

Solicitors (Group Practice) Rules

(Made by the Council of The Law Society of Hong Kong under section 73 of the Legal Practitioners Ordinance (Cap. 159) with the prior approval of the Chief Justice)

1. Commencement

These Rules shall come into operation on a day to be appointed by the President of the Council by notice published in the Gazette.

2. Interpretation

(1) In these Rules, unless the context otherwise requires---

"business" (業務), in the context of business carried on by a solicitor or firm, means the business of practising as a solicitor or as solicitors;

"firm" (律師行) means a firm as from time to time constituted, whether of a sole practitioner or as a partnership, carrying on the business of practising as a solicitor or as solicitors;

"group practice" (律師聯合執業事務所) is to be construed according to that expression as it appears in section 3(1);

"group practice agreement" (律師聯合執業事務所協議) means an agreement between 2 or more solicitors or firms to conduct their businesses as members of a group practice;

"management company" (管理公司), in relation to a group practice, means the company referred to in section 7;

"member firm" (律師行成員), in relation to a group practice, means a member of the group practice that is a firm;

"member of a group practice" (律師聯合執業事務所成員) is to be construed according to that expression as it appears in section 3(1);

"member solicitor" (律師成員), in relation to a group practice, means a member of the group practice other than a member firm;

"Practice Rules" (《執業規則》) means the Solicitors' Practice Rules (Cap. 159 sub. leg.);

"practise" (執業) means to practise the law, and "practice" (執業) is to be construed accordingly;

"principal" (主管), in relation to a firm, means any partner of the firm or the sole practitioner constituting the firm, as the case may be.

(2) In these Rules, reference to a solicitor who practises within a group practice is a reference to a solicitor who practises---

(a) as a member of a group practice;

(b) as a principal of a member firm of a group practice; or

(c) as an employee of or consultant to a member of a group practice.

(3) For the purposes of these Rules, a solicitor is a consultant to another solicitor or to a firm if he agrees to undertake for remuneration work that forms part of the practice of the other solicitor or of the firm, other than in the capacity of---

(a) an employee of the other solicitor or of the firm; or

(b) a solicitor practising on his own account or in partnership.

3. "Group practice" defined

(1) For the purposes of these Rules, 2 or more solicitors or firms conduct their businesses as members of a group practice if they conduct their businesses (or any part of their businesses) from the same address, separately but in mutual co-operation.

(2) Any 2 or more solicitors or firms carrying on the business of practising as solicitors shall not conduct their businesses from the same address other than as members of the same group practice.

4. General provisions

(1) A member of a group practice shall not---

(a) conduct his or its business or any part of his or its business; or

(b) hold himself or itself out as conducting his or its business or any part of his or its business,

from an address other than the address from which he or it and the other member or members of the group practice conduct their businesses for the purpose of section 3(1).

(2) A solicitor who practises within a group practice shall not practise or hold himself out as practising other than within the group practice.

(3) A member of a group practice shall not employ or engage as a consultant, or continue to employ or engage as a consultant, any solicitor whom he knows to be otherwise practising within the group practice (whether as an employee of or consultant to any other member or in any other capacity).

(4) For the avoidance of doubt, only a solicitor or firm that is conducting his or its business as a member of a group practice may be a party to the group practice agreement in relation to that group practice.

5. Name and style of group practice

(1) A group practice shall be identified by---

(a) a Chinese name or an English name that has been approved; or

(b) a Chinese name and an English name that have been approved,

by the Council under subsection (4).

(2) The approved Chinese name (if any) of a group practice shall include the

expression "律師聯合執業事務所" and the approved English name (if any) of a group practice shall include the expression "Group Practice".

(3) Approval shall not be given to a name that in the opinion of the Council---

- (a) makes reference to any expertise;
- (b) implies that the group practice has a particular affiliation or size;
- (c) implies that the group practice is itself a legal entity;
- (d) is or may reasonably be regarded as being ostentatious, in bad taste, misleading, exploitative, deceptive, inaccurate, false, sensational, offensive or in any other way out of keeping with the dignity of the legal profession;
- (e) is so similar to that of an existing group practice or firm as to be likely to be confused with it; or
- (f) is inconsistent with any provision of the Practice Rules.

(4) Subject to subsections (2) and (3), the Council may in its discretion, on application by 2 or more solicitors or firms who have agreed to conduct their businesses as members of a group practice, approve or reject any proposed name for the group practice.

(5) An approval may also specify the manner in which the name of the group practice is to be used in conjunction with the name of each member of the group practice.

(6) The Council may, if it thinks fit, determine that an approval previously granted under this section in respect of a name be withdrawn and, if such a determination is made, the approval shall cease to have effect for the purpose of subsection (1) on the date 6 weeks from the date on which it is made or on such later date as the Council may specify in the determination.

(7) Only a member of a group practice may use the name of the group practice in conjunction with his or its own name.

(8) For the purposes of these Rules, approval of the name of a group practice granted under subsection (4) does not cease to have effect merely because an existing group practice agreement is terminated upon the coming into effect of another group practice agreement that supersedes it.

