

**The Legislative Council Brief**

**Subsidiary Legislation arising from the Introduction of  
Limited Liability Partnerships for Solicitors**

- (1) **Limited Liability Partnerships (Top-Up Insurance) Rules**
- (2) **Solicitors Practice (Amendment) Rules 2015**
- (3) **Foreign Lawyers Practice (Amendment) Rules 2015**

**Background**

1. The Legal Practitioners (Amendment) Bill gazetted in June 2010 as amended by the Committee Stage Amendments was passed by the Legislative Council in July 2012. The Legal Practitioners (Amendment) Ordinance 2012 (“Amendment Ordinance”) is at **Annexure 1**.
2. The Amendment Ordinance introduces an additional mode of operation in the form of limited liability partnerships (“LLPs”) for solicitors. LLPs have been adopted in other overseas jurisdictions for many years and practising in the form of an LLP is very common for law firms in international financial centres like New York and London.
3. Although the current form of LLPs permitted in the Amendment Ordinance is not entirely the same as the one advocated by the Law Society initially, it is acknowledged that the introduction of LLPs is an important step forward for Hong Kong solicitors. It modernises the legal infrastructure aligning it with the global trend and offers an additional choice for solicitors’ practice.
4. An innocent partner in an LLP permitted under the Amendment Ordinance will be protected against personal liability for the default of other members of the LLP arising from the LLP’s provision of professional services, provided that certain conditions are satisfied.
5. One of the conditions is set out in section 7AD of Part IIAAA of the Legal Practitioners Ordinance (Cap 159) providing for the top-up insurance requirement for a LLP.
6. Section 73A of the Legal Practitioners Ordinance have been amended to include a new subsection (3)(af) which provides that the Council may make indemnity rules which “*make provision for the better carrying out of section 7AD*”.

7. The Amendment Ordinance has not come into operation yet pending finalization of the implementation details, one of which is the making of rules for the better carrying out of section 7AD pursuant to section 73A(3)(af) of the Legal Practitioners Ordinance.

#### **Limited Liability Partnerships (Top-Up Insurance) Rules**

8. Section 7AD requires every LLP to have top-up insurance cover for loss arising from default that exceeds a defined amount up to an amount not less than HK\$10 million in respect of any one claim, with no limit in the aggregate. The defined amount in the Amendment Ordinance refers to the maximum indemnity specified in the Solicitors (Professional Indemnity) Rules (Cap 159, sub leg M) for a Hong Kong law firm and to the coverage provided in section 6 of the Foreign Lawyers Registration Rules (Cap 159, sub leg S) for a foreign law firm.
9. The Council of the Law Society has considered the options available in implementing the top-up requirement. After balancing the pros and cons of each option, the Council has adopted the following policy directions:
- (a) LLPs should be allowed to obtain their own top-up cover in the open market;
  - (b) the terms of the top-up cover required for LLPs should be similar to those provided by the Hong Kong Solicitors Professional Indemnity Fund as provided in the Solicitors (Professional Indemnity) Rules.
10. Taking into account the above policy direction, the Limited Liability Partnerships (Top-Up Insurance) Rules (**Annexure 2**) are drafted setting out the requirements on the provider (rule 3), the scope (rule 4) and proof (rule 5) of the top-up insurance cover.

#### **Foreign Lawyers Practice (Amendment) Rules 2015**

11. Rule 4(2)(b) of the Foreign Lawyers Practice Rules (Cap 159 sub leg R) (**Annexure 3**) permits a foreign firm to use the name of an overseas firm of which the foreign firm is a branch. Where the firm name of the overseas parent office of a foreign firm includes “LLP” as part of its registered name, pursuant to rule 4(2)(b) of the Foreign Lawyers Practice Rules, the foreign firm will be permitted to use the same name in Hong Kong notwithstanding the fact that there is no legislation on LLP in force in Hong Kong yet.
12. Section 7AJ of the Legal Practitioners Ordinance (Annexure 1) requires an LLP to include this description as part of its firm name.
13. When the Amendment Ordinance comes into effect, those foreign firms which are not LLPs registered in Hong Kong pursuant to the Amendment Ordinance should not be permitted to include “LLP” as part of their firm names; otherwise, there will be confusion to the public as to which are LLPs properly registered in Hong Kong pursuant to the Amendment Ordinance and which are in name only.

14. The Foreign Lawyers Practice (Amendment) Rules 2015 (**Annexure 4**) amends rule 4(2)(b) of the Foreign Lawyers Practice Rules to make it clear that a foreign firm shall not include “LLP” or words or abbreviations to the same effect in its name, whether in English, Chinese or other languages, if the firm is not a LLP to which Part IIAAA of the Legal Practitioners Ordinance applies.
15. The Amendment Ordinance includes a consequential amendment to rule 9(1B) of the Foreign Lawyers Practice Rules on the provision of evidence of the firm’s compliance with the top-up insurance requirement (Annexure 1). To make it clear that the evidence is to be in the form and manner as required by the Law Society as provided in rule 5 of the Limited Liability Partnerships (Top-Up Insurance) Rules, the proviso “subject to rule 5(1) of the Limited Liability Partnerships (Top-Up Insurance) Rules” is added to rule 9(1B) of the Foreign Lawyers Practice Rules.

### **Solicitors Practice (Amendment) Rules 2015**

16. Rule 2A(2)(b) of the Solicitors Practice Rules (**Annexure 5**) permits a foreign firm to continue using its name upon its conversion to a Hong Kong firm. This poses the same problem as rule 4(2)(b) of the Foreign Lawyers Practice Rules as explained in paragraphs 11 to 13 above.
17. The Solicitors’ Practice (Amendment) Rules 2015 (**Annexure 6**) amends rule 2A of the Solicitors Practice Rules to make it clear that a Hong Kong firm shall not include “LLP” or words or abbreviations to the same effect in its name, whether in English, Chinese or other languages, if the firm is not a LLP to which Part IIAAA of the Legal Practitioners Ordinance applies.
18. The Amendment Ordinance includes a consequential amendment to rule 5(1B) of the Solicitors Practice Rules on the provision of evidence of the firm’s compliance with the top-up insurance requirement (Annexure 1). To make it clear that the evidence is to be in the form and manner as required by the Law Society as provided in rule 5 of the Limited Liability Partnerships (Top-Up Insurance) Rules, the proviso “subject to rule 5(1) of the Limited Liability Partnerships (Top-Up Insurance) Rules” is added to rule 5(1B) of the Solicitors Practice Rules.

