The Standing Committee oversees The Law Society's administrative and regulatory functions, these responsibilities having been delegated to it by the Council.

There are 16 members of the Standing Committee, seven of whom are Council Members. The Standing Committee met 12 times during the year and considered 191 agenda items (compared to 136 agenda items in 2013).

The Compliance Department (Conduct and Registration Sections) of the Secretariat supports the work of the Standing Committee.

Members of the Standing Committee and their meeting attendances during the year:

Angela W.Y. LEE (Chair)	10/12
Denis G. BROCK (Vice-Chair)	8/12
Alfred K.H. CHAN	10/12
Charles C.C. CHAU (resigned in November)	6/11
Patrick R.P. HAMLIN (joined in April)	6/8
Dennis H.F. HIE (joined in April)	7/8
Stephen W.S. HUNG	8/12
LAI Kwok Kwong (retired in May)	0/4
Henson LAM	8/12
Andrew Y.B. LEE	8/12
Jason C.K. LI	11/12
Peter C.L. LO	7/12
Billy W.Y. MA	6/12
Catherine L.M. MUN (retired in May)	2/4
Gavin P. NESBITT (resigned in December)	6/12
Kenneth S.Y. NG	5/12
Melissa K. PANG	11/12
Gregory D. PAYNE (joined in April)	6/8
Hanifa RAMJAHN	6/12
Annie P.Y. WONG	12/12

Secretary: Director of Compliance

Conduct Section

The Conduct Section of the Compliance Department is mainly responsible for investigating allegations of professional misconduct against solicitors, foreign lawyers, trainee solicitors and employees of solicitors and foreign lawyers. In 2014, it handled 860 complaints (834 in 2013), of which 398 complaints (439 in 2013) were lodged or referred by members of the public and government organisations and 53 complaints (67 in 2013) were made by solicitors. 861 files were closed during the year; of which 380 were closed without seeking an explanation.

The Conduct Section continued to provide comments on the revised draft Manual on Solicitors' Accounting for consideration by the Working Party on the Solicitors' Accounts Rules.

A new In-House Prosecutor joined the Conduct Section replacing the one who left in August.

INVESTIGATION COMMITTEES

Investigation Committees are ad-hoc sub-committees of the Standing Committee. Three members of the Standing Committee are appointed to each Investigation Committee to consider reports prepared by the Conduct Section and to adjudicate on complaints.

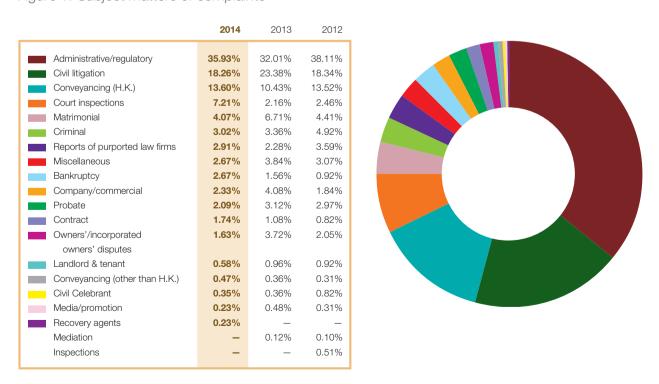
Investigation Committees may recommend to the Standing Committee to issue letters of good practice, regret, or disapproval (or any other sanction authorised by the Council from time to time), and to submit matters to the Tribunal Convenor of the Solicitors Disciplinary Tribunal Panel. Reviews of the decisions of the Investigation Committees are conducted by the Standing Committee.

Investigation Committees considered 313 complaints by circulation of 313 agenda. (In 2013, 194 complaints were considered by circulation of 194 agenda.)

The Standing Committee reviewed five decisions of the Investigation Committees and consequently, three decisions were upheld, one was reversed, and one was partly upheld and partly resolved to refer to the Conduct Section for further investigation. (In 2013, six decisions were reviewed, with three decisions upheld and three varied.)

