

立法會
Legislative Council

LC Paper No. CB(2)574/00-01

Ref : CB2/SS/14/00

**Legislative Council
Subcommittee on Solicitors
(Professional Indemnity) (Amendment) Rules 2001**

**Minutes of second meeting
held on Tuesday, 16 October 2001 at 8:30 am
in Conference Room B of the Legislative Council Building**

Members Present : Hon Margaret NG (Chairman)
Hon Martin LEE Chu-ming, SC, JP
Hon Eric LI Ka-cheung, JP
Hon Bernard CHAN
Hon Jasper TSANG Yok-sing, JP
Hon Mrs Miriam LAU Kin-yee, JP
Hon Ambrose LAU Hon-chuen, GBS, JP
Hon Audrey EU, SC, JP
Hon MA Fung-kwok

Member Absent : Hon Albert HO Chun-yan

Public Officers Attending : Mr Stephen WONG
Deputy Solicitor General

Ms Kitty FUNG
Senior Government Counsel

By Invitation : Law Society of Hong Kong

Mr Vincent LIANG
Chairman of the Solicitors Indemnity Fund Ltd.

Mr Anthony CHOW
Director of the Solicitors Indemnity Fund Ltd.

Mr Chris HOWSE
Director of the Solicitors Indemnity Fund Ltd.

Mr Patrick MOSS
Secretary General

Horvath & Giles and Erving Brettell

Mr William GILES
Mr Christopher ERVING

Holman Fenwick & Willan

Mr Richard WILMOT

Clerk in Attendance : Mrs Percy MA
Chief Assistant Secretary (2)3

Staff in Attendance : Mr Stephen LAM
Assistant Legal Adviser 4

Mr Paul WOO
Senior Assistant Secretary (2)3

I. The meeting

(LC Paper Nos. 69/01-02(01)-(03), 15/01-02(02) and LS9/01-02)

The Subcommittee deliberated. (Index of proceedings attached at **Annex**).

2. The Subcommittee considered the proposed amendment to the Amendment Rules prepared by Assistant Legal Adviser 4. The Law Society suggested that it would give an undertaking which would achieve the same effect as the proposed amendment. The Law Society also agreed to set out the terms of the undertaking in writing for the consideration of the Subcommittee at the next meeting.

3. The Subcommittee agreed to held the next meeting at 1:00 pm on 22 October 2001.

II. Any other business

4. Mr Bernard CHAN declared interest as his company was one of the re-insurers of the Solicitors' Professional Indemnity Scheme. He said that the Subcommittee's deliberations could serve as a useful reference for other mutual schemes, such as the Employees Compensation Assistance Scheme, which were currently faced with operational problems caused by, among other things, the hardening of insurance premium.

5. The Chairman suggested and Mr Ambrose LAU, Chairman of the Panel on Financial Affairs, agreed that the relevant issues could be followed up by the Panel on Financial Affairs at an appropriate stage.

6. There being no other business, the meeting ended at 10:20 am.

Council Business Division 2
Legislative Council Secretariat
4 December 2001

**Proceedings of the second meeting of the Subcommittee on
Solicitors (Professional Indemnity) (Amendment) Rules 2001
on Tuesday, 16 October 2001, at 8:30 am
in Conference Room B of the Legislative Council Building**

Time	Speaker	Subject(s)	Action required
000001-000428	Miss Margaret NG	Welcome parties attending the meeting and refer members to papers for discussion	
000429-000606	Ms Audrey EU	Law Society's paper (LC Paper No. CB(2)69/01-02(02)) - determination of level of contribution to the indemnity scheme under the 5-year re-insurance contract up to end of September 2005	
000607-000651	Mr Patrick MOSS	-ditto-	
000652-000701	Miss Margaret NG	-ditto-	
000702-000719	Mr Patrick MOSS	-ditto-	
000720-000809	Miss Margaret NG	-ditto-	
000810-000825	Mr Patrick MOSS	-ditto-	
000826-000829	Miss Margaret NG	-ditto-	
000830-000858	Mr Patrick MOSS	-ditto-	
000859-000918	Ms Audrey EU	-ditto-	
000919-000935	Mr Patrick MOSS	-ditto-	
000936-000951	Ms Audrey EU	-ditto-	
000952-001014	Mr Patrick MOSS	-ditto-	
001015-001051	Ms Audrey EU	Authority of Law Society to call on its membership to make good any deficit in the Fund	
001052-001106	Mr Patrick MOSS	-ditto-	
001107-001135	Ms Audrey EU	-ditto-	
001136-001207	Mr Patrick MOSS	-ditto-	
001208-001235	Ms Audrey EU	-ditto-	
001236-001318	Mr Patrick MOSS	-ditto-	
001319-001342	Miss Margaret NG	-ditto-	
001343-001514	Ms Audrey EU	How the Law Society will consult its membership on the independent review of the existing scheme and the timing for the review	
001515-001620	Mr Patrick MOSS	-ditto-	