### **Commencement**

19. The Law Society intends to bring LLPs into operation as soon as possible. It is waiting for the finalisation of the consequential amendments to Order 81 of the High Court Rules and the District Court Rules.
20. Subject to the progress of the amendments to Order 81, it is hoped that the commencement of the Amendment Ordinance and all relevant subsidiary legislation will be within 2015.

The Law Society of Hong Kong  
14 May 2015

## LEGAL PRACTITIONERS (AMENDMENT) ORDINANCE 2012

### CONTENTS

Section	Page
1. Short title.....	A2755
2. Commencement.....	A2755
3. Section 2 amended (Interpretation).....	A2755
4. Section 6 amended (Practising certificates—solicitors).....	A2755
5. Section 7 amended (Qualifications for practising as solicitor)	A2757
6. Part IIAAA added	

### PART IIAAA

#### LIMITED LIABILITY PARTNERSHIPS

7AA. Definitions (Part IIAAA) .....	A2757
7AB. Limited liability partnership.....	A2757
7AC. Protection from liability of partners in limited liability partnership.....	A2759
7AD. Top-up insurance requirement for limited liability partnership .....	A2759
7AE. Requirements relating to overall supervising partners	A2761
7AF. Limitations on section 7AC(1) protection.....	A2763
7AG. Indemnification under partnership agreement not affected .....	A2765
7AH. Effect of section 7AC(1) on proceedings .....	A2765
7AI. Advance notice to Society in respect of limited liability partnership.....	A2765
7AJ. Name of limited liability partnership .....	A2767
7AK. Notification of name by limited liability partnership	A2767
7AL. Notice by limited liability partnership to existing clients.....	A2767

Section	Page
7AM. Other requirements relating to practice of law firm not affected .....	A2769
7AN. Provisions regulating distribution of partnership property .....	A2769
7AO. List of limited liability partnerships .....	A2771
7AP. No dissolution of partnership, etc. ....	A2773
7AQ. This Part to prevail over inconsistent agreement .....	A2773
7AR. Law not inconsistent with this Part applies .....	A2775
7. Section 73 amended (Power of the Council to make rules) ....	A2775
8. Section 73A amended (Indemnity rules) .....	A2775

*Consequential Amendments*

**Solicitors' Practice Rules**

9. Rule 5 amended (Particulars relating to firms).....	A2775
--	-------

**Foreign Lawyers Practice Rules**

10. Section 9 amended (Reporting of particulars) .....	A2777
--	-------

**Summary Disposal of Complaints (Solicitors) Rules**

11. Schedule amended (Scheduled items) .....	A2777
--	-------

HONG KONG SPECIAL ADMINISTRATIVE REGION

---

ORDINANCE NO. 22 OF 2012



C. Y. LEUNG  
Chief Executive  
19 July 2012

An Ordinance to amend the Legal Practitioners Ordinance.

[ ]

Enacted by the Legislative Council.

**1. Short title**

This Ordinance may be cited as the Legal Practitioners (Amendment) Ordinance 2012.

**2. Commencement**

This Ordinance comes into operation on a day to be appointed by the Secretary for Justice by notice published in the Gazette.

**3. Section 2 amended (Interpretation)**

Section 2(1) of the Legal Practitioners Ordinance (Cap. 159) is amended by adding—

““partnership” (合夥) includes a limited liability partnership as defined by section 7AA;”.

**4. Section 6 amended (Practising certificates—solicitors)**

Section 6(3) is amended by repealing “section 73A” and substituting “section 73A (other than subsection (3)(*fa*))”.

**5. Section 7 amended (Qualifications for practising as solicitor)**

Section 7(d) is amended by repealing “section 73A” and substituting “section 73A (other than subsection (3)(fa))”.

**6. Part IIAAA added**

The following is added immediately after section 7A—

“PART IIAAA

LIMITED LIABILITY PARTNERSHIPS

**7AA. Definitions (Part IIAAA)**

- (1) In this Part—
- “default” (失責行為) means any negligent or wrongful act or omission, or any misconduct;
- “distribution” (分發), in relation to partnership property, means a transfer of money or other partnership property by a partnership to a partner, whether as a share of profits, return of contributions to capital, repayment of advances or otherwise;
- “limited liability partnership” (有限法律責任合夥), except for the reference in section 7AL(3) to a limited liability partnership under the law of a foreign jurisdiction, has the meaning given by section 7AB;
- “partnership obligation” (合夥義務), in relation to a partnership, means any debt, obligation or liability of the partnership, other than debts, obligations or liabilities of the partners as between themselves, or as between themselves and the partnership;
- “partnership property” (合夥財產) has the same meaning as in the Partnership Ordinance (Cap. 38).

(2) If a law firm is constituted as a limited liability partnership when it commences business in Hong Kong, a reference in this Part to the date on which it becomes a limited liability partnership is a reference to the date on which it commences business in Hong Kong.

**7AB. Limited liability partnership**

For the purposes of this Part, a limited liability partnership is a partnership that is for the time being—

- (a) a Hong Kong firm or a foreign firm; and

- (b) designated by written agreement between the partners as a partnership to which this Part applies.

**7AC. Protection from liability of partners  
in limited liability partnership**

(1) A partner in a limited liability partnership is not, solely by reason of being a partner, jointly or severally liable for any partnership obligation (whether founded on tort, contract or otherwise) that arises from the provision of professional services by the partnership as a limited liability partnership as a result of a default of—

- (a) another partner; or  
(b) an employee, agent or representative of the partnership.

(2) Subsection (1) applies irrespective of whether the liability is in the form of indemnification, contribution or otherwise.

(3) Subsection (1) applies only if at the time of the default—

- (a) the partnership was a limited liability partnership;  
(b) the client knew or ought reasonably to have known that the partnership was a limited liability partnership;  
(c) the partnership had complied with section 7AD; and  
(d) the partnership had complied with section 7AE(2) for the matter in respect of which the default occurred.

**7AD. Top-up insurance requirement for  
limited liability partnership**

(1) In this section—

“Indemnity” (基本彌償) has the same meaning as it has in the Solicitors (Professional Indemnity) Rules (Cap. 159 sub. leg. M);

“prescribed amount” (訂明款額) means the maximum amount of the Indemnity specified in subparagraph (1) of paragraph 2 of Schedule 3 to the Solicitors (Professional Indemnity) Rules (Cap. 159 sub. leg. M) without reducing that amount for any deductibles referred to in subparagraph (2) of that paragraph.