Determination of Complaints in 2014

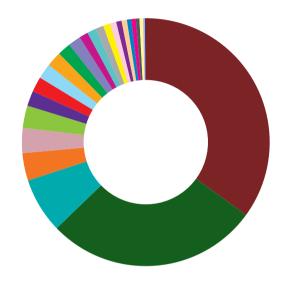
Figure 1: Subject matters of complaints



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

Figure 2: Nature of professional misconduct

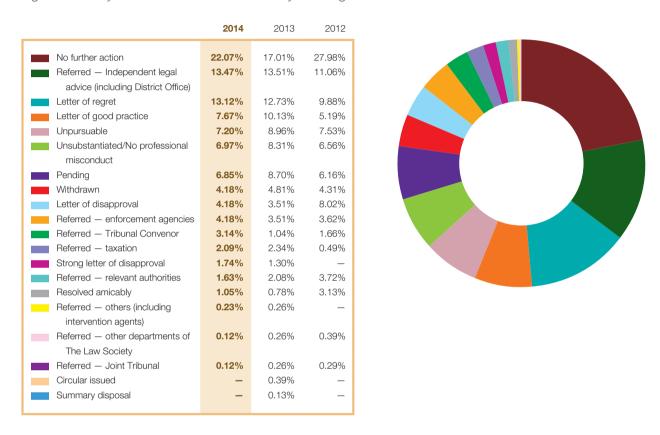
	2014	2013	2012
Breach of Conduct Guide Principles	35.00%	39.45%	32.99%
Breach of Solicitors' Practice Rules	27.79%	20.62%	17.42%
Circular no. 04-572(COM)	7.21%	2.04%	3.59%
(Court attendance form)	11_170	2.0170	0.0070
Breach of Continuing Professional	3.60%	4.32%	1.95%
Development Rules	0.0070		
Breach of Solicitors' Accounts	3.26%	5.16%	15.16%
Rules	0120 /0	0.1070	10.1070
Unqualified persons acting or	2.91%	2.52%	3.59%
pretending to be a solicitor	2.0170	2.0270	0.0070
(ss.45–48 of the <i>LPO</i>)			
Overcharging	1.98%	3.12%	2.36%
Late submission of Accountant's	1.98%	2.76%	3.07%
Reports	1.50 /0	2.7070	0.07 70
Breach of undertaking	1.98%	1.80%	1.95%
Negligence	1.98%	1.80%	1.33%
Breach of Foreign Lawyers	1.74%	1.68%	2.77%
Registration Rules	111470	1.0070	2.11/0
Miscellaneous	1.63%	5.28%	3.69%
Dishonesty	1.16%	1.56%	1.33%
Breach of Foreign Lawyers	1.16%	1.08%	1.13%
Practice Rules	1.10 /0	1.0070	1.1070
Breach of Solicitors (Professional	1.05%	0.36%	0.61%
Indemnity) Rules (r.8)	1.05 /0	0.5076	0.0170
Inadequate service	0.93%	0.96%	0.61%
Breach of Solicitors' Practice	0.81%	0.24%	0.61%
Promotion Code	0.0170	0.2470	0.0170
Breach of Practice Directions	0.70%	0.36%	0.61%
Conflict of interest	0.70%	0.24%	0.72%
Delay	0.58%	1.20%	1.64%
Misbehaviour	0.58%	0.84%	0.72%
Non-payment of barristers' fees	0.47%	0.36%	1.02%
Offences in relation to foreign	0.47%	0.12%	-
lawyers, etc. (s.50B of the <i>LPO</i>)	0111 /0	0.1270	
Failure to reply to letters on behalf	0.23%	0.48%	0.51%
of a client or to inquiries from	0120 / 0	0.1070	0.0170
The Law Society			
Practising without a practising	0.12%	0.24%	_
certificate	011270	0.2170	
Commission taking	_	0.96%	0.10%
Breach of <i>Trainee Solicitors Rules</i>	_	0.24%	O.1070
Property fraud	_	0.12%	0.31%
Touting	_	0.12%	0.10%
Breach of <i>Risk Management</i>	_	U. 12 /U	0.10%
Education Rules			5.1070
Eddodion Halos			



Notes: "Conduct Guide" = The Hong Kong Solicitors' Guide to Professional Conduct (Volume 1, 2nd and 3rd editions)
"LPO" = Legal Practitioners Ordinance, Cap. 159

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

Figure 3: Analysis of closed files decided by Investigation Committees



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

Applications to the Chief Judge under section 9A(2) of the *Legal Practitioners Ordinance*, Cap. 159 ("the LPO")

Under section 9A(2) of the *LPO*, where a complaint is made to the Council and the Council does not submit a matter to the Tribunal Convenor of the Solicitors Disciplinary Tribunal Panel ("the Tribunal Convenor") under section 9A(1) of the *LPO* within six months after receiving the complaint, the Chief Judge may, on application by any person or on his own initiative, submit the matter to the Tribunal Convenor if he considers that the Council ought to have done so.

