LexisNexis In-House Legal and Compliance Conference 2025 6 November 2025 (2:00pm – 6:00pm)

"Navigating Complexity: Legal Leadership in an AI-Driven, Risk-Focused World"

<u>Keynote Speech by Mr. Roden Tong</u> <u>President of The Law Society of Hong Kong</u> (2:10pm – 2:20pm)

- 1. Good afternoon, ladies and gentlemen. It is a privilege to speak to you today as the President of the Law Society of Hong Kong. I believe the conference theme of today, "Navigating Complexity:

 Legal Leadership in an AI-Driven, Risk-Focused World", resonates deeply with the daily reality of every professional here in this room.
- 2. We are operating at the intersection of law, technology, and geopolitics, where artificial intelligence ("AI"), anti-money laundering ("AML"), sanctions and anti-sanctions, and virtual assets are active forces which reshape our compliance obligations and redefine what it means to be a legal leader. As a leading international financial centre, Hong Kong is at the epicentre of this shift.

- 3. Earlier this September, Moody's has published its key findings from its 2025 global study on how AI is transforming risk and compliance. The results indicate that 91% of the respondents are aware of AI's role in risk and compliance, and 53% are actively using or trialing it, up from just 30% in 2023. This is not a wave coming. It is one that is already washing over us, and one which demands our concerted effort to navigate.
- 4. In this new era, the role of in-house lawyers has fundamentally evolved. We are no longer just advisors. We are strategic partners and enablers. With our deep organizational knowledge and legal expertise, we are uniquely positioned at the core part of a business, to bridge the gap between legal risk and business innovation. We must ensure that compliance is a foundation, not an afterthought.

Slide #3

5. As the representative and regulatory body for over 13,000 solicitors in Hong Kong, a third of whom are in-house lawyers, a core mission of the Law Society of Hong Kong is to ensure all solicitors comply with the relevant laws, codes, regulations and practice directions that govern our profession.

2

¹ https://www.moodys.com/web/en/us/site-assets/ma-kyc-from-reactive-to-proactive-how-ai-is-transforming-risk-and-compliance.pdf

- 6. Incorporated in 1907, this year marks the 118th anniversary of The Law Society of Hong Kong. Throughout these years, the Law Society has been committed to ensuring that members of the legal profession uphold the highest professional standard.
- 7. We understand that navigating through this AI-driven, risk-focused world requires a shared commitment to professional standards. Hence, the Law Society has proactively developed a robust framework for regulation and compliance to support our members' journey.

- 8. This includes reviews and updates of our **Solicitors' Guide to Professional Conduct** to ensure that the basic principles and requirements of professional conduct set out in the Guide keep pace with international standards and the evolving legal landscape.
- 9. The Law Society also issue specific Practice Directions to provide practical guidance on a solicitor's practice. For example, Practice Direction P was issued in 2007 to provide a comprehensive set of guidelines on anti-money laundering and terrorist financing for solicitors; and this Practice Direction was updated in 2018 and 2023 respectively in light of the amendments to the Anti-Money

Laundering and Counter-Terrorist Financing (Financial Institutions) Ordinance².

Slide #5

- 10. I also encourage you to read our **Position Paper titled "The Impact of Artificial Intelligence on the Legal Profession**", which was published in January last year. As outlined in our Position Paper, we take the view that core principles such as data protection and governance, security and safety, transparency, disclosure and proper human oversight should underpin AI deployment in legal service.
- 11. But the above regulatory framework and guidelines I mentioned are just the starting point. Their true value has to be realized through you. We need your expertise, your judgment, your on-the-ground experience in applying these principles to complex business challenges. The profession must collaborate to build on this foundation, harnessing AI-driven and risk-focused initiatives to ensure they strengthen, not disrupt, the practice of law.

4

² See articles of the Hong Kong Lawyer titled (i) "<u>Revised Practice Direction P</u>" issued in September 2018; and (ii) "<u>AML and updated Practice Direction P</u>" issued in June 2023 (hyperlinked).

- 12. The Law Society is actively and consistently advancing its commitment to these initiatives. As a testament to this, I am delighted to share that in the past month alone, we have brought together the legal and business communities on several key fronts:
 - (a) Our new event series, **The Legal Rendezvous**, brought together over 200 legal professionals, fintech innovators and members of the business community to discuss Hong Kong's digital asset ecosystem.
 - (b) Our flagship Annual Conference of In-House Lawyers gathered nearly 600 participants from Hong Kong, Chinese Mainland and overseas enterprises across various industries under the theme "The Future of Lawyers: Innovation, Strategy, and Resilience."
 - (c) And, with immense pride, we hosted the **International**Conference of Legal Regulators right here in Hong Kong
 for the first time, welcoming over 100 delegates from 19
 jurisdictions to tackle global regulatory challenges.
- 13. Through these exchanges, we reinforced our shared commitment to bridge different perspectives and foster innovation, while staying vigilant on our legal and compliance duties. These

occasions are where theory meets practice, and where our shared commitment is put into action.

- 14. This brings us to the heart of today. As we open this conference, let us consider the core challenges in the following three domains that test our agility and foresight:
 - (a) For the **AI domain**: How do we ethically integrate AI and transform it into a reliable tool for the legal practice?
 - (b) For the **regulatory domain:** How do we steer our organizations or companies through the increasingly complex web of global sanctions and anti-trust regulations, particularly between the US and China?
 - (c) And for the **crypto domain**, how do we build a foundation of trust and robust governance in the world of virtual assets?
- 15. I believe these critical questions will be delved into in our three panel discussions this afternoon. I am confident that the discussions that follow will be immensely fruitful, providing you with the strategic clarity needed to shape business and legal resilience and to lead with confidence.

16. Looking ahead, the message is clear: We are the architects of the

new legal landscape. The tools have been changing and will keep

changing, but the need for our judgment, our ethics, and our

leadership remains unchanged, and in fact, has never been more

critical.

17. For corporate legal and compliance professionals in Hong Kong,

let us anticipate complexity, integrate technology-driven solutions,

and embed regulatory compliance into business operations without

stifling innovation.

18. Once again, I would like to express my sincere thanks to

LexisNexis for organising this very special event to bring all these

talents together. I wish you all a successful, enjoyable and fruitful

discussion at the Conference.

19. Thank you very much.

- End -

(Estimated length: 10 minutes)

7