(2) Every limited liability partnership that is a Hong Kong firm must have in existence, in addition to the Indemnity, a policy of insurance—

- (a) under which the partnership is entitled to be indemnified to the specified extent against any loss arising from any claim in respect of any default; and  
(b) which complies with any indemnity rules made under section 73A(3)(fa).



(3) A reference to indemnifying against a loss to the specified extent in subsection (2) means indemnifying against the part of the loss that exceeds the prescribed amount up to an amount not less than \$10,000,000 in respect of any one claim.

(4) Every limited liability partnership that is a foreign firm must have in existence a policy of insurance—

(a) under which the partnership is entitled to be indemnified to the specified extent against any loss arising from any claim in respect of any default; and

(b) which complies with any indemnity rules made under section 73A(3)(*fa*).

(5) A reference to indemnifying against a loss to the specified extent in subsection (4) means indemnifying against the part of the loss that exceeds the limit of insurance coverage required under section 6 of the Foreign Lawyers Registration Rules (Cap. 159 sub. leg. S) up to an amount not less than \$10,000,000 in respect of any one claim.

(6) A policy of insurance maintained by a partnership under subsection (2) or (4) must not be subject to any limit as to the amount of liability of an insurer for claims in the aggregate or as to the number of claims.

(7) The Council may, subject to the prior approval of the Chief Justice, by notice published in the Gazette amend subsections (3) and (5) by substituting another amount that is not less than \$10,000,000 for the amount in each of those subsections.

#### **7AE. Requirements relating to overall supervising partners**

(1) For each matter handled by a limited liability partnership for a client there must, throughout the time it is handled, be at least one partner who is responsible for the overall supervision of the matter (“overall supervising partner”).

(2) For each matter handled by a limited liability partnership for a client, the partnership must—

(a) not later than 21 days after the partnership accepts instructions on the matter, inform the client of the identity of at least one overall supervising partner for the matter; and

(b) subject to paragraph (a), throughout the time that the matter is handled by the partnership, keep the client informed of the identity of at least one overall supervising partner for the matter.

(3) During the period when a limited liability partnership is handling a matter for a client or after that period, the client may request a person specified in subsection (4) to provide the client with a list of the names of—

- (a) all other partners (if any) who are or were (as appropriate) overall supervising partners for the matter; and
- (b) all other partners (if any) who are or were (as appropriate) responsible for the supervision of any particular parts of the matter.

(4) The following persons are specified for the purposes of subsection (3)—

- (a) any overall supervising partner for the matter, as last informed to the client by the partnership;
- (b) if each person last informed to the client by the partnership to be an overall supervising partner for the matter is no longer a partner in the partnership, the partnership.

(5) A person specified in subsection (4) must, not later than 21 days from receiving a request under subsection (3), provide the client with the list referred to in subsection (3) to the best of the knowledge of the person.

**7AF. Limitations on section 7AC(1)  
protection**

(1) Section 7AC(1) does not protect a partner from liability if the partner—

- (a) knew of the default at the time of its occurrence; and
- (b) failed to exercise reasonable care to prevent its occurrence.

(2) Section 7AC(1) does not protect a partner from liability arising from a default in respect of a matter handled by the partnership if the default is—

- (a) the partner's default; or
- (b) a default of an employee, agent or representative of the partnership who was under the direct supervision of the partner in respect of the matter at the time of the default.

(3) Section 7AC(1) does not protect any interest of a partner in the partnership property from claims against the partnership.

**7AG. Indemnification under partnership agreement not affected**

Nothing in this Part affects any right of a partner in a limited liability partnership to be indemnified by another partner, or any obligation of a partner to indemnify another partner, under a written agreement made between the partners.

**7AH. Effect of section 7AC(1) on proceedings**

If a partner is protected from liability by section 7AC(1)—

- (a) the partner is not, separately, a proper party to any proceedings brought against the partnership for the purpose of recovering damages or claiming other relief in respect of the liability; and
- (b) the proceedings may, if they could apart from this section be brought against the partnership, continue to be so brought.

**7AI. Advance notice to Society in respect of limited liability partnership**

(1) A law firm must ensure that, at least 7 days before the date on which it becomes a limited liability partnership, a written notice of the following particulars is given to the Society—

- (a) the date on which the firm becomes a limited liability partnership;
- (b) the name of the partnership;
- (c) in the case of a Hong Kong firm—
  - (i) the name of each partner in the partnership;
  - (ii) each address at which the partnership carries on its business;
- (d) in the case of a foreign firm—
  - (i) the name of each partner in the partnership who is ordinarily resident in Hong Kong;
  - (ii) each address at which the partnership carries on its business in Hong Kong;
- (e) any other particulars prescribed by rules made under section 73.

(2) A law firm must ensure that, at least 7 days before the date on which it ceases to be a limited liability partnership, a written notice of that date is given to the Society.

**7AJ. Name of limited liability partnership**

A limited liability partnership must—

- (a) if it has a Chinese name, include the words “有限法律責任合夥” as part of that Chinese name; and
- (b) if it has an English name, include the following as part of that English name—
  - (i) the words “Limited Liability Partnership”; or
  - (ii) the abbreviation “LLP” or “L.L.P.”.

**7AK. Notification of name by limited liability partnership**

(1) A limited liability partnership must display its name, in a clearly visible and legible manner, at or outside every office or place in which it carries on its business.

(2) A limited liability partnership must state its name, in a clearly visible and legible manner, in its correspondence, notices, publications, invoices and bills of costs, and on its websites.

**7AL. Notice by limited liability partnership to existing clients**

(1) Except as provided in subsection (2), a law firm must, within 30 days after it becomes a limited liability partnership, by written notice inform each of its existing clients of that fact.

(2) A specified foreign firm must, within 30 days after it becomes a limited liability partnership, by written notice inform each of its existing clients in Hong Kong of that fact.

(3) For the purposes of subsection (2), a foreign firm is a specified foreign firm if, before becoming a limited liability partnership, it has been carrying on, in a foreign jurisdiction, the practice of law as a limited liability partnership under the law of that jurisdiction.

(4) A written notice issued under this section must be in a form specified by the Council.

(5) The form specified under subsection (4) must include a brief statement stating how liabilities of partners in a law firm are affected under sections 7AC, 7AD, 7AE and 7AF by the law firm becoming a limited liability partnership.