In 2014, the Chief Judge made inquiry with The Law Society regarding one section 9A(2) application.

Inspections and visits

Under section 8AA of the LPO, the Council is empowered to appoint inspectors to verify compliance with the provisions of the LPO or any Practice Direction ("PD") issued by The Law Society, and to determine whether the conduct of those against whom an inspection was made should be inquired into or investigated. Section 8AA of the LPO stipulates the powers of an inspector in making such inquiries and investigations.

During the year, five court inspections were conducted by inspectors at magistrates' courts. For these court inspections, the Council appointed inspectors to verify compliance with rule 5D of the *Solicitors' Practice Rules* ("*SPR*"), *Cap. 159H* and to monitor the proper completion of court attendance forms. The Council did not appoint inspectors under section 8AA of the *LPO* to inspect law firms.

Investigation Counsel may visit law firms in the course of their investigations. This year, Investigation Counsel visited a sole practitioner firm as a result of a complaint lodged by a client who was unable to locate his solicitor and The Law Society has no additional information about the solicitor other than the particulars he had notified The Law Society. The visits revealed that the office addresses of the solicitor's firm registered with The Law Society were no longer valid and the solicitor had moved out of the office premises despite he held out to his client that he was practising from the firm.

The Monitoring Accountants paid visits to law firms to provide assistance in their accounting procedures/systems and to inspect their books and accounts to ensure compliance with the rules relating to solicitors' accounting. 64 visits were made to 44 solicitors' firms and foreign law firms; some firms required more than one visit (83 visits to 35 firms in 2013).

Interventions

The Council's power of intervention is exercised for the protection of the public and occurs when clients' interests are at risk. The powers vested in the Council for the exercise of an intervention under Sections 26A, 26B or 26C of the *LPO* are set out in Schedule 2 to the *LPO*. Through the intervention agents, The Law Society first takes control of the office and clients' monies of the intervened firms and takes possession of the intervened firms' documents. If necessary, The Law Society may commence court applications to implement the Council's resolution to intervene. The intervention agents return documents to clients who have specifically requested their return or forward clients' documents to other firms of solicitors on the instructions of clients. The process of distributing clients' money of the intervened firms may involve court proceedings and claimants must produce supporting documents to verify their claims. Documents in the possession of the Council are kept in storage or disposed or destroyed pursuant to a Court order.

Subject to any Court order for the payment of costs, any costs incurred by the Council in the intervention shall be paid by the solicitor or the foreign lawyer whose practice was being intervened.

The Council appoints a monitoring committee (usually consisting of three Council members) to oversee the progress of each intervention; the Conduct Section and the intervention agent work closely in each intervention.

In 2014 the Council resolved to intervene in the practice of a solicitor's firm on the grounds that the Council had reason to suspect dishonesty on the part of the sole practitioner and the Council was satisfied that the sole practitioner had acted as a solicitor at a time when he did not have a practising certificate which was in force.

Throughout the year, there were court proceedings related to past interventions:

In January, there was a taxation hearing on costs of an intervention.

In April, there was a review of taxation hearing on costs of an intervention.

In May, a Court order was granted to distribute client's money of an intervened firm to the claimants and to destroy the files of the intervened firm.

In August, The Law Society issued a statutory demand for the recovery of outstanding intervention costs from a solicitor; the litigation is on-going.

In September, an intervention agent applied to the Court for distribution of money in the client and the office accounts of an intervened firm and destruction of the files of the intervened firm; the matter is still on-going.

