



Legislative Council Brief

A. Title of the subsidiary legislation

Foreign Lawyers Registration (Fees) Rules (“Fees Rules”)

B. Introduction / Background

Sections 39A and 39B of the Legal Practitioners Ordinance empowered the Law Society to register foreign lawyers and foreign firms. Item 1 in the Schedule to the Fees Rules prescribes the first registration fee and renewal of a certificate of registration fee for a foreign lawyer. Item 2 in the Schedule to the Fees Rules prescribes the first registration fee and renewal of a certificate of registration fee for a foreign firm.

The Law Society proposed to:

- (i) reduce the fees payable for the first registration as a foreign lawyer and as a foreign firm as well as the renewal of a certificate of registration as a foreign lawyer and as a foreign firm with effect from 1 July 2021. The fees will be adjusted with effect from 1 July 2022;
- (ii) repeal item 2 (a) (ii) of the Schedule to the Fees Rules because no firm is eligible to rely on this item; and
- (iii) introduce a three-tier fee mechanism for the first registration as a foreign firm to align with the three-tier fee mechanism for the first registration as a foreign lawyer.

C. Justifications for introducing the amendments to the subsidiary legislation

- (i) Reduce the fees payable for the first registration and renewal of a certificate of registration by foreign lawyers and foreign firms with effect from 1 July 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. 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.

Foreign firms and lawyers are undergoing a very difficult time. To alleviate their cash flow problem, the Law Society proposed to amend the Fees Rules to effect a reduction of the fees payable for the first registration and renewal of a certificate of registration with effect from 1 July 2021.

- (ii) Adjust the fees payable for the first registration and renewal of a certificate of registration with effect from 1 July 2022

To sustain the operation of the Law Society, the Law Society can only afford the reduction for one year. Hence, in this amendment exercise, the fees payable for the first registration and renewal of a certificate of registration have to be revised with effect from 1 July 2022.

- (iii) Item 2 (a) (ii) of the Schedule to the Fees Rules

There were already existing foreign firms in Hong Kong when the registration mechanism for foreign firms was introduced in 1994. To encourage these firms to register, a discount of first registration fee of HK\$20,000 was offered to this type of foreign firms. The amount of HK\$20,000 was lower than the previous first registration fee of HK\$30,000 for the new firm. At present, no foreign firm is eligible to rely on this item. Therefore, the Law Society proposed to repeal this item.

- (iv) Three-tier fee mechanism for the first registration as a foreign firm

There is a three-tier fee mechanism for the first registration as a foreign lawyer. To align with this fee mechanism, the Law Society proposed to introduce a three-tier fee mechanism for the first registration as a foreign firm.

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 27 January 2021. The Commencement Date of the Amendment Rules is 1 April 2021. The reduced fees payable for the first registration and renewal of a certificate of registration will take effect on 1 July 2021. The adjusted fees payable for the first registration and renewal of a certificate of registration will take effect on 1 July 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. 2846 0503).

G. Issuing party and issuance date

The Amendment Rules were gazetted on 22 January 2021. This brief is prepared by the Law Society on 22 January 2021.

Date: 22 January 2021