(6) In this section, “existing client” (現有當事人), in relation to a law firm, means a person who is a client of the firm at the time the firm becomes a limited liability partnership.

(7) For the purposes of subsection (2), an existing client of a specified foreign firm is its existing client in Hong Kong if—

- (a) the client is a body corporate, and it has its registered office or a place of business in Hong Kong; or
- (b) the client is not a body corporate, and the last correspondence address provided by the client to the firm is in Hong Kong.

(8) This section does not apply to a law firm that is constituted as a limited liability partnership when it commences business in Hong Kong.

**7AM. Other requirements relating to  
practice of law firm  
not affected**

Sections 7AD, 7AE, 7AI, 7AJ, 7AK and 7AL are in addition to, and do not affect, any other provisions relating to the practice of a law firm as prescribed by rules made under section 73 or 73A or contained in The Hong Kong Solicitors' Guide to Professional Conduct.

**7AN. Provisions regulating distribution of  
partnership property**

(1) If a limited liability partnership makes a distribution of any of its partnership property to one or more persons (each being a partner or an assignee of a partner's share in the partnership), and immediately after the distribution—

- (a) the partnership is unable to pay its partnership obligations as they become due; or
- (b) the value of the remaining partnership property is less than the partnership obligations,

then each of the persons is liable to the partnership to the extent specified in subsection (4).

(2) However, a person who receives a distribution as described in subsection (1) is not liable under that subsection if the person proves that—

- (a) immediately before making the distribution, the limited liability partnership made a reasonable assessment that the financial position of the partnership would not be as described in subsection (1) immediately after the distribution; and

(b) the partnership arrived at the assessment after exercising reasonable diligence and based on information obtained for the purpose of the assessment or otherwise available at the time of the assessment.

(3) In determining whether the partnership made a reasonable assessment as referred to in subsection (2)(a), a court may have regard to all the circumstances of the case including, without limitation, whether the assessment was based—

(a) on financial statements prepared on the basis of accounting practices and principles that are reasonable in the circumstances;

(b) on a fair valuation; or

(c) on any other method that is reasonable in the circumstances.

(4) A person who is liable under subsection (1) is liable to the partnership for—

(a) the value of the property received by the person as a result of the distribution; or

(b) the amount necessary to discharge the partnership obligations at the time of the distribution,

whichever is the lesser.

(5) Proceedings to enforce any of the liabilities arising under this section as a result of the distribution may be brought by—

(a) the partnership;

(b) any partner in the partnership; or

(c) any person to whom the partnership owes any partnership obligation at the time of the distribution.

(6) In this section, a reference to partnership obligation is a reference to partnership obligation whether actual or contingent.

(7) This section does not affect a payment made as reasonable compensation for current services provided by a partner to the partnership, to the extent that the payment would be reasonable if paid to a person who is an employee of, but not a partner in, the partnership as compensation for similar services.

(8) No proceedings to enforce a liability under this section may be commenced later than 2 years after the date of the distribution to which the liability relates.

#### **7AO. List of limited liability partnerships**

(1) The Council must keep a list of law firms that are or have been limited liability partnerships.

(2) The list must, in relation to each such law firm, contain—

- (a) its name;
- (b) each address at which it carries on its business or, if it has ceased its business, each address at which it last carried on its business; and
- (c) the date on which it first became a limited liability partnership and, if applicable, the dates from which or periods during which it has ceased to be a limited liability partnership.

(3) As soon as practicable after becoming aware of any matter that would require the list to be updated, the Council must update the list accordingly.

(4) For the purpose of enabling any member of the public to ascertain whether a law firm is, or has been, a limited liability partnership and to ascertain the particulars of the partnership, the Council must make the list available for public inspection, free of charge, at the office of the Council during office hours.

#### **7AP. No dissolution of partnership, etc.**

(1) The fact that a partnership becomes, or ceases to be, a limited liability partnership—

- (a) does not cause the partnership—
  - (i) to be dissolved; or
  - (ii) to cease continuing in existence as a partnership; and
- (b) does not affect any of the rights and liabilities (whether actual or contingent) of the partnership, or of any person as a partner, that have been acquired, accrued or incurred before the partnership becomes, or ceases to be, a limited liability partnership.

(2) Subsection (1)(a) operates subject to any written agreement between the partners to the contrary.

#### **7AQ. This Part to prevail over inconsistent agreement**

(1) In relation to a limited liability partnership, this Part prevails over any inconsistent provisions in any agreement between any persons, whether as partners in the partnership or otherwise.

(2) To avoid doubt, this section does not affect the operation of sections 7AG and 7AP(2).

**7AR. Law not inconsistent with this  
Part applies**

(1) All relevant laws, except so far as they are inconsistent with this Part, apply in relation to a partnership that is a limited liability partnership.

(2) In this section, “relevant laws” (有關法律) means the Partnership Ordinance (Cap. 38) and every other law that applies in relation to a partnership (whether an enactment, or a rule of equity or of common law).”.

**7. Section 73 amended (Power of the  
Council to make rules)**

Section 73(1) is amended by adding—

“(df) in relation to the practice of limited liability partnerships—

- (i) prescribing particulars for the purposes of section 7AI(1)(e);  
and
- (ii) regulating any matters of procedure or matters incidental,  
ancillary or supplemental to the provisions of Part IIAAA;”.

**8. Section 73A amended (Indemnity rules)**

(1) Section 73A(3) is amended by adding—

“(fa) may make provision for the better carrying out of section 7AD;”.

(2) Section 73A(3)(h) is amended by adding “, or have been,” after “are being”.

*Consequential Amendments*

**Solicitors’ Practice Rules**

**9. Rule 5 amended (Particulars relating  
to firms)**

(1) Rule 5 of the Solicitors’ Practice Rules (Cap. 159 sub. leg. H) is amended by adding—

“(1B) A principal in a firm that is a limited liability partnership within the meaning of Part IIAAA of the Ordinance must, within 14 days of commencing the firm, provide the Society with evidence of the firm’s compliance with the insurance requirement in section 7AD of the Ordinance.”.



(2) Rule 5 is amended by adding—

“(2A) If at any time a firm that is a limited liability partnership within the meaning of Part IIAAA of the Ordinance does not have in existence a policy of insurance as is required under section 7AD of the Ordinance, a principal in the firm must notify the Society in writing within 14 days of the occurrence of that fact.”.