001621-002255	Miss Margaret NG	Proposed draft amendment to the Solicitors (Professional Indemnity) (Amendment) Rules 2001 prepared by Assistant Legal Adviser (LC Paper No. LS9/01-02)	
002256-002325	ALA	-ditto-	
002326-002401	Miss Margaret NG	-ditto-	
002402-002432	Mr Vincent LIANG	-ditto-	
002433-002522	Miss Margaret NG	-ditto-	
002523-002532	Mr Patrick MOSS	-ditto-	
002533-002618	Miss Margaret NG	-ditto-	
002619-002744	Ms Miriam LAU	Lead time required for preparing legislative amendments if necessary after completion of the Law Society's review	
002745-002805	Administration	-ditto-	
002806-002815	Miss Margaret NG	-ditto-	
002816-002829	Administration	-ditto-	
002830-002834	Miss Margaret NG	-ditto-	
002835-002851	Ms Miriam LAU	-ditto-	
002852-003021	Miss Margaret NG	Monitoring progress of the review	
003022-003311	Mr Anthony CHOW	-ditto-	
003312-003400	Miss Margaret NG	-ditto-	
003401-003515	Ms Miriam LAU	-ditto-	
003516-003548	Miss Margaret NG	-ditto-	
003549-003645	Mr Anthony CHOW	-ditto-	
003646-003733	Miss Margaret NG	-ditto-	
003734-003803	Mr William GILES	-ditto-	
003804-003820	Mr Richard WILMOT	-ditto-	
003821-004018	Mr C ERVING	How Law Society will seek mandate from its membership to proceed with the review and explain to its membership any proposed changes arising from the review	
004019-004035	Miss Margaret NG	-ditto-	
004036-004114	Mr William GILES	Possibility of negotiating with re-insurers about termination of the existing contract	
004115-004142	Miss Margaret NG	Proposal on amending the Amendment Rules to include an expiry clause so that they would only subsist for a prescribed period of time	
004143-004212	Mr Martin LEE	-ditto-	
004213-004230	Miss Margaret NG	-ditto-	

004231-004256	Mr C ERVING	-ditto-	
004257-004308	Miss Margaret NG	-ditto-	
004309-004337	Mr Vincent LIANG	Proposal for the Law Society to give a written undertaking to finish the review expeditiously as an alternative to amending the Amendment Rules	
004338-004402	Miss Margaret NG	-ditto-	
004403-004413	Mr Vincent LIANG	-ditto-	
004414-004747	Miss Margaret NG	Legislative timetable for the Amendment Rules/ Paper prepared by Mr Paul WORDLEY (LC Paper No. CB(2)23/01-02(02)) on Qualified Insurers Scheme in UK	
004748-004818	Mr Richard WILMOT	-ditto-	
004819-004859	Miss Margaret NG	-ditto-	
004900-004939	Mr Martin LEE	Paper prepared by Mr Paul WORDLEY (LC Paper No. CB(2)95/01-02(02))	
004940-005009	Mr Richard WILMOT	-ditto-	
005010-005016	Miss Margaret NG	-ditto-	
005017-005323	Mr Richard WILMOT	-ditto-	
005324-005331	Miss Margaret NG	-ditto-	
005332-005439	Mr Patrick MOSS/ Mr Chris HOWSE/ Mr Richard WILMOT	Qualified Insurers Scheme	
005440-005519	Miss Margaret NG	Possibility to look at alternative insurance schemes	
005520-005557	Mr Patrick MOSS	-ditto-	
005558-005821	Miss Margaret NG	Administration's paper (LC Paper No. CB(2)69/01-02(03))	
005822-005838	Administration	-ditto-	
005839-005916	Miss Margaret NG	-ditto-	
005917-005923	Administration	-ditto-	
005924-005958	Miss Margaret NG	Administration's position on existing professional indemnity scheme for solicitors	
005959-010024	Administration	-ditto-	
010025-010056	Miss Margaret NG	-ditto-	
010057-010129	Administration	-ditto-	
010130-010151	Miss Margaret NG	-ditto-	
010152-010158	Administration	-ditto-	
010159-010319	Mr Anthony CHOW	Impact of the new scheme on solicitors firms	

