastructure is critical to supporting increased manpower, accommodating growing caseloads and ensuring that court users have access to

facilities that meet contemporary operational and technological requirements and the needs of a modern justice system.

6. **Strengthening e-Courts Services.** In parallel, the Judiciary's digital transformation requires significant reinforcement to ensure that Hong Kong keeps pace with international best practice and the expectations of modern court users. While progress has been made, full implementation of e-Courts systems is still some distance away and existing systems remain fragmented, creating inefficiencies and inconsistent user experiences. The Law Society supports the continued expansion of e-Filing across all courts and tribunals, the development of accessible digital case-tracking systems for practitioners and litigants, and the upgrading of court room video-conferencing infrastructure to support remote and hybrid hearings where appropriate and consistent with the principle of open justice. Secure digital evidence repositories with robust cybersecurity protections will be indispensable in modern litigation practice and will help ensure the integrity and reliability of the court record, audit trails and evidential chain of custody as digital processes become increasingly central to case management and adjudication. The Government should also provide funding for training programmes targeted at judges and judicial officers, court staff, legal practitioners and self-represented litigants to ensure that digital systems are widely understood and effectively utilised, thereby promoting consistent, fair and efficient use of technology across the justice system and ensuring that public investment in digital infrastructure translates into measurable improvements in procedural efficiency, accessibility and user confidence across all levels of court operations.

## **Dispute Resolution: Arbitration and Mediation**

7. Mediation continues to be a vital component of Hong Kong's dispute resolution framework, but its sustainable development requires adequate policy attention. We have previously observed and highlighted that many publicly supported

mediation schemes require mediators to work pro bono or for nominal remuneration which led to the misconception to the general public that mediation was a low-value and non-professional service. This undermines talent retention and discourages capable practitioners from entering the field. Despite repeated calls, funding for mediation has remained disproportionately low compared with the strategic importance ascribed to it under the National 14th Five-Year Plan and the recent establishment of the headquarters of the International Organization for Mediation in Hong Kong. We therefore reiterate that mediation must be recognised as a distinct professional service deserving of stable and adequate government funding. Budgetary support should include fair remuneration schemes, public education initiatives, and the strengthening of institutional mediation mechanisms in both commercial and community sectors.

8. On arbitration, as international arbitration becomes increasingly specialised, particularly in emerging areas such as sports, technology, intellectual property, maritime, aviation and Islamic finance, Hong Kong shall ensure that its arbitration infrastructure and talent pool remain globally competitive. With a view that digital arbitration becomes increasingly popular in many overseas jurisdictions, Hong Kong shall invest and put in place a platform and/or mechanism for the issuance, storage and verification of e-arbitral awards to reinforce Hong Kong leading status in digital arbitration. We have also highlighted in our previous submissions the need for training legal professionals in international law, common law, civil law and national legal systems to support Hong Kong's role in the Belt and Road Initiative and the development of the Guangdong-Hong Kong-Macao Greater Bay Area. The Government should therefore consider targeted funding to support advanced arbitration training, cross-jurisdictional legal education, and the development of sector-specific arbitration panels, particularly in high-growth areas like IP, Islamic finance, digital economy, environmental, social and governance (“ESG”), and sports disputes.

9. As noted in our submission on the 2024-25 Budget, emerging markets, particularly the Middle East, present substantial demand for alternative dispute resolution venues. Hong Kong should proactively formulate a clear policy to promote its arbitration and mediation services internationally, especially in sectors such as Islamic finance, IP, insurance, digital economy, ESG and cross-border commercial transactions. Budget support to reputable dispute resolution organisations for strategic outreach, capacity building, and cooperation with overseas arbitration centres will strengthen Hong Kong’s international profile and deepen its participation in Belt and Road dispute resolution ecosystems.

