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Solicitors (Professional Indemnity) (Amendment) Rules 2019

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

1. Commencement

These Rules come into operation on 1 July 2019.

2. Solicitors (Professional Indemnity) Rules amended

The Solicitors (Professional Indemnity) Rules (Cap. 159 sub. leg. M) are amended as set out in rules 3 to 6.

3. Rule 2 amended (interpretation)

(1) Rule 2—

Repeal the definition of *indemnified* Substitute

"indemnified (獲爾償保障者) means the firm named in the receipt referred to in rule 9, or any principal in the firm, any person employed or working in connection with the Practice (including any assistant solicitor, any foreign lawyer, any solicitor who is a consultant in the firm, and any trainee solicitor), any solicitor who has ceased by reason of death, retirement or otherwise to practise as principal in the firm, any person who was employed or who worked in connection with the Practice (including any assistant solicitor, any foreign lawyer, any consultant and any trainee solicitor) and their estate and legal

representatives, and also includes any service, administrative or nominee company or trust in so far as its activities are carried out in connection with the Practice:".

(2) Rule 2, definition of *Indemnity*—

Repeal

"the indemnified or a former solicitor"

Substitute

"an indemnified, a former solicitor, or any person who was employed or who worked in connection with the Practice (whether as an assistant solicitor, a foreign lawyer, consultant, trainee solicitor or otherwise), or their estate and legal representatives".

4. Rule 10 amended (entitlement to Indemnity)

(1) Rule 10(2)—

Repeal

"A former solicitor,"

Substitute

"A former solicitor, or any person who was employed or who worked in connection with the Practice (whether as an assistant solicitor, foreign lawyer, consultant, trainee solicitor or otherwise), or their estate and legal representatives,".

(2) Rule 10(2), Chinese text—

Repeal

everything after "首次向" and before "發出一樣"

Substitute

"上述的人提出任何申索而引起者,而獲提供彌償的情形,須猶如第9條所提述的收據已向上述的人".

(3) Rule 10(3)—

Repeal

everything after "Schedule 3"

Substitute

"apply to any of the following persons referred to in subrule (2) as if they were an indemnified—

- (a) a former solicitor, or any person who was employed or who worked in connection with the Practice (whether as an assistant solicitor, foreign lawyer, consultant, trainee solicitor or otherwise); and
- (b) their estate and legal representatives.".

5. Schedule 1 amended (contributions to fund)

(1) Schedule 1, paragraph 1—

Repeal

"assistant solicitors"

Substitute

"assistant solicitors, foreign lawyers".

(2) Schedule 1, paragraph 2(1)(a)(i)—

Repeal

"and consultants (as at 31 July immediately preceding such indemnity period); and"

Substitute

- ", consultants (as at 31 July immediately preceding such indemnity period) and foreign lawyers (as at 31 July immediately preceding such indemnity period commencing on or after 1 July 2019); and".
- (3) Schedule 1, paragraph 2(1)(b)(i)—

Repeal

"solicitors and consultants"

Substitute

"solicitors, consultants, and from 1 July 2019 onwards, foreign lawyers,".

(4) Schedule 1, English text, paragraph 2(1)(b)(iii)—

Repeal

"names"

Substitute

"name".

(5) Schedule 1, after paragraph 2(1)(b)(iii)—

Add

- "(iiia) From 1 July 2019 onwards, the return referred to in sub-subparagraph (b)(iii) must also include particulars of the name and the position held in the Practice of every foreign lawyer and any change in such particulars since the date of the previous return."
- (6) Schedule 1, paragraph 3(d)—

Repeal

"solicitors"

Substitute

"solicitors, foreign lawyers".

6. Schedule 3 amended (exclusions and conditions)

(1) Schedule 3, paragraph 2(2)(c)—

Repeal

"solicitors"

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Substitute

"solicitors, foreign lawyers".

(2) Schedule 3, paragraph 3, heading—

Repeal

"former solicitors Indemnity"

Substitute

"Indemnity to former solicitors and former employees".

(3) Schedule 3, after paragraph 3(2)(b)—

Add

"(c) If any person (other than a former solicitor described in sub-subparagraph (a)) who was employed or who worked in connection with the Practice ceases to be employed or to work in connection with the Practice on or after 1 July 2019, he or she must be provided with Indemnity under rule 10(2) for that part of his or her loss that exceeds \$15,000 and up to but not exceeding \$10,000,000 in respect of any one claim."

Approved this 4th day of March 2019.

Geoffrey MA Chief Justice Made this 18th day of March 2019.

Melissa K. PANG	Stephen W. S. HUNG	Serina K. S. CHAN	Jonathan ROSS
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Explanatory Note Paragraph 1 L.N. 51 of 2019 B1071

Explanatory Note

These Rules amend the Solicitors (Professional Indemnity) Rules (Cap. 159 sub. leg. M) to incorporate foreign lawyers who are employed or who work in connection with a Hong Kong law firm as an additional rating factor in calculating the firm's contributions and deductibles applicable under the Professional Indemnity Scheme.

2. The Rules also extend cover for persons who were employed or who worked in connection with a Hong Kong law firm, such as foreign lawyers and non-professional staff, where they have retired and the firms for which they formerly worked for have ceased to exist.