INVESTIGATION COMMITTEE ON DISCIPLINARY MATTERS

The Investigation Committee (Disciplinary Matters) is the only Investigation Committee with a fixed membership drawn from senior members of the Standing Committee. The Committee's work includes monitoring the progress of disciplinary proceedings, appeals and court proceedings (including bankruptcy petitions), giving instructions to prosecutors and The Law Society's legal representatives, and authorising the payments of fees incurred in disciplinary proceedings, appeals and court proceedings.

The Committee considered 119 matters by circulation of 57 agenda. (In 2013, 133 matters were considered by circulation of 60 agenda.)

Disciplinary proceedings, appeals and summary disposals

The Standing Committee resolved to submit 18 matters to the Tribunal Convenor concerning the conduct of nine solicitors and two clerks under section 9A(1) of the *LPO* (five matters concerning five solicitors in 2013). In 2014, four matters (10 in 2013) had been submitted to the Tribunal Convenor, none of which involved a submission to the Tribunal Convenor for him to dispose of on a summary basis.

A Solicitors Disciplinary Tribunal is a statutory tribunal established by the *LPO*. It is independent of The Law Society which is the prosecuting body. Members of the Solicitors Disciplinary Tribunal Panel are appointed by the Chief Justice. The Chief Justice also appoints the Tribunal Convenor and the Deputy Tribunal Convenors who have the responsibility to appoint a panel of three or four members to sit as a Tribunal to determine applications, and who have the power to dispose of certain classes of complaint on a summary basis.

Seven disciplinary proceedings were determined by the Solicitors Disciplinary Tribunals in 2014 (compared to seven in 2013) which resulted in the following Orders being made:

Respondent	Position	Charge(s)	Penalty	Fine (HK\$)
1	Solicitor	• 1 count of Rule 2(a), (c) and (d) of the SPR	struck off from the roll of solicitorsordered to pay costs	
1	Solicitor	• 1 count of Rule 2(a) and (d) of the SPR	struck off from the roll of solicitorsordered to pay costs	
1	Solicitor	 1 count of Rule 10(1) and (2) of the SAR 1 count of Rule 10A of the SAR 1 count of Rule 5B(1) and (2) of the SPR and Rule 11(1) and (2) of the SAR 1 count of Rule 2(d) of the SPR 	 censured suspended from practice as a solicitor for 1 year, thereafter for 3 years, allowed to practise only as an assistant solicitor under the supervision of a solicitor of not less than 10 years' good standing ordered to, over a period of 36 months, enroll in courses amounting to no less than 20 RME points related to the practice of solicitor's accounts ordered to pay costs 	130,000
1	Solicitor	 1 count of Principle 6.01 of the Conduct Guide and Rule 2(a), (c) and (e) of the SPR 1 count of Principle 13.01 of the Conduct Guide and Rule 2(a) of the SPR 	 ordered to pay fixed costs of Clerk in the sum of HK\$115,000, and the costs of The Law Society to be taxed if not agreed 	120,000
1	Solicitor	 1 count of Rule 2(e) of the SPR 1 count of s.8(1) of the LPO 1 count of Rule 10(1) and 10(2) of the SAR 1 count of Rule 10A of the SAR 1 count of Rule 11 of the SAR 	 censured may not practise as a sole practitioner or in any partnership for 2 years from the date of the Order ordered to pay costs 	30,000
1	Solicitor	 1 count of Rule 2(e) of the SPR 1 count of s.8(1) of the LPO 1 count of Rule 10(1) and 10(2) of the SAR 1 count of Rule 10A of the SAR 1 count of Rule 11 of the SAR 	ordered to pay costs	30,000
1	Solicitor	 1 count of Principle 1.02 of the Conduct Guide 1 count of Principle 6.04 of the Conduct Guide 	censuredordered to pay fixed costs	
1	Clerk	1 count of disgraceful, dishonourable and discreditable conduct within the meaning of s.2(2) of the LPO	 prohibited from employment by any solicitors' firm or foreign law firm in Hong Kong for 10 years from the date of the Order ordered to pay costs of The Law Society assessed at HK\$40,000 ordered to pay costs of the Clerk assessed at HK\$40,000 	

Notes: "LPO" = Legal Practitioners Ordinance, Cap. 159

[&]quot;SAR" = Solicitors' Accounts Rules, Cap. 159F

[&]quot;SPR" = Solicitors' Practice Rules, Cap. 159H

[&]quot;Conduct Guide" = The Hong Kong Solicitors' Guide to Professional Conduct (Volume 1, 2nd and 3rd editions)



In February, a solicitor filed a notice of appeal against the findings and order of a Solicitor Disciplinary Tribunal. In April, The Law Society filed a notice of appeal against the same findings and order.