6. Letterhead

(1) The following requirements apply in relation to the letterhead of a member of a group practice---

- (a) the name of the group practice shall be displayed on the letterhead and shall appear as part of the address of the member;
- (b) the name of the member shall be displayed on the letterhead and shall appear more prominently than the name of the group practice;
- (c) the name of the group practice displayed on the letterhead shall not appear as forming part of the name of the member.

(2) For the avoidance of doubt, rule 2B of the Practice Rules applies to a firm that is a member of a group practice as it applies to any other firm.

7. Group practice management company

(1) The members of every group practice shall, for so long as any member conducts his or its business as a member of the group practice, maintain an incorporated company with limited liability registered under the Companies Ordinance (Cap. 32) ("management company").

(2) The objects of a group practice's management company as stated in the company's memorandum shall be limited to matters relating to the management of the affairs of the group practice or the members of the group practice as such.

(3) A group practice's management company shall at all times during the currency of the group practice, as from the date by which a declaration of entry into a group practice agreement is required to be furnished to the Society under section 8(1), maintain registration as a business under section 6 of the Business Registration Ordinance (Cap. 310).

(4) Only a person who is for the time being either a party to a group practice agreement or a principal of a member firm that is a party to a group practice agreement shall be eligible to become a director or shareholder of the group practice's management company; and any director or shareholder of a group practice's management company who ceases to be either a party to the group practice agreement or a principal of a member firm that is a party to the group practice agreement shall immediately resign his position as a director or tender his shares for sale in accordance with the articles of association of the company, as the case may be.

(5) Any---

(a) goods, services, facilities or premises to be provided by a third party; or

(b) unqualified staff to be engaged,

for the benefit of the members of a group practice collectively or of any 2 or more members of the group practice shall be provided or engaged by or through the group practice's management company.

(6) A group practice's management company shall not engage in any activity other than an activity that consists of or is related to the management of the affairs of the group practice or the members of the group practice as such.

(7) The Chinese name of a management company shall include the expression "律師聯合執業事務所管理有限公司" and its English name shall include the expression "Group Practice Management Company Limited".

8. Reporting to Society

(1) Where a group practice name has been approved under section 5(4), the members of the group practice shall, within 14 days of any one of the members beginning to

practise as member of the group practice---

(a) furnish the Society with a declaration, in a form approved by the Society and signed by all member solicitors and all principals of each member firm, declaring that they have entered into a group practice agreement and specifying---

- (i) the date of the agreement;
- (ii) the commencement date of the agreement; and
- (iii) the parties to the agreement;

(b) notify the Society in writing in a form approved by the Society of the following particulars in relation to the group practice---

- (i) the name of the group practice as approved by the Council under section 5;
- (ii) the address of the group practice together with its telephone, fax, telex and DX numbers, where appropriate;
- (iii) the names of the members of the group practice;
- (iv) the date on which each member began to conduct his or its business as a member of the group practice; and

(c) notify the Society in writing in a form approved by the Society of the following particulars in relation to the group practice's management company---

(i) the name of the management company, the address of its registered office, its registration number under the Companies Ordinance (Cap. 32) and its registration number under the Business Registration Ordinance (Cap. 310);

- (ii) the names of the directors and shareholders of the management company;
- (iii) the address of the management company together with its telephone, fax, telex and DX numbers, where appropriate;

(iv) as regards any employee of the management company (whether part-time or full-time, whether remunerated or otherwise and whether or not performing duties as a staff member of the group practice), the employee's name, the number of the identity card issued to him under the Registration of Persons Ordinance (Cap. 177) and the Chinese commercial code appearing on that identity card, his date of birth, his position in the management company and the date on which his employment began.

(2) The members of a group practice shall, within 14 days of such occurrence, notify the Society in writing in a form approved by the Society of any change in the particulars referred to in subsection (1) relating to the group practice.

(3) Except on a formal resolution of the Council or as provided in subsection (4), particulars furnished under subsection (1)(c) shall not be disclosed by the Secretary General of the Society to any person.

(4) Particulars furnished under subsection (1)(c) may be disclosed to any of the following persons where it is the proper business of that person to have access to such particulars for the purpose of ascertaining whether or not there has been

compliance with these Rules or for dealing with the disciplinary consequences of any alleged breach of these Rules---

- (a) Council members;
- (b) members of committees established by the Council;
- (c) a Solicitors Disciplinary Tribunal;
- (d) the Tribunal Convenor of the Solicitors Disciplinary Tribunal Panel;
- (e) counsel, accountants, solicitors and agents appointed by the Society;
- (f) employees of the Society.

(5) For the avoidance of doubt, rule 5 of the Practice Rules applies in relation to a firm that is a member of a group practice as it applies in relation to any other firm.

9. Employment of unqualified staff

(1) The number of unqualified persons employed within a group practice (whether employed by a member of the group practice or by the group practice's management company) shall not exceed 6 plus 8 times the number of solicitors practising within the group practice.

(2) The number of unqualified persons employed by any member of a group practice shall not exceed 8 times the number of solicitors employed full-time by that member.