(3) Rule 5(5) is amended by repealing “particulars under subrules (1), (2) and (3)” and substituting “particulars, evidence and notification under subrules (1), (1B), (2), (2A) and (3)”.

### **Foreign Lawyers Practice Rules**

#### **10. Section 9 amended (Reporting of particulars)**

(1) Section 9 of the Foreign Lawyers Practice Rules (Cap. 159 sub. leg. R) is amended by adding—

“(1B) A principal of a foreign firm that is a limited liability partnership within the meaning of Part IIAAA of the Ordinance must, within 14 days after the establishment of a place of business by the firm, provide the Society with evidence of the firm’s compliance with the insurance requirement in section 7AD of the Ordinance.”.

(2) Section 9 is amended by adding—

“(2A) If at any time a foreign firm that is a limited liability partnership within the meaning of Part IIAAA of the Ordinance does not have in existence a policy of insurance as is required under section 7AD of the Ordinance, a principal of the firm must notify the Society in writing within 14 days of the occurrence of that fact.”.

(3) Section 9(6) is amended by repealing “particulars required to be given under subsections (1), (2) and (3)” and substituting “particulars, evidence and notification required to be given under subsections (1), (1B), (2), (2A) and (3)”.

### **Summary Disposal of Complaints (Solicitors) Rules**

#### **11. Schedule amended (Scheduled items)**

The Schedule to the Summary Disposal of Complaints (Solicitors) Rules (Cap. 159 sub. leg. AD) is amended, under the heading “**Legal Practitioners Ordinance (Cap. 159)**”, by adding—

LEGAL PRACTITIONERS (AMENDMENT)  
ORDINANCE

Ord. No. 22 of 2012 A2779

“2.	Section 7AI(1)	10,000	15,000
3.	Section 7AI(2)	10,000	15,000
4.	Section 7AJ(a)	10,000	15,000
5.	Section 7AJ(b)	10,000	15,000
6.	Section 7AK(1)	10,000	15,000
7.	Section 7AK(2)	10,000	15,000
8.	Section 7AL(1)	10,000	15,000
9.	Section 7AL(2)	10,000	15,000”.

## Limited Liability Partnerships (Top-up Insurance) Rules

(Made by the Council of The Law Society of Hong Kong under section 73A(3)(fa) of the Legal Practitioners Ordinance (Cap. 159) subject to the prior approval of the Chief Justice)

### Part 1

#### Preliminary

##### 1. Commencement

These Rules come into operation on the day on which the Legal Practitioners (Amendment) Ordinance 2012 (22 of 2012) comes into operation.

##### 2. Interpretation

In these Rules—

*limited liability partnership* (有限法律責任合夥) has the meaning given by section 7AB of the Ordinance.

### Part 2

#### Top-up Insurance under Section 7AD of Ordinance

3. **From whom top-up insurance should be obtained—requirements under section 7AD(2)(b) and (4)(b) of Ordinance**
  - (1) A policy of insurance required to be maintained under section 7AD(2) or (4) of the Ordinance must be written by—
    - (a) a company authorized under section 8 of the Insurance Companies Ordinance (Cap. 41) to carry on, in or from Hong Kong, insurance business of the nature specified in class 13 in Part 3 of the First Schedule to that Ordinance;
    - (b) Lloyd's; or
    - (c) an association of underwriters approved by the Insurance Authority.
  - (2) In subrule (1)—
 

*company* (公司) has the meaning given by section 2(1) of the Insurance Companies Ordinance (Cap. 41);

*Insurance Authority* (保險業監督) has the meaning given by section 2(1) of the Insurance Companies Ordinance (Cap. 41);

*Lloyd's* (勞合社) has the meaning given by section 2(1) of the Insurance Companies Ordinance (Cap. 41).
4. **Scope of top-up insurance—requirements under section 7AD(2)(b) and (4)(b) of Ordinance**
  - (1) For a limited liability partnership that is a Hong Kong firm, the policy of insurance required to be maintained under section 7AD(2) of the Ordinance must provide indemnity in respect of any description of civil liability whatsoever incurred in connection with the Practice of the firm, in a

manner and to the extent similar to the indemnity provided to a solicitor under the fund established under rule 3 of the Solicitors (Professional Indemnity) Rules (Cap. 159 sub. leg. M).

- (2) For a limited liability partnership that is a foreign firm, the policy of insurance required to be maintained under section 7AD(4) of the Ordinance must provide indemnity in respect of services rendered by the firm, in a manner and to the extent similar to the indemnity provided to a foreign lawyer under section 6 of the Foreign Lawyers Registration Rules (Cap. 159 sub. leg. S).

- (3) In subrule (1)—

*Practice* (執業業務) has the meaning given by rule 2 of the Solicitors (Professional Indemnity) Rules (Cap. 159 sub. leg. M).

**5. Proof of firm's compliance with section 7AD of Ordinance**

- (1) A principal in a firm that is a limited liability partnership must provide to the Society, in accordance with subrule (2), evidence required by the Society to show the firm's compliance with section 7AD of the Ordinance.

- (2) The evidence—

- (a) must be provided—

- (i) in the form and manner specified by the Society; and

- (ii) within the specified period; and

- (b) may be provided by one principal on behalf of all the other principals.

- (3) In this rule—

*principal* (主管)—

- (a) in relation to a Hong Kong firm, has the meaning given by rule 1A of the Solicitors' Practice Rules (Cap. 159 sub. leg. H); and

- (b) in relation to a foreign firm, has the meaning given by section 1 of the Foreign Lawyers Practice Rules (Cap. 159 sub. leg. R);

*specified period* (指明期間) means—

- (a) in relation to a Hong Kong firm, the 14-day period mentioned in rule 5(1B) of the Solicitors' Practice Rules (Cap. 159 sub. leg. H); and


- (b) in relation to a foreign firm, the 14-day period mentioned in section 9(1B) of the Foreign Lawyers Practice Rules (Cap. 159 sub. leg. R).

Approved this 30th day of April 2015.




Chief Justice

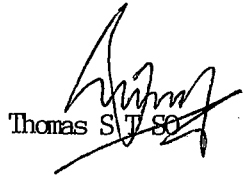
Made this 14th day of May 2015.