In February, the Court of Appeal dismissed a solicitor's appeal against the findings and order of a Solicitors Disciplinary Tribunal with costs to The Law Society. In May, the Court of Appeal dismissed the same solicitor's application for leave to appeal to the Court of Final Appeal. In June, the same solicitor filed a notice of intended application for leave to appeal and his application for leave to appeal to the Court of Final Appeal.

Also in February, a bankruptcy petition was filed against a solicitor on costs of disciplinary proceedings and a bankruptcy order was granted in November.

In August, a solicitor filed a notice of appeal against the findings and order of a Solicitors Disciplinary Tribunal.

Litigation Proceedings

The Law Society was made the respondent in several litigations, the subject matters of which related to the functions of the Compliance Department and the Council, particulars were as follows:

In April, by way of a consent summons filed by the applicant and The Law Society, the Court approved the dismissal of the appeal lodged by the applicant against the judgment dismissing the applicant's judicial review application with costs to The Law Society.

In April, the Court directed The Law Society to issue a practising certificate to a solicitor subject to conditions and ordered that each party shall pay his or its own costs.

In June, the Court ordered that a plaintiff's action in a writ of summons be struck out and the action be dismissed with costs to The Law Society. In July, the plaintiff filed a notice of appeal against the judgment.

In July, the Court granted leave to a complainant to apply for judicial review against The Law Society.

CONSENTS COMMITTEE

The Consents Committee is a sub-committee of the Standing Committee. Of the 11 members, two are Council members.

The Consents Committee decides on applications made under the *LPO*, its subsidiary legislation and The Law Society's *PD* for (i) registration by solicitors; (ii) registration as a (a) trainee solicitor, (b) foreign lawyer and (c) foreign law firm; and (iii) consent and waiver. Reviews of the decisions of the Consents Committee are conducted by the Standing Committee.

The Committee met 20 times during the year and considered 493 items (in 2013, 20 meetings and 446 items). A further 38 matters were dealt with by circulation of six agenda (in 2013, 27 matters by circulation of three agenda).

Members of the Committee:

Melissa K. PANG (Chair)
Kenneth S.Y. NG (Vice-Chair)
Charles C.C. CHAU (resigned in November)
Junius K.Y. HO (retired in July)
IP Shing Hing
Raymond M.S. KWOK
Henry H.W. LAI (retired in July)
Billy Y.C. LAM (retired in July)
Henson LAM
William C.W. LAM
Jonathan T.W. LEE (joined in July)
Paul K.Y. NG
Annie P.K. WONG (joined in July)
Kelly Y.H. WONG

Secretary: Director of Compliance

Registration Section

The Registration Section of the Compliance Department processes applications and handles applications considered by the Consents Committee.

As with previous years, in conjunction with the Conduct Section, the Registration Section reviewed, processed and filed the "employees' returns" submitted by all solicitors' firms and foreign law firms in January of each year, and the Notification of Changes to a Practice on firms' particulars submitted by solicitors' firms and foreign law firms throughout the year.

The Registration Section and the Conduct Section continued to assist The Law Society's membership database revamp project.

As a result of staff movements in 2013, two new staff members joined the Registration Section in 2014.