## **Family Office and Wealth and Asset Management**

10. The Law Society noted in the Chief Executive’s (“CE”) 2025 Policy Address that the Government would further enhance the preferential tax regimes for funds, single family offices and carried interest by introducing a legislative proposal into the Legislative Council in the first half of 2026. We call on the Government to ensure its timely implementation and at the same time, allocate resources for the modernisation of Hong Kong’s trust laws and the continued review of other relevant tax incentives and reporting obligations to enhance Hong Kong’s attractiveness to high-net-worth (“HNW”) families and individuals.
11. To solidify Hong Kong’s position as a leading cross-border wealth and asset management centre and hub for family offices, we recommend the Government to allocate funding to support relevant sectors (including the legal profession) in developing their expertise and promoting their collaboration on the provision of professional services to family offices, including and not limited to succession planning, probate matters and philanthropy, which are also in demand among the affluent individuals and families in Hong Kong. The Government’s investment in the development of professional services and talent will further enhance Hong Kong’s ecosystem for family offices and asset owners.

12. The Law Society continues to call on the Government to give consideration and allocate resources to enhance Hong Kong's regulatory framework in philanthropy (such as the charity laws), which is being embraced by HNW families and family offices as a key way to contribute and create positive influence in the society.

### **Sports Law: Legal Services for Sports Activities and Businesses**

13. As the Government continues to promote Hong Kong's sports development agenda, including elite sports, large-scale events, sports innovation and sports tourism, the legal profession as well as the sports sector requires enhanced expertise to meet the growing demand for governance, commercial contracts, regulatory compliance and integrity-related work. The Law Society recommends that the Government continues to allocate funding to support professional education programmes on sports governance, disciplinary processes, safeguarding, anti-doping and athlete-related contractual matters. Partnerships with international federations and global sports associations should be encouraged to bring best-practice standards to Hong Kong.

14. It is also important for the legal framework to keep pace with the commercialisation of sports. The development of standardised templates for athlete agreements, sponsorship arrangements, event governance structures and media rights would benefit sports organisations and practitioners alike. Programmes focusing on athlete and event IP, merchandising, employment or agency rights and digital engagement would further facilitate sectoral development. Strengthening the legal foundation of the non-contentious sports ecosystem will support Hong Kong's mission to become a vibrant and internationally recognised sports hub.

## **Intellectual Property: IP Financing, Trading and Commercialisation**

15. The Law Society noted the suite of policy measures announced in the CE's 2025 Policy Address to, among others, promote IP financing and trading, better protect IP rights in Hong Kong, enhance understanding of IP among students and practitioners in specific sectors, many of which align with the recommendations we made in our submission on the 2025-26 Budget. We trust that the Government will allocate sufficient resources in the upcoming Budget to ensure the timely and effective implementation of these policy measures.

16. In particular, the Law Society advocates the following priorities:

(a) Strengthening IP education and sector-specific training

We recommend the Government to allocate resources to encourage universities to collaborate with legal and industry practitioners in offering practical, interdisciplinary courses on IP. These should, for example, include

- - modules on IP management and commercialisation for business students;
  - the integration of copyright understanding in creative and media studies; and
  - the introduction of patent and design knowledge for engineering, technology and research students.

Beyond the academia and the current efforts of the Intellectual Property Department in offering IP manager courses, we recommend extending IP education and training to key sectors such as finance and insurance, where understanding IP valuation and risk management is critical for fostering an IP-driven economy.

(b) Building a complete IP financing ecosystem

We call on the Government to demonstrate commitment in developing IP valuation and insurance services as integral components of Hong Kong's IP ecosystem. This will complement the recently launched IP Financing Sandbox initiative and enable IP assets to serve as credible collateral for financing, attract investments, and strengthen Hong Kong's position as a regional IP trading hub.

(c) Exploring the feasibility of copyright registration

We recommend the Government to allocate funding to conduct a feasibility study on establishing a voluntary copyright registration system in Hong Kong. Such a system will provide creators with an additional layer of certainty and facilitate transactions involving copyright assets, thereby enhancing the overall robustness of Hong Kong's IP framework.

17. By prioritising the abovementioned priorities, the Government can accelerate Hong Kong's development into a leading regional centre for IP trading and innovation. A properly funded, comprehensive IP strategy encompassing education, financing and regulatory enhancements will not only strengthen Hong Kong's competitiveness but also create new opportunities for talents, businesses and investors in the knowledge economy. Furthermore, these efforts will fortify Hong Kong's pivotal role in establishing itself as an IP trading and innovation hub in support of China's IP Strong Country Construction project to become a global IP powerhouse by 2035.