010320-010433	Mr Chris HOWSE	Survey conducted by Miss Margaret NG on impact of the new scheme on small firms and firms doing conveyancing business	
010434-010611	Miss Margaret NG	-ditto-	
010612-010627	Mr Chris HOWSE	-ditto-	
010628-010637	Miss Margaret NG	-ditto-	
010638-010712	Mr Chris HOWSE	-ditto-	
010713-010756	Miss Margaret NG	-ditto-	
010757-010817	Mr Anthony CHOW	-ditto-	
010818-010835	Miss Margaret NG	-ditto-	
010836-010917	Mr Anthony CHOW	-ditto-	
010918-010931	Miss Margaret NG	-ditto-	
010932-010950	Mr Anthony CHOW	-ditto-	
010951-011025	Miss Margaret NG	-ditto-	
011026-011057	Mr Anthony CHOW	-ditto-	
011058-011130	Mr Vincent LIANG	Role of Law Society to carry out functions of a self-regulated body	
011131-011238	Miss Margaret NG	Discussion of the way forward	
011239-011308	Ms Audrey EU	-ditto-	
011309-011424	Miss Margaret NG	Proposed amendments to Schedules 1 and 3 of Solicitors (Professional Indemnity) Rules	
011425-011505	Ms Audrey EU	Law Society to revert to LegCo on progress of review	
011506-011520	Mr Martin LEE	-ditto-	
011521-011542	Ms Miriam LAU	Law Society's written undertaking to report progress to LegCo	
011543-011615	Miss Margaret NG	-ditto-	
011616-011622	Mr Martin LEE	-ditto-	
011623-011746	Miss Margaret NG	-ditto-	
011747-011801	Ms Miriam LAU	-ditto-	
011802-011858	Miss Margaret NG	-ditto-	
011859-011910	Mr Martin LEE	-ditto-	
011911-012010	Miss Margaret NG	-ditto-	
012011-012022	Ms Miriam LAU	The terms of Law Society's written undertaking	
012023-012126	Miss Margaret NG	-ditto-	
012127-012146	Mr Vincent LIANG	Council of Law Society to discuss the matter of an undertaking	
012147-012259	Miss Margaret NG	Matters to be set out in Law Society's undertaking	

012300-012306	Mr Martin LEE	The Law Society's undertaking should be a voluntary undertaking	
012307-012333	Miss Margaret NG	Timing for Law Society to provide draft written undertaking for the Subcommittee's consideration	
012334-012343	Mr Martin LEE	-ditto-	
012344-012609	Miss Margaret NG/ Ms Miriam LAU/ Ms Audrey EU/ Mr Martin LEE	Fixing date for next meeting	
012610-012713	Miss Margaret NG	Date for Law Society to revert to the Subcommittee	Law Society
012714-012728	Mr Patrick MOSS	Introduction of penalty deductibles for solicitors firms under the Amendment Rules	
012729-012748	Miss Margaret NG	-ditto-	
012749-012807	Mr Patrick MOSS	-ditto-	
012808-012828	Miss Margaret NG	-ditto-	
012829-012845	Mr Patrick MOSS	-ditto-	
012846-013052	Miss Margaret NG	Clause-by-clause examination of the Amendment Rules - Clauses 1 to 5	
013053-013103	ALA	Clause 5	
013104-013400	Miss Margaret NG	Clauses 6 and 7	
013401-013407	ALA	Chinese text of the Amendment Rules	
013408-013623	Miss Margaret NG	Examination of Chinese text clause-by-clause	
013624-013803	Mr Bernard CHAN	Other mutual fund schemes facing similar problems caused by rising insurance premium	
013804-013946	Miss Margaret NG	-ditto-	
013947-014030	Mr Bernard CHAN	-ditto-	
014031-014103	Miss Margaret NG	Financial Affairs Panel to follow up the issue of difficulties faced by other types of mutual schemes	Financial Affairs Panel
014104-014110	Mr Ambrose LAU	-ditto-	
014111-014147	Ms Miriam LAU	-ditto-	
014148-014216	Miss Margaret NG	-ditto-	
014217-014305	Mr Bernard CHAN	Consequences of implementing Qualified Insurers Scheme	
014306-014434	Miss Margaret NG	LegCo's role in ensuring that any changes to the scheme will be suitably considered	

**Note : The audio records of the above proceedings are kept at the LegCo
Library**

Council Business Division 2
Legislative Council Secretariat
4 December 2001