Nature of applications

Applications considered by the Consents Committee and those processed by the Registration Section during the year included:

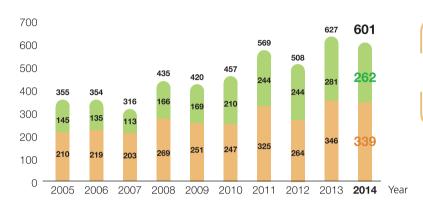
	2014	2013	2012
Admissions	601	627	508
Certificates of eligibility for admission	636	628	557
Practising certificates: English	8,279	7,864	7,483
Chinese	3,603	3,387	3,440
Practising certificates — removal of conditions under s.6(6)			
LPO (solicitors)	193	170	197
Membership	9,422	8,967	8,562
First registration as a foreign law firm	10	11	11
First registration as a foreign lawyer	335	336	323
Renewal of registration as a foreign lawyer	1,305	1,184	1,235
Removal of conditions on certificates of registration (foreign lawyers)	51	55	69
Registration as an Association	8	8	13
Removal of name from the roll of solicitors	8	4	9
Restoration of name to the roll of solicitors	2	1	1
Admission of English barristers	1	1	1
Qualifications for admission s.4(1A) LPO	157	175	156
Employment of staff: s.53(1) LPO	2	_	1
s.53(3) <i>LPO</i>	5	2	7
Practising certificates — removal of conditions under s.6(6A) LPO	48	51	65
Practising certificates — Special Conditions	10	25	27
Registration of first trainee solicitor contracts	551	458	562
Registration of subsequent trainee solicitor contracts	83	63	122
Special leave to employ trainee solicitors	16	18	14
Other trainee solicitor matters	182	162	165
Law costs draftsmen	1	1	1
Accountant's report — solicitors' firms	830	810	792
Accountant's report — foreign law firms	77	75	83
Firm name and letterhead	9	14	10
Waiver applications — general	*5	*5	*17
Waiver applications — PD	2	2	8
Registration of new associate member	6	5	5
Certificates of standing	532	507	583
Letters of no objection#	812	818	815
Authorised solicitors' clerks	17	13	35

[&]quot;LPO" = Legal Practitioners Ordinance, Cap. 159

[&]quot;PD" = The Law Society's Practice Directions

 $^{^{\}star}$ Applications were under the SPR, Cap. 159H and Foreign Lawyers Registration Rules, Cap. 159S.

^{* &}quot;No objection" letters are issued to applicants for work visas.





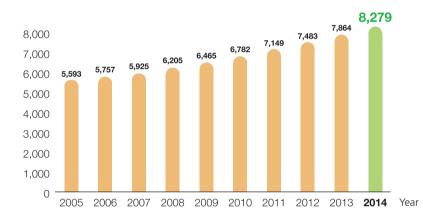


Figure 5: Practising certificates issued 2005–2014

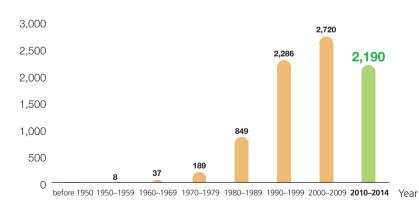


Figure 6: Years of admission of solicitors holding a 2014 practising certificate

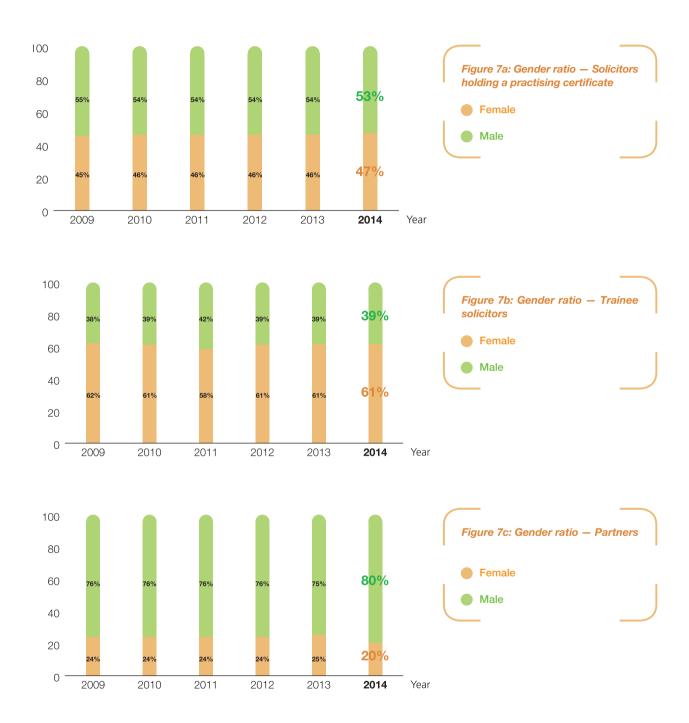


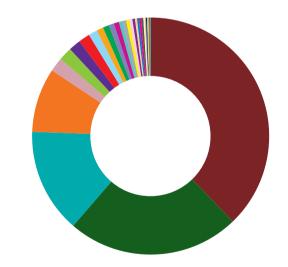
Figure 8: Size of solicitors' firms and number of trainee solicitors in 2014

