

## Legislative Council Brief

### A. Title of the subsidiary legislation

Practising Certificate (Solicitors) Rules (“PC Rules”)

### B. Introduction / Background

The PC Rules prescribe the practising certificate fees (“PC fee”) payable by practising solicitors. Rule 3 of the PC Rules provides that the current application fee for a practising certificate is \$6,500.

The Law Society proposed to:

- (i) reduce the fee payable for an application for a practising certificate for the practice year beginning on or after 1 January 2021 and ending on 31 December 2021 from \$6,500 to \$1,950; and
- (ii) increase the fee payable for an application for a practicing certificate for the practice year beginning on or after 1 January 2022 from \$1,950 to \$6,500.

### C. Justification for introducing the amendments to the subsidiary legislation

- (i) Reduce the 2021 PC fee for the practice year from 1 January 2021 to 31 December 2021

Since the latter half of 2019, businesses have been hard hit by the economic impact of the social unrest in Hong Kong, the Sino-US trade war and now the outbreak of COVID-19. For law firms, businesses have been adversely affected by the economic downturn and the prolonged adjournment of court proceedings which has only resumed from 4 May 2020. While law firms have to continue to shoulder operational expenses including substantial overheads like rentals and staff salaries, settlement of bills and new work instructions have been very slow.

Our members are undergoing a very difficult time. To alleviate their cash flow problem, the Law Society proposed to amend the Rules to effect a substantial reduction of the PC fees for 2021 from \$6,500 to \$1,950.

(ii) Increase the PC fee for the practice year from 1 January 2022 onwards

To sustain the operation of the Law Society, the Law Society can only afford this substantial reduction in our major source of income for one year. Hence, in this amendment exercise, the PC Rules have to be revised to the effect that for the 2022 PC fee, the amount will be reverted to the current level of \$6,500.

**D. Date of tabling the subsidiary legislation in the Legislative Council and its Commencement Date**

It is hoped that the Legislative Council will table the Amendment Rules on 13 May 2020. The Commencement Date of the new PC fee for the practice year of 2021 is 1 January 2021. The Commencement Date of the new PC fee for the practice year of 2022 is 1 January 2022.

**E. Result of any consultation with the relevant parties**

The Law Society's proposals have been considered and approved by the Law Society's Council comprising a wide cross section of the solicitors' profession.

**F. Contact details of relevant officers**

The officer for this amendment exercise is the Assistant Director, Regulation and Guidance I of the Law Society at 3rd Floor, Wing On House, 71 Des Voeux Road Central, Hong Kong (Telephone No. 852-2846 0503).

**G. Issuing party and issuance date**

The Amendment Rules were gazetted on 8 May 2020. This brief is prepared by the Law Society on 8 May 2020.

Date: 8 May 2020