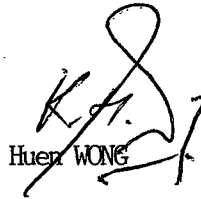
  
Stephen W S HUNG

  
Junius K Y HO

  
Sylvia W Y SIU

  
Brian W GILCHRIST

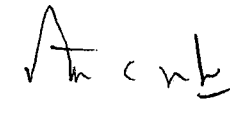
  
Thomas S T SO

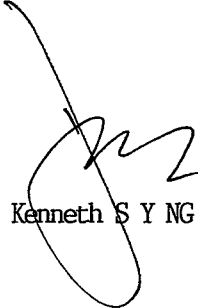
  
Huen WONG

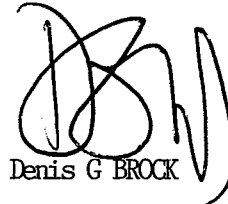
  
Cecilia K W WONG

  
Gavin P NESBITT

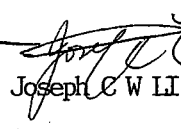
  
Melissa K PANG

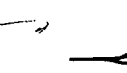
  
Peter C L LO

  
Kenneth S Y NG

  
Denis G BROCK

  
Michael J  
LINIERN-SMITH

  
Joseph C W LI

  
Nick CHAN

  
Dieter YIH

  
Billy W Y MA

  
Amirali B NASIR

  
Bonita B Y CHAN

**Explanatory Note**

The purpose of these Rules is to provide for the better carrying out of section 7AD of the Legal Practitioners Ordinance (Cap. 159).

**Note—**

Section 7AD of the Ordinance (*Section 7AD*) requires a limited liability partnership (as defined by section 7AB of the Ordinance) to maintain top-up insurance. Section 7AD also provides that the policy of the top-up insurance must comply with the requirements under that section.

# Annexure 3

Chapter:	159R	<b>FOREIGN LAWYERS PRACTICE RULES</b>	Gazette Number	Version Date
----------	------	---------------------------------------	----------------	--------------

		<b>Empowering section</b>		30/06/1997
--	--	---------------------------	--	------------

(Cap 159 section 73)

[9 September 1994]

(Originally L.N. 492 of 1994)

Section:	1	<b>Interpretation</b>	23 of 1998	01/07/1997
----------	---	-----------------------	------------	------------

**Remarks:**

Adaptation amendments retroactively made - see 23 of 1998 s. 2

In these Rules, unless the context otherwise requires-

"overseas firm" (海外律師行) means a firm carrying on the business of practising the law in a foreign jurisdiction, but does not include a Hong Kong firm which has a branch in a foreign jurisdiction; (23 of 1998 s. 2)

"principal" (主管) means the sole practitioner or a partner of a foreign firm and shall also include any foreign lawyer who is held out or holds himself out as such a partner or sole practitioner;

"Secretary General" (秘書長) means the Secretary General of the Society.

(Enacted 1994)

Section:	2	<b>General conduct</b>		30/06/1997
----------	---	------------------------	--	------------

A foreign lawyer shall not, in the course of practising as a foreign lawyer, do or permit to be done on his behalf anything which compromises or impairs or is likely to compromise or impair-

- (a) his independence or integrity;
- (b) the freedom of any person to instruct a foreign lawyer of his choice;
- (c) his duty to act in the best interests of his client;
- (d) his own reputation or the reputation of foreign lawyers in Hong Kong; or
- (e) a proper standard of work.

(Enacted 1994)

Section:	3	<b>Prohibition against publicity etc.</b>		30/06/1997
----------	---	---	--	------------

(1) Subject to subsection (2), a foreign lawyer shall not publicise or otherwise promote his practice or permit his practice to be published or otherwise promoted.

(2) Subsection (1) does not apply to anything done in accordance with the Solicitors' Practice Promotion Code as made under rule 2AA of the Solicitors' Practice Rules (Cap 159 sub. leg. H) from time to time by the Council with the prior approval of the Chief Justice, which Code shall be construed for the purposes of this subsection as if every reference in the Code to a solicitor were a reference to a foreign lawyer and every reference to a firm of solicitors were construed as a reference to a foreign firm or an Association.

(Enacted 1994)

Section:	4	<b>Name of firm</b>		30/06/1997
----------	---	---------------------	--	------------

(1) Subject to subsection (2), the name of a foreign firm shall consist solely of the name or names of one or more foreign lawyers who are principals of the firm.

(2) Subsection (1) shall not preclude-

- ✓ (a) the use of the name of a predecessor or former partner in that practice;
- ✓ (b) the use of the name of an overseas firm of which the foreign firm is a branch; or
- (c) the use of a style or firm name-
  - (i) in use at the date of the coming into operation of these Rules; or

(ii) approved in writing by the Council.

(Enacted 1994)

Section:	5	<b>Business letters</b>	L.N. 201 of 2003	01/11/2003
----------	---	-------------------------	------------------	------------

(1) A principal of a foreign firm shall ensure that there is stated on all business letters issued in connection with the firm's practice-

- (a) the name and address of the firm;
- (b) the main jurisdiction in the law of which the firm practises, or the country of that jurisdiction;
- (c) the names of all principals of the firm who are ordinarily resident in Hong Kong;
- (d) if the name of any principal not ordinarily resident in Hong Kong is stated, a description of the person as non-resident;
- (e) in respect of each individual whose name appears on the letter, his foreign jurisdiction of admission or the country of that jurisdiction, except that no such statement is required where the foreign jurisdiction of admission of the individual, or the country of that jurisdiction, is the same as that stated on the letter for the purpose of paragraph (b).

(1A) A principal of a foreign firm shall ensure that if the name or any other description of the firm is stated in more than one language on any business letter issued in connection with the firm's practice, each version of the name or description corresponds to the other version or versions of the name or description. (L.N. 111 of 2003)

(2) A principal of a foreign firm forming part of an Association shall ensure that on all business letters issued in connection with the firm's practice-

- (a) the firm's name is more prominent than the name of any other firm;
- (b) any reference to another firm in the Association clearly distinguishes that firm from any other that is not in the Association; and
- (c) the firm's address in Hong Kong is more prominent than any other address.

(Enacted 1994)

Section:	6	<b>Supervision of office</b>		30/06/1997
----------	---	------------------------------	--	------------

A principal of a foreign firm shall ensure that every office where his firm practises is and can reasonably be seen to be properly supervised in accordance with the following minimum standards-

- (a) every such office shall be managed by a foreign lawyer who shall normally be in attendance at that office during all the hours when it is open to the public; and
- (b) every such office shall be attended on each day when it is open to the public by a foreign lawyer who holds an unconditional certificate of registration being either a principal of, or a foreign lawyer employed by, the firm and who shall spend sufficient time at such office to ensure adequate control of the staff employed there and afford requisite facilities for consultation with clients.

