

## PRESIDENT'S REPORT

2014 has been a very challenging year. Members may still have vivid memories of the Law Society's Extraordinary General Meeting held on 14 August ("EGM"). The Council has dealt with matters arising from the EGM and the resolutions have been announced publicly by way of press statements and Law Society Circulars.

Our members may have diversified views on different issues, but the Law Society's united position on the Rule of Law and the independence of the judiciary being the indispensable and sacrosanct foundations for the Hong Kong legal system is beyond debate.

This is my first report since my election as President on 29 August. I am pleased to report that during the past year, the Law Society has continued its tireless efforts in defending the Rule of Law and the independence of the judiciary, maintaining the highest standards of the solicitors' profession, improving the legal practice environment, exploring new opportunities and providing relevant and effective support to members, promoting the development of the profession itself, and contributing back to the local community.

### Safeguarding the Rule of Law

In 2014, the Council issued two public statements to defend the Rule of Law.

On 25 June, The Law Society issued a statement on the independence of the judiciary and the Rule of Law with respect to the White Paper on the practice of the One Country Two Systems policy in Hong Kong.

On 27 October, deeply concerned and disturbed by the open defiance of court injunctions by certain quarters of the Hong Kong community, The Law Society issued a public statement expressing concern about the potential threat to our judicial system and the undermining effect on our core values by the non-compliance with court orders.



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President



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### Maintaining the Highest Standards

#### Risk Management

As a pioneer of risk management education, The Law Society is proud to have been able to turn our *Risk Management Education ("RME") Programme* into a free programme with effect from its 10th anniversary on 1 November. It enables practitioners who are subject to RME obligations to acquire the much needed risk management skills at no extra cost.

#### Practice management

To ensure that practitioners who are entitled to start a practice on their own have the necessary management skills, The Law Society has been actively working on the implementation of a mandatory practice management course during the past year. The relevant statutory provision, section 6(6B) of the *Legal Practitioners Ordinance*, has already been passed but it has not come into operation pending the preparation of the mandatory practice management course.

#### Common Entrance Examination

To ensure consistency in standards, the Law Society has been considering the feasibility of implementing a common entrance examination for all aspiring to qualify as solicitors in Hong Kong. A consultation was conducted towards the end of 2013 and the relevant Law Society Committees are considering the way forward.

### Improving the Practice Environment

The legal service market has become very competitive. The professional indemnity contribution payable by a law firm constitutes a substantial item of overhead expenditure. The Law Society has been conducting an annual review of the financial position of the *Solicitors Indemnity Fund* prior to each renewal to determine whether the contribution payable may be reduced whilst still maintaining a healthy surplus to meet claims.

I am pleased to report that for the indemnity year 2014/15, after consideration of professional actuarial advice, the current and projected financial position of the Fund, and the comments of the Board of Hong Kong Solicitors Indemnity Fund Limited, the Council has reduced the contributions payable by law firms by one third.

During the year, I have reported closely on the other Law Society initiatives including the update of the party and party rates, review of the criminal legal aid fees, the introduction of limited liability partnerships and the amendment of the legislation to cover the eligibility of solicitor advocates to be awarded the title of Senior Counsel. The Law Society continued its efforts to lobby support of various stakeholders for an early fruitful outcome for these initiatives.

### Exploring New Opportunities

As an externally oriented economy, Hong Kong is supported by a substantial amount of cross boundary investments and trade activities creating a heavy demand of legal services that require collaboration with lawyers in multiple jurisdictions. Building an extensive international network with fellow practitioners in other jurisdictions will help open up more options for one's legal practice in alignment with this trend.



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To this end, The Law Society has been reaching out to our counterparts in overseas jurisdictions to foster more opportunities for our members to network with overseas practitioners.

On 22 October, we signed a "Friendship Agreement" with the Osaka Bar Association at the IBA Annual Conference held in Tokyo. On 29 October, we signed a Memorandum of Understanding with the Milan Bar Association at the HKTDC "Think Asia Think Hong Kong" event held in Milan.

Further, to facilitate closer co-operation between the legal profession in Myanmar and Hong Kong, The Law Society led a delegation of 10 members to Myanmar at the end of August. We had a very good exchange with representatives of the Yangon Bar Association. On 30 August, we co-organised a seminar titled "Myanmar: Opportunities and Challenges" with the Yangon Bar Association in Yangon.

The Law Society has also created opportunities for more in-depth professional exchanges for our members. Pursuant to a friendship agreement with the Japan Federation of Bar Associations ("JFBA"), the Law Society collaborated with JFBA and organised an Internship Programme for lawyers in Japan and Hong Kong.

Four Japanese lawyers selected by JFBA were seconded to work in Hong Kong law firms for two weeks in October. The two-week internship programme for the four Japanese lawyers in Hong Kong concluded with a seminar held on 6 November. The Japanese lawyers had an interesting exchange with participants at the seminar sharing experiences in each other's areas of practice. The second phase of the Programme will take place in February 2015 and will cover internship for four Hong Kong lawyers in Japan.

### Providing Effective and Relevant Support

To ensure that we are providing relevant and effective support to our members, the Law Society regularly holds Members' Forum to collect views and ideas on how The Law Society can enhance its servicing role for members. In response to suggestions made at these Members' Fora, the Law Society launched the *Members' Wellness Programme* in April and sourced very competitive offers of medical insurance plans for the benefit of our members during the year.

### Giving Back to Community

In addition to our annual signature events including *Teen Talk*, *Law Week* and community events like school talks and visits to the Elderly Homes during the year, the Law Society also launched a new *Pilot Scheme on Mediation Helpline* on 1 December. The Helpline aims at assisting the public to understand more about the mediation process, its advantages, and the mediation services available.

I am honoured to have the opportunity to serve the legal profession and deeply grateful for the unfailing support of my fellow Council Members, Committee Members and the Secretariat who contributed to the accomplishments of The Law Society in the eventful 2014. I look forward to championing the causes of The Law Society to the best of my ability in the coming year.

**Stephen Hung**

*President*