Size of firm	No. of firms No. of trainee solicitors			
	2014	2013	2014	2013
Sole practitioners	382	366	58	59
2-5 partners	365	364	316	272
6-10 partners	46	51	175	200
11-20 partners	34	28	282	226
Over 20 partners	9	9	132	152
Total	836	818	963*	909#

^{*} excluding 15 in government and 6 working "in-house"

Figure 9: Home jurisdictions of registered foreign lawyers

	Number	%
USA	534	37.82
England and Wales	332	23.51
Mainland China	201	14.24
Australia	124	8.78
Bermuda	27	1.91
Singapore	26	1.84
New Zealand	23	1.63
British Virgin Islands	22	1.56
Canada	17	1.20
France	13	0.92
Cayman Islands	12	0.85
Germany	10	0.71
ltaly	10	0.71
Ireland	7	0.50
Luxembourg	7	0.50
Belgium	6	0.42
Japan	6	0.42
Sweden	5	0.35
India	4	0.28
Republic of Korea	4	0.28
The Philippines	4	0.28
Switzerland	4	0.28
The Netherlands	3	0.21
Guernsey	2	0.14
Malaysia	2	0.14
Scotland	2	0.14
Malta	1	0.07
The Isle of Man	1	0.07
Spain	1	0.07
Thailand	1	0.07
Vietnam	1	0.07



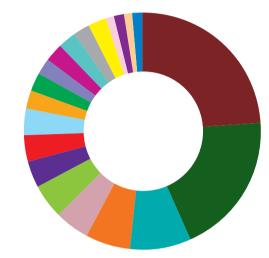
Notes: As at 31 December 2014, out of the total number of 1,412 registered foreign lawyers, 335 were working in foreign law firms and 918 in solicitors' firms.

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

[#] excluding 14 in government and 6 working "in-house"

Figure 10: Home jurisdictions of foreign law firms

	Number	%
Mainland China	20	24.10
USA	16	19.28
England and Wales	7	8.43
British Virgin Islands	5	6.02
Cayman Islands	4	4.82
France	4	4.82
Canada	3	3.61
ltaly	3	3.61
Switzerland	3	3.61
Belgium Belgium	2	2.41
Bermuda	2	2.41
Germany	2	2.41
Guernsey	2	2.41
Luxembourg	2	2.41
The Philippines	2	2.41
Sweden	2	2.41
lreland	1	1.20
Japan Japan	1	1.20
Republic of Korea	1	1.20
Spain	1	1.20



Notes: There were 79 foreign law firms in Hong Kong, of which one was registered to practise the laws of Cayman Islands, Guernsey and BVI, one was registered to practise the laws of Cayman Islands and BVI, and one was registered to practise the laws of Bermuda and BVI. (In 2013, there were 72 foreign law firms, of which four were registered to practise the law of more than one jurisdiction.)

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

There were 36 Associations registered between foreign law firms and solicitors' firms (35 in 2013). 11 new foreign law firms commenced practice (eight in 2013). Five foreign law firms were closed, two of which established local practices (In 2013, six were closed, three of which established local practices).

There were 14,851 unqualified staff members employed by solicitors' firms at the end of the year (14,677 at the end of 2013). In addition, there were 451 unqualified staff members employed by foreign law firms at the end of 2013 (464 in 2013).

The Standing Committee oversees the work of the Conduct Section in administrating the authorised solicitors' clerks scheme and has delegated its power to the Consents Committee to consider applications. By December, there were 931 authorised solicitors' clerks (978 in 2013).

The Law Society continued to waive subscription fees for student members in 2014. By the end of the year, there were 240 student members registered with The Law Society (236 in 2013).

At the end of December, the number of Law Society Approved Law Costs Draftsmen was 38 (36 in 2013).