(3) For the purposes of this section, persons employed otherwise than by a member of a group practice (for example, by a service company established or maintained by the member) but for the purpose of the member shall be deemed to be persons employed by that member.

(4) For the purposes of this section, in calculating the number of unqualified persons employed by a member of a group practice, the following shall not be taken into account---

- (a) trainee solicitors working for the member; or
- (b) full-time law students working for the member---

 - (i) on a full-time or part-time basis during holidays and breaks; or
 - (ii) on a part-time basis during the academic year.

(5) Rule 4B(1) of the Practice Rules does not apply to a firm that is a member of a group practice.

(6) Rule 4B(2) of the Practice Rules does not apply in relation to the employment by a firm that is a member of a group practice of an unqualified person who is in the employment of another member firm of the same group practice but who is not in the employment of any firm outside the group practice.

10. Promoting of legal services

(1) No member of a group practice or principal of a member firm shall publicise or otherwise promote his, its or his firm's practice, or permit his, its or his firm's

practice to be publicised or otherwise promoted, in a manner that gives the impression---

(a) that the group practice is a firm or a legal entity of any kind; or

(b) that any member of the group practice is in partnership with any other member of the same group practice.

(2) No member of a group practice or principal of a member firm shall publicise or otherwise promote the group practice as such, or permit the group practice as such to be publicised or otherwise promoted.

(3) For the avoidance of doubt, rule 2AA of the Practice Rules applies to and in relation to a solicitor who practises within a group practice as it applies to or in relation to any other solicitor.

11. Professional relationship of solicitors within group practice

(1) A solicitor practising within a group practice who wishes to instruct any other solicitor practising within the group practice to undertake work entrusted to the instructing solicitor by a client shall obtain the written authorization of the client before instructing the other solicitor.

(2) For the purposes of any rule of professional practice, conduct or discipline relating to conflict of interest or confidentiality, the various member solicitors and principals of member firms of a group practice shall be regarded as practising in partnership with each other.

(3) Except as otherwise provided by express mention or necessary implication, nothing in these Rules is to be construed as providing that any member solicitor or principal of a member firm of a group practice is for any purpose to be regarded as practising in partnership with any other member solicitor or principal of a member firm of the group practice.

12. Power of waiver

The Council may in writing waive any of the provisions of these Rules in a particular case, either unconditionally or subject to such conditions as the Council may think fit to impose.

Consequential Amendments

Solicitors' Practice Rules

13. Interpretation

Rule 1A of the Solicitors' Practice Rules (Cap. 159 sub. leg.) is amended by adding---

""group practice" (律師聯合執業事務所) and "member of a group practice" (律師聯合執業事務所成員) have the same meaning as in the Solicitors (Group Practice) Rules (L.N. 122 of 2002);".

14. Representation in conveyancing transactions

Rule 5C is amended by adding---

"(8) This rule applies to 2 or more solicitors or firms conducting their businesses as members of the same group practice as it applies to any 2 or more solicitors practising in partnership or association."

Approved this 25th day of June 2002.

Andrew LI

Chief Justice

Made this 28th day of June 2002.

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Explanatory Note

The object of these Rules is to regulate arrangements whereby 2 or more solicitors or firms of solicitors, each of whom is carrying on the business of practising as a solicitor or as solicitors, conduct their businesses together in mutual co-operation but without being in partnership (section 3). Such arrangements are referred to in the Rules as "group practices".

2. The members of a group practice may not conduct the business of practising as a solicitor from an address other than the address of the group practice (section 4).

3. A group practice must adopt a name, approved by the Council of The Law Society of Hong Kong, by which the group practice is to be known (section 5).

4. Certain requirements are specified as to the manner in which a group practice's name is displayed on a member's letterhead (section 6).

5. The members of a group practice are required to maintain a company, incorporated with limited liability, of which member solicitors or principals of member firms are the sole directors and shareholders, to undertake matters relating to the management of the group practice (section 7).

6. Members of a group practice are required to report to The Law Society of Hong Kong in accordance with reporting requirements that are similar in nature to those applying to firms under rule 5 of the Solicitors' Practice Rules (Cap. 159 sub. leg.) (section 8).

7. Certain restrictions are specified regarding the number of unqualified persons that may be employed within a group practice. These restrictions are similar in nature to those applying to individual firms under rule 4B of the Solicitors' Practice Rules (Cap. 159 sub. leg.) (section 9).
8. The promoting of a group practice as such, or in a manner which suggests that the group practice is a legal entity or that any of its members are in partnership with each other, is prohibited (section 10).
9. For the purpose of disciplinary matters relating to conflict of interest and confidentiality, the member solicitors of a group practice and principals of member firms are regarded as being in partnership with each other (section 11).
10. A general power to waive compliance with any of the Rules is vested in the Council of The Law Society of Hong Kong (section 12).
11. By a consequential amendment to rule 5C of the Solicitors' Practice Rules (Cap. 159 sub. leg.), members of a group practice are subject to the same restrictions as regards representation in conveyancing transactions as are solicitors practising in partnership or association (section 14).