(Enacted 1994)

Section:	7	<b>Sharing an office and staff</b>	L.N. 105 of 2008	30/06/2008
----------	---	------------------------------------	------------------	------------

(1) A principal of a foreign firm shall ensure that the firm's practice is conducted in self-contained premises, and that the firm's staff and facilities are under its exclusive control.

(2) Subject to subsection (3), a principal of a foreign firm shall ensure that in the conduct of its practice the firm does not-

- (a) share premises, which term includes waiting rooms and reception areas;
- (b) share staff, which term includes telephonists, receptionists and all other non-fee earning staff employed by the firm;
- (c) share telephone, computer or electronic equipment used for the transmission or storage of clients' confidential information.

(3) Subject to the need to maintain clients' confidentiality-

- (a) a foreign firm may share services reasonably regarded as those of an independent contractor with any other foreign firm or third party;
- (b) a foreign firm forming part of an Association may share premises, personnel and facilities with any other firm in the Association,

## Foreign Lawyers Practice (Amendment) Rules 2015

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

### 1. Commencement

These Rules come into operation on the day on which the Legal Practitioners (Amendment) Ordinance 2012 (22 of 2012) comes into operation.

### 2. Foreign Lawyers Practice Rules amended

The Foreign Lawyers Practice Rules (Cap. 159 sub. leg. R) are amended as set out in sections 3 and 4.

### 3. Section 4 amended (name of firm)

After section 4(2)—

#### Add

“(3) Despite subsections (1) and (2), for a foreign firm that is not a limited liability partnership within the meaning of section 7AB of the Ordinance—

- (a) if the firm has an English name, the firm must not include, as part of that name—
  - (i) the words “limited liability partnership”;
  - (ii) the abbreviation “L.L.P.” or “LLP”; or
  - (iii) any words or abbreviations that convey the message that the firm is a limited liability partnership within the meaning of that section;

- (b) if the firm has a Chinese name, the firm must not include, as part of that name—
  - (i) the words “有限法律責任合夥”; or
  - (ii) any words or abbreviations that convey the message that the firm is a limited liability partnership within the meaning of that section; and
- (c) if the firm has a name in a language other than English or Chinese, the firm must not include, as part of that name, any words or abbreviations that convey the message that the firm is a limited liability partnership within the meaning of that section.”.

### 4. Section 9 amended (reporting of particulars)

Section 9(1B)—

#### Repeal


“A”

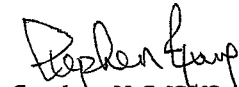
#### Substitute

“Subject to rule 5(1) of the Limited Liability Partnerships (Top-up Insurance) Rules, a”.




Approved this 30th day of April 2015.

  
Chief Justice

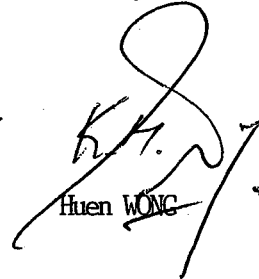
  
Stephen W S HUNG

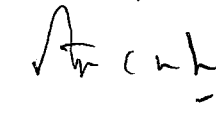
  
Thomas S T SO

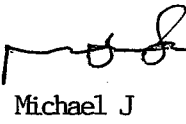
  
Melissa K PANG

  
Dieter YIH

  
Janus K Y HO

  
Huen WONG

  
Peter C L LO

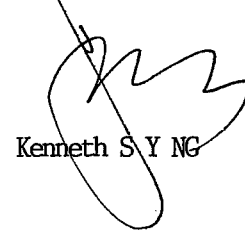
  
Michael J  
LINTERN-SMITH

  
Billy W Y MA

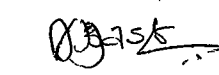
Made this 14th day of May 2015.

  
Sylvia W Y SEU


  
Cecilia K W WONG


  
Kenneth S Y NG


  
Joseph C W LI

  
Amirali B NASIR

  
Brian W GILCHRIST

  
Gavin P NESBITT

  
Denis G BROCK

  
Nick CHAN

  
Bonita B Y CHAN

### Explanatory Note

These Rules amend the Foreign Lawyers Practice Rules (Cap. 159 sub. leg. R) (*principal Rules*).

2. Section 4 of the principal Rules is amended by adding a new subsection (3) (*new provision*) to make it clear that, except for a foreign firm as defined by section 2 of the Legal Practitioners Ordinance (Cap. 159) (*foreign firm*) that is a limited liability partnership within the meaning of section 7AB of the Ordinance (*limited liability partnership*), a foreign firm—
  - (a) must not include, in its English name, the words “limited liability partnership” or the abbreviation “L.L.P.” or “LLP”, or any words or abbreviations that convey the message that the firm is a limited liability partnership;
  - (b) must not include, in its Chinese name, the words “有限法律責任合夥”, or any words or abbreviations that convey the message that the firm is a limited liability partnership; and
  - (c) must not include, in its any other name, any words or abbreviations that convey the message that the firm is a limited liability partnership.
3. These Rules further make it clear that section 4(1) and (2) of the principal Rules is subject to the new provision.
4. These Rules also amend section 9(1B) of the principal Rules to ensure that after the coming into operation of rule 5 of the Limited Liability Partnerships (Top-up Insurance) Rules (*Top-up Insurance Rules*), there would not be any conflict or inconsistency between the requirement for provision of evidence under section 9(1B) of the principal Rules and the requirement under rule 5 of the Top-up Insurance Rules.

# Annexure 5

Rule:	2	<b>General conduct</b>		30/06/1997
-------	---	------------------------	--	------------

A solicitor shall not, in the course of practising as a solicitor, do or permit to be done on his behalf anything which compromises or impairs or is likely to compromise or impair-

- (a) his independence or integrity;
- (b) the freedom of any person to instruct a solicitor of his choice;
- (c) his duty to act in the best interests of his client;
- (d) his own reputation or the reputation of the profession;
- (e) a proper standard of work; or
- (f) his duty to the court.

(L.N. 67 of 1992)

Rule:	2AA	<b>Prohibition against publicity etc.</b>		30/06/1997
-------	-----	---	--	------------

(1) Subject to subrule (2), a solicitor shall not publicise or otherwise promote his practice or permit his practice to be publicised or otherwise promoted.

