

27 April 2015

Miss Emma Lau, JP Judiciary Administrator Judiciary G/F, High Court Building 38 Queensway, Hong Kong

LC Paper No. CB(4)1001/14-15(02) (English version only)

Dear Miss Lau,

## Review of Solicitors' Hourly Rates

Further to your paper on the Review of Solicitors' Hourly Rates (LC Paper No. CB(4)825/14-15(08), I shall be grateful for your provision of the following information:

- (i) In relation to Stage 1, the precise terms of reference of the consultancy study, and the questions and issues that have been put to the consultant for its consideration, as well as how the Working Party on Review of Solicitors' Hourly Rares for Party and Party Taxation ("the Working Party") intends to evaluate and decide on which of the approaches and methodologies proposed by the consultancy to adopt for conducting the review and the mechanism for setting the Solicitors' Hourly Rates ("SHRs");
- (ii) Whether the overall review of the SHRs to be conducted by the Working Party will encompass a review of whether taxing masters have been unduly harsh in determining whether an item of costs is "necessary or proper for the attainment of justice or for enforcing or defending the rights of [the Receiving Party]" as is prescribed under Order 62, rule 28(2) of the Rules of the High Court (Cap. 4A) and whether the Judiciary will consider issuing standard guidelines and/or practice directions on this issue for all parties in order to deal with some of the long-standing issues and problems in the current taxation process;
- (iii) The method and the extent to which the Working Party will engage

and consult legal practitioners in conducting the review, and a confirmation that there must be an extensive industry-wide consultation of the legal profession in Hong Kong (from sole practitioners to international law firms), whose views and opinions are critical to the success of the review as well as its credibility; and

(iv) Lastly, whether there has been any consideration as to whether the setting of SHRs is in compliance with the First Conduct Rule under the Competition Ordinance (Cap. 619), taking into account the Competition Commission's expressed opinion that "recommended fee scales and 'reference' prices of trade and professional associations are decision of associations of undertakings which the Commission would likely consider as having either the object or effect of harming competition" (Para. 2.36 of the Revised Draft Guideline on the First Conduct Rule).

I have asked the secretary to the AJLS Panel to table this letter at today's Panel meeting for further discussion. I look forward to hearing your reply soon.

Yours sincerely,

Dennis Kwok

Member of the Legislative Council

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Deputy Chairman of the AJLS Panel

cc: Mr Stephen W.S. Hung, President of the Law Society