### **Transportation and Maritime: Strengthening Hong Kong's Position as a Regional Legal Hub**

18. Hong Kong's identity as a global maritime centre is closely connected to the strength of its legal system. To maintain its competitive edge, the Government should allocate resources to develop specialised training programmes for maritime

lawyers, arbitrators and other relevant technical experts. Enhancing Hong Kong's visibility as a preferred venue for maritime arbitration can be achieved through promotional activities targeted at shipowners, charterers, insurers and protection and indemnity clubs.

19. Given rapid digitalisation in logistics and aviation, legislative reforms should support the use of electronic bills of lading, digital cargo documentation and interoperable logistics platforms. The aviation sector would greatly benefit from expanded education and institutional support in aircraft leasing, aviation financing, regulatory compliance and safety law. Collaboration with Mainland ports, regional authorities and international maritime centres will help harmonise regulatory frameworks and strengthen cross-border dispute resolution capabilities.

### **Legal Services for New and Emerging Economic Sectors**

20. As digital transformation accelerates worldwide, Hong Kong must continue to modernise its legal and regulatory frameworks to support emerging technologies and digital business models. The Law Society supports the continued development of a comprehensive legal taxonomy for virtual assets, including security tokens, stablecoins and digital commodities, accompanied by appropriate licensing frameworks for custodians, exchanges and service providers. A clear and predictable regulatory regime will foster investor confidence and ensure market integrity.
21. The statutory recognition of smart contracts should be examined in detail to determine enforceability, scope, and necessary safeguards, particularly in high-volume commercial transactions. Harmonised contractual templates and risk-mitigation guidelines would support adoption by businesses. Data governance legislation should also be strengthened, especially concerning personal data protection in the context of artificial intelligence and automated decision-making. Cybersecurity laws should be expanded to cover critical

infrastructure protection and to provide Small and Medium Enterprises (“SMEs”) with improved guidance on cyber risk management, though these advances should not come at the expense of subjecting SMEs with additional compliance expenses and burdens.

22. In addition, Hong Kong may consider pursuing more digital economy agreements with international partners to enhance cross-border data flows, digital trade facilitation, and interoperability. A strengthened digital identity and e-signature ecosystem will further support secure cross-border commercial activities and government-to-business interactions.
23. In the CE’s 2025 Policy Address, the Government set the goal to further consolidate Hong Kong’s position as a world-leading bond market hub. The continued development of Hong Kong as a leading international bond trading and issuance platform requires a robust and modernised legal infrastructure that supports high-volume capital markets activity, cross-border regulatory compliance, and the enforceability of complex financing structures. A competitive bond market relies on clear legislative and regulatory frameworks governing issuance, disclosure, listing, custodial arrangements, settlement, and investor protection, alongside predictable governing law options and enforceable contractual rights. Hong Kong investors would also benefit from exemptions or safe harbours from public offer restrictions in respect of capital raisings by companies listed on recognised overseas stock exchanges – in respect of such investments, the protections which are intended to protect the Hong Kong public are acting to their detriment.
24. High-quality legal services are essential for structuring and documenting bond issuances, particularly in the green, sustainable, and transition finance segments, drafting offering circulars, advising on regulatory approvals, and ensuring compliance with Hong Kong and overseas financial regulations. Legal practitioners play a critical role in advising on trust deed arrangements, security

packages, and intercreditor frameworks that govern multi-jurisdictional bond structures. To strengthen Hong Kong’s international position, continued investment is needed to support legal capacity building in ESG financing, cross-border disclosure harmonisation, and international taxation and regulatory reforms. These legal instruments and services collectively enhance market integrity, deepen liquidity, and reinforce Hong Kong’s attractiveness as a global venue for bond issuance, trading, and settlement.

## **Conclusion**

25. The Law Society urges the Government to adopt the recommendations set out in this submission to sustain Hong Kong’s position as a leading centre for legal and dispute resolution services. Strategic investment in legal infrastructure, digitalisation, international promotion, technology adoption, sector-specific capabilities and talent development will strengthen the rule of law, reinforce business confidence and support Hong Kong’s long-term economic growth.
26. The Law Society stands ready to work collaboratively with the Government, the Judiciary, regulatory bodies and the wider community to advance Hong Kong’s legal system and ensure its continued contribution to the city’s development.

**The Law Society of Hong Kong**

**3 February 2026**