(2) Subrule (1) does not apply to anything done in accordance with the Solicitors' Practice Promotion Code as made from time to time by the Council with the prior approval of the Chief Justice.

(L.N. 67 of 1992)

Rule:	2A	<b>Name of firm</b>		30/06/1997
-------	----	---------------------	--	------------

(1) Subject to subrule (2), the name of a firm shall consist solely of the name or names of one or more solicitors who are principals of the firm.

(2) Subrule (1) shall not preclude-

- ✓ (a) the use of the name of a predecessor or former partner in that practice;
- ✓ (b) in the case of a firm ("Hong Kong firm") that is established as a branch of a firm that is carrying on the business of practising the law in a foreign jurisdiction ("overseas firm"), the use of the name of the overseas firm if-
  - (i) for the period of 3 years immediately preceding the establishing of the Hong Kong firm, there had been a foreign firm of the same name practising or advising on the law of a foreign jurisdiction;
  - (ii) at least one of the principals of the Hong Kong firm is a partner in the overseas firm; and
  - (iii) one of the principals of the Hong Kong firm had, for not less than 3 years during the 5 years immediately preceding the establishing of the firm, been a partner in, or a consultant to, or employed by, the foreign firm referred to in subparagraph (i) or the overseas firm; or
- (c) the use of a firm name-
  - (i) in use at the date of the coming into operation of this rule; or
  - (ii) approved in writing by the Council.

(L.N. 617 of 1994)

Rule:	2B	<b>Letterhead</b>	L.N. 226 of 1998	22/05/1998
-------	----	-------------------	------------------	------------

(1) (Omitted as spent)

(2) A firm shall state on the letterhead of all letters issued, whether by post or by facsimile, in connection with the firm's practice- (L.N. 226 of 1998)

- (a) the name and address of the firm;
- (b) unless otherwise determined by the Council, the names of each of the principals of the firm who-
  - (i) has been admitted in Hong Kong as a solicitor;
  - (ii) holds a current practising certificate; and
  - (iii) is ordinarily resident in Hong Kong;
- (c) in the case of a firm forming part of an association or Association, reference to the office or offices of the other firm or firms in the association or Association such that-

## Solicitors' Practice (Amendment) Rules 2015

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

### 1. Commencement

These Rules come into operation on the day on which the Legal Practitioners (Amendment) Ordinance 2012 (22 of 2012) comes into operation.

### 2. Solicitors' Practice Rules amended

The Solicitors' Practice Rules (Cap. 159 sub. leg. H) are amended as set out in rules 3 and 4.

### 3. Rule 2A amended (name of firm)

After rule 2A(2)—

#### Add

“(3) Despite subrules (1) and (2), for a firm that is not a limited liability partnership within the meaning of section 7AB of the Ordinance—

- (a) if the firm has an English name, the firm must not include, as part of that name—
  - (i) the words “limited liability partnership”;
  - (ii) the abbreviation “L.L.P.” or “LLP”; or
  - (iii) any words or abbreviations that convey the message that the firm is a limited liability partnership within the meaning of that section;

- (b) if the firm has a Chinese name, the firm must not include, as part of that name—
  - (i) the words “有限法律責任合夥”; or
  - (ii) any words or abbreviations that convey the message that the firm is a limited liability partnership within the meaning of that section; and
- (c) if the firm has a name in a language other than English or Chinese, the firm must not include, as part of that name, any words or abbreviations that convey the message that the firm is a limited liability partnership within the meaning of that section.”.

### 4. Rule 5 amended (particulars relating to firms)

Rule 5(1B)—

#### Repeal

“A”



#### Substitute

“Subject to rule 5(1) of the Limited Liability Partnerships (Top-up Insurance) Rules, a”.

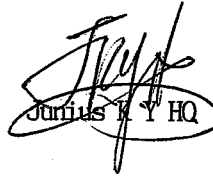

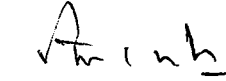
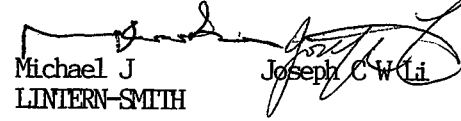



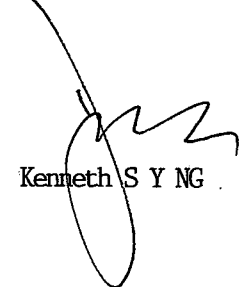



Approved this 30th day of April 2015.



Chief Justice

  
Stephen W S HUNG  
Thomas S T SO  
Melissa K PANG  
Dieter YIH

Made this 14th day of May 2015.

  
Julius Y Y HQ  
Huen WONG  
Peter C L LO  
Michael J  
LINIERN-SMITH  
Billy W Y MA  
Sylvia W Y SIU  
Cecilia K W WONG  
Kenneth S Y NG  
Joseph C W Li  
AmraLi B NASIR  
Brian W GILCHRIST  
Gavin P NESBITT  
Denis G BROCK  
Nick CHAN  
Bonita B Y CHAN

### Explanatory Note

These Rules amend the Solicitors' Practice Rules (Cap. 159 sub. leg. H) (*principal Rules*).

2. Rule 2A of the principal Rules is amended by adding a new subrule (3) (*new provision*) to make it clear that, except for a firm as defined by rule 1A of the principal Rules (*firm*) that is a limited liability partnership within the meaning of section 7AB of the Legal Practitioners Ordinance (Cap. 159) (*limited liability partnership*), a firm—
  - (a) must not include, in its English name, the words “limited liability partnership” or the abbreviation “L.L.P.” or “LLP”, or any words or abbreviations that convey the message that the firm is a limited liability partnership;
  - (b) must not include, in its Chinese name, the words “有限法律責任合夥”, or any words or abbreviations that convey the message that the firm is a limited liability partnership; and
  - (c) must not include, in its any other name, any words or abbreviations that convey the message that the firm is a limited liability partnership.
3. These Rules further make it clear that rule 2A(1) and (2) of the principal Rules is subject to the new provision.
4. These Rules also amend rule 5(1B) of the principal Rules to ensure that after the coming into operation of rule 5 of the Limited Liability Partnerships (Top-up Insurance) Rules (*Top-up Insurance Rules*), there would not be any conflict or inconsistency between the requirement for provision of evidence under rule 5(1B) of the principal Rules and the requirement under rule 5 of the Top-up Insurance Rules.